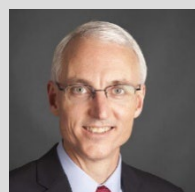


AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

# T. Rowe Price Global Equity Fund - I Class

As of 31 August 2022



**Portfolio Manager:**

R. Scott Berg

**Joined Firm:**

2002

**Investment Experience:**

20 Years



Morningstar Analyst Rating™:  
As of 22/03/2022

**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	2.6%
Alphabet	United States	Interactive Media & Services	2.4
Microsoft	United States	Software	2.2
Apple	United States	Technology Hardware, Storage & Peripherals	1.9
Charles Schwab	United States	Capital Markets	1.8
Roper Technologies	United States	Industrial Conglomerates	1.7
Goldman Sachs	United States	Capital Markets	1.6
Tesla	United States	Automobiles	1.2
Masan	Vietnam	Food Products	1.2
Daiichi Sankyo	Japan	Pharmaceuticals	1.0

**SECTOR EXPOSURE**

	% of Fund	Fund vs. MSCI AC World Index ex Australia Net (AUD)
Information Technology	21.6%	-0.2
Financials	16.6	2.7
Consumer Discretionary	12.2	0.5
Health Care	12.1	-0.1
Industrials & Business Services	10.4	0.7
Materials	7.4	3.1
Consumer Staples	6.8	-0.7
Communication Services	6.3	-1.3
Real Estate	2.3	-0.4
Energy	1.9	-3.3
Utilities	1.6	-1.7

**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>*</sup>	-0.59%	1.58%	-21.33%	-24.87%	8.97%	13.29%	16.36%	16.30%
T. Rowe Price Global Equity Fund - I Class (Net – AUD) <sup>**</sup>	-0.66	1.34	-21.84	-25.59	7.89	12.09	15.06	15.01
MSCI All Country World Index ex Australia Net (AUD) <sup>***</sup>	-2.01	-1.23	-12.97	-10.48	7.46	10.19	13.37	13.41
Value Added (Gross) <sup>1</sup>	1.42	2.81	-8.36	-14.39	1.51	3.10	2.99	2.89
Value Added (Net) <sup>2</sup>	1.35	2.57	-8.87	-15.11	0.43	1.90	1.69	1.60

**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	53.8%	62.9%
India	6.1	1.7
United Kingdom	5.1	3.8
China	4.9	3.7
Germany	4.5	1.8
Japan	2.7	5.6
Vietnam	2.2	0.0
Netherlands	2.1	1.0
Canada	2.1	3.2
Indonesia	2.0	0.2

**MARKET REVIEW**

In Australian dollar terms, global equities sold off broadly in August, as inflation remained elevated and investors feared that central banks would need to be more aggressive in raising rates despite generally poor economic readings.

U.S. stocks declined over the month. Equities gained in the first half of the month as second-quarter corporate earnings reports were better than expected and as measures of inflation appeared to be retreating from recent peaks, which rained hopes that the Federal Reserve would slow the pace of its interest rate increases. However, in the second half of the month, stocks fell sharply as hawkish comments from central bank officials—including Fed Chair Jerome Powell at the Kansas City Fed's annual Jackson Hole Economic Symposium—indicated that they would be willing to risk causing a recession by raising rates and keeping them at a higher level in order to bring inflation down.

Developed European markets performed poorly, hurt by elevated inflation and energy costs, weaker currencies, and growing expectations that the European Central Bank will raise short-term interest rates aggressively to tame inflation. The Netherlands and Sweden were among the worst performers, while Ireland held up best. Inflation in the euro area accelerated more than expected to a record 9.1% in August, up from 8.9% in July. Surging energy and food prices were the primary drivers. The number of jobless people in the bloc dropped by 77,000 in July, leaving the unemployment rate at a record-low 6.6%, Eurostat said. In the UK, the Bank of England raised its key interest rate by 50 basis points (0.50 percentage point) to 1.75%, the biggest increase in 27 years. It also projected that inflation would hit 13.3% by October because of surging energy prices.

Developed Asian stocks fell, though they generally held up better than other areas of the world. While Japanese stocks rose in local terms, they declined in Australian dollar terms as the yen continued to weaken versus other major currencies. Japan's gross domestic product expanded in the second quarter of 2022, according to the Cabinet Office's preliminary reading, but missed consensus expectations. More positively, Japan's industrial production rose by more than anticipated in June, according to the Ministry of Economy, Trade, and Industry. Prime Minister Fumio Kishida reshuffled his cabinet in early August following the Liberal Democratic Party's convincing win with its coalition partner Komeito in the parliamentary upper house election on July 10.

Emerging market stocks gained ground for the month, significantly outperforming their developed market peers. Latin America was among the strongest-performing regions, mainly driven by gains in Argentina, Brazil, and Chile. In emerging Asia, Chinese names were positive, though domestic China A shares collapsed amid continued signs of slowing growth, while some areas of China struggled with severe heat waves that caused crop damage, forest fires, and power rationing. Tensions with Taiwan following U.S. House of Representatives Speaker Nancy Pelosi's visit also hurt performance. Elsewhere in Asia, Indonesia, Vietnam, and India performed strongly. Emerging European markets gained ground, mainly due to strong, double-digit returns from Turkey, where shares rallied following a surprise rate cut from the country's central bank despite a very weak lira and inflation near 80%.

Sector performance in the MSCI All Country World Index ex-Australia Net was almost entirely negative. Health care, information technology, and real estate were among the worst performers; while energy was the only sector to produce positive returns.

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

	<b>Fund</b>	<b>Net (AUD)</b>
Number of Issuers	228	2,747
Top 20 Issuers as Percent of Total	26.8%	23.0%
Percent of Portfolio in Cash	0.8%	–
Portfolio Turnover (12 Months)	77.2%	–
Active Share	74.4%	–

**FUND REVIEW**

The fund outperformed the MSCI All Country World Index ex Australia Net for the one-month period ended August 31, 2022. Our position in Sumber Alfaria Trijaya was the biggest relative contributor in the portfolio. Reports of robust expansion helped push up shares of Indonesian convenience store operator in August. The company announced over 800 new store additions in the first half of 2022 and is now targeting to open more than 1,300 new stores for the full year. In addition to its accelerating retail sales growth trends, we think that Sumber Alfaria Trijaya is also well positioned to capitalize on its extensive network of e-money and e-commerce partnerships to grow its fee-based income, already a major profit contributor. At the sector level, stock selection in financials helped relative returns, led by our holdings in NU Holdings, Bank Central Asia, and Charles Schwab. On the other hand, holdings in industrials and business services detracted the most from relative returns, especially our positions in Roper Technologies, Ashtead, and Experian.

**OUTLOOK**

The investment landscape—marked by extreme inflation, tightening financial conditions, slowing growth, decelerating corporate earnings, and continued geopolitical risks—remains challenging. We are operating in an environment of rapidly changing and powerful economic factors by focusing on our "core basics" of following a truly idiosyncratic, sector-balanced approach that leverages our extensive research platform to invest in what we believe are well-run, durable growth compounds—stocks that should provide a solid return outcome in a lower growth environment with meaningfully reset valuations.

The ongoing conflict in Ukraine has led to extreme commodity price inflation that has rippled through the global economy, and COVID-related headwinds have continued to disrupt supply chains. Outside of China, the rest of the world has reopened, and the higher inflation that was once thought to be transitory is likely to remain higher for longer than we had thought. With central banks now laser focused on reigning in inflation, we are operating in a higher interest rate world with rising risks of a recession.

Despite near-term uncertainty, we believe the market environment is still positive for equities and growth in the medium and longer term. While recession has become a broadly consensus view, it would likely be one of the most telegraphed recessions in history, and we would expect it to be short lived. Even though we are clearly in a new rate environment with the Federal Reserve going at a steeper and quicker pace than we anticipated, real rates remain negative and should remain very low for the medium term, which would be supportive for global growth equities. We believe the sharp downturn in equities has also removed much of the fundamental excess valuation in many stocks, which should provide for more compelling opportunities.

We are cognizant of building the portfolio for tomorrow, rather than owning what has worked in the recent past. Despite the challenges of 2022, we have high conviction in our current positions with a strong enduring bias toward companies in highly attractive industries where dynamics such as low penetration and long runways that we believe will lead to high and sustained levels of growth. Extending our return horizon and thinking beyond the short-term market narrative have allowed us to be contrarian in the past and have contributed to our longer-term outperformance.

**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 +0.30% / Sell -0.20%
Total Assets	\$5,490,586,456 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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