



## PORTFOLIO UPDATE

# Concentrated Global Equity SMA

As of 30 April 2025



### Portfolio Manager:

Peter Bates

### Joined Firm:

2004

### Investment Experience:

23 Years



## INVESTMENT OBJECTIVE

The portfolio aims to outperform the MSCI World ex-Australia Index Net (AUD) over a full market cycle.

## TOP 10 HOLDINGS (%)

	Country	Industry	% of Portfolio
Microsoft	United States	Software	5.1
Meta Platforms	United States	Interactive Media & Services	4.6
Amazon.com	United States	Broadline Retail	4.4
Sartorius Stedim Biotech	France	Life Sciences Tools & Services	3.7
Steel Dynamics	United States	Metals & Mining	3.3
RenaissanceRe Holdings	United States	Insurance	3.2
GoDaddy	United States	IT Services	3.0
Hubbell	United States	Electrical Equipment	3.0
Amphenol	United States	Electronic Equip, Instr & Cmpts	3.0
Old Dominion Freight Line	United States	Ground Transportation	2.9

## SMA INFORMATION

Inception Date	24 March 2021
Benchmark	MSCI World (ex-Australia) Net

## SECTOR EXPOSURE (%)

	% of Portfolio	Portfolio vs. MSCI World (ex-Australia) Net
Information Technology	20.6	-3.5
Financials	16.8	0.0
Industrials & Business Services	13.2	1.7
Consumer Discretionary	12.0	1.7
Health Care	9.8	-1.1
Communication Services	9.0	0.9
Materials	7.5	4.3
Utilities	4.9	2.1
Energy	4.0	0.4
Consumer Staples	0.0	-6.7
Real Estate	0.0	-2.1

## PERFORMANCE

Figures Shown in Australian Dollars

	One Month	Three Months	Year-to-Date	One Year	Three Year	Annualised Since Inception 31 Mar 2021 <sup>2</sup>
Concentrated Global Equity SMA (Gross) <sup>^</sup>	-1.77%	-9.81%	-5.48%	8.49%	17.70%	14.15%
MSCI World (ex-Australia) Net <sup>*</sup>	-1.84	-6.76	-4.20	13.89	15.17	13.07
Value Added (Gross) <sup>1</sup>	0.07	-3.05	-1.28	-5.40	2.53	1.08

**Performance data quoted represents past performance which is not a guarantee or a reliable indicator of future results.**

<sup>^</sup> Gross returns are presented before the deduction of expenses and all other fees, but may include transaction costs. Returns include reinvestment of dividends and capital gains. Actual fees assessed by the SMA platforms will vary and are not included in the gross returns. Your account returns may differ from the returns shown due to various reasons that may include, but not limited to, differences in timing of trades, rounding of shares, timing of cash flows and/or client-imposed restrictions or customization.

<sup>\*</sup> Index returns shown with reinvestment of dividends after the deduction of withholding taxes.

Performance is computed in U.S. dollars and converted to the currency shown using an exchange rate determined by an independent third party.

<sup>1</sup> The Value Added is shown as Concentrated Global Equity SMA (Gross) minus its Index.

<sup>2</sup> The SMA inception 24 March 2021. Data reflects period beginning 31 March 2021, which is the first full month since inception.

Effective 13 November 2023, the name of the SMA changed from T. Rowe Price Global Select Equity SMA (Australia) to T. Rowe Price Concentrated Global Equity SMA.

COUNTRY DIVERSIFICATION (TOP 10)

	% of Portfolio	MSCI World (ex-Australia) Net
United States	73.3	72.1
France	6.0	3.0
Switzerland	3.6	2.6
Japan	3.1	5.8
Netherlands	2.7	1.2
United Kingdom	2.6	3.9
Spain	2.3	0.8
Taiwan	2.2	0.0
Italy	2.0	0.8
Argentina	0.0	0.2

PORTFOLIO REVIEW

In Australian dollar terms, global equities showed mixed performance in April during a highly volatile month of trading. Investors navigated significant market turbulence primarily triggered by President Donald Trump's reciprocal tariffs announced on April 2, which were more severe than anticipated. A partial recovery occurred on April 9 when Trump declared a 90-day pause on these tariffs for many countries except China.

U.S. stocks declined in April. Markets struggled amid the tariff announcements and subsequent volatility driven by corporate earnings news, trade-related comments from U.S. and Chinese officials, and concerns about Federal Reserve independence following Trump's threats to fire Chair Jerome Powell, which he later walked back. Growth stocks outperformed value stocks across all market capitalizations.

European markets posted solid gains overall in April in Australian dollar terms, though returns were broadly negative in local currency terms. Portugal generated significant gains, while Spain also produced strong returns. Germany and Belgium also advanced notably. UK stocks were relatively flat, while Norwegian shares declined slightly amid weaker oil prices. Markets were pressured in part due to escalating trade wars and a deteriorating economic growth outlook, which prompted the European Central Bank (ECB) to reduce its deposit facility rate in mid-April—the seventh ECB rate cut since June 2024.

Developed Asian markets showed mixed performance in April. Japan posted solid gains, though local currency returns were much more modest. Shares gained ground despite concerns about potential U.S. tariffs on auto imports, supported by fiscal and monetary policy measures and apparent progress in bilateral trade agreements between Japan and the U.S. Japanese government bond yields initially plunged in response to President Trump's tariff actions but recovered partially by month-end. Shares in Hong Kong and Singapore, however, declined. Australia delivered significant gains, while New Zealand stocks were flat.

Emerging markets lost ground overall in Australian dollar terms. In emerging Asia, Thailand generated significant gains, followed by the Philippines with solid performance. India, Indonesia, South Korea, and Malaysia all posted gains. Chinese stocks declined significantly amid rising U.S.-China trade tensions, while Pakistan declined sharply as tensions with India escalated following a terrorist attack in Kashmir. Latin American markets were mostly positive, with Mexico producing strong gains, followed by Colombia and Brazil with solid performance. Argentine stocks declined, however. In the EMEA region, Hungarian shares posted strong gains, bolstered by inflation figures that, while still high, were better than expected. Meanwhile, Turkish stocks declined significantly after an unexpected interest rate hike following three rate cuts since late December.

Sector performance in the MSCI World Index ex-Australia was mostly negative. Energy declined sharply, followed by health care. Consumer staples and utilities, on the other hand, delivered modest gains.

PORTFOLIO CHARACTERISTICS

	Portfolio	MSCI World (ex-Australia) Net
Number of Holdings	38	1,292
Top 20 Holdings as Percent of Total	62.24%	31.34%
Percent of Portfolio in Cash	2.18%	-
Active Share	83.62%	-
Portfolio Turnover	75.17%	-

PORTFOLIO HIGHLIGHTS

The portfolio performed in line with the MSCI World ex Australia Index Net for the one-month period ended April 30, 2025. At the sector level, stock selection drove relative outperformance, while sector allocation was modestly negative. Health care names contributed the most to relative returns, led by our positions in Sartorius Stedim Biotech and Eli Lilly. Holdings in the information technology sector also helped relative results, most notably our positions in Amphenol, Broadcom, and GoDaddy. Conversely, stock picks in industrials and business services hurt relative returns, especially our positions in Old Dominion Freight Line, Stanley Black & Decker, and Rockwell Automation. At the regional level, holdings in developed Europe contributed the most, while stock choices in North America detracted.

OUTLOOK

The global equity landscape has shifted dramatically since the start of 2025. Odds of a recession have increased, and markets are beginning to price in the growing risk, which has led to significant volatility in equities. While the Trump administration's decisions to shift the U.S.'s policies on global trade and government spending are likely to have recessionary effects in the short term if they are sustained, there is a high level of uncertainty at this moment, and we need to see how things play out over the coming year given there are large tails when it comes to potential outcomes. While assets have moved sharply out of the U.S. to Europe, Japan, and some emerging markets, we are not entirely convinced that other regions will fare better than the U.S. over the long term, and we think it is likely that most of the benefit these regions will have from fiscal and monetary stimulus has been priced in at this point.

Therefore, we are, as always, cautious about macro- and momentum-driven shifts, which is why we think—especially during the current environment where uncertainty is high and factor rotations are acute—having a style-balanced portfolio where we focus on neutralizing factor exposures is more crucial than ever. The first quarter of 2025 saw value stocks outperform growth at a significant rate, and having both styles in our portfolio helped provide some cushion and ballast against the volatility. While some of our short-cycle industrials, financials, and health care exposure hurt the portfolio over the quarter, we still like our positions here and have mainly been defending them, though we did reposition some of our financials names. We are not overexposed to the consumer, and our names there tend to be steady growth with factors that we think can still drive acceleration in the current environment. In terms of the “Magnificent Seven,” we continue to have meaningful overweights to Amazon.com and Meta Platforms, which we think have structural advantages that will help drive growth. We do not have exposure to Tesla, Alphabet, and NVIDIA, which we think have structural issues that will challenge earnings in the coming months.

Our portfolio continues to have a quality bias that we think makes us well positioned given the persistent macro uncertainty we are seeing in the global and geopolitical landscape. Within our three style buckets, we are overweight durable growers but still have exposure to disruptors and cyclical and turnarounds. We added to our cyclical exposure somewhat as the market disruption allowed us to pick up what we think are high-quality cyclical companies at attractive valuations. Overall, we remain true to our investment framework, are avoiding portfolio-defining macro variable exposures, and are leveraging our research advantage through bottom-up stock picking, with a focus on high-quality, world-leading companies that possess strong pricing power and differentiated service capabilities or products.

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 represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.

GIPS® COMPOSITE REPORT

Concentrated Global Equity SMA Composite  
Period Ended December 31, 2024  
Figures Shown in Australian dollar

	2021 <sup>2</sup>	2022	2023	2024
Gross Annual Returns (%) <sup>1</sup>	26.03	-12.63	26.62	30.25
MSCI World ex Australia Index Net (%)	21.86	-12.52	23.23	31.18
Composite 3-Yr St. Dev.	N/A	N/A	N/A	13.20
MSCI World ex Australia Index Net 3-Yr St. Dev.	N/A	N/A	N/A	11.96
Composite Dispersion	N/A	N/A	N/A	N/A
Comp. AUM (Millions)	8.2	7.2	9.1	11.8
# of Accts. in Comp.	1	1	1	1
Total Firm AUM (Billions)	2,274.4	1,824.6	2,057.4	2,522.2 <sup>3</sup>
SMA Portfolio (%)	0%	0%	0%	0%

<sup>1</sup>Past performance is no guarantee or reliable indicator of future results.

<sup>2</sup>March 31, 2021 through December 31, 2021.

<sup>3</sup>Preliminary - subject to adjustment.

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Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Gross returns are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. Gross performance returns are used to calculate presented risk measures. Policies for valuing portfolios, calculating performance, and preparing GIPS Reports are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

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**Concentrated Global Equity SMA Composite.** The Concentrated Global Equity SMA Composite seeks long-term capital appreciation through investment in common stocks of established companies listed primarily on the developed world's stock markets. We seek to buy and own companies where we have a differentiated view on the trajectory or durability of their growth prospects that is not accurately reflected in current share prices. Further, we pursue a balanced approach that is concentrated within our best investment ideas while allowing enough diversification to manage macro risk factors. Formerly Global Select Equity SMA Australia.

(Created April 2021; Incepted March 31, 2021)

ADDITIONAL DISCLOSURES

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 to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark 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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