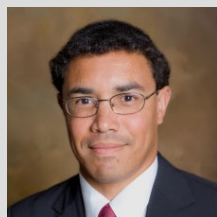


T. Rowe Price Australian Equity Fund – I Class

As of 30 September 2020



Portfolio Manager:

Randal Jenneke

Joined Firm:

2010

Investment Experience:

29 Years



INVESTMENT OBJECTIVE

The Fund's investment objective is long-term capital appreciation through investment primarily in a portfolio of securities of Australian companies listed on the S&P/ASX200 Accumulation Index (ASX200). The portfolio will include the securities of a broad range of companies across the market capitalisation.

TOP 10 HOLDINGS (%)

	Fund	S&P/ASX 200 Index (AUD)
CSL	10.2	8.1
Bhp	8.8	6.5
National Australia Bank	6.1	3.6
Woolworths	4.5	2.9
Aristocrat Leisure	4.4	1.2
Macquarie Group	4.4	2.5
James Hardie Industries	4.1	0.9
Wesfarmers	4.1	0.0
Rio Tinto	4.0	2.2
Amcor	3.9	0.8

SECTOR EXPOSURE

	% of Fund	Fund vs. S&P/ASX 200 Index (AUD)
Materials	22.0	1.9
Consumer Discretionary	18.4	10.8
Financials	15.9	-9.9
Health Care	15.5	3.2
Consumer Staples	7.8	1.5
Industrials & Business Services	5.5	-2.2
Information Technology	4.7	0.6
Communication Services	2.5	-1.6
Utilities	2.4	0.6
Energy	2.0	-1.4
Real Estate	1.9	-5.1

PORTFOLIO CHARACTERISTICS

	Fund	S&P/ASX 200 Index (AUD)
Number of Issuers	34	200
Top 20 Issuers as Percent of Total	80.3%	57.9%
Percent of Portfolio in Cash	1.6%	-
Portfolio Turnover (12 Months)	97.8%	-
Active Share	55.7%	-

PERFORMANCE

	One Month	Three Months	Year-to-date	One Year	Three Years	Five Years	Since Fund Inception
T. Rowe Price Australian Equity Fund – I Class (Gross – AUD)*	-2.41%	1.10%	-9.99%	-6.51%	5.37%	8.78%	9.30%
T. Rowe Price Australian Equity Fund – I Class (Net – AUD)**	-2.46	0.95	-10.40	-7.07	4.74	8.07	8.48
S&P/ASX 200 Index (AUD)	-3.66	-0.44	-10.82	-10.21	4.80	7.31	8.00
Value Added (Gross) ¹	1.25	1.54	0.83	3.70	0.57	1.47	1.30
Value Added (Net) ²	1.20	1.39	0.42	3.14	-0.06	0.76	0.48

Past performance is not a reliable indicator of future performance.

Source for performance: T. Rowe Price.

* Gross-of-fees performance is the net return with fees and expenses added back.

** 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.

¹The Value Added is shown as the Fund (Gross) minus its Index.

²The Value Added is shown as the Fund (Net) minus its Index.

FUND REVIEW

Australian equities sold off in September and modestly underperformed global peers. This was the first monthly decline in equity markets since the savage sell-off in March.

Health care, industrials, and REITs were among the top-performing areas, while the key underperforming sectors included energy, information technology (IT), and consumer staples. Concerns over weakness in demand saw oil prices decline, while iron ore prices also dropped as supply from Brazil continued to ramp up. The price of gold also fell. The risk-off environment saw bond yields decrease, with the 10-year Australian bond yield declining by 20 basis points to 0.78% and 10-year U.S. Treasuries falling 5 basis points to 0.65%. Risk aversion also helped the U.S. dollar, which rose against its Australian counterpart.

Market news continued to be dominated by developments around COVID-19, the disease caused by the coronavirus, but this time with positive developments domestically. In-line with declining COVID-19 cases in Victoria, restrictions in that state began to be eased during the month. With the risk of a second wave of COVID-19 cases spreading to other states having receded, the prospects for domestic economic recovery have increased. To further assist the flow of credit to the economy, the Federal Treasurer announced the government's intention to repeal responsible lending laws. The Government and the Reserve Bank of Australia are seemingly adopting a "whatever it takes" strategy to both the economic recovery and reducing the unemployment rate.

PORTFOLIO HIGHLIGHTS

The T. Rowe Price Australian Equity Fund significantly outperformed the market in September. Good performances were posted by oOh!media, Adbri, and James Hardie. In contrast, notable underperformers were QBE, a2 Milk, and Woodside. oOh!media continued to rebound from its August lows as better management of COVID-19 led to a further re-opening of the domestic economy and an expectation of an improvement in revenue to follow. Adbri performed strongly on anticipation of increased government spending on infrastructure and a bottoming of the residential construction cycle. QBE declined on the back of the dismissal of CEO Pat Regan by the company's board for inappropriate behaviour. While this is very disappointing, we believe the corporate strategy is clear and expect the up-swing in the global insurance premium cycle to continue for some time.

OUTLOOK

We are entering a challenging period for markets in coming months, with the U.S. election, fiscal cliffs, risks of a second wave in COVID-19 infections (particularly in the northern hemisphere), and ongoing China tensions likely to weigh on markets. Countering these risks, it is highly likely that greater monetary and fiscal support will be forthcoming if necessary. It is shaping up as another tug of war between liquidity and fundamentals. To date, liquidity has been the winner.

Domestically, the improvement in COVID-19 cases in Victoria and the seeming avoidance of a second wave in other states are reasons for optimism. It is likely that domestic restrictions including state border closures will be eased. This relaxing of restrictions, coupled with further expected fiscal and monetary support, places Australia in a strong position relative to other countries on the path to economic recovery. However, this recovery is still likely to be uneven and the economy will likely to continue to suffer from the drag from the international border closure for quite some time.

The portfolio is well-positioned in high quality and cyclical growth stocks that we believe will benefit as economic conditions improve. The heightened market volatility has created a good opportunity to add to our existing positions across the portfolio. Following strong outperformance, we took profits on our iron ore names and reduced our materials position as a result. Overall, we maintain a significant overweight position in high quality growth companies, which we expect will be impacted as the economic recovery starts to take hold.

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CONTACT US

For more information about the Fund, please contact our Relationship Management team on 02 8667 5700 or visit www.troweprice.com.au

FUND INFORMATION

APIR	ETL0328AU
Inception Date	26-Apr-2012
Benchmark	S&P/ASX 200 Index (AUD)
Management Fees	0.60% p.a.
Indirect Costs [^]	0.00% p.a.
Distribution	Annually
Buy/Sell	Buy +0.10% / Sell -0.05%
Total Assets	\$73,946,461 AUD

[^]Indirect costs are calculated and incorporate estimated amounts with reference to the relevant costs incurred during financial year ended 30 June 2019. Please refer to the Product Disclosure Statement for the Fund which is available at www.troweprice.com.au for further details. 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.

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The information shown does not reflect any ETFs that may be held in the portfolio.

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.

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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