



PORTFOLIO UPDATE

# Institutional International Core Equity Fund

As of September 30, 2019



**Portfolio Manager:**  
Raymond Mills

**Managed Fund Since:**  
2010

**Joined Firm:**  
1997

## INVESTMENT OBJECTIVE

The fund seeks long-term growth of capital through investments in the common stocks of non-U.S. companies.

## FUND INFORMATION

Symbol	TRCEX
CUSIP	74144Q880
Inception Date of Fund	October 27, 2010
Benchmark	MSCI EAFE Index Net
Expense Information (as of the most recent Prospectus)*	0.86% (Gross) 0.75% (Net)
Fiscal Year End	October 31
12B-1 Fee	-

\*The Fund operates under a contractual expense limitation that expires on February 28, 2021.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized		
					Three Years	Five Years	Since Inception 10/27/10
Institutional International Core Equity Fund	4.09%	-0.08%	12.11%	-3.55%	6.42%	3.29%	5.23%
MSCI EAFE Index Net	2.87	-1.07	12.80	-1.34	6.48	3.27	4.84

**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](http://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](http://troweprice.com). Read it carefully.** The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any. 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.

## 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.

### RISK RETURN CHARACTERISTICS

(Five Years ended September 30, 2019)

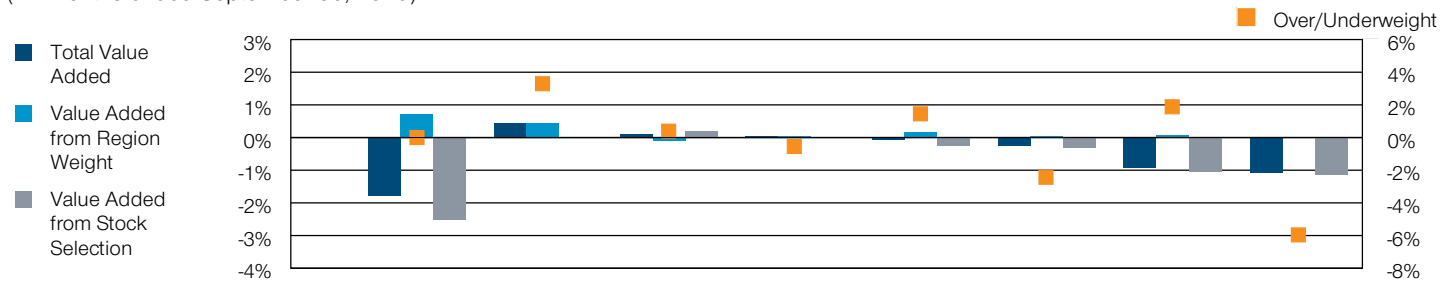
	Active Share* (as of 9/30/19)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Institutional International Core Equity Fund	68.8%	12.35%	0.07%	0.99	0.95	0.01	0.19	2.75%
MSCI EAFE Index Net	-	12.14	0.00	1.00	1.00	0.00	0.19	0.00

\* 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. MSCI EAFE INDEX

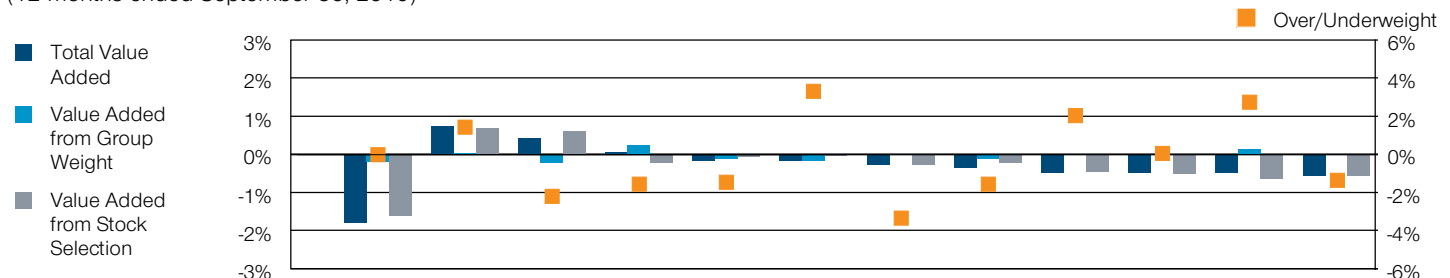
(12 months ended September 30, 2019)



	Total	Canada	Latin America	EM EMEA	United States	Japan	Pacific ex Japan	Developed Europe
Over/Underweight	0.00%	3.30%	0.43%	-0.53%	1.47%	-2.41%	1.90%	-5.93%
Fund Performance	-2.59	17.14	10.38	0.00	-1.22	-5.78	-4.36	-2.28
Index Performance	-0.82	0.00	-20.89	-14.20	3.23	-4.32	3.06	-0.11
Value Add - Region Weight	0.72	0.47	-0.08	0.06	0.17	0.07	0.10	0.04
Value Add - Stock Selection	-2.50	0.00	0.21	0.00	-0.24	-0.31	-1.04	-1.12
Total Contribution	-1.78	0.47	0.13	0.06	-0.06	-0.24	-0.94	-1.08

### SECTOR ATTRIBUTION DATA VS. MSCI EAFE INDEX

(12 months ended September 30, 2019)



	Total	Info Tech	Consumer Staples	Energy	Real Estate	Financials	Indust & Bus Svcs	Utilities	Comm Svcs	Materials	Health Care	Consumer Disc
Over/Underweight	0.00%	1.44%	-2.19%	-1.53%	-1.43%	3.33%	-3.32%	-1.55%	2.03%	0.07%	2.74%	-1.36%
Fund Performance	-2.59	13.43	16.17	-18.74	-1.79	-5.87	-4.25	5.22	-7.69	-12.38	0.38	-7.77
Index Performance	-0.82	2.46	7.57	-14.37	4.80	-5.65	-1.52	14.10	-2.52	-5.30	5.12	-2.19
Value Add - Group Weight	-0.19	0.05	-0.20	0.26	-0.10	-0.15	0.01	-0.12	-0.01	0.02	0.13	-0.01
Value Add - Stock Selection	-1.59	0.71	0.62	-0.20	-0.07	-0.02	-0.27	-0.21	-0.46	-0.51	-0.63	-0.55
Total Contribution	-1.78	0.76	0.42	0.06	-0.17	-0.17	-0.26	-0.33	-0.46	-0.49	-0.50	-0.56

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 19.1% of total net assets.

	Country	Industry	% of Fund
Nestle	Switzerland	Food Products	3.4%
Unilever	United Kingdom	Personal Products	2.3
Roche Holding	Switzerland	Pharmaceuticals	2.0
Novartis	Switzerland	Pharmaceuticals	1.9
Nippon Telegraph & Telephone	Japan	Diversified Telecom Services	1.8
Koninklijke Philips	Netherlands	Health Care Equip & Supplies	1.8
Siemens	Germany	Industrial Conglomerates	1.6
Taiwan Semiconductor Manufacturing	Taiwan	Semicons & Semicon Equip	1.5
Total	France	Oil, Gas & Consumable Fuels	1.4
Astellas Pharma	Japan	Pharmaceuticals	1.3

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

**PORTFOLIO CHARACTERISTICS**

	Institutional International Core Equity Fund	MSCI EAFE Index Net
Number of Issuers	157	912
Investment Weighted Median Market Cap (mm)	\$39,003	\$37,824
Price to Earnings (Current Fiscal Year)*° †	14.4X	15.2X
Price to Book°	1.8X	2.0X
Projected Earnings Growth Rate (3 - 5 Years)*° †	7.0%	7.4%
Return on Equity (Current Fiscal Year)*° †	12.0%	12.4%
Top 20 Issuers as Percent of Total	30.4%	20.1%
Total Assets (all share classes)	31,177,099	-
Percent of Portfolio in Cash	1.7%	-

°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
Institutional International Core Equity Fund	57.5%	22.3%	14.0%	4.0%	0.5%	0.0%	1.7%
MSCI EAFE Index Net	62.7	24.6	12.1	0.0	0.1	0.5	0.0
<b>Over/Underweight</b>	<b>-5.2</b>	<b>-2.3</b>	<b>1.9</b>	<b>4.0</b>	<b>0.4</b>	<b>-0.5</b>	<b>1.7</b>

**SECTOR DIVERSIFICATION**

	Financials	Health Care	Indust & Bus Svcs	Cons Disc	Cons Stpls	Info Tech	Comm Svcs	Materials	Energy	Utilities	Real Estate
Institutional International Core Equity Fund	21.9%	14.3%	11.4%	10.1%	9.8%	8.3%	7.4%	7.1%	3.6%	2.2%	2.2%
MSCI EAFE Index Net	18.6	11.6	14.7	11.5	12.0	6.8	5.4	7.0	5.1	3.8	3.6
<b>Over/Underweight</b>	<b>3.3</b>	<b>2.7</b>	<b>-3.3</b>	<b>-1.3</b>	<b>-2.2</b>	<b>1.5</b>	<b>2.0</b>	<b>0.1</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.4</b>

## 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

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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.

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