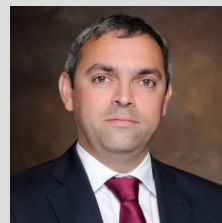


T. Rowe Price Dynamic Global Bond Fund – I Class

As of 31 August 2022



Portfolio Manager:

Arif Husain

Joined Firm:

2013

Investment Experience:

26 Years



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



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.

SECTOR DIVERSIFICATION

	% of Fund
Treasury & Quasi Treasury	75.17
Corporate (including High Yield)	11.19
Securitized	3.61
Equity	0.21
Cash & Cash Equivalents	9.83

TOP 10 ISSUE EXPOSURE¹

	Maturity Date	% of Fund
United Kingdom Inflation-Linked Gilt	22-Mar-2024	8.8
Deutsche Bundesrepublik Inflation Linked Bond	15-Apr-2026	8.4
U.S. Treasury Notes	31-Jan-2023	7.2
U.S. Treasury Notes	30-Jun-2023	6.2
U.S. Treasury Inflation Indexed Bonds	15-Jan-2023	3.7
Philippine Government International Bond	26-Nov-2022	3.6
Brazil Notas do Tesouro Nacional Serie F	1-Jan-2027	2.8
U.S. Treasury Inflation Indexed Bonds	15-Apr-2023	2.7
Israel Government Bond - Fixed	31-Mar-2047	2.7
China Government Bond	19-Nov-2030	2.5

PORTFOLIO CHARACTERISTICS^{1,2,3}

	Fund
Number of Holdings	105
Number of Countries	37
Weighted Average Maturity	5.26 Years
Weighted Average Effective Duration	-0.15 Years
Weighted Average Spread Duration	-0.83 Years
Average Credit Quality	A+
Yield to Maturity (including hedging)	2.0%

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)*	2.56%	1.58%	5.59%	4.88%	5.41%	3.32%	4.15%
T. Rowe Price Dynamic Global Bond Fund – I Class (Net – AUD)**	2.52	1.47	5.31	4.46	4.99	2.91	3.72
Bloomberg AusBond Bank Bill Index (AUD)	0.15	0.33	0.36	0.37	0.36	0.95	1.48
Value Added (Gross) ⁴	2.41	1.25	5.23	4.51	5.05	2.37	2.67
Value Added (Net) ⁵	2.37	1.14	4.95	4.09	4.63	1.96	2.24

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.

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	29.0%
North America	36.3
Latin America	5.9
Pacific Ex Japan	15.2
Japan	0.0
Middle East & Africa	5.9
Reserves	7.7

FUND REVIEW

The portfolio's overall duration was trimmed to end the period at around zero. In the U.S., we managed our short duration posture dynamically, trimming in the first half of August before increasing again as the Federal Reserve re-emphasized its goal to combat inflation.

Within the eurozone, our overall negative bias was increased as we moved short duration in Germany. This complemented our existing short positions in Italy and, to a lesser extent France, as we see potential for markets to test the European Central Bank's new anti-fragmentation tool.

Among other high-quality countries, we maintained short positions in Canada and the UK and long positions in Australia, New Zealand, Israel, China, Thailand, Hong Kong, Malaysia, and South Korea.

Throughout, we kept exposures to inflation-linked bonds, particularly in Germany, on anticipation that gas supply issues keep price pressures elevated in the eurozone.

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.

With regards to currency, our long position in the U.S. dollar was increased during August as we remained concerned about the broader risk environment. This was driven by a combination of closing a long position in the Australian dollar and opening new short positions in the Swedish krona and Mexican peso. We also reduced exposures to European-related currencies by trimming the long position in the Hungarian forint and closing long positions in the Czech koruna and Polish zloty.

Within sectors, we rotated some of our defensive credit hedges out of the U.S. and into Europe during August. This was driven by our expectations for the eurozone economy to underperform and possibly enter recession later this year, a development that could weigh on corporate credit fundamentals in the region. Accordingly, our short positions expressed via synthetic credit instruments in European high yield and European investment grade increased, while our short position expressed in U.S. high yield was trimmed.

Throughout, we continued to isolate credit selection from market beta as a potential source of alpha.

PORTFOLIO PERFORMANCE

Developed government bond markets broadly sold off during August as hawkish comments from central bank officials led to a repricing of monetary policy tightening expectations.

Within duration management, our short duration stances in the U.S. and across the eurozone, including Germany, Italy, and France, added strong gains as yields in these markets rose. Our short duration stance in the UK also boosted performance, as did an allocation to UK inflation-linked bonds. Long duration stances in South Korea and New Zealand detracted, however.

In currency markets, a defensive short position held in the Israeli shekel detracted over the period as the currency was boosted by the country's central bank delivering its largest rate hike in two decades. Short positions in the Japanese yen and euro contributed positively, however.

CREDIT QUALITY DIVERSIFICATION²

	% of Fund
AAA	37.2%
AA	9.4
A	13.6
BBB	17.2
BB	9.9
B	1.0
C	0.0
CCC or below	0.1
Default	0.6
Not Rated	3.3
Cash	7.7

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

Within sectors, defensive hedging positions expressed in credit markets had a positive impact on performance. Long exposures in select U.S. high yield also added gains, while U.S. investment-grade corporate bond exposures detracted.

OUTLOOK

The message from the Fed and other major central banks was clear during August - inflation remains the top priority right now even if bringing it down causes some economic pain. The hawkish rhetoric brought an abrupt end to the summer rates rally as bond investors revised their expectations for monetary policy tightening. But while bond markets sold off materially to largely reverse out the gains of July, risk markets, such as equity, did not respond to the same degree. This suggests some underpricing for the next phase of tightening, which together with growth slowing and the ongoing withdrawal of liquidity support by central banks, led us to remain cautious on the outlook for risk markets. Against this backdrop, we continued to hold a number of defensive positions in the portfolio.

Bond markets have come a long way this year. At current yield levels, we feel that central bank tightening is more fairly priced and that we are moving closer to the point where there's a potential window of opportunity to add duration back into the portfolio. Although we are not there yet, there are several signposts we are monitoring, such as growth indicators and the extent of how fast inflation can start to come down. Broadly, flexibility around duration management remains key, in our view, and we have the freedom to move duration anywhere between zero and up to six years.

Overall, we expect volatility to continue with markets grappling with a number of different forces all at the same time, including geopolitical risks, slowing growth, high inflation, and a tightening of financial conditions. Against this backdrop, 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.

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

² Calculated 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	\$677,193,698 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 fund are provided by Moody's, Standard & Poor's and Fitch and are converted to the Standard & Poor's nomenclature. A rating of "AAA" represents the highest-rated securities, and a rating of "D" represents the lowest-rated securities. 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 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.

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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 [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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