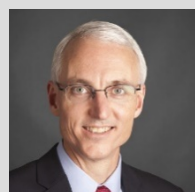


AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

# T. Rowe Price Global Equity Fund - I Class

As of 31 August 2021



**Portfolio Manager:**

R. Scott Berg

**Joined Firm:**

2002

**Investment Experience:**

19 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	3.0%
Alphabet	United States	Interactive Media & Services	2.8
Facebook	United States	Interactive Media & Services	1.7
Evotec	Germany	Life Sciences Tools & Services	1.3
Danaher	United States	Health Care Equipment & Supplies	1.1
Roper Technologies	United States	Industrial Conglomerates	1.1
Apple	United States	Technology Hardware, Storage & Peripherals	1.1
Charles Schwab	United States	Capital Markets	1.0
Goldman Sachs	United States	Capital Markets	1.0
Alibaba Group Holding	China	Internet & Direct Marketing Retail	1.0

**SECTOR EXPOSURE**

	% of Fund	Fund vs. MSCI AC World Index ex Australia Net (AUD)
Information Technology	23.0%	-0.0
Consumer Discretionary	18.1	5.8
Financials	15.3	1.6
Health Care	12.8	1.0
Communication Services	8.7	-0.9
Industrials & Business Services	8.6	-1.2
Consumer Staples	4.6	-2.2
Materials	3.9	-0.8
Real Estate	2.2	-0.3
Utilities	1.9	-0.8
Energy	0.0	-3.1

**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>	4.39%	14.67%	23.82%	36.92%	23.88%	23.51%	20.63%	21.94%
T. Rowe Price Global Equity Fund - I Class (Net - AUD) <sup>**</sup>	4.31	14.41	23.06	35.67	22.56	22.16	19.26	20.56
MSCI All Country World Index ex Australia Net (AUD) <sup>***</sup>	3.11	10.87	22.48	30.21	14.03	15.02	15.75	16.35
Value Added (Gross) <sup>1</sup>	1.28	3.80	1.34	6.71	9.85	8.49	4.88	5.59
Value Added (Net) <sup>2</sup>	1.20	3.54	0.58	5.46	8.53	7.14	3.51	4.21

**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.

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action. The views and portfolio holdings contained herein are as of date noted on the material and are subject to change without further notice. The specific securities identified and described do not necessarily represent all of the securities purchased, sold, or recommended for the Fund and no assumptions should be made that the securities identified and discussed were or will be profitable.

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

	<b>% of Fund</b>	<b>Net (AUD)</b>
United States	54.9%	60.7%
United Kingdom	6.9	3.7
Germany	6.0	2.4
China	5.9	4.1
India	5.2	1.4
Switzerland	1.9	2.7
Japan	1.9	5.9
Canada	1.8	2.9
Netherlands	1.8	1.3
Brazil	1.5	0.6

**MARKET REVIEW**

In Australian dollar terms, global equities were broadly positive in August as investors welcomed strong corporate earnings and improving economic conditions. Concerns regarding the spread of the delta variant of the coronavirus tempered gains, but investors seemed encouraged by further vaccination progress.

U.S. stocks generated solid gains, bolstered by a strong second-quarter earnings season. Favorable economic data, including the Labor Department's nonfarm payroll report reflecting the addition of 943,000 jobs in July, the best showing since strict lockdowns were eased in the summer of 2020, also supported gains. However, declining retail sales, the surge of the delta variant, and growing expectations that the Federal Reserve could soon begin to taper its monthly asset purchases all posed headwinds at times.

Developed European stocks rose on strong corporate earnings and hopes that central banks' accommodative policies and coronavirus vaccination programs would continue to support an economic recovery. Stocks in Portugal, the Netherlands, Ireland, and Austria were among the strongest performers, while Sweden was the only major European country to finish in negative territory. The number of coronavirus cases in the European Union and European Economic Area stabilized, although the number of deaths rose, according to the European Centre for Disease Prevention and Control. Inflation in the eurozone increased 2.2% in July—up from 1.9% in June and slightly higher than the European Central Bank's 2% target. Rising energy costs drove the increase. However, inflation in the UK cooled from June's levels. The Bank of England said that "some modest tightening of monetary policy over the forecast period is likely to be necessary" should the economy evolve broadly in line with the bank's projections.

Developed Asian markets were mixed. Japan was a top performer, despite a deteriorating coronavirus situation, with more than 70% of the population under a state of emergency after the government expanded the measures to eight more prefectures, due to last until September 12. Growth momentum was marginally positive; the main driver was domestic private demand, helped by strength in private consumption, capital spending, and residential investment, which offset the drag from net exports and inventories. Singapore and Hong Kong lagged with negative returns.

Stocks in emerging markets outperformed shares in developed non-U.S. markets. Emerging Asian markets were mostly positive. Shares in Thailand, the Philippines, and India were top performers, while Chinese shares lagged with minimal gains due in part to signs of slowing momentum in the economy. In Latin America, Argentine shares surged amid expectations that political parties opposed to President Alberto Fernandez's policies—as reported by Bloomberg—could do well in November's midterm elections. Stocks in Colombia were also strong, whereas Brazilian shares finished in negative territory.

Sector performance in the MSCI All Country World Index ex Australia Net was positive. Financials, utilities, and information technology were the strongest performers, while consumer discretionary and materials lagged but still produced positive results.

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

	<b>Fund</b>	<b>Net (AUD)</b>
Number of Issuers	212	2,812
Top 20 Issuers as Percent of Total	24.1%	22.4%
Percent of Portfolio in Cash	1.0%	–
Portfolio Turnover (12 Months)	66.6%	–
Active Share	77.3%	–

**FUND REVIEW**

The fund outperformed the MSCI All Country World Index ex Australia Net for the one-month period ended August 31, 2021. Evotec was the largest contributor in the portfolio. Shares of the European contract research organization spiked following solid quarterly results. While earnings were weaker than expected due to increased operating expenses and cost of goods, topline growth was strong and investors remained encouraged by the firm's growth trajectory. We have high conviction in Evotec's long-term growth potential, driven by secular tailwinds and deeper customer penetration as end-market businesses choose to outsource these services more often. At the sector level, stock selection in health care contributed the most, led by our positions in Evotec, Eurofins Scientific, and Danaher. Conversely, stock choices in real estate hurt relative results, especially our holdings in China Resources Mixc Lifestyle and KE Holdings.

**OUTLOOK**

We are in unprecedented times where there is no standard playbook. Equity markets have remained resilient during a period marked by a very uneven global economic recovery as countries and regions are forging divergent paths to a post-pandemic world. Continued uncertainty and growing debate around inflation, interest rates, growth, valuations, and market sentiment have led to heightened investor complexity, which increases the merits of our strategy: We remain humble in acknowledging what we don't know and to the risks of portfolio-defining "bets." Although macro considerations are factored into our bottom-up, stock-specific theses, we do not try to predict macro outcomes and instead remain focused on corporate earnings and the path of earnings growth over time. As always, our goal is to fill the portfolio with the best bottom-up ideas that fit our investment framework.

We expect markets to remain volatile in the near term as genuine investor debate about how the world will look on the other side of the pandemic ebbs and flows. We are thoughtfully processing information as it is uncovered and are open-minded that the world can change as time progresses and events unfold. Our default view remains that the recent spate of inflation we have seen is likely transitory due to the ongoing secular forces of globalization, demographics, digitalization, and low interest rates and that the post-pandemic world should be similar to what it was pre-COVID-19, with relatively lower growth and lower rates. However, we recognize the need for some time to pass to gain a clearer picture.

Recognizing the challenges in front of us, we are trying to be balanced within the portfolio, keeping the overall portfolio risk (beta) near 1.0, while focusing on picking stocks and owning an idiosyncratic set of names across sectors and countries as opposed to expressing large bets at the sector or country level. While equity valuations are broadly viewed as being above average, we think we are far from a peak of a bubble. However, under the surface, volatility at the single stock level feels high, suggesting the need to be selective. Overall, we remain encouraged by our portfolio holdings and their long-term ability will likely to deliver durable growth to our clients.

## CONTACT US

For more information about the Fund, please contact our Relationship Management team on +61 2 8667 5700 or visit [www.troweprice.com](http://www.troweprice.com)

## FUND INFORMATION

APIR	ETL0071AU
Inception Date	15 September 2006
Benchmark	MSCI All Country World Index ex-Australia (unhedged)
Management Fees and Cost <sup>^</sup>	0.94% p.a.
Distribution	Annually
Buy/Sell	Buy +0.25% / Sell -0.20%
Total Assets	\$6,424,785,132 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.

Active Share is a holdings-based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared with tracking error, which measures the standard deviation of the difference in a manager's returns versus the index returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

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The information shown does not reflect any Exchange Traded Funds (ETFs) that may be held in the fund.

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.

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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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