



## MONTHLY UPDATE

31 July 2019

### T. ROWE PRICE FUNDS SICAV

## Asian ex-Japan Equity Fund



#### Anh Lu

Portfolio Manager

22 Years investment experience

16 Years at T. Rowe Price



### FUND SNAPSHOT

A diversified fund, with a focus on sustainable growth.

### KEY FUND DATA

Indicative Benchmark:	MSCI All Country Asia ex Japan Index Net
Base Currency:	USD
ISIN Class A:	LU0266341212
ISIN Class I:	LU0266341725
ISIN Class I (EUR):	LU1382643945
ISIN Class Id:	LU0980312192
ISIN Class Q:	LU0860350064
ISIN Class Q (GBP):	LU1053542236

	Annualised				
	One Month	Year-to-Date	One Year	Three Years	Five Years
Class I	-0.51%	13.36%	0.64%	9.31%	4.30%
MSCI All Country Asia ex Japan Index Net*	-1.77%	8.74%	-3.05%	9.10%	3.70%

	Calendar Years				
	2014	2015	2016	2017	2018
Class I	6.7	-6.2	1.2	41.7	-15.0
MSCI All Country Asia ex Japan Index Net*	4.8	-9.2	5.4	41.7	-14.4

#### Past performance is not a reliable indicator of future performance.

\* The index shown is not a formal benchmark. It is shown only for comparison purposes.

† Class Inception: 13-Dec-2006

Source for performance: T.Rowe Price.

Fund performance is calculated using the official NAV with distributions reinvested, if any. 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. Sales charges, taxes and other locally applied costs have not been deducted and if applicable, they will reduce the performance figures.

MSCI Index returns are shown with gross dividends reinvested.

Indicative Benchmark Data Source: MSCI.MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

### PORTFOLIO HIGHLIGHTS

■ Rising trade tension between Japan and South Korea, mixed corporate earnings, and lingering worries about the ongoing U.S.-China trade conflict all weighed on Asia ex-Japan stocks in July. Against this backdrop, the portfolio outperformed largely due to our stock choices. China boosted relative returns the most on account of our stock selection. Industrial automation firm Shenzhen Inovance helped as it continued its recovery after sharp falls in the second quarter. We think Inovance is facing a long runway for growth in factory automation and electric passenger vehicles and we view it as a beneficiary of import substitution in the industrial automation market. Our stake in PICC Property and Casualty added further value following a favourable pre-results announcement. In contrast, India curbed performance the most due to stock selection and our overweight to this lagging market. Here, our position in HDFC Bank crimped relative returns as its loan growth moderated in its fiscal first quarter. However, we believe that HDFC's focus on efficiency-driven growth will augur well for its margin. From a sector perspective, our stock selection in communication services such as Naver, South Korea's dominant search engine, lifted returns due to its strong set of second-quarter core business earnings.



- We reduced our relative overweight to India by closing several positions. This included exiting engineering and construction firm Larsen and Toubro as we locked in profit. We also eliminated tiremaker Apollo Tyres that has been hit by the downturn in Europe and tougher competition at home. Finally, we closed our position in ITC, India's largest cigarette company on concerns that the sector may be facing a tougher regulatory environment under the new government; the health minister is a doctor, who occupied the position briefly in 2014 and has been hawkish on tobacco regulations in the past.

---

Trade policy remains a key risk for China; however, we think that full-blown stimulus measures to counter the growth slowdown are unlikely. Instead, policymakers may look for more targeted options to support the economy. In terms of the overall region, we remain constructive about the long-term prospects for equities, even if a resolution in the trade conflict between the U.S. and China may take a while to materialise.

---

#### MAIN RISKS:

**Country risk (China)** - all investments in China are subject to risks similar to those for other emerging markets investments. In addition, investments that are purchased or held in connection with a QFII licence or the Stock Connect program may be subject to additional risks.

**Currency risk** - the risk that securities denominated in currencies other than the base currency of the fund may decrease in value due to changes in foreign exchange rates.

**Emerging markets risk** - emerging markets are less established than developed markets and therefore involve higher risks.

**Equity risk** - in general, equities involve higher risks than bonds or money market instruments.

**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 fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).

**Market risk** - prices of many securities change daily, and can fall based on a wide variety of factors.

**Operational risk** - operational failures could lead to disruptions of fund operations or financial losses.

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

**Style risk** - different investment styles typically go in and out of favour depending on market conditions and investor sentiment.

## Important Information

The Funds 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 annual and semiannual 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 and via [www.troweprice.com](http://www.troweprice.com).

Please note that the Fund typically has a risk of high volatility.

The views contained herein are as of 31 July 2019 and may have changed since that time. Unless indicated otherwise the source of all data is T.Rowe Price.

This material, including any statements, information, data and content contained within it and any materials, information, images, links, graphics or recording provided in conjunction with this material are being furnished by T. Rowe Price for general informational purposes only. The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request. It is not intended for distribution to retail investors in any jurisdiction. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price. The material does not constitute a distribution, an offer, an invitation, recommendation or solicitation to sell or buy any securities in any jurisdiction. The material has not been reviewed by any regulatory authority in any jurisdiction. The material does not constitute advice of any nature and prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. Past performance is not a reliable indicator of future performance. The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

EEA — Unless indicated otherwise this material is issued and approved by T. Rowe Price International Ltd, 60 Queen Victoria Street, London, EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

Switzerland — Issued in Switzerland by T. Rowe Price (Switzerland) GmbH ("TRPSWISS"), Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. First Independent Fund Services Ltd, Klausstrasse 33, CH-8008 Zurich is Representative in Switzerland. Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8002 Zurich is the Paying Agent in Switzerland. For Qualified Investors only.

DIFC — Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd. This document is communicated on behalf of T. Rowe Price International Ltd by its representative office which is regulated by the Dubai Financial Services Authority. For Professional Clients only.

The sub-funds of the T. Rowe Price SICAV are not available to US persons, as defined under Rule 902(k) of the United States Securities Act of 1933, as amended ("Securities Act"). The shares of the funds have not been nor will they be registered under the Securities Act or under any State securities law. In addition the funds will not be registered under the United States Investment Company Act of 1940 (the "1940 Act"), as amended and the investors will not be entitled to the benefits of the 1940 Act. Provided to global firms in the US by T. Rowe Price Investment Services, Inc.

T. ROWE PRICE, INVEST WITH CONFIDENCE and the Bighorn Sheep design are, collectively and/or apart, trademarks or registered trademarks of T. Rowe Price Group, Inc. in the United States, European Union, and other countries. This material is intended for use only in select countries. Transactions in securities of foreign currencies may be subject to fluctuations of exchange rates which may affect the value of an investment. The fund is subject to the volatility inherent in equity investing, and its value may fluctuate more than a fund investing in income-oriented securities.

© 2016 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The Morningstar Ratings apply to Share Class I and Q.

Source & Copyright: Citywire. Where the Fund manager is rated by Citywire the rating is based on the manager's 3 year risk adjusted performance.