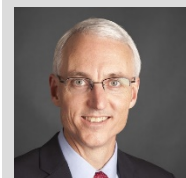


AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

# T. Rowe Price Global Equity (Hedged) Fund - I Class

As of 30 June 2021



**Portfolio Manager:**

R. Scott Berg

**Joined Firm:**

2002

**Investment Experience:**

18 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.

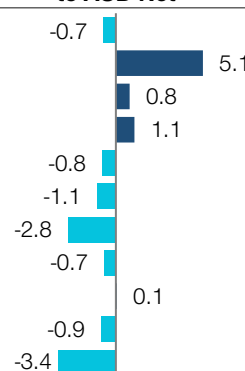
## TOP 10 HOLDINGS

	Country	Industry	% of Fund
Amazon.com	United States	Internet & Direct Marketing Retail	2.9%
Alphabet	United States	Interactive Media & Services	2.5
Facebook	United States	Interactive Media & Services	1.6
Evotec	Germany	Life Sciences Tools & Services	1.3
Alibaba Group Holding	China	Internet & Direct Marketing Retail	1.3
Zoom Video Communications	United States	Software	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
Visa	United States	IT Services	1.0

## SECTOR EXPOSURE

	% of Fund
Information Technology	21.5%
Consumer Discretionary	18.0
Financials	14.5
Health Care	12.7
Industrials & Business Services	9.2
Communication Services	8.4
Consumer Staples	4.1
Materials	4.0
Real Estate	2.6
Utilities	1.8
Energy	0.0

## Fund vs. MSCI AC World Index ex Australia Hedged to AUD Net



Annualised

## PERFORMANCE

	One Month	Three Months	Year-to-date	One Year	Three Years	Five Years	Since Fund Inception
T. Rowe Price Global Equity (Hedged) Fund - I Class (Gross - AUD) *	4.90%	9.67%	12.71%	43.45%	20.68%	21.45%	21.08%
T. Rowe Price Global Equity (Hedged) Fund - I Class (Net - AUD) **	4.82	9.42	12.18	42.12	19.35	20.08	19.71
MSCI All Country World Index ex Australia Hedged to AUD Net ***	2.18	7.02	13.24	35.46	13.01	14.09	14.12
Value Added (Gross) <sup>1</sup>	2.72	2.65	-0.53	7.99	7.67	7.36	6.96
Value Added (Net) <sup>2</sup>	2.64	2.40	-1.06	6.66	6.34	5.99	5.59

## 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.

\*\*\* 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.

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**

	% of Fund	Index ex Australia Hedged to AUD Net
United States	54.0%	59.5%
United Kingdom	6.8	3.8
China	6.6	5.0
Germany	6.1	2.4
India	4.5	1.3
Canada	1.9	3.0
Switzerland	1.8	2.6
Brazil	1.6	0.7
Netherlands	1.6	1.2
Philippines	1.2	0.1

**MARKET REVIEW**

In Australian dollar terms, global equities produced positive returns in June. Overall, markets rose in response to the continued reopening of economies, falling coronavirus case numbers despite the spread of the delta variant, and generally positive economic data.

U.S. stocks were broadly positive but volatile over the month due to investor concerns about rising inflation as well as the timing and magnitude of possible upcoming interest rate hikes. However, markets overcame these concerns after the Federal Reserve reaffirmed its stance that inflationary pressures would prove temporary and reiterated their slow and steady process toward tapering asset purchases and interest rate hikes. Additionally, some economic signals appeared to show inflation and growth easing, with some commodity and consumer prices declining from previous highs and job growth coming in modestly below expectations for the month of May.

Developed European stocks were positive as economies continued to reopen and central bank officials reaffirmed their commitment to ultra-loose monetary policies. However, worries that stimulus might be withdrawn sooner than expected because of inflationary pressures and the spread of a super-infectious variant of the novel coronavirus curbed equities' advance. Switzerland and Denmark were the strongest performers, while Portugal and Spain fared the worst. Coronavirus infection rates fell in much of the European Union, prompting the lifting of restrictions. However, in the UK, Prime Minister Boris Johnson delayed a full reopening of society in England from June 21 to July 19 due to surging infections mainly caused by the new delta variant. Scotland said it would delay reopening until August.

Developed Asian markets rose in Australian dollar terms. Japanese shares ended higher. While export growth for the year-on-year period ended May was strong and first-quarter gross domestic product was revised upward, Purchasing Managers' Index data for June showed deterioration due to the region's state of emergency restrictions amid a resurgence in coronavirus cases.

Emerging market stocks advanced. In Asia, Chinese equities delivered a positive return despite an outbreak of coronavirus cases in Guangzhou weighing on sentiment, while economic data releases during the month were mixed. In Latin America, Brazilian equities outperformed, helped by encouraging domestic economic data. Inflation remains a concern, however, and the country's central bank announced a further increase in interest rates. The Peruvian market sold off on news that leftist candidate Pedro Castillo appeared to be the probable victor in a tight presidential contest. Elsewhere, the energy-driven Russian market outperformed, supported by oil price strength.

Sector performance in the MSCI All Country World Index ex Australia Hedged to AUD Net was mostly positive. Information technology, energy, and health care were the strongest performers, while materials and financials were the only sectors that pulled back.

**FUND REVIEW**

The fund outperformed the MSCI All Country World Index ex Australia Hedged to AUD Net for the one-month period ended June 30, 2021. Amazon.com was a leading contributor in the portfolio. The stock traded higher in the runup to the e-commerce retailer's annual Prime Day event. We continue to have high conviction in Amazon given its dominant position in online retail and its robust cloud computing business. In

**PORTFOLIO CHARACTERISTICS**

	Fund	MSCI AC World Index ex Australia Hedged to AUD Net
Number of Issuers	207	2,822
Top 20 Issuers as Percent of Total	24.4%	21.8%
Percent of Portfolio in Cash	3.3%	-
Portfolio Turnover (12 Months)	70.9%	-
Active Share	77.8%	-

addition, we are encouraged by the e-commerce giant's ongoing retail logistics buildout, which should add to its already strong fulfillment capacity. At the sector level, stock selection in consumer discretionary boosted relative returns the most, with our positions in Etsy, Zalando, and Peloton Interactive aiding the most. Conversely, an underweight allocation and stock selection in energy hampered relative returns the most, particularly our position in Galp Energia Sgpps.

**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, 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 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	ETL0312AU
Inception Date	5 April 2016
Benchmark	MSCI All Country World Index ex Australia Hedged to AUD Net
Management Fees and Cost <sup>^</sup>	0.96% pa
Distribution	Annually
Buy/Sell	Buy +0.25% / Sell -0.20%
Total Assets	\$714,022,138 AUD

<sup>^</sup>The Management Fee for the T. Rowe Price Global Equity (Hedged) Fund - I Class is 0.96% 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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