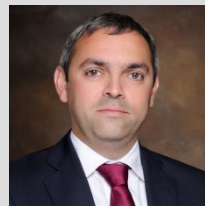


T. Rowe Price Dynamic Global Bond Fund – I Class

As of 31 January 2022



Portfolio Manager:

Arif Husain

Joined Firm:

2013

Investment Experience:

26 Years



Morningstar Analyst Rating™:
As of 22/02/2021



INVESTMENT OBJECTIVE

The Fund's objective is to maximise total return and provide income through investment primarily in a portfolio of fixed income securities which may include, but is not limited to, transferable debt securities of government and their agencies, supranational organisations, corporations and banks as well as mortgage-backed and asset-backed securities. There are no restrictions on the sectors or countries in which bond issuers are located.

TOP 10 ISSUE EXPOSURE¹

	Maturity Date	% of Fund
Deutsche Bundesrepublik Inflation Linked Bond	15 Apr 2026	8.5
United Kingdom Inflation-Linked Gilt	22 Mar 2024	8.1
Japan Government Five Year Bond	20 Sep 2026	7.4
Deutsche Bundesrepublik Inflation Linked Bond	15 Apr 2030	5.2
Brazil Notas do Tesouro Nacional Serie F	01 Jan 2027	4.7
Japan Government Ten Year Bond	20 Sep 2030	3.5
Philippine Government International Bond	26 Nov 2022	3.4
Bonos de la Tesoreria de la Republica en pesos	01 Mar 2026	3.2
Israel Government Bond - Fixed	31 Mar 2047	3.1
Republic of South Africa Government Bond	21 Dec 2026	2.7

PERFORMANCE

	One Month	Three Months	Year-to-date	One Year	Three Years	Five Years	Since Fund Inception
T. Rowe Price Dynamic Global Bond Fund – I Class (Gross – AUD)*	1.01%	1.03%	1.01%	0.89%	3.56%	2.30%	3.88%
T. Rowe Price Dynamic Global Bond Fund – I Class (Net – AUD)**	0.98	0.93	0.98	0.49	3.17	1.89	3.45
Bloomberg AusBond Bank Bill Index (AUD)	0.01	0.01	0.01	0.03	0.57	1.08	1.54
Value Added (Gross) ⁴	1.00	1.02	1.00	0.86	2.99	1.22	2.34
Value Added (Net) ⁵	0.97	0.92	0.97	0.46	2.60	0.81	1.91

Past performance is not a reliable indicator of future performance.

Source for performance: T. Rowe Price.

* Gross-of-fees performance is the net return with fees and expenses added back.

** 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.

¹ Issuer exposure is derived using the portfolio's direct holdings and does not take into account derivative exposure. Consult the portfolio holdings report for a listing of all securities owned in the portfolio.

² Calculated using the portfolio's direct holdings plus exposure from derivative instruments.

³ Calculated using the individual credit quality ratings for the direct holdings and without the impact from derivative instruments.

⁴ The Value Added is shown as the Fund (Gross) minus its Index.

⁵ The Value Added is shown as the Fund (Net) minus its Index.

SECTOR DIVERSIFICATION

	% of Fund
Treasury & Quasi Treasury	78.05
Corporate (including High Yield)	10.51
Securitized	4.01
Equity	0.37
Cash & Cash Equivalents	7.06

PORTFOLIO CHARACTERISTICS^{1,2,3}

	Fund
Number of Holdings	104
Number of Countries	41
Weighted Average Maturity	6.13 Years
Weighted Average Effective Duration	0.19 Years
Weighted Average Spread Duration	-2.06 Years
Average Credit Quality	A
Yield to Maturity (including hedging)	1.09%

Annualised

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.

BLOCK BOND ALLOCATION (ISSUE CURRENCY)¹

	% of Fund
Europe	34.1
North America	13.6
Latin America	9.8
Pacific Ex Japan	17.4
Japan	10.9
Middle East & Africa	7.2
Reserves	6.9

FUND REVIEW

The portfolio's overall duration stood close to zero at the end of January with short duration stances held in select high-quality countries where we feel inflation could potentially be more structural, such as the UK and the U.S. We also held short positions in countries, such as Germany and Italy, as the European Central Bank risks potentially falling behind the curve on responding to inflation, in our view.

We moderately trimmed some of our exposures in U.S. inflation-linked bonds and swaps. Although several factors continue to be supportive, we are cognizant that if the Federal Reserve starts shrinking its balance sheet later this year, then it could potentially sell some off its holdings in Treasury inflation protected securities.

Among other high-quality countries, we added to our long positions in Israel and Japan, while our positive exposures in New Zealand, China, Thailand, Hong Kong, Malaysia, and Sweden were kept broadly stable.

Within emerging markets, we remained broadly constructive with long exposures in select local currency government bond markets, including Russia, Brazil, India, Chile, Serbia, Mexico, and Romania, among others.

To help mitigate some of the risk associated with "return-seeking" positions, we retained a short Polish duration position, although the size was trimmed after recent strong performance.

In currencies, our short U.S. dollar bias was increased as we continue to anticipate long-term weakness. Most notably, we increased exposure to emerging market currencies through adding to existing long positions in the Brazilian real and Chilean peso and opening new positive positions in the Russian ruble, Thai baht, and South African rand.

Within credit, we added some new defensive hedges over the period. While fundamentals remained strong, we were mindful that the path toward tighter financial conditions is likely to be turbulent and therefore potentially cause bouts of volatility at times in risk-sensitive markets such as credit.

Put option structures on U.S. equities—which we hold as a defensive hedge against a rapid correction in equity markets—were adjusted over the month.

PORTFOLIO PERFORMANCE

January was characterized by rising geopolitical risks, weaker-than-expected corporate earnings, and the Federal Reserve leading the way in terms of turning more aggressive on fighting inflation. The developments roiled global financial markets, resulting in volatility and a heavy sell-off across both bond and equity markets. The conditions provided an important test of our approach, and we delivered on the strategy's three core goals of providing a regular return, acting as performance anchor at times of risk market corrections, and managing downside risks, such as rising rates.

Within duration management, short duration stances in the UK, Poland, U.S., Germany, and Canada contributed notably as yields in these

CREDIT QUALITY DIVERSIFICATION²

	% of Fund
AAA	18.2
AA	10.4
A	23.5
BBB	24.2
BB	13.3
B	1.3
C	0.1
Not Rated	2.2
Cash	6.9

DISTRIBUTION INFORMATION

	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021
Distribution Rate (cents per unit AUD)	0.17	8.23	0.15	0.15

markets rose materially. Our U.S. curve positioning also boosted performance, while long positions in domestic South Korea and Russia detracted.

In currency markets, overall performance was modestly positive thanks to gains from long positions in the Chilean peso and Brazilian real. A long position in the Australian dollar detracted, however.

Within sectors, defensive hedging positions expressed in credit and equity markets contributed positively as investors retreated from risk-sensitive markets. Individual security selection in U.S. investment-grade and high yield detracted, however.

OUTLOOK

A key theme during the period was the positive correlation between rates and equity markets. While this has typically been a rare event in the past decade, the markets' dynamics are changing and we believe that it could potentially become a more common occurrence this year. With central banks withdrawing support, financial markets are set to undergo a period of significant change that could cause tighter liquidity conditions, higher interest rates, and volatility in risk markets. Against this backdrop, we believe it will be important to use the full toolkit available, including currency and derivatives markets to help with diversification efforts.

Central banks remain front and center in financial markets at present, a trend we expect to continue. In response to inflation, they are likely to continue removing accommodative policies and hiking interest rates. This withdrawal of support is likely to drive most developed market bond yields higher. As a result, we continued to hold short duration stances in high-quality countries, such as the UK and select eurozone countries. By contrast, we remained comfortable owning duration in countries that are further progressed in their tightening cycles, such as New Zealand and select emerging markets like Brazil and Chile.

Overall, the environment remains highly uncertain. Although the direction is toward tighter monetary policy, the pace that it's done and how many others join the Federal Reserve is just as important and could prove decisive for sentiment. Against this backdrop, we believe it's important to keep a liquid profile in the portfolio. This should help give us flexibility to adapt to changes in market conditions and take advantage of any pricing anomalies and dislocations that might occur.

¹Issuer exposure is derived using the portfolio's direct holdings and does not take into account derivative exposure. Consult the portfolio holdings report for a listing of all securities owned in the portfolio.

²Calculated using the individual credit quality ratings for the direct holdings and without the impact from derivative instruments.

CONTACT US

For more information about the Fund, please contact our Relationship Management team on 02 8667 5700 or visit www.troweprice.com

FUND INFORMATION

APIR	ETL0398AU
Inception Date	18 February 2014
Benchmark	Bloomberg AusBond Bank Bill Index (AUD)
Management Fees and Costs [^]	0.40% p.a.
Distribution	Quarterly
Buy/Sell	Buy +0.20% / Sell -0.20%
Total Assets	\$776,504,994.94 AUD

[^]The Management Fee for the T. Rowe Price Dynamic Global Bond Fund is 0.40% 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.

Weighted Average Maturity is an average of the maturities of the underlying bonds, with each bond's maturity weighted by the percentage of fund assets it represents. Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of a bond fund to changes in interest rates. In general, the longer the average maturity or duration, the greater the fund's sensitivity to interest rates. Duration is a better indicator of price sensitivity because it takes into account the time value of cash flows.

T. Rowe Price uses a custom structure for sector and industry reporting for this product.

Credit ratings for the securities held in the T. Rowe Price Dynamic Global Bond Fund are provided by Moody's, Standard & Poor's and Fitch and are converted to the Standard & Poor's nomenclature. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps and sovereign securities. The T. Rowe Price Dynamic Global Bond Fund is not rated by any agency.

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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T. Rowe Price Dynamic Global Bond Fund - I Class received Morningstar Analyst Rating™ of 'Bronze' as of **22 February 2021**. © 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.

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A Target Market Determination for each T. Rowe Price Australian Unit Trust (or class of units in a Trust) is available here (www.eqt.com.au/insto [www.eqt.com.au]). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who the financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where Equity Trustees Limited, the responsible entity of the T. Rowe Price Australian Unit Trusts may need to review the Target Market Determination for the financial product.

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