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QUARTERLY REVIEW

New Era Fund

As of September 30, 2019

PORTFOLIO HIGHLIGHTS

The portfolio lost ground but outperformed the Lipper Global Natural Resources Funds Index for the three-month period ended September 30, 2019. However, the portfolio modestly lagged the MSCI World Select Natural Resources Index Net.

Relative Performance Drivers (versus the Lipper Global Natural Resources Funds Index):

- An underweight in diversified metals and mining added the most value.
- Stock selection in precious metals and minerals detracted the most.

Additional Highlights:

- Our bearish outlook for oil prices and belief that we are in the middle of a secular downcycle for commodities have not changed.
- We continue to favor defensive industries, idiosyncratic growth stories, and areas of the natural resources universe that stand to benefit from lower commodity prices.

FUND INFORMATION

Symbol	PRNEX
CUSIP	779559103
Inception Date of Fund	January 20, 1969
Benchmark	MSCI World Select Natural Resources Index Net
Expense Information (as of the most recent Prospectus)	0.69%
Fiscal Year End	December 31
12B-1 Fee	–
Total Assets (all share classes)	$3,362,836,809
Percent of Portfolio in Cash	1.6%

PERFORMANCE

(NAV, total return)

				Annualized			
	Three Months	Year-to-Date	One Year	Three Years	Five Years	Ten Years	Fifteen Years
New Era Fund	-4.86%	8.11%	-12.48%	0.97%	-2.40%	2.20%	4.64%
MSCI World Select Natural Resources Index Net	-4.74	8.53	-13.85	1.63	-2.49	2.33	5.50
S&P 500 Index	1.70	20.55	4.25	13.39	10.84	13.24	9.01
Lipper Global Natural Resources Funds Average	-6.05	6.87	-14.31	-1.41	-5.39	-1.49	2.34
Lipper Global Natural Resources Funds Index	-7.92	2.30	-19.89	-4.42	-5.96	-1.02	3.06

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
New Era Fund	Jan 20 1969	49.36%	20.96%	-15.10%	4.01%	15.72%	-7.83%	-18.76%	25.01%	10.58%	-16.21%
MSCI World Select Natural Resources Index Net		46.99	19.37	-9.31	5.67	14.04	-9.48	-20.53	25.63	11.99	-18.08
S&P 500 Index		26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	-4.38
Lipper Global Natural Resources Funds Average		47.49	13.61	-16.65	1.75	12.74	-13.89	-22.97	23.06	8.73	-20.21
Lipper Global Natural Resources Funds Index		58.23	17.66	-16.41	2.38	13.02	-14.80	-22.21	32.86	6.03	-22.41

Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit troweprice.com. Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit troweprice.com. Read it carefully. The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.
Because of the cyclical nature of natural resource companies, their stock prices and rates of earnings growth may follow an irregular path. Factors such as natural disasters, declining currencies, market illiquidity, or political instability in commodity-rich nations could also have a negative impact on various portfolio holdings and cause a drop in share prices.
The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

PERFORMANCE REVIEW

A Risk-Off Mindset Predominated in Natural Resources

Although oil prices initially surged after a drone attack disrupted operations at a key piece of energy infrastructure in Saudi Arabia, the rally reversed the next day, and crude prices ultimately finished the quarter below where they stood prior to the attack. In our view, this rapid retrenchment reflects the market's growing understanding that ongoing productivity gains continue to lower the cost curve, dampening the influence of geopolitical risk on oil prices, especially longer-dated futures contracts. Concerns about the U.S.-China trade tariffs and macroeconomic uncertainty were headwinds on the demand side.

Precious metals prices, led by silver, finished the quarter higher, rallying in response to lower interest rates and periods of risk-off sentiment. Profit taking on stabilizing bond yields and strength in the U.S. dollar pared these gains somewhat in September. Industrial metals generally finished the period lower, hit by concerns about the uncertain macroeconomic outlook and the implications for demand. Nickel prices, however, surged on supply-side disruptions that should tighten the market. These developments included the closure of a high-grade nickel ore mining operation in the Philippines and news that Indonesia's Ministry of Energy and Mineral Resources would implement a ban on exports of the commodity at the start of next year.

Among the traditional resource-related industries represented in the Lipper Global Natural Resources Index, electric, gas, and multi-utilities gained ground and outperformed, lifted by the rotation into defensive stocks. The decline in U.S. interest rates also increased the appeal of these stocks' dividend yields to investors. Stocks in the precious metals and minerals industry benefited from the rally in gold and silver prices, while oil and gas refining and marketing received a boost from its history as a safe space when oil and gas prices come under pressure. On the other end of the spectrum, industries levered to oil and gas production pulled back significantly on concerns about the macroeconomic outlook and challenging supply-demand conditions in hydrocarbon markets.

Diversified Metals and Mining Lifted Relative Returns

Diversified metals and mining added the most value, driven by a below-benchmark position and stock selection. During the quarter, the industry came under pressure from concerns about the uncertain macroeconomic outlook and its implications for base metals demand. The portfolio's underweight allocation to the large, diversified miners generally added value. This positioning reflects our concerns about these companies' limited upside potential from operational improvements, their leverage to iron ore prices, and the need to upgrade their portfolios in the mid to long term. We regard iron ore prices as unsustainably high because we believe the supply-side disruptions behind the recent run-up should dissipate over time. Meanwhile, shares of miners with leverage to nickel benefited from the sharp rally in the price of this commodity.

- Australia-based Independence Group is a mid-capitalization miner with gold, nickel, and copper operations. The stock surged with nickel prices in September, as the historically high-beta industrial metal rallied sharply on supply-side disruptions that should tighten the market. These developments included the closure of a high-grade nickel ore mining operation in the Philippines and news that Indonesia's Ministry of Energy and Mineral Resources would implement a ban on exports of the commodity at the start of next year. We value Independence's low-risk operations, robust free cash flow, and balanced production mix.
- Shares of Sumitomo Metal Mining likewise popped on the sharp rally in nickel prices. The Japan-based company's production mix includes copper, nickel, gold, and cobalt. In our view, the stock trades at an undemanding valuation and, in the intermediate to long term, stands to benefit from growing demand for nickel and copper as adoption of electric vehicles grows.

Electric Utilities Added Value

The portfolio's relative performance benefited from its overweight position in electric utilities and, to a lesser extent, stock selection in this defensive industry. Electric utilities tend to fare well in risk-off environments when economic uncertainty and market volatility increase. In the third quarter, the industry posted solid gains, living up to its reputation as a refuge in challenging markets. Lower interest rates in the U.S. also made these stocks' dividend yields more appealing to investors. We appreciate utilities for their defensive qualities but remain selective and valuation-conscious, focusing on names that should be able to deliver solid cash flow and dividend growth during periods of deceleration in the broader economy. In our view, the trends toward increasing adoption of renewable energy and electric vehicles, as well as the associated need for grid modernization, should be secular tailwinds for the industry. For these reasons, we believe electric utilities should also benefit from increasing interest in investment strategies that involve environmental, social, and governance considerations.

- Florida-based NextEra Energy reported solid quarterly results that beat on the bottom line and resulted in faster year-to-date growth than the annual rate contemplated in management's guidance. The stock likely also benefited disproportionately from rotation into utilities because of its reputation for quality and significant weighting in passive strategies that focus on the sector. In our view, the company's utility franchise stands to benefit from a supportive regulatory environment and ample opportunity to invest in renewable energy, storage, and grid reliability. The utility is also the leading U.S. developer of renewable energy, a distinction that we believe gives it the expertise and scale to take advantage of growing demand for (and the declining cost of) wind and solar power. These opportunities should enable the company to compound value over time.
- Eversource Energy's share price received a lift from the general rotation into defensive industries and a slate of near-term upside catalysts, including the company's bids on soon-to-be-awarded offshore wind projects in Massachusetts and Connecticut. We like the New England-based utility's potential to expand its rate base through investments in wind power, transmission, grid modernization, and water infrastructure.
- Entergy's stock rallied during the quarter, lifted by progress on the divestment of its merchant power fleet, an increase in the utility's 2020 guidance for earnings per share, and the announcement of a strategic plan that highlighted its long runway for replacing older power plants with gas-fired capacity and renewable energy. We like Entergy's less demanding valuation relative to other top-tier utilities, favorable regulatory environment in which it operates, and the quality of its growth story.

Specialty Chemicals Boosted Relative Results
Stock selection and an overweight position in specialty chemicals also contributed to the portfolio's relative performance. Our bearish long-term outlook for commodities makes specialty chemicals an area of focus, thanks in part to the potential margin uplift from lower input costs. With key end markets showing signs of slowing down, we prefer names that operate high-quality businesses and offer exposure to potential upside drivers that are independent of the macro environment. The industry was the portfolio's largest overweight at the end of the quarter.

- Shares of Sherwin-Williams surged after the paint and coatings company reported solid second-quarter results despite weakness in some industrial end markets and challenging weather that was expected to weigh on housing-related demand. The company posted impressive sales growth at locations open for more than one year, and management reiterated its full-year guidance for earnings per share. These results helped to assuage concerns about the uncertain macro backdrop. In our view, Sherwin-Williams should benefit from favorable raw material costs and a cycle of end-product price increases, a combination that should bolster its gross margins. We continue to like the significant free cash flow generated by Sherwin-Williams' business and expect the ongoing integration of Valspar to unlock additional synergies.
- RPM's stock surged after the sealings and coatings company reported earnings per share that beat the consensus estimate, thanks to cost savings and favorable pricing trends. We appreciate RPM's efforts, in response to an activist investor, to reduce costs by restructuring and streamlining its operations. In our view, these self-help measures and the potential for further tuck-in acquisitions should help to moderate the effects of a potential slowdown in the U.S. housing market on the company's financial results.

Precious Metals and Minerals Detracted the Most
Stock selection drove the portfolio's relative underperformance in this industry. Despite a supportive pricing environment for gold and silver, our positions in some Australia-based gold miners came under pressure from profit taking after their strong performance this summer. Within this space, we tend to focus on small- to mid-cap producers pursuing mining projects that are lower on the cost curve and should drive significant production growth upon completion. In our view, gold miners with these high-quality expansion opportunities, as well as credible management teams and solid balance sheets, have the potential to create significant value for shareholders even if commodity prices do not cooperate.

- In our view, Northern Star Resources should be able to optimize its operations and increase production at the Pogo gold mine in Alaska, an asset that the company acquired last year. Slower-than-expected operational improvements at this facility weighed on the stock and likely contributed to the profit taking that occurred after the shares' strong performance from May to mid-August. We believe that success in turning around the Pogo mine, coupled with the potential for Northern Star Resources to apply a similar strategy to future acquisitions, should unlock value for shareholders.
- Saracen Mineral Holdings' stock suffered a bout of profit taking after rallying on strong momentum for much of the summer. Our conviction in the Australia-based gold miner's growth story remained intact at the end of the quarter, reflecting our belief that further exploration success around its existing asset base should drive reserve, production, and margin growth over time. We also value the company's clean balance sheet and regard the recently announced dividend policy as a sign of strength.
- Shares of Canada-based Semafo, which operates low-cost gold mines in Burkina Faso, came under pressure from news that a pit wall failure at its Mana complex would disrupt operations, entail additional costs, and decrease output from this mine. In our view, this temporary setback should not impair our investment thesis. We believe the ongoing ramp-up of Semafo's Boungou mine should drive free cash flow higher as capital expenditures associated with this development come down and production climbs. Exploration results related to future projects are other potential upside drivers. We think the company's growth prospects and management's record of execution more than offset the potential risks that come with operating in Burkina Faso.

Not Owning Water Utilities Weighed on Relative Results
Water utilities benefited from rotation into defensive industries that generate resilient cash flow and offer dividend yields. Although we expect the larger names in this industry to drive earnings growth through system investment and bolt-on acquisitions, frothy valuations and better opportunities elsewhere in the natural resources space kept us on the sidelines.

PORTFOLIO POSITIONING AND ACTIVITY

Our bearish outlook for oil prices and belief that we are in the middle of a secular downcycle for commodities have not changed. Accordingly, we continue to favor defensive industries and areas of the natural resources universe, such as specialty chemicals, that we believe stand to benefit because lower commodity prices reduce their input costs. However, we remain aware of the potential for signs of further economic weakness to weigh on cyclical names and have sought to emphasize idiosyncratic growth stories that can provide a bit of a buffer against macro headwinds. As always, we remain conscious of valuation, industry fundamentals, and longer-term risk/reward propositions. In the third quarter, we continued to high-grade the portfolio's holdings in response to evolving risk/reward profiles. Among commodity producers, we prefer high-quality names that can deliver strong, low-cost output growth without sacrificing their balance sheets. Despite our long-term outlook, we are not averse to taking advantage of the countercyclical rallies that crop up during secular bear markets. We also continue to explore electric vehicles and other disruptive trends that could create risks and opportunities in our investment universe. Our bottom-up approach to stock selection helps us assess this evolving landscape and make informed, long-term investment decisions.

Allocation to Metals and Mining
The portfolio remained underweight the diversified metals and mining industry. A global oversupply of many base metals is expected to be a headwind for the industry through much of the secular bear market in commodities. We continue to believe diversified metals and mining is one of the more challenged spaces within the natural resources complex over a longer time frame. We remain defensively positioned with the names in the portfolio, focusing on companies with solid balance sheets and sound records of capital allocation. During the quarter, we added to or established positions in high-quality copper producers that we believe can grow their milled output while generating a strong return on invested capital. Although we have a favorable medium- to long-term outlook for copper prices because of the potential for

demand to expand as adoption of electric vehicles grows, we prefer to focus on smaller names pursuing projects that can drive cash flow growth and create value in a bear or bull market for commodities. The portfolio likewise maintained its below-benchmark allocation to precious metals and minerals, an industry where we focus on idiosyncratic opportunities that we believe can compound value. Over this period, we reduced the portfolio's exposure to precious metals and minerals, as the setup for these stocks tends to be less compelling when gold prices trade at a premium to some of the highest points on the incentive curve.

- We added to Ero Copper, a Canada-based miner that opportunistically acquired a mismanaged operation in Brazil several years ago. We believe that the company should create value for shareholders as it brings down the cost curve at its Brazilian operation and new mining projects come onstream that take advantage of the site's existing mill capacity. Ero Copper has also embarked on a robust exploration program that could unlock additional value.
- We initiated a position in Lundin Mining, a Canada-based company that owns five mining operations in politically stable countries and generates a significant chunk of its revenue from copper. In our view, Lundin Mining has the potential to grow its operating cash flow significantly in coming years as it ramps up production from the Candelaria complex it acquired opportunistically from Freeport-McMoRan several years ago. Applying a similar game plan to the recently purchased Chapada gold and copper mine could unlock additional value as Lundin Mining works to extract more copper at minimal cost.
- Boliden's stock sold off after the company reported a second consecutive quarter of disappointing operating cash flow. These weak results stemmed primarily from temporary cost increases and provisions in the smelting division. In our view, the zinc and copper mining and smelting company ranks among the highest-quality names in diversified metals and mining, thanks to a strong management team, solid balance sheet, and history of allocating capital intelligently through the cycle. We took advantage of the pullback to add to Boliden because we believe the stock trades at an undemanding valuation and that the market overlooks the potential for the company to deploy its significant cash flow in ways that create value for shareholders.
- We exited Barrick Gold as we see better risk/reward profiles elsewhere in our investment universe.

Integrated Oil and Gas

Major and integrated oil companies appeal to us because of their clean balance sheets, financial strength, and the competitive advantages that come with scale. In our view, these qualities position the best of these companies to drive well-productivity gains and capital efficiency. We believe our highest-conviction holdings should be able to grow their hydrocarbon output in a cost-conscious manner and have exhibited a commitment to returning capital to shareholders.

- BP's stock finished the quarter lower, pressured by the decline in oil prices and weakness in the British pound, which weighed on local shares' performance in terms of U.S. dollars. We like BP's attractive valuation relative to its peers and believe the market underappreciates its ability to deliver solid production growth in the coming years. Although the aftermath of the Macondo oil spill in the Gulf of Mexico has been a headwind for BP, we believe the market overlooks the company's consequent operational improvements, investments in predictive maintenance and other technologies, and lower costs because of delayed project approvals during the last up-cycle. We took advantage of weakness in the stock to add to the portfolio's position.
- Shares of Total pulled back on similar macro headwinds. Some investors were also wary that Total's purchase of Occidental Petroleum's Mozambique assets could set the stage for the France-based company to pursue additional acquisitions. In our view, this transaction fits in with management's history of effective capital allocation in that the counterparty was a motivated seller and the involved assets align with Total's core competencies in offshore development and liquefied natural gas. We appreciate Total's high-quality management team, capital discipline, strong balance sheet, and credible plan to deliver solid production growth in the coming years. These qualities and an attractive dividend yield make Total one of our highest-conviction ideas in an environment where a declining cost curve should challenge the sustainability of high oil prices. We added to Total, which remains one of the portfolio's top holdings.
- We started a position in Royal Dutch Shell. The stock sold off after the company reported disappointing second-quarter results that compounded the challenging commodity price environment with operational issues. We see a favorable setup in Royal Dutch Shell's undemanding valuation, the prospect of improved execution, and projects slated to start up in the back half of the year.
- We reduced the portfolio's position in Occidental Petroleum to reflect our concerns about the company's acquisition of Anadarko Petroleum, a transaction that levered its once-clean balance sheet and puts significant pressure on management to meet its targets for asset sales and cost reductions as it integrates these operations. Although Occidental Petroleum's risk profile and our esteem for its management team have changed, we regard the company as a leading operator in the oil-rich Permian Basin and see the potential for its scale and technical expertise to unlock value for shareholders.

Allocation to Exploration and Production

During the quarter, we continued high-grade our positioning in oil and gas exploration and production to reflect an increasingly challenging environment. This process involved exiting holdings that we believe could struggle to compete as their larger, more sophisticated peers continue to leverage their superior scale, balance sheets, and technology to drive productivity and efficiency gains. Within this space, we remain focused on high-quality operators that we believe can grow their hydrocarbon output at midcycle oil prices, without damaging their balance sheets.

- Anadarko Petroleum was acquired by Occidental Petroleum.
- Although we appreciate the quality of Encana and Centennial Resource Development's assets in the oil-rich Permian Basin, we exited these positions in favor of investment opportunities that we believe offer a better risk/reward profile.
- We added to ConocoPhillips, a high-quality oil and gas producer that we believe trades at a reasonable valuation and could deliver relative outperformance over the long run. We appreciate the company's solid management team, strong balance sheet, capital discipline, and the relatively low decline rate of its conventional assets. Although we acknowledge the potential that the company could pursue a big acquisition to increase its exposure to the Permian Basin, we believe the stock's undemanding valuation, management's discipline, and the sharp pullback in U.S. oil and gas exploration and production stocks help to mitigate this risk.

- Concho Resources' share price plunged after the company reported disappointing results from its 23-well Dominator development in the Permian Basin. This pilot project, which tested a tighter well-spacing pattern, exhibited steeper-than-expected decline rates and underperformed. Meanwhile, cost overruns in the first half of the year contributed to management's decision to scale back drilling activity in the final six months of 2019. The effects of sub-optimal well spacing on these experiments and reduced activity levels prompted Concho Resources to lower its guidance for full-year growth in oil output, sparking concerns in the market about the quality of the company's assets and its ability to execute. We chalk this failed experiment up to well spacing, not rock quality, and place more weight on the company's history of operational excellence. Although the sell-off in the stock was painful, we do not believe Concho Resources' recent challenges impair our investment thesis: The company still boasts a strong balance sheet, the scale to remain competitive, and high-quality acreage in the Permian Basin that contains a huge inventory of drilling locations.

Oil and Gas Equipment and Services
We remained underweight this industry because we believe ongoing well productivity gains and a declining cost curve make it difficult for these companies to push pricing, particularly in the commoditized service and product categories in the U.S. onshore market. Lower oil prices have prompted leading independent exploration and production companies to slow their activity levels in U.S. shale plays, another headwind for oil and gas equipment and service companies in the back half of the year. In contrast, we expect activity levels in the international markets to recover somewhat from years of underinvestment, though pricing traction has been hard to come by for many oil field equipment and service providers.

- We exited Baker Hughes, A GE Company, in favor of other investment ideas where we have more confidence in the management team and do not have to worry about the overhang from General Electric's plan to eventually divest its ownership.
- The portfolio finished the period overweight Schlumberger. In our view, the world's largest oil-field services company represents one of the better ways to gain exposure to an uptick in international exploration and development activity. Other potential upside catalysts include a new CEO who plans to exit some of Schlumberger's lower-quality business lines in commodified industries.
- Shares of Dril-Quip, a leading provider of subsea wellheads, outperformed the subsector and eked out a positive return, thanks in part to its strong balance sheet and cost-cutting initiatives. We appreciate the company's high-quality management and exposure to the nascent recovery in international exploration and development activities as operators increasingly focus on cost-competitive offshore projects that utilize existing infrastructure.

Allocation to Energy Industrials
We high-graded our exposure in energy industrials, rotating into higher-conviction ideas that we believe offer exposure to value-oriented ideas and idiosyncratic growth stories that could prove resilient in a challenging environment.

- We sold shares of Ball, a global leader in aluminum packaging, on strength. In our view, the company should continue to benefit from growing demand as aluminum packaging replaces less sustainable options and cans take market share in cocktails and wines.
- We exited Fluor in favor of opportunities that we believe offer better risk/reward profiles. The stock sold off after the engineering and construction company reported disappointing second-quarter results that fell well short of expectations for revenue and adjusted earnings per share, prompting management to withdraw its full-year guidance. Although Fluor's strong balance sheet stands out in this space, we believe this turnaround story could take a long time to play out and likely will involve additional bumps along the way.
- During the quarter, we initiated a position in Silgan Holdings, a packaging company that boasts the largest share in the U.S. market for food cans. We appreciate the company's significant free cash flow and cost-cutting efforts. In our view, the stock trades at an undemanding valuation for a somewhat defensive stock, in part because of expectations for limited demand growth for good cans. Albeit in the nascent stage, consumers' increasing focus on packaging that is more readily recyclable might provide a tailwind for food cans over the longer term.

Packaged Foods and Meats
We adjusted the portfolio's positioning in packaged foods and meats to reflect the evolving risk/reward profiles in this industry.

- We exited Cal-Maine Foods on strength. This move reflected our concerns about the declining cost curve in the shell egg business, as growing demand and higher prices for premium cage-free eggs appear to be subsidizing conventional production, which, over time, could drive down break-even costs in the industry.
- We added to Sanderson Farms. In our view, the third-largest poultry producer in the U.S. stands to benefit from the favorable supply-demand backdrop created by soaring protein prices in China, where a devastating outbreak of African swine flu could lead to significant chicken-for-pork substitution. We appreciate Sanderson Farms' low production costs, debt-free balance sheet, high-quality management team, and willingness to invest judiciously in capacity expansions throughout the cycle.

MANAGER'S OUTLOOK

We continue to believe that the global commodities market is in the midst of a long-term, secular downcycle, although there will be periods of cyclical disruption. In our view, the market has started to see the sustainable disruptive impact of U.S. shale production growth, which we expect to continue to flatten the cost curve and put a ceiling on oil prices.

This point is underscored by the action in crude prices after a drone attack on critical oil infrastructure in Saudi Arabia took about 5.7 million barrels per day of output (roughly half the country's production capacity) offline. Although spot oil prices surged in a knee-jerk response to this attack, the rally reversed in a single day, with crude prices ultimately finishing the quarter below where they stood prior to the attack. This rapid retrenchment in oil prices and the lack of movement in longer-dated futures (despite U.S. sanctions against Iran and heightened geopolitical risks in the Middle East) suggest that the market has started to accept the new reality that it's harder for geopolitics to disrupt the declining cost curve and that OPEC is no longer the swing producer in the global oil market.

We continue to expect any periods of oil and commodity outperformance to be brief, with oil prices ultimately settling- into a long-term average in the USD 40 to USD 50 per barrel range. We note, however, that this outlook ultimately depends on the degree to which technological innovation continues to improve productivity and drive down costs.

Since November 2014, we have seen volatility in the markets for commodities and high-yield debt, with prices trading in a wide cyclical range. We expect this volatility to persist and will continue to make tactical portfolio adjustments as appropriate in the context of a secular downcycle in commodities. Although the opportunity set in natural resources has narrowed as commodities prices trend lower over time and balance sheets come under pressure, we are still finding pockets of opportunity in several areas of the market:

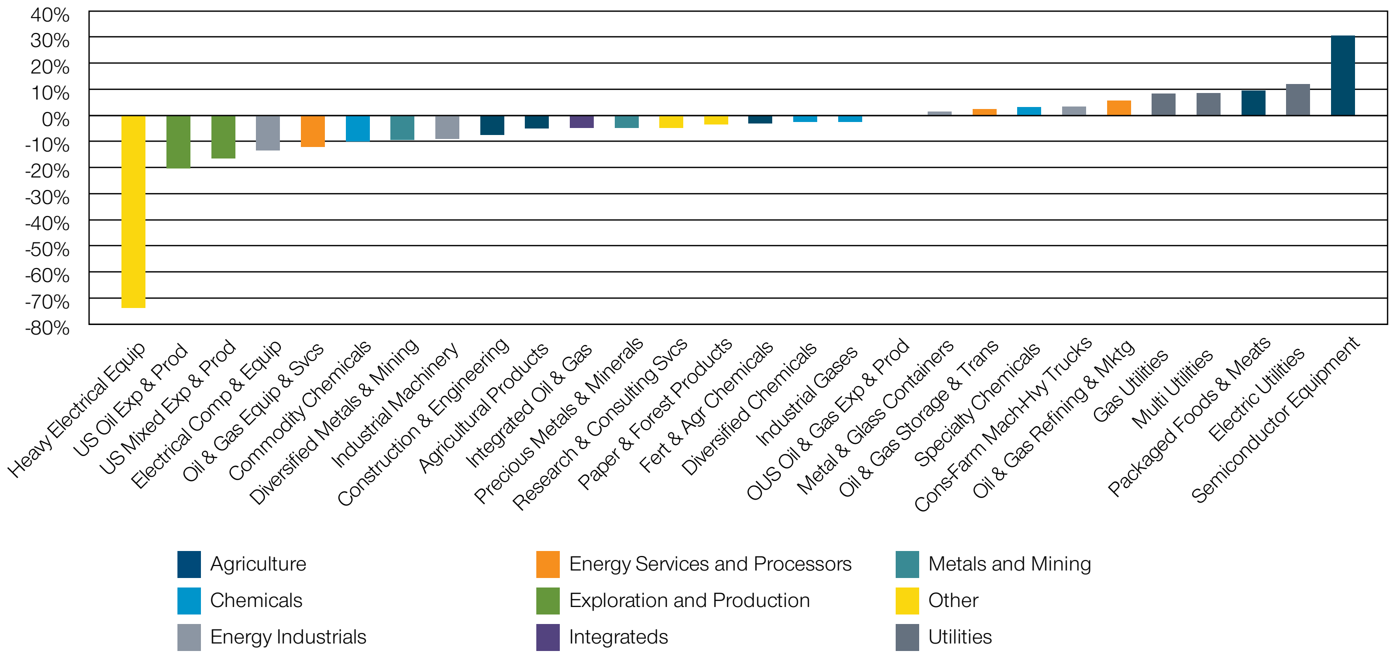
- Majors and integrated oil companies with clean balance sheets and a significant number of financial and operating levers to pull.
- Commodity-related companies that stand to benefit from relatively low input costs and growing demand from end markets, including specialty chemicals and packaging.
- Regulated utilities that can maintain durable growth in a low interest rate environment, with an emphasis on electric utilities. The industry also stands to benefit from the thematic tailwind in renewables.
- Companies with lower financial leverage and no hidden counterparty risk, given the bankruptcy potential in the commodities marketplace.
- Industries, including specific segments of utilities, chemicals, and metals, with exposure to the emerging electric vehicle theme stand to benefit from disruption and boast long runways for growth.

Energy exploration and production companies that are able to cut costs and maintain growth, with North American shale producers among the best examples.We remain committed to our bottom-up stock selection process and our philosophy of buying and holding a diverse selection of fundamentally sound natural resources companies with solid balance sheets and talented management. Our expansive global research platform continues to assist in identifying those companies that can provide long-term capital appreciation for our clients. Even if the near-term environment poses challenges, we believe the market will reward our disciplined and consistent approach to investing over the long term.

PERFORMANCE DETAILS – QUARTERLY

PORTFOLIO PERFORMANCE

(3 months ended September 30, 2019)



Past performance is not a reliable indicator of future performance. Numbers may not total due to rounding; all other numbers are percentages. Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets that will not receive a classification assignment in the detailed structure shown. Returns will not match official T. Rowe Price performance because FactSet uses different exchange rate sources and does not capture intra-day trading. Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown with gross dividends reinvested. Sources: Financial data and analytics provider FactSet. Copyright 2019 FactSet. All Rights Reserved. Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses a custom structure for sector and industry reporting for this product. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD.

TOP 5 RELATIVE CONTRIBUTORS VS. MSCI WORLD SELECT NATURAL RESOURCES INDEX

(3 months ended September 30, 2019)

Security	% of Equities	Net Contribution (Basis Points)
Royal Dutch Shell Plc	0.3%	36
Exxon Mobil Corporation	1.0	26
Rpm International Inc.	1.6	17
Independence Group Nl	0.7	16
Sherwin-Williams Company	1.6	15

TOP 5 RELATIVE DETRACTORS VS. MSCI WORLD SELECT NATURAL RESOURCES INDEX

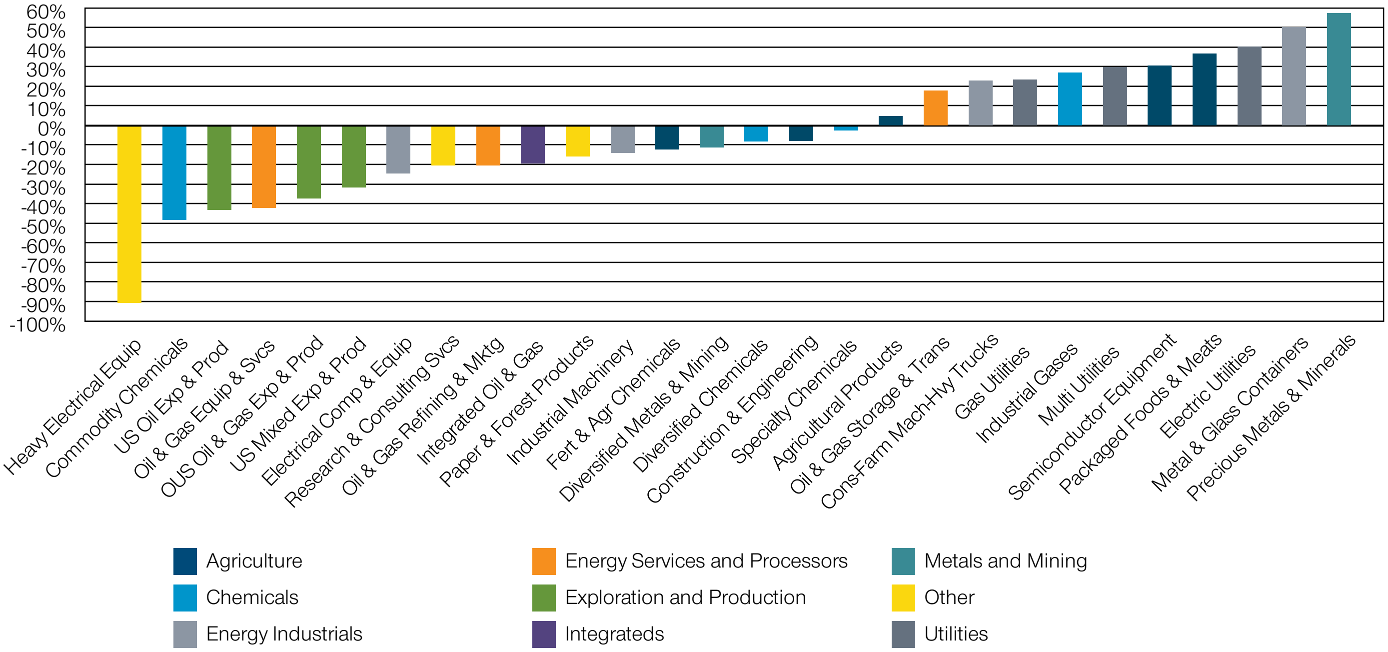
(3 months ended September 30, 2019)

Security	% of Equities	Net Contribution (Basis Points)
Concho Resources Inc.	2.1%	-71
Continental Resources, Inc.	1.0	-30
Diamondback Energy, Inc.	1.4	-20
Pioneer Natural Resources Company	1.6	-19
Fluor Corporation	0.0	-18

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

PERFORMANCE DETAILS – 12 MONTH

PORTFOLIO PERFORMANCE
(12 months ended September 30, 2019)



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TOP 5 RELATIVE CONTRIBUTORS VS. MSCI WORLD SELECT NATURAL RESOURCES INDEX
(12 months ended September 30, 2019)

Security	% of Equities	Net Contribution (Basis Points)
Ball Corporation	1.6%	70
Air Products And Chemicals, Inc.	2.8	64
Kirkland Lake Gold Ltd.	1.1	59
Conocophillips	2.0	44
Exxon Mobil Corporation	1.0	40

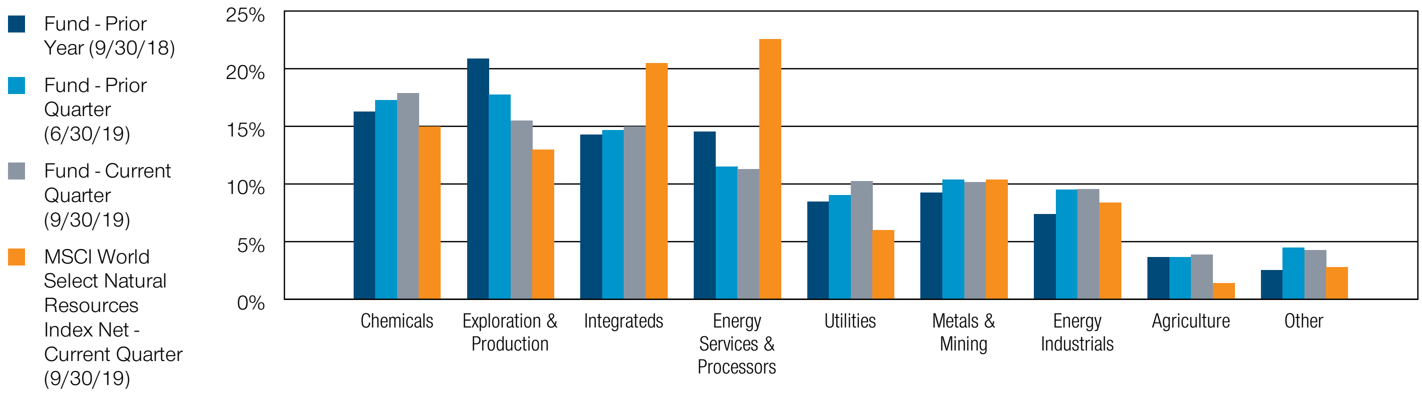
TOP 5 RELATIVE DETRACTORS VS. MSCI WORLD SELECT NATURAL RESOURCES INDEX
(12 months ended September 30, 2019)

Security	% of Equities	Net Contribution (Basis Points)
Concho Resources Inc.	2.1%	-135
Occidental Petroleum Corporation	1.2	-88
Centennial Resource Development, Inc.	0.0	-78
Continental Resources, Inc.	1.0	-46
Eog Resources, Inc.	2.2	-40

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

PORTFOLIO POSITIONING

SECTOR DIVERSIFICATION – CHANGES OVER TIME



LARGEST PURCHASES

Issuer	Sector	% of Fund Current Quarter 9/30/19	% of Fund Prior Quarter 6/30/19
Total	Integrateds	5.1%	4.9%
BP	Integrateds	2.9	2.5
ConocoPhillips	Exploration & Production	2.0	0.8
Sanderson Farms	Agriculture	1.1	0.7
Silgan Holdings (N)	Energy Industrials	0.5	0.0
Entegris (N)	Energy Services & Processors	0.4	0.0
Lundin Mining (N)	Metals & Mining	0.4	0.0
ERO Copper	Metals & Mining	0.3	0.1
Royal Dutch Shell (N)	Integrateds	0.3	0.0
Cimarex Energy (NE)	Exploration & Production	0.0	0.0

LARGEST SALES

Issuer	Sector	% of Fund Current Quarter 9/30/19	% of Fund Prior Quarter 6/30/19
Occidental Petroleum	Integrateds	1.2%	2.2%
Marathon Petroleum	Energy Services & Processors	0.8	0.9
NiSource (E)	Utilities	0.0	0.6
Baker Hughes A Ge (E)	Energy Services & Processors	0.0	0.6
Barrick Gold (E)	Metals & Mining	0.0	0.5
ALS Queensland (E)	Other	0.0	0.4
Plains Gp Holdings (E)	Energy Services & Processors	0.0	0.4
Encana (E)	Exploration & Production	0.0	0.4
Fluor (E)	Energy Industrials	0.0	0.5
BASF (E)	Chemicals	0.0	0.3

(N) New Position
(E) Eliminated
(NE) New Position Eliminated

HOLDINGS

TOP 10 ISSUERS

Issuer	Industry	% of Fund	% of MSCI World Select Natural Resources Index Net
Total	Integrated Oil & Gas	5.1%	2.0%
Linde	Industrial Gases	3.0	1.5
BP	Integrated Oil & Gas	2.9	2.1
Air Products & Chemicals	Industrial Gases	2.8	0.7
NextEra Energy	Electric Utilities	2.4	0.4
TC Energy	Oil & Gas Storage & Trans	2.3	1.6
EOG Resources	US Oil Exp & Prod	2.2	1.4
Concho Resources	US Oil Exp & Prod	2.1	0.5
ConocoPhillips	US Oil Exp & Prod	2.0	2.1
RPM	Specialty Chemicals	1.7	0.1

Industries are derived from custom industry structure.

TOP 5 OVER/UNDERWEIGHT POSITIONS VS. MSCI WORLD SELECT NATURAL RESOURCES INDEX NET

Issuer	Industry	% of Fund	% of MSCI World Select Natural Resources Index Net	Over/Underweight
Total	Integrated Oil & Gas	5.1%	2.0%	3.1%
Air Products & Chemicals	Industrial Gases	2.8	0.7	2.1
NextEra Energy	Electric Utilities	2.4	0.4	2.0
Concho Resources	US Oil Exp & Prod	2.1	0.5	1.6
Atmos Energy	Gas Utilities	1.6	0.1	1.5
ExxonMobil	Integrated Oil & Gas	1.0	4.8	-3.9
Royal Dutch Shell	Integrated Oil & Gas	0.3	3.8	-3.5
Chevron	Integrated Oil & Gas	1.0	3.6	-2.6
Enbridge	Oil & Gas Storage & Trans	0.7	2.4	-1.6
Kinder Morgan	Oil & Gas Storage & Trans	0.0	1.4	-1.4

PORTFOLIO MANAGEMENT

Portfolio Manager:
Shawn Driscoll

Managed Fund Since:
2013

Joined Firm:
2006

Additional Disclosures

Source for Lipper data: Lipper Inc.
Lipper Data (excluding Performance and Risk Return exhibits) is estimated by T. Rowe Price based on information provided by Lipper, Inc., and LionShares. T. Rowe Price identifies the funds that compose the Lipper index and builds an aggregate portfolio for the index based on each fund's holdings as provided by LionShares. Please note that the portfolio holdings for each fund within the index are based on the most recent public information that is available, and since the funds have different reporting periods, some of this information may not be current.
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