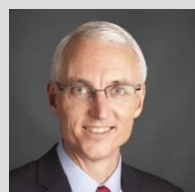




AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

# T. Rowe Price Global Equity Fund - I Class

As of 30 April 2021



**Portfolio Manager:**

R. Scott Berg

**Joined Firm:**

2002

**Investment Experience:**

18 Years



Morningstar Analyst Rating™:  
As of 22/03/2021

## 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	3.2%
Alphabet	United States	Interactive Media & Services	2.6
Facebook	United States	Interactive Media & Services	1.6
Evotec	Germany	Life Sciences Tools & Services	1.4
Alibaba Group Holding	China	Internet & Direct Marketing Retail	1.4
Roper Technologies	United States	Industrial Conglomerates	1.2
Apple	United States	Technology Hardware, Storage & Peripherals	1.1
Wells Fargo	United States	Banks	1.1
Charles Schwab	United States	Capital Markets	1.1
Rivian Automotive	United States	Automobiles	1.0

## SECTOR EXPOSURE

	% of Fund	Fund vs. MSCI AC World Index ex Australia Net (AUD)
Information Technology	21.2%	-0.6
Consumer Discretionary	17.5	4.6
Financials	15.4	1.5
Health Care	13.1	1.8
Industrials & Business Services	10.2	0.2
Communication Services	8.9	-0.8
Consumer Staples	4.3	-2.6
Materials	3.9	-0.9
Real Estate	2.7	0.2
Utilities	2.0	-0.9
Energy	0.4	-2.8

## PERFORMANCE

	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>*</sup>	3.64%	5.73%	7.58%	37.63%	21.78%	21.61%	17.89%	20.93%
T. Rowe Price Global Equity Fund - I Class (Net - AUD) <sup>**</sup>	3.56	5.49	7.25	36.32	20.45	20.25	16.54	19.55
MSCI All Country World Index ex Australia Net (AUD) <sup>***</sup>	2.90	8.93	9.04	23.41	12.52	13.65	13.18	15.50
Value Added (Gross) <sup>1</sup>	0.74	-3.20	-1.46	14.22	9.26	7.96	4.71	5.43
Value Added (Net) <sup>2</sup>	0.66	-3.44	-1.79	12.91	7.93	6.60	3.36	4.05

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

Source for performance: T. Rowe Price.

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

<sup>\*\*</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>\*\*\*</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	56.2%	59.3%
United Kingdom	7.3	3.8
China	6.7	4.9
Germany	6.6	2.5
India	4.3	1.2
Switzerland	2.0	2.5
Canada	1.9	2.9
Netherlands	1.7	1.2
Brazil	1.6	0.6
France	1.2	3.0

**MARKET REVIEW**

In Australian dollar terms, global equities gained ground in April, as continued vaccinations, generally positive economic data, and broadly healthy first-quarter earnings supported markets.

U.S. stocks advanced in April. Equities received a boost early in the month, thanks to favorable economic data, as the Labor Department reported that employers added nearly 1 million jobs in March, well above consensus estimates. Corporate earnings news was also generally favorable, although expectations were fairly high. The market remained sensitive to vaccine-related news, including a pause in Johnson & Johnson vaccine usage due to a rare blood-clotting side effect. The Federal Reserve's late-month monetary policy meeting yielded a widely expected outcome of no policy changes. Chair Jerome Powell reiterated that the Fed would wait for "some time" before raising rates, while also saying that policymakers were not ready to begin planning for a reduction in asset purchases.

Developed European shares were broadly positive, helped in part by an easing of some pandemic lockdown restrictions, optimism about an economic rebound, and better-than-expected corporate earnings. Belgian, Danish, and Finnish shares fared the best. After a slow start to the vaccination rollout, vaccine rates continued to improve. While preliminary data indicated the eurozone's economy may have contracted in the first quarter, inflation accelerated, mainly due to higher energy costs.

Developed Asian markets were mostly positive, led by Australia. However, Japanese stocks declined as the government announced a state of emergency in Tokyo and three other prefectures due to rising coronavirus cases and reports of hospital bed shortages. While there were signs of recovery in consumer demand in March, the country's slow vaccine rollout and latest state of emergency are expected to weigh on consumption in the near term.

Emerging markets rose but broadly underperformed developed markets. In emerging Asia, Chinese economic data showed an impressive year-on-year rate of gross domestic product growth in the first quarter, although it was modestly below expectations. Indian stocks fell as a surge in coronavirus cases hurt investor sentiment. In Latin America, Argentina, Brazil, and Mexico were positive. Political uncertainties weighed on Peruvian equities following the first round of the country's presidential election; the result paved the way for a runoff in the final round in June between a left-wing and a conservative candidate. Emerging European markets were among the weakest performers. Russian shares sank as the U.S. announced new sanctions on the country and the central bank raised interest rates.

Sector performance in the MSCI All Country World Index ex Australia was mostly positive. Communication services, materials, and real estate were the strongest performers, while energy was the only sector to produce negative returns.

**FUND REVIEW**

The fund outperformed the MSCI All Country World Index ex Australia Net for the one-month period ended April 30, 2021. Google parent Alphabet was the leading contributor in the portfolio as the stock gained ground following a U.S. Supreme Court decision that ruled the company's use of Oracle's Java programming language constituted a "fair use" and was thus protected from copyright infringement. Later in the month, Alphabet reported strong earnings results, which beat analyst estimates across the

**PORTFOLIO CHARACTERISTICS****MSCI AC World  
Index ex  
Australia Net**

	<b>Fund</b>	<b>(AUD)</b>
Number of Issuers	204	2,826
Top 20 Issuers as Percent of Total	25.1%	22.0%
Percent of Portfolio in Cash	0.4%	-
Portfolio Turnover (12 Months)	83.7%	-
Active Share	77.8%	-

board. Highlights included impressive revenue growth and operating margin expansion, as robust advertising showed strong consumer activity. We have high conviction in Alphabet given its world-class computing infrastructure and elite engineering and data science capabilities. At the sector level, stock selection in health care boosted relative returns the most, with our positions in Evotec, PPD, and Danaher leading the way. Conversely, consumer staples names lowered relative returns, especially InRetail Peru, Yatsen Holding, and United Spirits.

**OUTLOOK**

The current pushes and pulls in the market are incredibly complex. From a fundamental perspective, near- to intermediate-term economic and corporate data are going to be exceedingly strong. We are still operating in a very low interest rate world—in any absolute sense, rates remain near historic lows—with a massive amount of central bank liquidity and fiscal stimulus at a time when real gross domestic product growth is picking up and corporate earnings are likely to accelerate this year and next. While equity valuations are still more reasonable when compared with bond yields, they are clearly above average for a normal environment, which causes some concern.

The ongoing health pandemic offers its own pushes and pulls. There has been a marked improvement in vaccine distribution within the U.S., with 2%–3% of the country's population being vaccinated each week. However, the vaccine rollouts in parts of Europe and Asia have been rockier, and the coronavirus is likely to remain in the world for some time, particularly in some emerging market countries where we may be more than a year out before many people can obtain the vaccine, which amplifies risks of virus variants.

The Biden administration's emerging priorities offer positives and negatives for equity investors as well. Widespread fiscal stimulus has supported asset prices, but the increasing likelihood of rising corporate tax rates could put a damper on after-tax corporate earnings. Geopolitically, relations between the U.S. and China remain complex. The arrival of a new U.S. administration increased expectations for less adversarial relations, but it has become clear that underlying tensions between the two superpowers are real, structural, and unlikely to go away.

We have also seen exuberance and extreme positive sentiment in markets. There has been an explosion in SPACs (Special Purpose Acquisition Companies) and initial public offerings as well as retail investors with growing risk-seeking behavior driving price movements. While we think we have entered a new equity bubble with areas of the market looking frothy and irrational, it could be years before we experience a meaningful reversion, which means there could still be room for equities to move higher.

Recognizing the challenging pushes and pulls in the market, we are trying to be more balanced with the portfolio, keeping the overall portfolio risk (beta) near 1.0—not overly offensive or defensive—while focusing on picking stocks broadly across sectors and regions. We think volatility is likely to increase, in part due to higher dispersion within factors, styles, and sectors, and we think such an environment is well suited for active investment. While financial and market conditions have changed meaningfully—and will likely continue to do so—our investment philosophy, rooted in stock selection and a thoughtful approach to portfolio construction, has not. It is this consistent process that allows us to successfully navigate more challenging cycles.

## 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	\$5,836,099,848 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

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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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