



PORTFOLIO UPDATE

International Discovery Fund

As of September 30, 2019



Portfolio Manager:
Justin Thomson

Managed Fund Since:
1998

Joined Firm:
1998

INVESTMENT OBJECTIVE

The fund seeks long-term growth of capital through investments primarily in the common stocks of rapidly growing, small- to medium-sized companies outside the U.S.

FUND INFORMATION

| | |
|--|--|
| Symbol | PRIDX |
| CUSIP | 77956H302 |
| Inception Date of Fund | December 30, 1988 |
| Benchmark | S&P Global ex-U.S. Small Cap Index Net |
| Expense Information (as of the most recent Prospectus) | 1.20% |
| Fiscal Year End | October 31 |
| 12B-1 Fee | - |

MARKET COMMENTARY

International developed equities rose in September as U.S.-China trade tensions appeared to ease and central banks took measures to stimulate economic growth. Developed European stock markets generally rose in U.S. dollar terms, although a weaker euro versus the dollar reduced returns to U.S. investors. Eurozone markets were lifted by European Central Bank President Mario Draghi's announcement of new stimulus measures. UK shares also rose as worries of a no-deal Brexit lessened. British Prime Minister Boris Johnson's attempt to suspend parliament for several weeks prior to the UK's expected October 31 departure from the European Union was deemed unlawful by the UK's supreme court. Developed Asian markets were mostly positive, though Hong Kong shares slipped. The city's chief executive withdrew a controversial extradition bill, but demonstrators continued to demand other changes from the government. Japanese shares outperformed the region. At the end of the month, President Trump and Japanese Prime Minister Shinzo Abe signed a limited, tariff-reducing trade deal that takes effect at the beginning of 2020. Both countries are expected to work on a wider-reaching trade agreement at some point next year. Emerging markets stocks rose over the month. Emerging Asian markets were broadly positive. South Korean shares surged and Indian shares also advanced, as the central bank reduced interest rates and the government announced corporate tax rate reductions to boost growth. Chinese stocks were fairly flat, while Indonesia stocks dropped. In emerging Europe, Turkish shares surged, as the lira appreciated versus the dollar and declining inflation enabled the central bank to reduce its key short-term interest rate. Russian shares also rose. In Latin America, Argentine shares climbed, as the equity market recouped part of its deep August losses.

Sector performance in the MSCI Europe, Australasia, and Far East (EAFE) Index was mostly positive. Financials, energy, and materials were the top performers, while consumer staples was the only sector to produce negative returns.

PERFORMANCE

(NAV, total return)

| | One Month | Three Months | Year-to-Date | One Year | Annualized | | | |
|--|-----------|--------------|--------------|----------|-------------|------------|-----------|---------------|
| | | | | | Three Years | Five Years | Ten Years | Fifteen Years |
| International Discovery Fund | 0.66% | -2.61% | 12.26% | -5.02% | 7.07% | 7.24% | 9.08% | 9.49% |
| S&P Global ex-U.S. Small Cap Index Net | 1.86 | -2.05 | 10.33 | -5.86 | 4.60 | 4.11 | 6.23 | 7.28 |
| Custom Benchmark - Net* | 1.86 | -2.05 | 10.33 | -5.86 | 4.60 | 4.11 | 6.23 | 6.81 |

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.

* Effective June 1, 2019, the "net" version of the benchmark replaced the "gross" version of the benchmark. The "net" version of the benchmark assumes the reinvestment of dividends after the deduction of withholding taxes. Historical benchmark representations have been restated to show net of withholding taxes. Linked Performance benchmark is the S&P Developed ex-U.S. Small Cap Index Net prior to July 1, 2009 and S&P Global ex-U.S. Small Cap Index Net from July 1, 2009 to current period end. The benchmark changes were made because the portfolio manager viewed the new benchmark composition to be a better representation of the investment strategy of the fund. Historical benchmark representations have not been restated.

Share prices are subject to market risk, including loss of the money you invest. In addition, there are risks associated with unfavorable currency exchange rates and political or economic uncertainty abroad.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

RISK RETURN CHARACTERISTICS

(Five Years ended September 30, 2019)

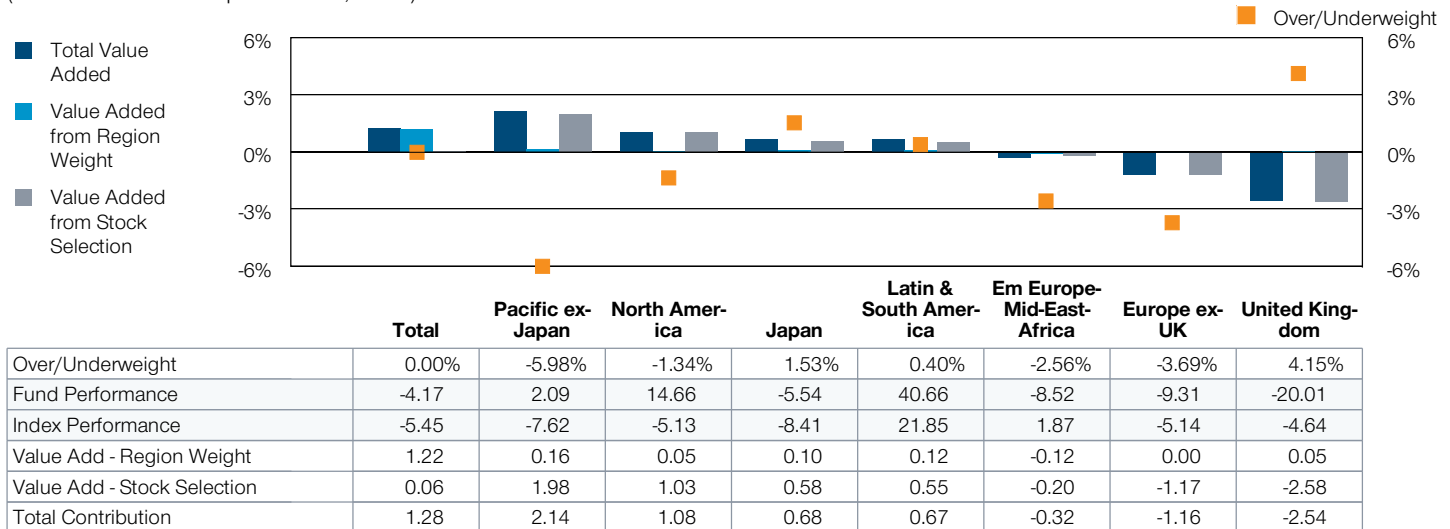
| | Active Share* (as of 9/30/19) | Annualized Std. Deviation | Alpha | Beta | R-Squared | Information Ratio | Sharpe Ratio | Tracking Error |
|--|-------------------------------------|---------------------------------|-------|------|-----------|----------------------|-----------------|-------------------|
| International Discovery Fund | 94.9% | 11.66% | 3.32% | 0.90 | 0.91 | 0.83 | 0.53 | 3.77% |
| S&P Global ex-U.S. Small Cap Index Net | - | 12.29 | 0.00 | 1.00 | 1.00 | 0.00 | 0.25 | 0.00 |
| International Discovery Fund | - | 11.66 | 3.32 | 0.90 | 0.91 | 0.83 | 0.53 | 3.77 |
| Custom Benchmark - Net* | - | 12.29 | 0.00 | 1.00 | 1.00 | 0.00 | 0.25 | 0.00 |

* Active Share is a snapshot in time as of the indicated date.

Past performance is not a reliable indicator of future performance. Figures are calculated using monthly data and are net of fees.

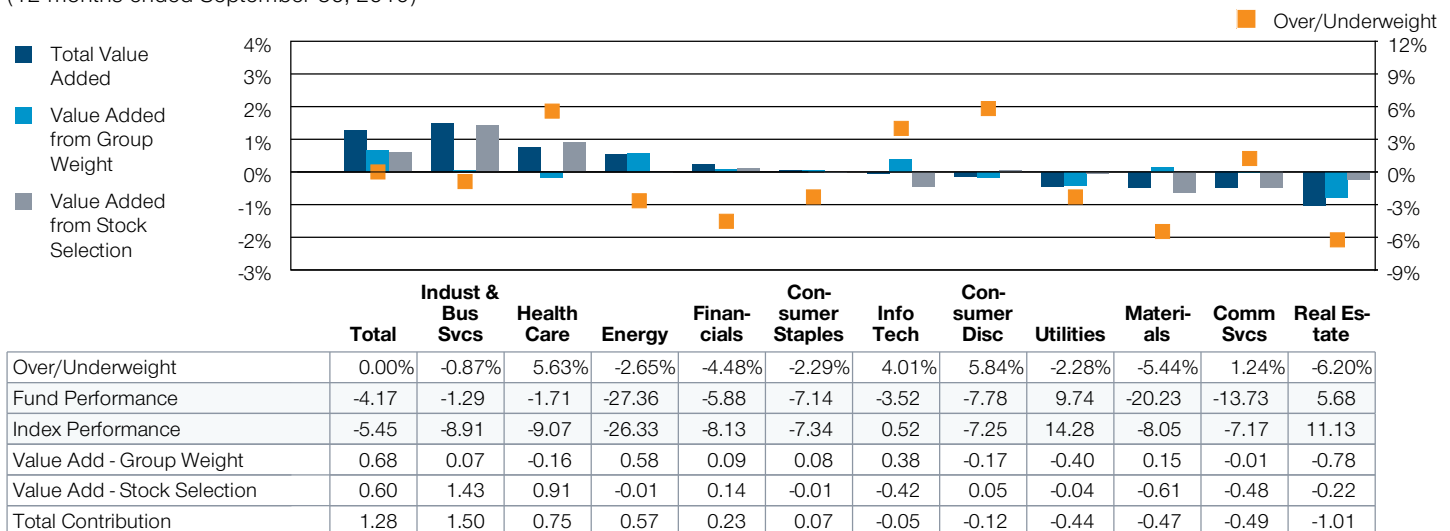
REGION ATTRIBUTION DATA VS. S&P GLOBAL EX-U.S. SMALL CAP INDEX

(12 months ended September 30, 2019)



SECTOR ATTRIBUTION DATA VS. S&P GLOBAL EX-U.S. SMALL CAP INDEX

(12 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. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all updates to GICS for prospective reporting. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD.

TOP 10 ISSUERS

Comprising 13.8% of total net assets.

| | Country | Industry | % of Fund |
|----------------------------------|----------------|------------------------------------|-----------|
| Country Garden Services Holdings | China | Real Estate Mgmt & Dev | 2.7% |
| Shopify | Canada | IT Services | 1.9 |
| Amplifon | Italy | Health Care Providers & Svcs | 1.6 |
| MercadoLibre | Argentina | Internet & Direct Marketing Retail | 1.3 |
| Ascential | United Kingdom | Media | 1.2 |
| Intermediate Capital | United Kingdom | Capital Markets | 1.1 |
| Inmobiliaria Colonial SocimiSA | Spain | Equity REITs | 1.0 |
| Elekta | Sweden | Health Care Equip & Supplies | 1.0 |
| Ocado | United Kingdom | Internet & Direct Marketing Retail | 1.0 |
| Fisher & Paykel Healthcare | New Zealand | Health Care Equip & Supplies | 1.0 |

Issuers are as of the date indicated and are subject to change.

PORTFOLIO CHARACTERISTICS

| | International Discovery Fund | S&P Global ex-U.S. Small Cap Index Net |
|--|------------------------------|--|
| Number of Issuers | 219 | 5,979 |
| Investment Weighted Median Market Cap (mm) | \$2,627 | \$1,779 |
| Price to Earnings (Current Fiscal Year)*° † | 21.4X | 15.3X |
| Price to Book° | 3.5X | 1.7X |
| Projected Earnings Growth Rate (3 - 5 Years)*° † | 13.0% | 8.3% |
| Return on Equity (Current Fiscal Year)° † | 12.6% | 10.3% |
| Top 20 Issuers as Percent of Total | 22.0% | 5.3% |
| Total Assets (all share classes) | 7,906,461,070 | - |
| Percent of Portfolio in Cash | 7.2% | - |

°Investment Weighted Median.

*I/B/E/S © 2019 Refinitiv. All rights reserved

†Based on the fund's underlying holdings and is not a projection of future portfolio performance.

GEOGRAPHICAL DIVERSIFICATION

| | Europe | Japan | Pacific Ex Japan | North America | Latin America | Middle East & Africa | Reserves |
|--|------------|------------|------------------|---------------|---------------|----------------------|------------|
| International Discovery Fund | 42.6% | 20.2% | 19.5% | 5.8% | 3.5% | 1.1% | 7.2% |
| S&P Global ex-U.S. Small Cap Index Net | 42.6 | 19.1 | 25.6 | 6.9 | 2.9 | 3.0 | 0.0 |
| Over/Underweight | 0.1 | 1.1 | -6.1 | -1.1 | 0.6 | -1.9 | 7.2 |

SECTOR DIVERSIFICATION

| | Cons Disc | Indust & Bus Svcs | Info Tech | Health Care | Real Estate | Comm Svcs | Financials | Materials | Cons Stpls | Utilities | Energy | Trusts & Funds |
|--|------------|-------------------|------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|----------------|
| International Discovery Fund | 18.8% | 16.6% | 14.9% | 13.8% | 7.3% | 6.2% | 6.2% | 4.0% | 3.1% | 0.9% | 0.7% | 0.4% |
| S&P Global ex-U.S. Small Cap Index Net | 13.0 | 20.4 | 10.4 | 7.8 | 11.3 | 4.9 | 10.7 | 9.4 | 5.5 | 3.3 | 3.3 | 0.0 |
| Over/Underweight | 5.8 | -3.8 | 4.4 | 6.1 | -4.0 | 1.3 | -4.6 | -5.4 | -2.3 | -2.3 | -2.6 | 0.4 |

Definitions

Active Share is a holdings based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

Additional Disclosures

Source for S&P data: S&P. "Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500", and "500" are trademarks of Standard & Poor's, and have been licensed for use by T. Rowe Price. The fund is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the fund.

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

The information shown does not reflect any Exchange Traded Funds (ETFs) that may be held in the portfolio.

Source for Sector Diversification: T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

Closed to new investors. Open to subsequent investments.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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