



PORTFOLIO UPDATE

Japan Fund

As of September 30, 2019



**Portfolio Manager:**  
Archibald Ciganer

**Managed Fund Since:**  
2013

**Joined Firm:**  
2007

**MARKET COMMENTARY**

Japanese equities generated a solid return in September, outperforming developed market peers. Sentiment was boosted by positive developments on the trade front, where Japan and the U.S. jointly confirmed the details of a trade deal that would open up Japanese markets to U.S.D 7 billion worth of American products, prompting a rotation out of defensive into cyclical stocks. Risk appetite was also buoyed by speculation that the Bank of Japan is set to follow other major central banks and undertake further monetary policy easing. Such action may be warranted given that a consumption tax hike, to 10% from 8%, is coming into force on 1 October. Japan's second-quarter GDP growth was revised downwards to an annualized pace of 1.3%, weaker than the previous reading of 1.8% and down from 2.2% growth in the first quarter. While the flash manufacturing purchasing managers' index continued to signal contraction in September, services activity remained more resilient to external headwinds.

**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 INFORMATION**

Symbol	PRJPX
CUSIP	77956H708
Inception Date of Fund	December 30, 1991
Benchmark	TOPIX Index Net
Expense Information (as of the most recent Prospectus)*	0.96% (Gross) 0.95% (Net)
Fiscal Year End	October 31
12B-1 Fee	-

\*As a result of other class' contractual expense limitations, T. Rowe Price Associates, Inc. waived fund-level expense proportionately across all classes. There is no guarantee that these impacts on this share class will continue for the length of the contractual waiver in place on the other class.

**PERFORMANCE**

(NAV, total return)	One Month	Three Months	Year-to-Date	One Year	Annualized			
					Three Years	Five Years	Ten Years	Fifteen Years
Japan Fund	3.73%	1.94%	14.64%	-6.32%	8.39%	9.93%	8.74%	5.43%
TOPIX Index Net	3.99	2.92	10.04	-6.17	6.00	5.90	5.72	4.37

**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.

The fund is subject to the inherent volatility of common stock investing and the unique risks of international investing. Because of its focus on a single country, the fund involves higher risk than a more geographically diverse international fund. Share prices are also subject to market risk as well as 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**

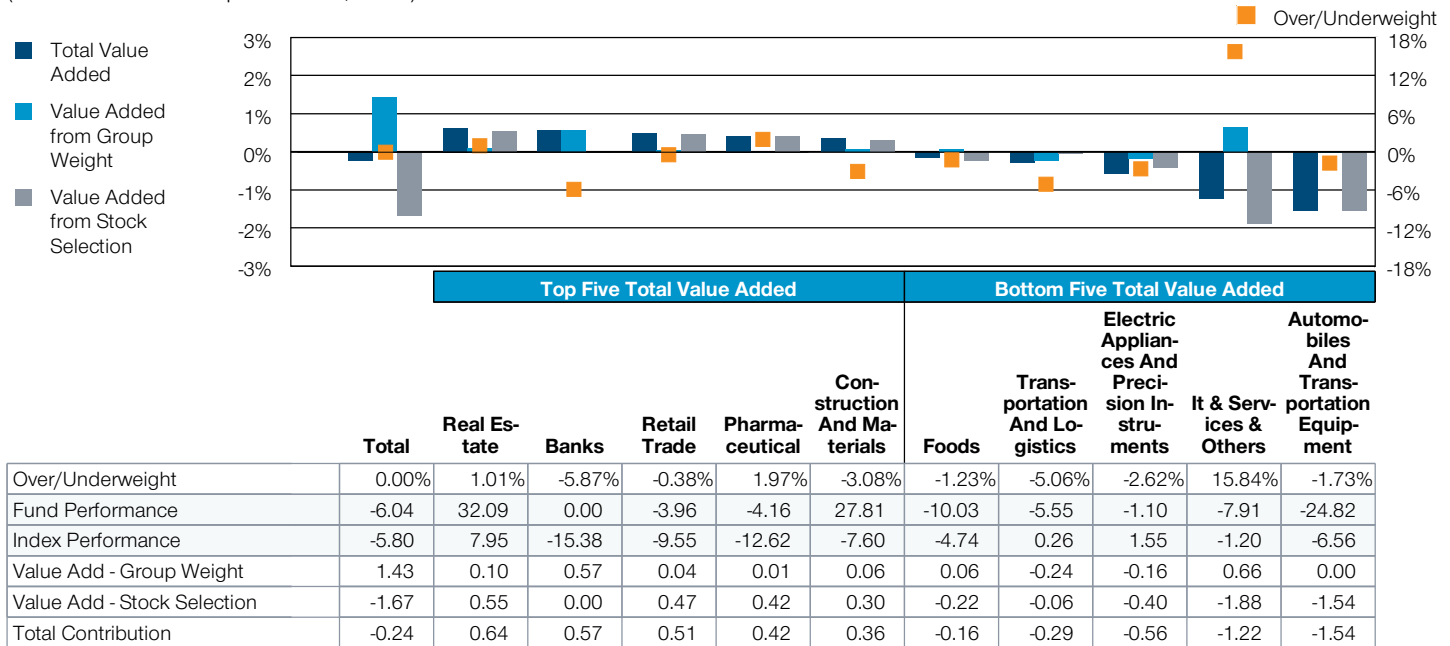
(Five Years ended September 30, 2019)

	Active Share* (as of 9/30/19)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Japan Fund	79.9%	12.39%	4.53%	0.89	0.73	0.60	0.72	6.68%
TOPIX Index Net	-	11.91	0.00	1.00	1.00	0.00	0.41	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.**SECTOR ATTRIBUTION DATA VS. TOPIX INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)**

(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. Source: FT Interactive, IDC via FactSet.; Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses the TOPIX sectors and industries 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 10 ISSUERS**

Comprising 29.3% of total net assets.

	<b>Industry</b>	<b>% of Fund</b>
SOFTBANK GROUP CORP	Information & Communication	3.7%
Nippon Telegraph & Telephone	Information & Communication	3.5
Keyence	Electric Appliances	3.4
Miura	Machinery	3.3
Chugai Pharmaceutical	Pharmaceutical	2.8
Daikin Industries	Machinery	2.6
Solasto	Services	2.6
NTT DOCOMO	Information & Communication	2.5
Daio Paper	Pulp And Paper	2.5
SMS	Services	2.4

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

**PORTFOLIO CHARACTERISTICS**

	<b>Japan Fund</b>	<b>TOPIX Index Net</b>
Number of Issuers	76	2,148
Investment Weighted Median Market Cap (mm)	\$10,070	\$18,460
Price to Earnings (Current Fiscal Year)*° †	21.4X	14.1X
Price to Book°	2.7X	1.3X
Projected Earnings Growth Rate (3 - 5 Years)*° †	7.8%	6.4%
Return on Equity (Current Fiscal Year)° †	11.5%	10.5%
Top 20 Issuers as Percent of Total	49.4%	25.1%
Total Assets (all share classes)	740,987,463	-
Percent of Portfolio in Cash	2.0%	-

°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.

**SECTOR DIVERSIFICATION**

	<b>It &amp; Services &amp; Others</b>	<b>Machinery</b>	<b>Elec App &amp; Prec Instr</b>	<b>Raw Materials And Chemicals</b>	<b>Pharmaceutical</b>	<b>Auto &amp; Transp Equip</b>	<b>Retail Trade</b>	<b>Real Estate</b>	<b>Foods</b>	<b>Steel And Nonferrous Metals</b>	<b>Other</b>
Japan Fund	32.3%	13.9%	13.7%	8.5%	7.5%	6.9%	4.4%	3.5%	2.9%	2.0%	2.3%
TOPIX Index Net	16.0	5.0	16.3	8.2	5.5	8.6	4.8	2.5	4.2	1.5	27.3
<b>Over/Underweight</b>	<b>16.3</b>	<b>8.8</b>	<b>-2.6</b>	<b>0.4</b>	<b>2.0</b>	<b>-1.7</b>	<b>-0.4</b>	<b>1.0</b>	<b>-1.2</b>	<b>0.5</b>	<b>-25.1</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

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.

T. Rowe Price uses TOPIX sectors and industries for sector and industry reporting for this product.

Source: Tokyo Stock Exchange.

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

"Other" includes any categories not explicitly mentioned.

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.

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

This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates. Actual market and investment results may differ materially from expectations.

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