



PORTFOLIO UPDATE

# Spectrum International Fund

As of September 30, 2019



**Portfolio Manager:**  
Charles Shriver

**Managed Fund Since:**  
2012

**Joined Firm:**  
1991

## INVESTMENT OBJECTIVE

The fund seeks long-term capital appreciation.

## FUND INFORMATION

Symbol	PSILX
CUSIP	779906304
Inception Date of Fund	December 31, 1996
Benchmark	MSCI ACWI ex USA Net
Expense Information (as of the most recent Prospectus)*	0.90%
Fiscal Year End	December 31
12B-1 Fee	-

\*While the fund itself charges no management fee, it will indirectly bear its pro-rata share of the expenses of the underlying T. Rowe Price funds in which it invests (acquired funds). The acquired funds are expected to bear the operating expenses of the fund.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			
					Three Years	Five Years	Ten Years	Fifteen Years
Spectrum International Fund	2.56%	-1.12%	13.21%	-0.56%	5.71%	3.63%	5.74%	6.39%
MSCI All Country World Index ex USA Net	2.57	-1.80	11.56	-1.23	6.33	2.90	4.45	5.66
Custom Benchmark - Spectrum International Fund WB Net	2.57	-1.80	11.56	-1.23	6.33	2.90	4.45	5.55

**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.

\*From inception through February 28, 2009 the custom benchmark was a blend of 90% MSCI EAFE Index and 10% JP Morgan Non-US Global Index. As of March 1, 2009 the returns for the 90/10 benchmark have been linked to returns for the MSCI All-Country World ex-USA Index, which is now the fund's primary benchmark.

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**

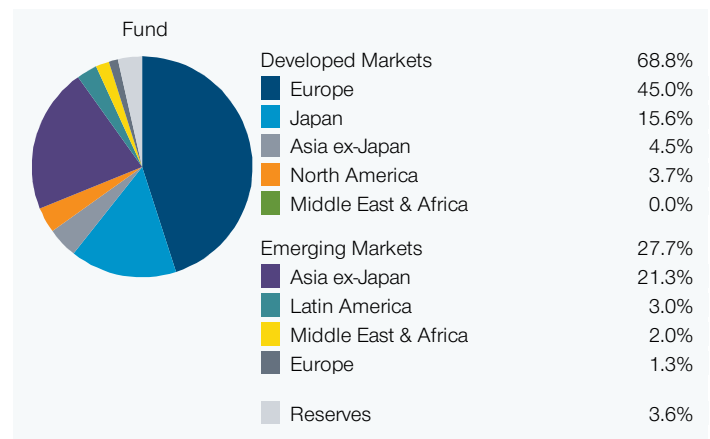
(Five Years ended September 30, 2019)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Spectrum International Fund	11.92%	0.82%	0.94	0.95	0.25	0.22	2.86%
MSCI ACWI ex USA Net	12.37	0.00	1.00	1.00	0.00	0.16	0.00
Spectrum International Fund	11.92	0.82	0.94	0.95	0.25	0.22	2.86
Custom Benchmark	12.37	0.00	1.00	1.00	0.00	0.16	0.00

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

**TOP HOLDINGS**

TRP International Stock
TRP International Value Equity
TRP European Stock
TRP New Asia
TRP Overseas Stock
TRP Japan
TRP International Discovery
TRP Emerging Markets Stock
TRP Emerging Markets Discovery Stock
TRP Latin America
TRP Emerging Europe
TRP Africa & Middle East

**ASSET DIVERSIFICATION\*\***

\*\*Based on a look-through allocation.

**PORTFOLIO CHARACTERISTICS**

	Spectrum International Fund	MSCI ACWI ex USA Net
Investment Weighted Average Market Cap (mm)	\$70,075	\$70,200
Investment Weighted Median Market Cap (mm)	\$28,755	\$35,034
Price to Earnings (Current Fiscal Year)(IBES)*° †	15.9X	15.1X
Price to Book°	2.4X	2.0X
Projected Earnings Growth Rate (3-5 Years)*° †	8.5%	7.8%
Return on Equity (Current Fiscal Year)° †	12.9%	12.9%
Top 20 Holdings as Percent of Total	22.1%	16.2%
Total Assets (all share classes)	1,479,791,534	-
Percent of Portfolio in Cash	3.6%	-

°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.

**MANAGEMENT**

The Spectrum International Fund is managed by Charles Shriver. The portfolio manager is responsible for the strategic design and day-to-day management of the Fund. This includes portfolio design, positioning, performance, and risk-management oversight. The Fund's tactical asset allocation decisions are made by the firm's Asset Allocation Committee. The Committee is co-chaired by Rob Sharps and Charles Shriver, and includes some of the firm's most senior investment management professionals across major asset classes. Charles is the co-chair of the firm's Asset Allocation Committee. Individual security selection is made by portfolio managers of the Fund's component strategies drawing on the fundamental insights of T. Rowe Price's team of around 200 global research analysts.

**SECTOR DIVERSIFICATION\*\***

	Finan- cials	Indust & Bus Svcs	Cons Disc	Info Tech	Health Care	Cons Stpls	Comm Svcs	Materi- als	Energy	Utilities	Real Es- tate
Spectrum International Fund	19.1%	12.5%	11.6%	10.9%	10.5%	8.4%	8.1%	5.7%	4.3%	2.9%	2.4%
MSCI ACWI ex USA Net	21.6	11.9	11.4	8.9	8.5	10.2	6.8	7.3	6.7	3.5	3.2
<b>Over/Underweight</b>	<b>-2.5</b>	<b>0.6</b>	<b>0.2</b>	<b>2.0</b>	<b>1.9</b>	<b>-1.8</b>	<b>1.3</b>	<b>-1.6</b>	<b>-2.5</b>	<b>-0.6</b>	<b>-0.8</b>

\*\*Based on a look-through allocation.

**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 diversification reporting on this product.

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.

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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2017-US-132185 201910-968999