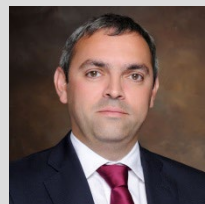




T. Rowe Price Dynamic Global Bond Fund – S Class

As of 31 March 2021



Portfolio Manager:

Arif Husain

Joined Firm:

2013

Investment Experience:

25 Years

INVESTMENT OBJECTIVE

The Fund's objective is to maximise total return and provide income through investment primarily in a portfolio of fixed income securities which may include, but is not limited to, transferable debt securities of government and their agencies, supranational organisations, corporations and banks as well as mortgage-backed and asset-backed securities. There are no restrictions on the sectors or countries in which bond issuers are located.

TOP 10 ISSUE EXPOSURE ¹	Maturity Date	% of Fund
U.S. Treasury Inflation Indexed Bonds	15 Oct 2025	7.6
Bundesobligation	10 Apr 2026	5.9
Japan Government Twenty Year Bond	20 Sep 2022	3.6
Philippine Government International Bond	26 Nov 2022	3.4
Japan Government Ten Year Bond	20 Sep 2030	3.4
United Kingdom Gilt	07 Jun 2025	3.1
Korea Treasury Bond	10 Mar 2024	3.1
U.S. Treasury Inflation Indexed Bonds	15 Apr 2024	2.7
U.S. Treasury Inflation Indexed Bonds	15 Apr 2022	2.6
U.S. Treasury Inflation Indexed Bonds	15 Oct 2024	2.6

PERFORMANCE

	One Month	Three Months	Six Months	Year-To-Date	One Year	Annualised Since Share Class Inception
T. Rowe Price Dynamic Global Bond Fund – S Class (Net – AUD) [*]	1.35%	2.58%	4.82%	2.58%	7.99%	4.85%
Bloomberg AusBond Bank Bill Index (AUD)	0.00	0.00	0.02	0.00	0.11	0.79
Value Added (Net) ⁴	1.35	2.58	4.80	2.58	7.88	4.06

Past performance is not a reliable indicator of future performance.

Source for performance: T. Rowe Price.

^{*}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.

¹Issuer exposure is derived using the portfolio's direct holdings and does not take into account derivative exposure. Consult the portfolio holdings report for a listing of all securities owned in the portfolio.

²Calculated using the portfolio's direct holdings plus exposure from derivative instruments.

³Calculated using the individual credit quality ratings for the direct holdings and without the impact from derivative instruments.

⁴The Value Added is shown as the Fund (Net) minus its Index.

SECTOR DIVERSIFICATION

	% of Fund
Treasury & Quasi Treasury	73.33
Corporate (including High Yield)	11.16
Securitized	4.38
Equity	0.10
Cash & Cash Equivalents	11.04

PORTFOLIO CHARACTERISTICS^{1,2,3}

	Fund
Number of Holdings	103
Number of Countries	41
Weighted Average Maturity	4.94 Years
Weighted Average Effective Duration	0.03 Years
Weighted Average Spread Duration	1.41 Years
Average Credit Quality	A+
Yield to Maturity (including hedging)	1.17%

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.

BLOCK BOND ALLOCATION (ISSUE CURRENCY)¹

	% of Fund
Europe	23.5
North America	33.8
Latin America	5.7
Pacific Ex Japan	17.7
Japan	7.0
Middle East & Africa	1.7
Reserves	10.6

FUND REVIEW

The portfolio's overall duration level stood at around zero at the end of March. This was largely driven by short-duration stances in high-quality countries such as the U.S. and the UK where we expect faster economic recoveries.

We held inflation-linked bonds and/or swaps in the U.S., the eurozone, and Canada at the end of March on anticipation of price pressures rising in the future as a result of base effects and consumption rebounding.

In the eurozone, we expressed an overall positive bias at the end of March, largely driven by long positions in Italy and Cyprus.

Among other high-quality countries, we added to our positive position in China and opened a new long position in South Korea during the month. In other moves, we trimmed the long allocation in Israel and closed the modest positive position in Australia.

Within emerging market countries, we maintained positions in the local government bond markets of Chile, Indonesia, Romania, Russia, and Serbia. In terms of moves, we trimmed exposure to domestic India, added to our long position in Brazil, and opened a new long allocation in local South Africa.

To help mitigate some of the risk associated with "return-seeking" positions, we retained a short-duration position in Poland. The long-standing short position in the Czech Republic was closed during March, however.

In the currency sphere, we increased our overall short bias in the U.S. dollar. This was done in part by increasing long positions in the Australian dollar and UK sterling and opening new positive exposure in the Swedish krona.

Within sector allocation, we expressed an overall positive bias in credit markets at the end of March. This was driven in part by long positions expressed using synthetic credit instruments in U.S. high yield and investment-grade credit markets. We also held positioning in select U.S. corporate issuers identified as attractive by our bottom-up research process.

Put option structures on U.S. equities—which we hold as a key defensive hedge against a rapid correction in equity markets—were adjusted during the month.

CREDIT QUALITY DIVERSIFICATION²

	% of Fund
AAA	27.0
AA	6.5
A	8.2
BBB	19.2
BB	8.1
B	2.3
Not Rated	18.1
Reserves	10.6

PORTFOLIO PERFORMANCE

Within duration management, short-duration stances in high-quality countries such as the U.S., Canada, Germany, and the UK delivered strong positive performance over the month. Allocations to inflation-linked bonds in both the U.S. and eurozone also contributed notably to returns, while our exposures in the local government bond market of Thailand detracted.

In the currency sphere, a long position in the Australian dollar weighed on performance, as did exposure to Eastern European currencies such as the Serbian dinar, Romanian leu, and Czech koruna. A short position in the Taiwanese dollar had a positive impact, however.

Sector allocation had a negative impact overall owing to losses from our put option structure on U.S. equities.

OUTLOOK

We expect the global economic recovery to accelerate in the coming months aided by a combination of ultra-accommodative monetary policy, expansionary fiscal policy, vaccines rolling out, and significant pent-up demand for services. This backdrop should continue to be supportive for risk assets, such as credit, while developed market bond yields are likely to remain under pressure, particularly at the long end of curves. As a result, overall duration stood at the low end of our permitted range at the end of March and we expressed a positive bias in credit markets. We will be monitoring developments closely, standing ready to take any action should we see signs that any one of the drivers of the recovery is reversing.

Overall, we believe it's important to keep a liquid profile in the portfolio in the current climate. This should help give us flexibility to adapt quickly to changes in market conditions and take advantage of any pricing anomalies and dislocations that might occur.

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²Calculated using the individual credit quality ratings for the direct holdings and without the impact from derivative instruments.

CONTACT US

For more information about the Fund, please contact our Relationship Management team on 02 8667 5700.

FUND INFORMATION

Minimum Investment Amount	\$50,000 AUD
APIR	ETL2511AU
ARSN	167 869 561
ISIN	AU60ETL25110
Inception Date	22 January 2019
Benchmark	Bloomberg AusBond Bank Bill Index (AUD)
Management Fees [^]	0.59% p.a.
Distribution	Quarterly
Buy/Sell	Buy +0.20% / Sell -0.20%

[^]The Management Fee for the T. Rowe Price Dynamic Global Bond Fund is 0.59% 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.

Weighted Average Maturity is an average of the maturities of the underlying bonds, with each bond's maturity weighted by the percentage of fund assets it represents. Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of a bond fund to changes in interest rates. In general, the longer the average maturity or duration, the greater the fund's sensitivity to interest rates. Duration is a better indicator of price sensitivity because it takes into account the time value of cash flows.

T. Rowe Price uses a custom structure for sector and industry reporting for this product.

Sources for Credit Quality: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P.

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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