



AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

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

As of 30 June 2023

**Portfolio Manager:**  
R. Scott Berg

**Joined Firm:**  
2002

**Investment Experience:**  
21 Years

**Morningstar Gold™**

Morningstar Medalist Rating™:  
As of 02/06/2023

Analyst-Driven %      Data Coverage %  
100                              100



**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.

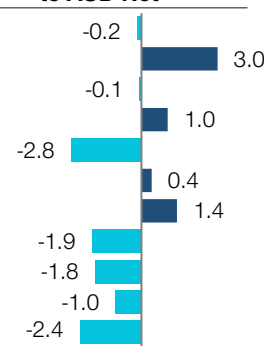
**TOP 10 HOLDINGS**

	Country	Industry	% of Fund
Microsoft	United States	Software	4.0%
Apple	United States	Technology Hardware, Storage & Peripherals	3.3
Amazon.com	United States	Broadline Retail	2.4
NVIDIA	United States	Semiconductors & Semiconductor Equipment	2.1
Alphabet	United States	Interactive Media & Services	2.0
Roper Technologies	United States	Industrial Conglomerates	1.8
Fiserv	United States	Financial Services	1.7
Eli Lilly and Co	United States	Pharmaceuticals	1.4
New Linde	United States	Chemicals	1.2
BDO Unibank	Philippines	Banks	1.2

**SECTOR EXPOSURE**

	% of Fund
Information Technology	22.2%
Financials	18.1
Health Care	11.8
Industrials & Business Services	11.7
Consumer Discretionary	8.7
Consumer Staples	7.7
Materials	5.6
Communication Services	5.4
Energy	2.8
Real Estate	1.3
Utilities	0.4

**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) <sup>*</sup>	4.69%	6.57%	12.92%	13.15%	4.58%	6.98%	11.30%
T. Rowe Price Global Equity (Hedged) Fund - I Class (Net – AUD) <sup>**</sup>	4.61	6.32	12.39	12.08	3.58	5.86	10.10
MSCI All Country World Index ex Australia Hedged to AUD Net <sup>***</sup>	5.33	6.40	13.48	14.63	10.20	7.36	9.84
Value Added (Gross) <sup>1</sup>	-0.64	0.17	-0.56	-1.48	-5.62	-0.38	1.46
Value Added (Net) <sup>2</sup>	-0.72	-0.08	-1.09	-2.55	-6.62	-1.50	0.26

**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.

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	56.9%	63.0%
India	5.2	1.6
United Kingdom	3.8	3.7
Germany	3.5	2.2
China	3.2	3.2
Philippines	2.8	0.1
Japan	2.5	5.6
France	2.4	3.1
Indonesia	2.4	0.2
Vietnam	2.4	0.0

**MARKET REVIEW**

In Australian dollar terms, global equities broadly generated solid returns in June as investors hoped that central banks would begin to slow the pace of interest rate increases, even as many indicated that rate hikes would likely continue for the foreseeable future. Markets also seemed to embrace a narrative that stronger-than-expected economic data even in the face of higher interest rates was a sign that the global economy could achieve a “soft landing” or perhaps avoid a broad recession entirely. Moderating inflationary measures added to positive investor sentiment.

Major U.S. stock indexes produced strong gains in June. Equities climbed early in the month as investors welcomed an agreement between Congress and President Joe Biden to suspend the debt ceiling until January 2025 and to cap non-defense government spending for two years. Investors also anticipated—correctly—that the Federal Reserve would decide to keep the fed funds target rate in the 5.00% to 5.25% range at its June 13–14 monetary policy meeting. Although investors were discouraged that policymakers projected two more rate increases by the end of the year, the month ended on a strong note, as better-than-expected economic data suggested that the economy remained resilient and continued to expand.

Developed European markets advanced on hopes that interest rates were near peak levels and that economies would hold up reasonably well. The European Central Bank in June raised its deposit rate to 3.5%—the highest level in 22 years—and signaled that more tightening was likely, despite slowing headline inflation and concerns about the economy. However, some influential Governing Council members opined that any increases thereafter were less certain and would depend on incoming economic data. Revised data showed that the eurozone economy shrank by 0.1% sequentially in both the first quarter of this year and the final three months of 2022, meeting the technical definition of a recession. In the UK, data suggested that inflation is more deeply entrenched than in other countries, pushing the Bank of England to surprise markets and raise interest rates by half a percentage point to 5.0%.

Developed Asian markets also gained ground. Stocks in Japan had a strong June, with a weak yen benefiting the country’s exporters and the central bank’s ultra-accommodative monetary policy stance providing a supportive backdrop. Japan’s economy grew by more than initially estimated over the first quarter of 2023, according to revised figures released by the Cabinet Office. Much of the upward revision to gross domestic product was due to stronger corporate investment, with businesses increasing their spending as sentiment remained resilient despite concerns about slowing global, and particularly Chinese, growth.

Emerging market equities broadly rose but generally underperformed their developed market peers. In Latin America, all major markets were positive. Brazil recorded robust gains as the economy continued to demonstrate solid momentum while easing inflation raised expectations that an interest rate cut may be near. Within emerging Europe, Poland, Greece, and Hungary all registered strong returns as investors generally shrugged off wider concerns about a potential recession. In contrast, Turkish equities retreated; the central bank hiked interest rates to 15.0% from 8.5% as the new finance minister attempts to combat inflation. In emerging Asia, Indian equities rose on the back of a robust macroeconomic backdrop. Meanwhile, Chinese equities rebounded (although A shares were negative) from several months of losses after the central bank cut interest rates, raising hopes for more stimulus to industries that are slowing amid the fading post-pandemic recovery.

**PORTFOLIO CHARACTERISTICS**

	Fund	MSCI AC World Index ex Australia Hedged to AUD Net
Number of Issuers	212	2,791
Top 20 Issuers as Percent of Total	30.4%	25.0%
Percent of Portfolio in Cash	4.4%	–
Portfolio Turnover (12 Months)	55.9%	–
Active Share	67.9%	–

Sector performance in the MSCI All Country World Index ex Australia Hedged to AUD Net was almost entirely positive. Consumer discretionary, industrials and business services, and energy were the strongest performers, while utilities and communication services lagged, posting flat returns.

**FUND REVIEW**

The fund underperformed the MSCI All Country World Index ex Australia Hedged to AUD Net for the one-month period ended June 30, 2023. Tesla was the largest relative detractor for the month. While shares of Tesla rose over the period, our position was a relative detractor due to our underweight versus the benchmark. Investors have been encouraged by recent developments for the company, including news that all versions of the firm’s cheapest Model 3 would be eligible for the full USD 7,500 electric vehicle tax credit, as well as the announcements that Ford, General Motors, and Rivian would each adopt Tesla’s North American charging plug standard. While we continue to believe Tesla is a high-quality company that is massively disrupting the automotive industry, our underweight position reflects our understanding that there are some risks to the company’s growth outlook, especially in the short term. At the sector level, stock selection and sector allocation in consumer discretionary hurt relative returns, with our holdings in Tesla, MercadoLibre, and Prada performing the worst. On the other hand, holdings in financials helped relative returns, especially our positions in Fiserv, One 97 Communications, and NU Holdings..

**OUTLOOK**

Global equity markets have powered higher through the first half of the year, proving more resilient than many expected, particularly in an environment where inflation has remained sticky, interest rates have continued to rise, and geopolitical tensions have persisted. In our view, markets have gotten a bit ahead of themselves as the U.S. economy and corporate earnings have been a bit better than feared, and the exuberance surrounding artificial intelligence has pushed technology stocks higher. However, this has made the Federal Reserve’s job to bring down inflation harder. If the economy keeps surprising to the upside, it means rates will need to stay higher for longer. Ultimately, the Fed is committed to taming inflation, and to do that they have to inject some slack into the labor market

We are not predicting a technical recession for the U.S., but we do think we are no longer in the golden profit era that defined the decade-plus period following the global financial crisis. During that time, corporates had lower rates on their debt, lower taxes on their profits, and globalization of supply chains, and they were tapping global demand. Now we have companies paying higher rates on their debt, paying higher taxes on their profits, dealing with supply chains that are less global, and paying more for their employees and materials. This is likely to translate into a less positive corporate growth outlook, but one where we believe the best companies will stand out.

The market is evolving with higher rates, higher inflation, and more challenged growth, but we remain encouraged by the names we own in the portfolio. We continue to invest in idiosyncratic ideas across the growth spectrum while broadly maintaining portfolio balance across sectors. In a still highly fluid near-term macroeconomic backdrop, we recognize the importance of taking a longer-term view and believe that, over time, well-run businesses will remain good investments.

**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 +0.30% / Sell -0.20%
Total Assets	\$756,359,433 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.

Source for MSCI data: MSCI. MSCI and its affiliates and third party sources and providers (collectively, "MSCI") makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. Historical MSCI data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

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.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc, ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by T. Rowe Price. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any or such standard or classification, Without limiting any or the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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.

The rating issued for T. Rowe Price Global Equity (Hedged) Fund - I Class (**assigned April 2022**) are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (**assigned 30 November 2022**) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at [Fund Research Regulatory Guidelines](#).

T. Rowe Price Global Equity (Hedged) - I Class received a Morningstar Medalist Rating™ of 'Gold' as of **02 June 2023**. © 2023 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. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at [www.morningstar.com.au/s/\\_/morningstar.com.au](http://www.morningstar.com.au/s/_/morningstar.com.au) 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. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a 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 and AFSL: 503741) are, respectively, the responsible entity and investment manager of the T. Rowe Price Australian Unit Trusts. Available in Australia for resident investors 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](http://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](http://www.eqt.com.au/insto)) or TRPAU ([www.troweprice.com.au/investor](http://www.troweprice.com.au/investor)) / ([www.troweprice.nz](http://www.troweprice.nz)).

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date noted on the material and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

This document has been prepared without taking account of any person's individual objectives, financial situation or needs. A person should, before making any investment decisions, consider the appropriateness of the information in this document and seek independent professional advice having regard to their objectives, financial situation and needs.

Any person should consider the relevant product disclosure statement ("PDS") in relation to the fund(s) named in this document (if any) before making a decision in relation to the relevant product. Contact Equity Trustees Limited, the responsible entity and T. Rowe Price Australia Limited, the investment manager, for a copy of the PDS.

© 2023 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc.

202307-2983991 / 202307-2983990