



T. ROWE PRICE GLOBAL IMPACT EQUITY FUND

Enabling Social Equity

Intuit

Pressure Points

In the U.S., small businesses account for 99% of all firms and are key to job creation and economic growth.¹ Unfortunately, by the end of their fifth year, the survival rate of U.S. small businesses is only 50%.² With cash flow pressures being the main reason for failure for 29%³ of start-ups, overcoming financial and regulatory challenges is key to unlocking growth potential. However, access to funding from traditional financial institutions can be a challenge. Online financing helps improve SMEs' financial inclusion, often providing faster access to credit than traditional lenders and can offer loans with short-term maturities.

Impact Thesis

Intuit developed a set of integrated digital productivity solutions that help with the development, formalization, and growth of SMEs and sole proprietors. They help accounting professionals, employees, and consumers overcome financial and compliance challenges at a lower cost (e.g., payroll, time tracking, and financial and taxation compliance). Intuit also provides capital to SMEs. In addition, new offerings enable SMEs to better access and expand their end markets. We measure the impact on SMEs by reporting on the number of SMEs served and their success rate.

Key Performance Indicator (KPI): Number of SMEs supported

Five Dimensions of Impact

What: Supporting decent jobs and fostering economic development

Who: SMEs, self-employed, unemployed, individuals in vulnerable jobs in the U.S.

How much: 102 million customers including 8 million SMEs and self-employed individuals served across all platforms as at financial year 2021, a 79% year-over-year increase. It is estimated that the term loans issued to SMEs by Intuit in 2020 (USD 243 million) helped create 8,721 new jobs.⁴

Contribution: Intuit set ambitious SME enablement goals for 2025: double the household savings rate, improve the small and medium-sized business success rate by 10 points versus industry standard, and serve 200 million customers. For the five-year period to end 2020, the survival rate of new SME accounts opened on Quickbooks is 69%, 19% more than the national average.⁵

Risks: Lack of financial literacy, market oversaturation leading to client over-indebtedness, and new SMEs engaging in harmful social and environmental practices.

Progress Monitoring

We are monitoring Intuit's progress toward its 2025 goals and its ability to make financial management, taxation, and related software accessible.

Note: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification.



Hari Balkrishna
Portfolio Manager
T. Rowe Price Global
Impact Equity Fund

PRIMARY UNITED NATIONS SUSTAINABLE DEVELOPMENT GOAL (UN SDG)⁶



IMPACT PILLAR

Social Equity and Quality of Life

IMPACT SUB-PILLAR

Enabling Social Equity

IMPACT JOURNEY

Input

USD 7.67 billion total revenue⁵

Output

Digital platform providing solutions to help SMEs and consumers overcome financial and compliance challenges

Outcome

Over 50 million customers including 8 million SMEs and self-employed served across all platforms; SME survival rate improved⁵

Impact

Supporting job creation, entrepreneurship, and innovation via enablement of SMEs

¹ "The State of Small Business Lending: Credit Access during the Recovery and How Technology May Change the Game," Karen Gordon Mills Brayden McCarthy, 2014.

² Bureau of Labor Statistics

³ Lendingtree, CB Insights

⁴ Net Purpose

⁵ 2020 financial year annual report

⁶ <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Additional Disclosures

Impact pillar and sub-pillar (T. Rowe Price): Impact activities that are aligned to the UN SDGs which guide all investment decisions. All stocks in the impact universe are linked to at least one of the three pillars and eight sub-pillars. See Impact universe (T. Rowe Price).

Impact universe (T. Rowe Price): The universe of stocks that is available to the T. Rowe Price Global Impact Equity Fund to invest. To define our impact universe, we start by applying the T. Rowe Price Impact Exclusion list to the global developed and emerging all-cap opportunity set (MSCI All Country World ex-Australia Index (net of withholding tax)). This list excludes areas of the global economy that, in our view, do not generate positive impact. Our pillar alignment process and impact analysis based on the Five Dimensions of Impact then ensure a starting point for deeper impact eligibility and inclusion.

The example shown in the case study represents the largest active positions in each sub-pillar.

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