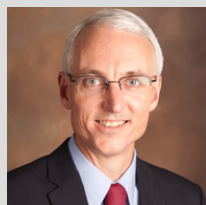


AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

# T. Rowe Price Global Equity Fund - I Class

As of 31 January 2021



**Portfolio Manager:**

R. Scott Berg

**Joined Firm:**

2002

**Investment Experience:**

18 Years



Morningstar Analyst Rating™:  
As of 17/03/2020



## INVESTMENT OBJECTIVE

The Fund's objective is to provide long-term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed, on recognised exchanges and/or markets throughout the world. The portfolio may include investments in the securities of companies traded, listed or due to be listed, on recognised exchanges and/or markets, of developing countries.

## TOP 10 HOLDINGS

	Country	Industry	% of Fund
Amazon.com	United States	Internet & Direct Marketing Retail	3.6%
Alibaba Group Holding	China	Internet & Direct Marketing Retail	2.6
Alphabet	United States	Interactive Media & Services	2.2
Apple	United States	Technology Hardware, Storage & Peripherals	1.9
Facebook	United States	Interactive Media & Services	1.8
Evotec	Germany	Life Sciences Tools & Services	1.7
Tencent Holdings	China	Interactive Media & Services	1.4
Morgan Stanley	United States	Capital Markets	1.4
Microsoft	United States	Software	1.4
Sea	Singapore	Entertainment	1.3

## SECTOR EXPOSURE

	% of Fund	Fund vs. MSCI AC World Index ex Australia Net (AUD)
Information Technology	22.4%	0.0
Consumer Discretionary	17.0	3.7
Financials	15.2	2.3
Health Care	13.6	1.5
Industrials & Business Services	9.4	-0.2
Communication Services	8.5	-0.9
Consumer Staples	5.5	-1.6
Materials	3.3	-1.3
Real Estate	2.3	-0.2
Utilities	1.8	-1.2
Energy	0.5	-2.6

## PERFORMANCE

	Annualised							
	One Month	Three Months	Year-to-date	One Year	Three Years	Five Years	Ten Years	Since Manager Inception <sup>3</sup>
T. Rowe Price Global Equity Fund - I Class (Gross – AUD) <sup>1</sup>	1.75%	8.72%	1.75%	24.86%	20.86%	20.55%	16.83%	20.80%
T. Rowe Price Global Equity Fund - I Class (Net – AUD) <sup>2</sup>	1.68	8.47	1.68	23.59	19.51	19.19	15.48	19.41
MSCI All Country World Index ex Australia Net (AUD) <sup>3</sup>	0.11	7.00	0.11	2.25	9.93	11.77	11.91	14.83
Value Added (Gross) <sup>1</sup>	1.64	1.72	1.64	22.61	10.93	8.78	4.92	5.97
Value Added (Net) <sup>2</sup>	1.57	1.47	1.57	21.34	9.58	7.42	3.57	4.58

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

Source for performance: T. Rowe Price.

<sup>1</sup>Gross-of-fees performance is the net return with fees and expenses added back.

<sup>2</sup>Net-of-fees performance is based on end-of-month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions.

Figures include changes in principal value. Investment return and principal value will vary, and an account may be worth more or less at termination than at inception. For further details, please refer to the Fund's product disclosure statement and reference guide which are available from Equity Trustees or TRPAU.

<sup>3</sup>Index returns shown with reinvestment of dividends after the deduction of withholding taxes.

<sup>1</sup>The Value Added is shown as the Fund (Gross) minus its Index.

<sup>2</sup>The Value Added is shown as the Fund (Net) minus its Index.

<sup>3</sup>Effective 6 June 2012, Scott Berg took over management responsibility for the Fund.

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**COUNTRY DIVERSIFICATION (TOP 10)****MSCI AC World  
Index ex Australia  
Net (AUD)**

	<b>% of Fund</b>	<b>Net (AUD)</b>
United States	54.0%	57.9%
Germany	7.7	2.5
China	7.2	5.6
United Kingdom	7.1	3.9
India	4.6	1.2
Canada	2.6	2.7
Switzerland	2.3	2.7
Netherlands	1.8	1.1
France	1.4	2.9
Singapore	1.3	0.3

**MARKET REVIEW**

In Australian dollar terms, global equities pulled back in January as complications in the rollout of coronavirus vaccines in many countries and worries about new outbreaks and strains of the virus weighed on sentiment.

U.S. stocks were mixed in January. Markets recorded gains early in the month on hopes for another round of stimulus following news that Democrats had gained narrow control of the Senate following the victory of two candidates in Georgia runoff elections. Volatility rose somewhat following the January 6 attack on the U.S. Capitol building, but markets generally took the unprecedented political turmoil in stride. However, stocks gave back their early gains and ended the period in negative territory.

Shares in developed Europe fell as worries intensified about the economic damage caused by the spread of coronavirus variants, the extension of national lockdowns, and delays in vaccination programs. Equities in Italy and France pulled back, while shares in the UK only posted modest gains as the strong gains that followed the announcement of a trade deal with the European Union (EU) soon diminished. Geopolitical strife also weighed on stocks. The Italian coalition government led by Prime Minister Giuseppe Conte fell after a disagreement over plans for spending EU rescue funds, and the Dutch coalition government led by Mark Rutte resigned en masse over a child-care subsidies scandal.

Developed Asian markets were mixed. Hong Kong, New Zealand, and Singapore gained ground, while Japanese stocks suffered a steep decline in the final week of January. The Japanese government, seeking to swiftly implement measures to curb the third wave of coronavirus infections, approved a third supplementary budget representing JPY 19 trillion (USD 185 billion). The government may extend the state of emergency beyond the current February 7 target for parts of the country that continue to report high numbers of new coronavirus cases.

Emerging market stocks broadly gained ground and outperformed developed shares. Performance was led by gains in emerging Asia, as Chinese shares rose. The Chinese economy officially grew by 2.3% in 2020, a remarkable recovery from the extreme lockdown in the first quarter of last year. Real gross domestic product growth in the fourth quarter accelerated to 6.5% year over year, regaining its pre-coronavirus trend, the only major economy to do so. Emerging Latin America performed poorly across the board, apart from Chile, which posted modest gains.

Sector performance in the MSCI All Country World Index ex Australia was mostly negative. Consumer staples, industrials and business services, and financials were the worst performers, while energy, communication services, and health care were the strongest performers.

**PORTFOLIO CHARACTERISTICS****MSCI AC World  
Index ex  
Australia Net  
(AUD)**

	<b>Fund</b>	<b>Net (AUD)</b>
Number of Issuers	160	2,815
Top 20 Issuers as Percent of Total	31.0%	22.3%
Percent of Portfolio in Cash	0.5%	–
Portfolio Turnover (12 Months)	94.2%	–
Active Share	77.8%	–

**FUND REVIEW**

The fund outperformed the MSCI All Country World Index ex-Australia for the one-month period ended January 31, 2021. Tencent Holdings was the largest relative contributor in the portfolio. Shares of the internet giant rose due to a surge in demand for Hong Kong stocks from mainland Chinese investors, although the name pulled back near the end of the month as investors took profits. We are encouraged by Tencent's solid fundamentals and robust investment portfolio, and we believe that the company has ample opportunity to further monetize its large, rapidly growing user base. At the sector level, stock selection in health care contributed the most to relative performance, led by Eurofins Scientific, Teladoc Health, and Evotec. Conversely, information technology names lowered relative returns, especially our positions in Global Payments, Fiserv, and StoneCo.

**OUTLOOK**

We expect the "COVID-on/COVID-off" trade to continue to flip-flop as it did through the later stages of 2020. We believe secular growth stocks, at the right price, should continue to compound good returns, but the setup into midyear might imply a continuation of the rotation trade into value, small-caps, and non-U.S. stocks that began toward the end of last year.

Certainly, increasing exposure to stocks with earnings sensitivity at this point in the market cycle could potentially reap rewards. But selectivity will remain crucial in a world that remains defined by extreme outcomes. Further positive news on vaccines would also help those sectors that have been most damaged by the virus, such as travel, leisure, energy, and financials. Indeed, we have been adding individual names to these areas but have been very selective, using our global research platform to identify the best candidates.

While new vaccines should eventually allow us to exit this pandemic, we believe that many of the trends that have evolved over the course of the past year will endure. COVID-19 has unleashed these trends even further. We expect increased adoption of digital payments, having food delivered to your door, and using technology to connect with each other. There has been a meaningful leap forward in the penetration of e-commerce globally, and we believe there is still a long way for this dynamic to go. The advantage for us as global investors is that our opportunity set allows us to scour all geographies, using our global research platform to find, in our view, the best investment opportunities.

## CONTACT US

For more information about the Fund, please contact our Relationship Management team on 02 8667 5700 or visit [www.troweprice.com.au](http://www.troweprice.com.au)

## FUND INFORMATION

APIR	ETL0071AU
Inception Date	15 September 2006
Benchmark	MSCI All Country World Index ex Australia Net (AUD)
Management Fees <sup>^</sup>	0.94% p.a.
Distribution	Annually
Buy/Sell	Buy +0.25% / Sell -0.20%
Total Assets	\$5,066,080,943 AUD

<sup>^</sup>The Management Fee for the T. Rowe Price Global Equity Fund - I Class is 0.94% p.a. and the Indirect Cost is 0.00% p.a. Full details of other fees and charges are available within the Fund's Product Disclosure Statement and Reference Guide.

## ADDITIONAL DISCLOSURES

Unless indicated otherwise the source of all data is T. Rowe Price.

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The information shown does not reflect any ETFs that may be held in the portfolio.

Source for Sector Diversification: T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all updates to GICS for prospective reporting.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, all data is as of the report production date.

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