



PORTFOLIO UPDATE

**Real Assets Fund**

As of September 30, 2019

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Richard Coghlan	2018	2017
Chris Faulkner-MacDonagh	2018	2016

**INVESTMENT OBJECTIVE**

The fund seeks to provide long-term growth of capital.

**FUND INFORMATION**

Symbol	PRAFX
CUSIP	87279W100
Inception Date of Fund	July 28, 2010
Benchmark	MSCI All Country World Index
Expense Information (as of the most recent Prospectus)	0.81%
Fiscal Year End	December 31
12B-1 Fee	-

**MARKET COMMENTARY**

Natural resources equities outperformed the broader market in September. Global equity markets delivered positive returns. Stimulative measures by global central banks and optimism for the resumption of U.S.-China trade negotiations, drove market sentiment.

Commodity prices were broadly lower over the period. After a strong summer for precious metals, silver, platinum, and gold gave back some gains, as the U.S. dollar strengthened and bond yields, while still weak, stabilized. Palladium, on the other hand, tested new highs as healthy demand and constrained supply has driven the precious metal higher over the year.

Crude oil prices ended slightly lower than at the beginning of the month despite an attack on Saudi oil infrastructure that briefly impacted global oil capacity. Productivity continues to increase, and demand has been slowing, with agencies lowering their demand outlooks on concerns over global economic growth.

Real estate investment trusts (REITs) delivered positive returns over the month. Most countries within the real estate benchmark delivered gains in September. The UK, France, and the Netherlands posted the largest positive results while Australia recorded the largest losses for the month. The U.S., which comprises approximately half the index, outperformed the broader benchmark.

We continue to believe we are in the midst of a secular bear market for commodities, and while current geopolitical and trade-related uncertainties have resulted in some volatility, we retain our bearish outlook for the commodities space. While we continue to expect crude prices to be pressured, we believe this creates opportunity in areas of the market such as specialty chemicals, which benefit from low commodity prices via decreased input costs.

**PERFORMANCE**

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized		
					Three Years	Five Years	Since Inception 7/28/10
Real Assets Fund	1.52%	-1.39%	12.69%	1.00%	2.85%	1.85%	3.23%
MSCI All Country World Index	2.15	0.10	16.71	1.95	10.30	7.23	9.38
Combined Index Portfolio*	2.22	-0.87	15.89	3.80	6.64	4.51	4.53

**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.

\*As of January 1, 2018, the Real Assets Combined Index Portfolio is comprised of 30% MSCI World Select Natural Resources, 25% MSCI ACWI Metals and Mining, 20% Wilshire RESI, 20% EPRA/NAREIT Dev Real Estate Index, 4% MSCI ACI IMI Gold, 1% ACWI IMI Precious Metals. Prior to this date, the Real Assets Combined Index Portfolio was comprised of 25% MSCI ACWI Metals & Mining, 20% Wilshire RESI, 20% FTSE EPRA/NAREIT Dev Real Estate Index, 19.5% MSCI ACWI Energy, 10.5% MSCI ACWI Materials, 4% MSCI ACWI IMI Gold, 1.00% MSCI ACWI IMI Precious Metals and Minerals. Prior December 1, 2013, the Real Assets Combined Index Portfolio was comprised of 25% MSCI ACWI Metals & Mining, 20% Wilshire RESI, 20% FTSE EPRA/NAREIT Dev Real Estate Index, 16.25% MSCI ACWI Energy, 8.75% MSCI ACWI Materials, 5% UBS World Infrastructure and Utilities Index, 4% MSCI ACWI IMI Gold, 1.00% MSCI ACWI IMI Precious Metals and Minerals.

The fund is subject to the risks of stock investing, including possible loss of principal.

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
Real Assets Fund	92.3%	12.76%	-3.95%	0.85	0.60	-0.64	0.07	8.35%
MSCI All Country World Index	-	11.61	0.00	1.00	1.00	0.00	0.54	0.00
Real Assets Fund	-	12.76	-2.25	0.89	0.97	-1.01	0.07	2.63
Combined Index Portfolio	-	14.20	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.**TOP 10 ISSUERS**

Comprising 19.6% of total net assets.

	Industry	% of Fund
Bhp	Metals & Mining	3.4%
Rio Tinto	Metals & Mining	2.7
Prologis	Equity REITs	2.6
AvalonBay Communities	Equity REITs	2.0
Equity Residential	Equity REITs	1.8
Public Storage	Equity REITs	1.6
Essex Property Trust	Equity REITs	1.5
Total	Oil, Gas & Consumable Fuels	1.4
Newmont Goldcorp	Metals & Mining	1.4
Barrick Gold	Metals & Mining	1.3

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

**PORTFOLIO CHARACTERISTICS**

	Real Assets Fund	MSCI All Country World Index
Number of Issuers	309	2,765
Investment Weighted Median Market Cap (mm)	\$23,335	\$90,922
Price to Earnings (12 Months Forward)*° †	28.1X	18.5X
Price to Book°	2.2X	4.5X
Projected Earnings Growth Rate (3 - 5 Years)*° †	8.6%	8.7%
Return on Equity (Last 12 Months excl. charges)°	7.8%	19.9%
Top 20 Issuers as Percent of Total	29.3%	17.6%
Total Assets (all share classes)	3,059,599,556	-
Percent of Portfolio in Cash	6.9%	-

°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**

	North America	Europe	Pacific Ex Japan	Japan	Latin America	Middle East & Afri- ca	Reserves
Real Assets Fund	57.7%	16.8%	11.1%	3.5%	2.8%	1.2%	6.9%
Combined Index Portfolio	59.5	19.3	11.6	5.4	2.6	1.7	0.0
<b>Over/Underweight</b>	<b>-1.8</b>	<b>-2.5</b>	<b>-0.5</b>	<b>-1.9</b>	<b>0.2</b>	<b>-0.5</b>	<b>6.9</b>

## INDUSTRY DIVERSIFICATION

	Diversi- fied Metals & Min- ing	Gold	Resi- dential REITs	Office REITs	Industri- al REITs	Steel	Special- ized RE- ITs	Retail REITs	Oil & Gas Ex- plora- tion & Produc- tion	Inte- grated Oil & Gas	Other
Real Assets Fund	11.7%	9.1%	8.2%	6.9%	5.3%	5.2%	4.5%	4.4%	4.3%	4.1%	29.0%
Combined Index Portfolio	12.8	9.9	6.9	5.2	4.0	6.2	5.5	6.2	4.1	6.0	33.2
<b>Over/Underweight</b>	<b>-1.1</b>	<b>-0.8</b>	<b>1.3</b>	<b>1.7</b>	<b>1.3</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.9</b>	<b>0.2</b>	<b>-1.9</b>	<b>-4.2</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.

T. Rowe Price uses a custom structure for sector and industry reporting for this product.

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.

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