T.RowePrice

T. ROWE PRICE FUNDS SICAV

Multi-Asset Global Income Fund – ESG Report

Providing transparency on Environment, Social and Governance aspects of the Fund

As at 31 December 2023

ESG INTEGRATION APPROACH

- The Multi-Asset Global Income Fund uses ESG integration as part of its investment process. We incorporate environmental, social and governance factors to enhance investment decisions. Our philosophy is rooted in proprietary fundamental analysis and we find that the consideration of environmental, social, and governance factors fit naturally alongside other components such as financial analysis, valuation, and macroeconomics.
- The process of ESG integration takes place on two levels: first, with our research analysts as they incorporate environmental, social and governance factors into issuer valuations and ratings; and, second, with the portfolio manager as he balances these ESG factor exposures at the portfolio level. Both the analysts and portfolio manager are able to leverage dedicated, in-house resources to assist them in analyzing ESG criteria.
- Our ESG specialist teams provide investment research on ESG issues at the company level and on thematic topics. Additionally, they have built tools to help proactively and systematically analyze the environmental, social, and governance factors that could impact our investments. The foundation of the analysis is a proprietary flagging tool called the Responsible Investing Indicator Model (RIIM). It covers over 15,000 companies and pulls from data sets that are not in the wheelhouse of traditional financial analysis. These data sets include:
  - ESG performance data (e.g., number of accidents, carbon emissions, strength of whistle-blower programs, etc.);
  - ESG targets (e.g., plans to reduce carbon emissions, increase diversity, etc.)
  - ESG incidents and controversies (e.g., environmental fines paid, local community controversies/protests against a company, etc.)
- The fund is classified as Article 8 according to the Sustainable Finance Disclosure Regulation. Although the fund does not have sustainable investment as an objective, the promotion of environmental and social characteristics is achieved through the fund's commitment to maintain at least 10% of the value of its portfolio invested in Sustainable Investments. The fund avoids issuers whose activities we may consider harmful to the environment and/or society through the application of our proprietary screen, the T. Rowe Price Responsible Exclusion List.

INVESTMENT OBJECTIVE: To provide income and long term capital appreciation through investment in a portfolio of income generating global securities.

INVESTMENT PROCESS: Employing a flexible asset allocation approach, the fund is actively managed and invests mainly in a diversified portfolio of income generating equities, bonds and money market securities, from issuers around the world, including emerging markets. Although the fund does not have sustainable investment as an objective, the promotion of environmental and/or social characteristics is achieved through the fund's commitment to maintain at least 10% of the value of its portfolio invested in sustainable investments, as defined by the SFDR. In addition to the E/S characteristics promoted, the fund also applies the investment manager's proprietary responsible screen (the T. Rowe Price Responsible Exclusion List). The fund may use derivatives for hedging, efficient portfolio management and investment purposes. The fund may also use derivatives to create synthetic short positions in currencies, debt securities, credit indices and equities. The fund may use total return swaps (TRS) and is expected to do so on a continuous basis. For full investment objective and policy details refer to the prospectus. The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

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RECENT COMPANY ENGAGEMENTS

We maintain a regular dialogue with the management teams of companies represented across the portfolio. Our investment-driven engagement program frequently identifies targets through our proprietary RIIM analysis, governance screening and analysts' fundamental research. While we engage with companies in a variety of different contexts, ESG engagement focuses on learning about, encouraging or exchanging perspectives on the environmental practices, corporate governance or social issues affecting their business.

While most of the meetings we hold with company managements will include some discussion of ESG topics, we differentiate meetings held with a heavy focus on ESG, meaning ESG issues were the sole items on the agenda or made up a meaningful part of the meeting. Agenda items are classified as "meaningful" when they take up a significant portion of the meeting or are a significant factor in the investment case.

The following are selected examples of recent engagements with companies held in or considered for the portfolio. The examples are not meant to be representative of every engagement held, but to illustrate the types of ESG engagements we are having with the managements of our investment companies.

UnitedHealth (4th Quarter 2023 Engagement)

Focus	Social
Company Description	UnitedHealth is a leading U.S. health insurer.
Engagement Objective	We engaged with UnitedHealth on impact and ESG disclosures.
Participants	From UnitedHealth: Chief Financial Officer, Sustainability Representative, Investor Relations Representative, Senior Deputy Legal Counsel From T. Rowe Price: Investment Analyst, Impact Analyst, Responsible Investing Analyst
Engagement Outcome	We engaged with UnitedHealth to discuss how it could build on its existing disclosures to further evidence its impact in future reporting and improve ESG disclosures on a range of other topics. UnitedHealth leads the managed care industry in impact measurement, with the broadest range of impact key performance indicators (KPIs) of any of its peers. Additionally, the company has set four impact targets: (a) 85% of its members will receive preventive care services annually by 2030; (b) 55%+ of its outpatient surgeries and radiology services will be delivered at high-quality, cost-efficient sites of care by 2030; (c) the company will close 600 million gaps in care by the end of FY25; and (d) invest USD 100 million in new partnerships that advance a diverse health workforce by 2033. The company has added additional disclosure on the rationale and progress toward each of these commitments in this year's disclosure, further strengthening its impact reporting. We revisited our discussion from one year ago, focused on the company's "care gaps closed" objective. We again expressed our interest in additional disclosure on the types of care gap closed, split either by disease type or focused on the demographic mix of patients for whom care gaps have been closed. UnitedHealth highlighted health equity as an area the company itself has been seeking to better examine and seemed receptive to including additional disclosure on the type of care gaps closed split by socioeconomic characteristics. We also highlighted detailed KPIs disclosed by rival health insurer Humana, related to value-based care outcomes, which we suggested may also be beneficial for UnitedHealth to disclose in the future. UnitedHealth has included additional reporting on human capital management in this year's sustainability report. The company has further strengthened its offer to employees (e.g., increasing parental leave, improving health benefits, investing in employee well-being) and, combined with wider labor market conditions, this has contributed to voluntary turnover declining by around 4 percentage points from 18% in 2022. We highlighted additional transparency on the company's approach to business ethics and employee compliance (e.g., quantitative KPIs on code of conduct violations, substantiated allegations) and data privacy (e.g., information on ISO 27001 certification, or standards to manage information security) as two topics where existing disclosure could be further strengthened. The engagement allowed us to share our view of best practices on impact and request additional transparency from the company on its care gaps closed target. We also imparted our view on where the company could further improve ESG disclosures, namely in relation to business ethics and data privacy.

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the SICAV sub-fund, and no assumption should be made that the securities identified and discussed were or will be profitable.

Wells Fargo (3rd Quarter 2023 Engagement)

Focus	Environment, Social, Governance
Company Description	Wells Fargo is a diversified financial services company.
Engagement Objective	We engaged with Wells Fargo to discuss a range of ESG topics.
Participants	From Wells Fargo: Sustainability Representative, Legal Representative, Compensation Representatives, Corporate Secretary, Investor Relations Representative From T. Rowe Price: Head of Corporate Governance, Responsible Investing Analyst
Engagement Outcome	We engaged with Wells Fargo to discuss a range of ESG topics, including its climate strategy, financial inclusion, a shareholder resolution, and racial equity audit. Wells Fargo is in line with its U.S. peers when it comes to decarbonizing its loan book but falls behind European peers in not having a framework in place to assess the credibility of clients' transition plans. It has a dedicated transition team and is working on providing additional disclosure in its upcoming ESG report. We pointed to examples of peers demonstrating best practice. Wells Fargo was recently dropped from underwriting a municipal bond deal in Texas, following the Texas attorney general reviewing the bank's energy policies and involvement in the Net Zero Banking Alliance (NZBA), a group of leading banks aiming to accelerate the transition of the finance sector and the global economy to net zero emissions by 2050. We discussed how the political landscape in the U.S. could influence both the pace at which Wells Fargo looks to decarbonize its loan book as well as its involvement in ESG initiatives. The company explained that it is taking a balanced approach but provided cautious language about the benefits of being a NZBA signatory; mainly, the value of the alliance as a benchmarking exercise. Wells Fargo has begun reporting the "social impact" it is having from various financial inclusion initiatives, including the number of customers with improved FICO (or credit) scores as part of its credit-building grant program. We recommended the bank report similar impact metrics for its Credit Close-Up program, an initiative with 11.2 million customers that provides advice on how to improve their FICO scores. We also discussed governance topics, including an investor-sponsored resolution that was supported by a majority of voters at Wells Fargo's 2023 shareholder meeting. The proposal asked for a report on the effectiveness of the company's programs to combat harassment of employees and discrimination in hiring. The resolution was specifically tied to the revelations in 2022 that some areas within the company had fallen short of upholding internal requirements for diverse slates of candidates to be interviewed for many open positions. The company disclosed it had found some teams were interviewing diverse candidates after the position had already been filled. Some employees who reported the activity were subject to retaliatory actions. Around 52% of shareholders supported the proposal, and the company has agreed to provide some kind of reporting. We provided guidance on what form that might take. Wells Fargo also highlighted that it is nearing completion on a previously commissioned racial equity audit. We made several disclosure recommendations to Wells Fargo to bring its climate strategy and financial inclusion initiatives in line with industry best practice.

ESG RIIM PROFILE

The T. Rowe Price Responsible Investing Indicator Model (RIIM) rates companies, governments and securitized assets in a traffic light system measuring their environmental, social, and governance profile and flagging issuers with elevated risks. For certain types of investments, including, but not limited to, cash, currency positions, and particular types of derivatives, an ESG analysis may not be relevant or possible due to a lack of data. Where ESG considerations are integrated into the investment research process, we may conclude that other attributes of an investment outweigh ESG considerations when making investment decisions.

	Portfolio	
	No. of securities	% weight
Green	1,091	81.0
Orange	170	14.4
Red	1	0.2
Not in scope	16	0.5
Not covered	2	0.6
Cash	1	3.3
Total	**1,281**	**100.0**

● No/few Flags ■ Medium Flags ▲ High Flags

SUSTAINABILITY INDICATOR

The fund is classified as Article 8 according to the Sustainable Finance Disclosure Regulations (SFDR).

The sustainability indicator used by the fund is a minimum of 10% of the value of the fund's portfolio held in securities that the investment manager identifies as sustainable investments.

The percentage exposure of the fund to sustainable investments is:

	Target Minimum Exposure %	Fund Exposure %
Sustainable Investments	10.0%	29.3%
Environmental Objectives	0.5%	9.1%
Social Objectives	0.5%	20.2%

RISKS - The following risks are materially relevant to the fund (refer to prospectus for further details): ABS and MBS - Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS) may be subject to greater liquidity, credit, default and interest rate risk compared to other bonds. They are often exposed to extension and prepayment risk. China Interbank Bond Market - The China Interbank Bond Market may subject the fund to additional liquidity, volatility, regulatory, settlement procedure and counterparty risks. The fund may incur significant trading and realisation costs. Contingent convertible bond - Contingent Convertible Bonds may be subject to additional risks linked to: capital structure inversion, trigger levels, coupon cancellations, call extensions, yield/valuation, conversions, write downs, industry concentration and liquidity, among others. Country (China) - Chinese investments may be subject to higher levels of risks such as liquidity, currency, regulatory and legal risks due to the structure of the local market. Country (Russia and Ukraine) - Russian and Ukrainian investments may be subject to higher risks associated with custody and counterparties, liquidity, market disruptions, as well as strong or sudden political risks. Credit - Credit risk arises when an issuer's financial health deteriorates and/or it fails to fulfill its financial obligations to the fund. Currency - Currency exchange rate movements could reduce investment gains or increase investment losses. Default - Default risk may occur if the issuers of certain bonds become unable or unwilling to make payments on their bonds. Derivative - Derivatives may be used to create leverage which could expose the fund to higher volatility and/or losses that are significantly greater than the cost of the derivative. Distressed or defaulted debt securities - Distressed or defaulted debt securities may bear substantially higher degree of risks linked to recovery, liquidity and valuation. Emerging markets - Emerging markets are less established than developed markets and therefore involve higher risks. High yield bond - High yield debt securities are generally subject to greater risk of issuer debt restructuring or default, higher liquidity risk and greater sensitivity to market conditions. Interest rate - Interest rate risk is the potential for losses in fixed-income investments as a result of unexpected changes in interest rates. Issuer concentration - Issuer concentration risk may result in performance being more strongly affected by any business, industry, economic, financial or market conditions affecting those issuers in which the fund's assets are concentrated. Prepayment and extension - Mortgage- and asset-backed securities could increase the fund's sensitivity to unexpected changes in interest rates. Sector concentration - Sector concentration risk may result in performance being more strongly affected by any business, industry, economic, financial or market conditions affecting a particular sector in which the fund's assets are concentrated. Small and mid-cap - Small and mid-size company stock prices can be more volatile than stock prices of larger companies. Total Return Swap - Total return swap contracts may expose the fund to additional risks, including market, counterparty and operational risks as well as risks linked to the use of collateral arrangements.

General fund risks - to be read in conjunction with the fund specific risks above. Counterparty - Counterparty risk may materialise if an entity with which the fund does business becomes unwilling or unable to meet its obligations to the fund. Equity - Equities can lose value rapidly for a variety of reasons and can remain at low prices indefinitely. ESG and sustainability - ESG and Sustainability risk may result in a material negative impact on the value of an investment and performance of the fund. Geographic concentration - Geographic concentration risk may result in performance being more strongly affected by any social, political, economic, environmental or market conditions affecting those countries or regions in which the fund's assets are concentrated. Hedging - Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely. Investment fund - Investing in funds involves certain risks an investor would not face if investing in markets directly. Management - Management risk may result in potential conflicts of interest relating to the obligations of the investment manager. Market - Market risk may subject the fund to experience losses caused by unexpected changes in a wide variety of factors. Operational - Operational risk may cause losses as a result of incidents caused by people, systems, and/or processes.

IMPORTANT INFORMATION

The Funds are sub-funds of the T. Rowe Price Funds SICAV, a Luxembourg investment company with variable capital which is registered with Commission de Surveillance du Secteur Financier and which qualifies as an undertaking for collective investment in transferable securities ("UCITS"). Full details of the objectives, investment policies and risks are located in the prospectus which is available with the key investor information documents (KIID) and/or key information document (KID) in English and in an official language of the jurisdictions in which the Funds are registered for public sale, together with the articles of incorporation and the annual and semi-annual reports (together "Fund Documents"). Any decision to invest should be made on the basis of the Fund Documents which are available free of charge from the local representative, local information/paying agent or from authorised distributors. They can also be found along with a summary of investor rights in English at www.troweprice.com. The Management Company reserves the right to terminate marketing arrangements.

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