



## MONTHLY UPDATE

31 July 2019

### T. ROWE PRICE FUNDS SICAV

## Global Natural Resources Equity Fund



### Shawn T. Driscoll

Portfolio Manager

14 Years investment experience

11 Years at T. Rowe Price

### FUND SNAPSHOT

Seeking to identify long-term global winners in the arena of natural resources extraction and production.

### KEY FUND DATA

Indicative Benchmark:	MSCI World Select Natural Resources Index Net
Base Currency:	USD
ISIN Class A:	LU0272423673
ISIN Class A (EUR):	LU1438969278
ISIN Class I:	LU0272423913
ISIN Class I (EUR):	LU1382644166
ISIN Class Q:	LU1743772433
ISIN Class Q (EUR):	LU0876475368
ISIN Class Q (GBP):	LU1382644919



	Annualised				
	One Month	Year-to-Date	One Year	Three Years	Five Years
Class I	-1.23%	11.74%	-10.38%	2.52%	-3.41%
MSCI World Select Natural Resources Index Net*	-2.51%	11.07%	-13.00%	3.71%	-3.18%

	Calendar Years				
	2014	2015	2016	2017	2018
Class I	-8.3	-19.3	25.0	9.3	-17.2
MSCI World Select Natural Resources Index Net*	-9.5	-20.5	25.6	12.0	-18.1

#### 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: 15-Nov-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.

### PORTFOLIO HIGHLIGHTS

- Commodity prices were mixed in July. West Texas Intermediate crude oil prices recovered from concerns about macroeconomic weakness and ended the month incrementally higher, as Iran stoked regional tensions and fears of potential supply disruptions when it seized two tankers in the Strait of Hormuz. Natural gas prices slipped on abundant supplies. Silver prices led the way among precious metals, while platinum and gold prices also finished higher. Iron ore prices increased by almost 10%, lifted by expectations that the supply/demand balance will remain tight in the second half of 2019. Within the portfolio, our underweight allocation to diversified metals and mining—especially the industry's largest operators—boosted relative results. We believe the industry is one of the more challenged spaces within the natural resources complex over a longer time frame. Stock selection and an above-benchmark allocation to specialty chemicals also added value. Shares of sealings and coatings company RPM surged after the company reported fourth-quarter earnings per share that beat the consensus estimate, thanks to cost savings and favourable pricing trends. Conversely, stock selection in integrated oil and gas weighed on relative performance, as France-based Total and Norway-based Equinor lagged.
- Major and integrated oil companies appeal to us because of their clean balance sheets, financial strength, and the benefits of scale. In our view, these qualities position the best of these companies to drive productivity gains and capital efficiency. We believe our highest-conviction holdings should be able to grow their hydrocarbon output in a cost-conscious manner and have exhibited a commitment to returning capital to shareholders. On an absolute basis, integrated oil and gas finished the period as the portfolio's largest industry allocation, although we remain underweight relative to the benchmark.

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We believe the global commodities market is in middle of a long-term, secular downcycle. Although countercyclical rallies in oil prices can occur, we believe any periods of outperformance will likely be brief, due to a declining cost curve and the disruptive effects of short-cycle shale production. Nevertheless, we continue to find pockets of opportunity in several areas of the market.

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**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.

**Country risk (Russia and Ukraine)** - in these countries, risks associated with custody, counterparties and market volatility are higher than in developed countries.

**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.

**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.

**Sector concentration risk** - the performance of a fund that invests a large portion of its assets in a particular economic sector (or, for bond funds, a particular market segment), will be more strongly affected by events affecting that sector or segment of the fixed income market.

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

## 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.

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