



GLOBAL VALUE EQUITY STRATEGY

Seeking to exploit inefficiencies generated by uncertainty

Investors can often be overly pessimistic on companies facing short-term challenges, underestimating management teams' ability to adapt to change. Markets typically overreact to uncertainty – such as the impact of the economic or industry cycle or concerns over the sustainability of a business – and perceptions of a company's prospects can change much more than the true economic value of that business.

Conversely, investors are often overly optimistic on current success stories. They tend to extrapolate recent high earnings growth, often paying a premium on the basis of these expectations.

In reality, however, those expectations are not tied to future growth. Research shows that only about 10% of companies achieve earnings growth of 10% or more for three consecutive years. Essentially, investors are paying up front for earnings that most companies likely will not deliver.

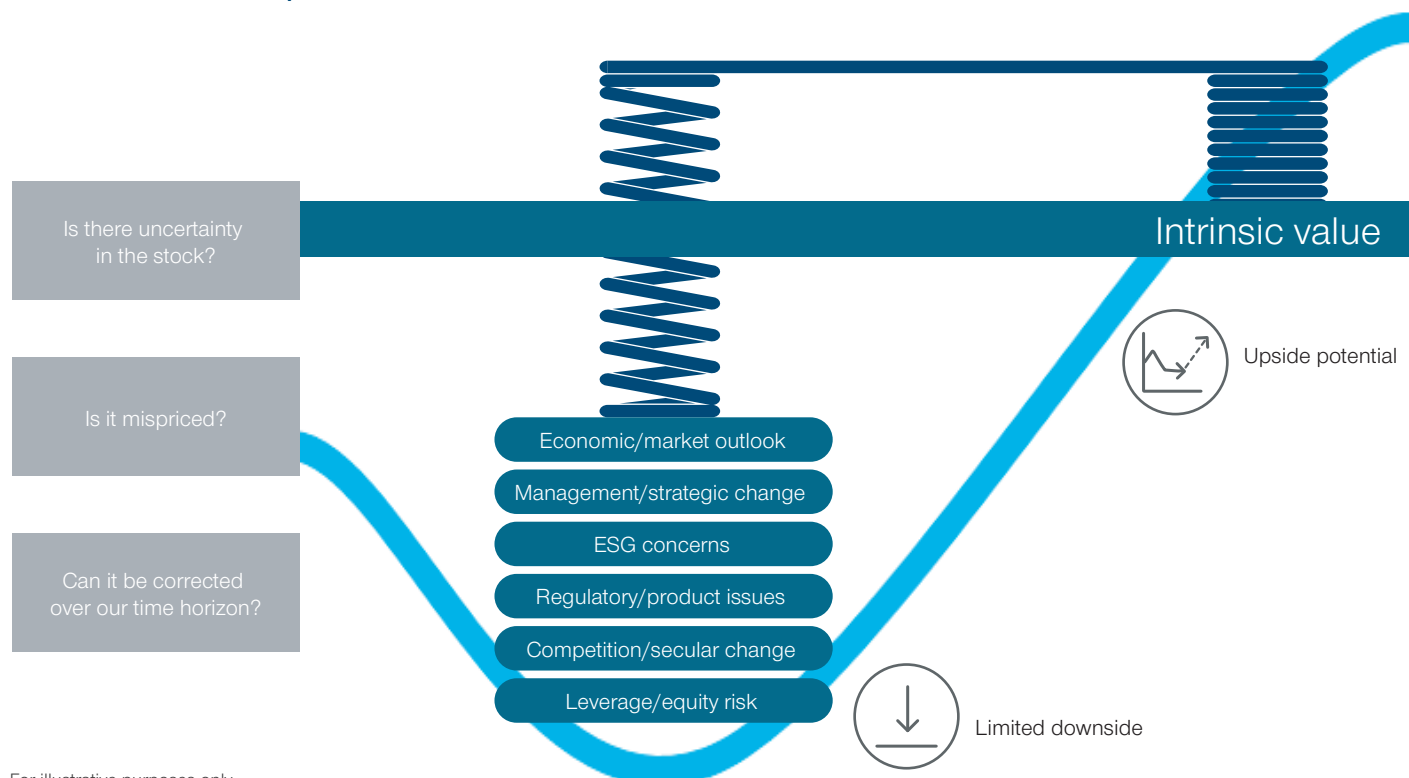
As a result, these dynamics can create compelling value opportunities for contrarian investors who can identify those mispriced companies that are able to overcome their challenges.

What does this mean for investors?

The key for successful value investing in this context is to correctly understand the nature of the uncertainty surrounding a stock, whether it can be corrected over a reasonable time frame, and the degree of mispricing that has occurred.

These abilities are dependent on active, fundamental forward-looking insights rather than relying on backward-looking data (in order to avoid value traps), and patience to look beyond the short-term noise in the market.

Value stocks can perform when concerns are removed



For illustrative purposes only.

Strategy snapshot

An actively managed portfolio of best ideas from across the value spectrum that seeks to deliver positive excess returns in a wide range of market environments.

Asset class	Global equities
Comparator benchmark*	MSCI World Index Net
Portfolio manager	Sebastien Mallet
Typical portfolio	<ul style="list-style-type: none"> c. 80-100 stocks Position sizes 0.3%-3.0% Sector weights generally range +/- 15% vs benchmark

* The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

Why T. Rowe Price for value investing?

An established commitment to value investing

We have been managing value assets for more than 30 years and today are responsible for investments of over US\$225 billion in global and regional value portfolios. During that time, we have experienced a range of market environments and have learnt about the requirement for patience and resilience when styles remain out of favour for a prolonged period of time.

Much of our success can be attributed to having one of the most comprehensive and highest quality global equity research teams in the industry. We are continually investing in this resource and seeking to ensure that its collaborative and high-performance culture is maintained. As a value manager, this is an especially strong competitive advantage given the coverage and idea generation that they provide across the style spectrum.

Our research edge

Our team of over 900 investment professionals conduct rigorous research across the globe to uncover the best investment ideas for our clients. Together, they provide coverage of over 3,500 companies – across styles, sectors, countries and capitalisation. They go beyond the numbers to meet with companies, be it in person, on-site or virtually, to evaluate how they are performing today and, more importantly, to make skilled judgements about how they think they'll perform in the future.



Local research – boots on the ground

- Analysts in nine different major research offices, in close proximity to local companies, industries and markets
- Local visits and understanding of local cultures for better interaction and engagement in the processes of change



Global sector analysis – multi-disciplinary collaboration

- Global context, to identify trends that innovative companies can benefit from, and potential headwinds too
- Looking at investment opportunities from multiple perspectives – the most reliable way to reveal their true potential



Our research culture – going beyond the numbers for insights of change

- Forward-looking analysis identifies companies afflicted by uncertainty that we believe are mispriced
- Validating research through one-to-one meetings and on-site visits is core to our approach

An active approach underpinned by independent thinking

Active investment management ultimately relies on taking some form of differentiated view from the consensus. The only way to do that is by having a group of people with varied backgrounds and experiences who will challenge the consensus and bring unique perspectives to the decision-making process. It is dependent upon a process of intellectual honesty and rigour, where challenge is encouraged so that a wide spectrum of ideas is captured, that ultimately benefits our clients.

We seek to distil these ideas and construct a balanced portfolio by selecting those opportunities in which we have the highest conviction, where we believe the valuation is very attractive, and which carry the most favourable risk/reward profile, in our view.

Integrating ESG into our portfolios

T. Rowe Price is committed to responsible investment. Environmental, social and governance (ESG) considerations are an important component of our investment process, helping us better assess the risks and opportunities for the companies in which we invest and so make better investment decisions.

We have built a proprietary ESG research tool - Responsible Investing Indicator Model (RIIM) – which allows for improved coverage of ESG factors beyond third party data. This dynamic tool offers a systematic and proactive approach for ESG screening, is capable of building a Responsible Investing profile for over 15,000 companies and helps us focus on the factors that are most likely to have a material impact on the performance of our clients' portfolios.

T. Rowe Price is a signatory of the UN Global Compact and the Principles for Responsible Investment (PRI) since 2010, where we are rated.

¹ Under the PRI's transparency requirements, all signatories complete an annual self-assessment. A significant portion of this report must be publicly disclosed on the PRI's website. T. Rowe Price's most recent Transparency Report is available via the PRI data portal dataportal.unpri.org.

Why T. Rowe Price Global Value Equity Strategy?

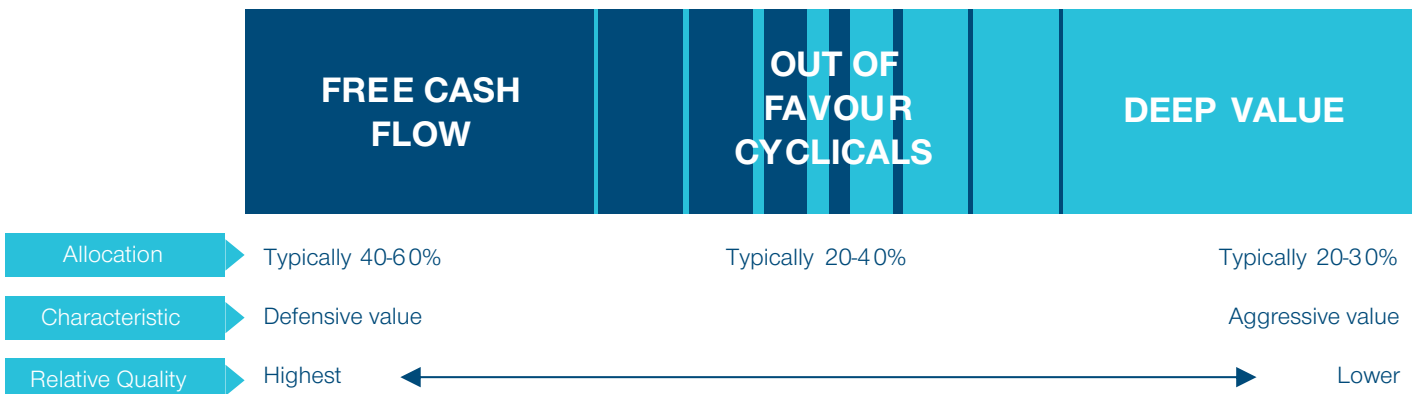
Drawing on our established value investing credentials, we apply insight-led, forward-looking assessments of company and industry fundamentals to embrace those stocks afflicted by uncertainty which we believe the market is undervaluing in relation to their intrinsic value. Our experience has told us that different types of “value” can work at different times. We therefore seek to include higher quality, more defensive “free cash flow” companies as well as out-of-favour, higher risk cyclical companies and deeper value turnaround situations that can offer greater potential upside.



“While disconcerting for some, the secular and cyclical changes apparent in recent years imply elevated uncertainty but, with it, meaningful opportunity for skilled value investors.”

Sebastien Mallet, Portfolio Manager

Our approach recognises that different types of value are effective at different times



3 reasons to consider this strategy

Our Global Value Equity Strategy seeks to capture our research platform’s best ideas from across the value spectrum to deliver positive excess returns in a wide range of market environments.

1. Access to the broadest opportunity set

Different types of “value” can be effective at different times, depending on the market and economic environment. Enabled by the scale of our global research platform, we maintain coverage of a far broader value opportunity set than many of our competitors seeking to build a portfolio of idiosyncratic investment ideas and achieve a more “all-weather” pattern of performance.

2. A strong heritage of value investing

We have been successfully managing value mandates for over three decades through a range of diverse market environments. We have continued to invest in our value capabilities despite the adverse market environment. Our in-depth industry knowledge, broadly applied across companies, enables us to discern the nature of uncertainty surrounding individual stocks and identify investable opportunities before their potential for share price recovery is recognised by the market.

3. Longer-term investment orientation

We look to take advantage of dislocations in stock prices that trade at a discount to companies’ underlying intrinsic value. However, we recognise that inefficiencies can sometimes take longer to be resolved and we are prepared to be appropriately patient in our approach for names to work, and exploit opportunities often beyond the horizon of other investors.

A diversified approach to value investing

Balanced portfolio

- The portfolio typically holds 80 to 100 stocks, combining high conviction with prudent diversification to help mitigate risk.

Risk controlled

- Downside risk is assessed, and regularly reassessed, as a critical part of our fundamental analysis of every company in which we invest.

ESG focus

- ESG is a key component of our investment process that helps us better assess the risk/reward for each company.

What sets T. Rowe Price apart?

Since our formation in 1937, we have had one purpose: to meet our clients' individual needs, helping them to achieve their long-term financial goals. We aim to deliver global investment management excellence that you and your clients can rely on for the long term.

As a global investment manager, we focus on actively listening and anticipating and on developing strategies that respond to the needs of our clients. With clients in over 53 countries, we offer a broad range of equity, fixed income and multi-asset strategies all powered by one of the largest and most experienced global research platforms in the industry, which helps us uncover the most attractive investments worldwide.

T. Rowe Price at a glance*

- US\$1,551.8bn in assets under management
- 386 research analysts collaborating across asset classes and industries
- 248 equity analysts, 95 fixed income analysts, 43 multi-asset analysts
- Offices in 17 markets, research analysts in 9 different locations

*All figures as at 31 March 2022. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates.

For more information, visit our website or contact our Relationship Management Team

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Telephone calls may be recorded.

T. Rowe Price Global Value Equity Strategy

Strategy inception	31 July 2012
Strategy AUM**	£715.0m
Portfolio manager (since)	Sebastien Mallet (31 Jul 2012)
Comparator benchmark***	MSCI World Index

T. Rowe Price Funds SICAV – Global Value Equity Fund (actively managed)

Fund size	£483.2m
Launch date	28 November 2012
Base currency	USD
ISIN	A USD LU0859254822 I USD LU0859255472

** As at 31 March 2022.

Full details of all available share classes can be found on our website.

*** The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

Risks

The following risks are materially relevant to the fund:

Currency risk – changes in currency exchange rates could reduce investment gains or increase investment losses.

Small and mid-cap risk – stocks of small and mid-size companies can be more volatile than stocks of larger companies.

Volatility risk – the performance of the fund has a risk of high volatility.

General fund risks

Capital risk – The value of your investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the fund and the currency in which you subscribed, if different. **Equity risk** – in general, equities involve higher risks than bonds or money market instruments. **ESG and Sustainability risk** – May result in a material negative impact on the value of an investment and performance of the fund. **Geographic concentration risk** – To the extent that a fund invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by events within that area. **Hedging risk** – A fund's attempts to reduce or eliminate certain risks through hedging may not work as intended. **Investment fund risk** – Investing in funds involves certain risks an investor would not face if investing in markets directly. **Management risk** – The investment manager or its designees may at times find their obligations to a portfolio to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably). **Operational risk** – Operational failures could lead to disruptions of fund operations or financial losses.

Important information

The T. Rowe Price Funds SICAV – Global Value Equity Fund are sub-funds of the T. Rowe Price Funds SICAV, a Luxembourg investment company with variable capital which is registered with Commission de Surveillance du Secteur Financier and which qualifies as an undertaking for collective investment in transferable securities ("UCITS"). Full details of the objectives, investment policies and risks are located in the prospectus which is available with the key investor information documents in English and in an official language of the jurisdictions in which the Funds are registered for public sale, together with the articles of incorporation and the annual and semi-annual reports (together "Fund Documents"). Any decision to invest should be made on the basis of the Fund Documents which are available free of charge from the local representative, local information/paying agent or from authorised distributors. They can also be found along with a summary of investor rights in English at www.troweprice.com. The Management Company reserves the right to terminate marketing arrangements.

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