T. Rowe Price®
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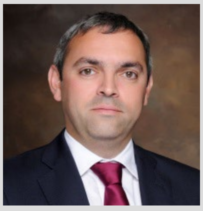
AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

T. Rowe Price Dynamic Global Bond Fund – I Class

As of 30 June 2022



Portfolio Manager:
Arif Husain

Joined Firm:
2013

Investment Experience:
26 Years

Morningstar Bronze

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

Recommended
Lonsec Research

Zenith
APPROVED

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 EXPOSURE[1]

TOP 10 ISSUE EXPOSURE[1]	Maturity Date	% of Fund
United Kingdom Inflation-Linked Gilt	22 Mar 2024	9.0
Deutsche Bundesrepublik Inflation Linked Bond	15 Apr 2026	8.7
U.S. Treasury Notes	30 Jun 2023	6.2
U.S. Treasury Notes	31 Jan 2023	4.3
U.S. Treasury Bonds	15 Nov 2022	4.1
U.S. Treasury Inflation Indexed Bonds	15 Jan 2023	3.7
Philippine Government International Bond	26 Nov 2022	3.7
Brazil Notas do Tesouro Nacional Serie F	01 Jan 2027	2.8
U.S. Treasury Inflation Indexed Bonds	15 Apr 2023	2.7
China Government Bond	19 Nov 2030	2.5

SECTOR DIVERSIFICATION

	% of Fund
Treasury & Quasi Treasury	75.89
Corporate (including High Yield)	11.43
Securitized	3.86
Equity	0.73
Cash & Cash Equivalents	8.09

PORTFOLIO CHARACTERISTICS[1,2,3]

	Fund
Number of Holdings	107
Number of Countries	37
Weighted Average Maturity	5.45 Years
Weighted Average Effective Duration	2.82 Years
Weighted Average Spread Duration	-1.04 Years
Average Credit Quality	A+
Yield to Maturity (including hedging)	2.24%

PERFORMANCE

					Annualised		
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)*	1.37%	1.63%	5.37%	4.01%	4.57%	3.39%	4.21%
T. Rowe Price Dynamic Global Bond Fund – I Class (Net – AUD)**	1.34	1.53	5.17	3.60	4.15	2.98	3.78
Bloomberg AusBond Bank Bill Index (AUD)	0.05	0.07	0.08	0.10	0.33	0.95	1.48
Value Added (Gross)[4]	1.32	1.56	5.29	3.91	4.24	2.44	2.73
Value Added (Net)[5]	1.29	1.46	5.09	3.50	3.82	2.03	2.30

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.

BLOCK BOND ALLOCATION (ISSUE CURRENCY)[1]

	% of Fund
Europe	29.4
North America	37.1
Latin America	6.5
Pacific Ex Japan	15.2
Japan	0.0
Middle East & Africa	5.3
Reserves	6.6

FUND REVIEW

We actively managed the size of the portfolio's duration throughout and made tactical adjustments to respond to the changing market environment. This included reducing overall duration early on in anticipation of further central bank hawkishness. Then toward the end of the period, as the focus shifted to growth worries, we added duration back to end June over two years.

In the U.S., we actively managed the size of our short duration bias during June, initially increased materially as the Federal Reserve turned more aggressive and then trimmed toward the end of the period as growth concerns picked up. In other moves, we materially reduced the short exposure in Italy after the European Central Bank's (ECB) emergency meeting.

Among other high-quality countries, we added to our long position in Australia, which complemented existing long duration stances in New Zealand, Israel, China, Thailand, Hong Kong, Malaysia, and South Korea. By contrast, short duration postures were kept in the UK and Canada.

Throughout, we retained exposures to inflation-linked bonds and swaps, in Germany, the UK, and Canada.

In emerging market bonds, long positions were maintained in the local currency government bond markets of Brazil, Chile, Mexico, Hungary, Romania, Serbia, South Africa, and India.

In the currency sphere, our short U.S. dollar bias was meaningfully reduced during June. Although valuations remain expensive, we were mindful that the deteriorating risk environment could provide some near-term support for the currency. Accordingly, we closed the long Japanese yen position, reduced long exposures in the commodity-linked currencies of the Australian dollar and Canadian dollar, and opened a new defensive short position in the New Zealand dollar.

Within sectors, we continued to hold a number of defensive credit hedges at the end of June using synthetic credit instruments, particularly in U.S. investment grade and U.S. high yield. Throughout, we continued to isolate credit selection from market beta as a potential source of alpha.

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

A selloff engulfed global bond markets during June as some major central banks turned more aggressive on fighting inflation. This step-up in hawkishness, together with rising growth concerns roiled global financial markets, resulting in volatility and a heavy sell-off across risk markets.

Within duration management, a short U.S. duration position added notable gains, benefiting from the sharp rise in Treasury yields as the Fed delivered its largest single-meeting rate hike since 1994. Short duration positions in the UK, and France also contributed positively, while an allocation to German inflation-linked bonds detracted.

In currency markets, the broadly stronger U.S. dollar resulted in positive contributions from short positions in the Israeli shekel, Taiwanese dollar, and South Korean won. These gains were outweighed, however, by losses from long positions in the Australian dollar, Canadian dollar, and the Polish zloty.

Within sectors, defensive hedging positions expressed in credit and equity markets contributed strongly as investors retreated from risk-sensitive markets. Long exposures in select U.S. high yield and U.S. investment-grade corporate bonds detracted, at the margin, however.

OUTLOOK

Central banks appear to be finally waking up to the challenge of inflation, with several indicating their willingness to accelerate tightening paths. The Fed was among them—kicking off balance sheet reduction and delivering a 75-basis-point* hike—as they laser-focused in on the price stability part of their dual mandate. The ECB also signaled that rate hikes would likely start soon and that plans to develop a new anti-fragmentation tool were being accelerated in response to the sharp rise in periphery borrowing costs. This was a robust signal of support for the periphery, in our view, although given the lack of details provided, some risks still remain. Going forward, we broadly expect central banks to continue with this faster pace of tightening for at least the next few months; beyond that their resolve on beating inflation could be tested especially if growth slows materially. Against this backdrop, active duration management remains critical, in our view, and we expect to continue our dynamic approach of responding to the market environment.

Looking ahead, our key conviction is that volatility will remain elevated as markets grapple with the tightening of financial conditions, persistent inflation, and growth slowing. Regardless of which factor dominates the market narrative, we believe that risk markets, such as credit, remain vulnerable and expect the turbulence to continue in this space. As a result, we continued to hold a number of defensive positions in the portfolio, including credit hedges and equity put options.

Overall, the environment remains highly uncertain and with summer approaching there's a possibility conditions could become even more protracted and challenging. Therefore, we believe that it's important to be tactical and 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.

CREDIT QUALITY DIVERSIFICATION[2]

	% of Fund
AAA	37.5
AA	9.7
A	13.3
BBB	17.8
BB	10.0
B	1.0
C	0.0
Default	0.6
Not Rated	3.4
Cash	6.6

DISTRIBUTION INFORMATION

	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022
Distribution Rate (cents per unit AUD)	0.15	0.15	0.16	3.77

[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.

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

*A basis point is 0.01 percentage points.

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	$670,940,757 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 March 2022**. © 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.

IMPORTANT INFORMATION

Equity Trustees Limited ("Equity Trustees") (ABN: 46 004 031 298, AFSL: 240975) is a subsidiary of EQT Holdings Limited (ABN: 22 607 797 615), a publicly listed company on the Australian Stock Exchange (ASX:EQT). Equity Trustees and T. Rowe Price Australia Limited ("TRPAU") (ABN: 13 620 668 895, AFSL: 503741) are, respectively, the responsible entity and investment manager of the T. Rowe Price Australian Unit Trusts. Available in Australia for Wholesale Clients only and in New Zealand for Wholesale Investors only.

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 [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.

Past performance is not a reliable indicator of future performance. The price of any fund may go up or down. Investment involves risk including a possible loss to the principal amount invested. For general information purposes only, does not take into account the investment objectives, financial situation or needs of any particular investor. For further details, please refer to each fund's product disclosure statement and reference guide which are available from Equity Trustees (www.eqt.com.au/insto) or TRPAU (www.troweprice.com.au)/(www.troweprice.nz).
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