T. Rowe Price

AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

T. Rowe Price Global Equity Fund - I Class

As of 29 February 2024

Portfolio Manager:
R. Scott Berg

Joined Firm:
2002

Investment Experience:
21 Years

MORNINGSTAR Gold

Morningstar Medalist Rating™:
As of 23/02/2024
Analyst-Driven %
100
Data Coverage %
100

5 Highly Recommended Lonsec Research

Zenith HIGHLY RECOMMENDED

INVESTMENT OBJECTIVE

The Fund's objective is to provide long-term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed, on recognised exchanges and/or markets throughout the world. The portfolio may include investments in the securities of companies traded, listed or due to be listed, on recognised exchanges and/or markets, of developing countries.

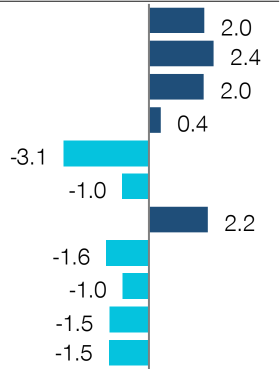
TOP 10 HOLDINGS

	Country	Industry	% of Fund
Microsoft	United States	Software	4.7%
NVIDIA	United States	Semiconductors & Semiconductor Equipment	3.8
Amazon.com	United States	Broadline Retail	3.3
Apple	United States	Technology Hardware, Storage & Peripherals	3.3
Alphabet	United States	Interactive Media & Services	2.4
Eli Lilly and Co	United States	Pharmaceuticals	1.8
Roper Technologies	United States	Industrial Conglomerates	1.7
Meta Platforms	United States	Interactive Media & Services	1.6
Taiwan Semiconductor Manufacturing	Taiwan	Semiconductors & Semiconductor Equipment	1.3
Charles Schwab	United States	Capital Markets	1.3

SECTOR EXPOSURE

	% of Fund
Information Technology	26.3%
Financials	17.9
Industrials & Business Services	12.9
Health Care	11.7
Consumer Discretionary	8.1
Communication Services	6.6
Materials	6.0
Consumer Staples	4.9
Energy	3.4
Utilities	1.0
Real Estate	0.7

Fund vs. MSCI AC World Index ex Australia Net (AUD)



PERFORMANCE

	One Month	Three Months	Year-to-date	One Year	Three Years (Annualised)	Five Years (Annualised)	Ten Years (Annualised)	Since Manager Inception[3] (Annualised)
T. Rowe Price Global Equity Fund - I Class (Gross – AUD)*	7.87%	13.70%	12.26%	28.30%	5.89%	13.23%	14.67%	16.78%
T. Rowe Price Global Equity Fund - I Class (Net – AUD)**	7.80	13.47	12.11	27.19	4.92	12.12	13.44	15.51
MSCI All Country World Index ex Australia Net (AUD)***	5.97	11.98	10.07	27.84	13.18	12.55	11.96	14.44
Value Added (Gross)[1]	1.90	1.72	2.19	0.46	-7.29	0.68	2.71	2.34
Value Added (Net)[2]	1.83	1.49	2.04	-0.65	-8.26	-0.43	1.48	1.07

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.
***Index returns shown with reinvestment of dividends after the deduction of withholding taxes.
[1]The Value Added is shown as the Fund (Gross) minus its Index.
[2]The Value Added is shown as the Fund (Net) minus its Index.
[3] Effective 6 June 2012, Scott Berg took over management responsibility for the Fund.

COUNTRY DIVERSIFICATION (TOP 10)

	% of Fund	MSCI AC World Index ex Australia Net (AUD)
United States	61.5%	64.7%
Germany	4.0	2.1
India	3.7	1.8
United Kingdom	3.1	3.4
Vietnam	3.0	0.0
Japan	2.7	5.7
China	2.5	2.6
Philippines	2.5	0.1
Indonesia	2.3	0.2
Netherlands	2.1	1.2

PORTFOLIO CHARACTERISTICS

	Fund	MSCI AC World Index ex Australia Net (AUD)
Number of Issuers	192	2,781
Top 20 Issuers as Percent of Total	35.4%	26.9%
Percent of Portfolio in Cash	0.5%	–
Portfolio Turnover (12 Months)	54.5%	–
Active Share	65.2%	–

MARKET REVIEW

In Australian dollar terms, global equities gained ground in February. Favorable corporate earnings results and optimism that artificial intelligence (AI) would shore up global demand overcame stronger-than-expected inflation data and some hawkish central bank messaging.

U.S. stocks produced strong returns. Higher-than-expected inflation readings and hawkish comments from some Federal Reserve officials occasionally weighed on the market, as investors concluded that the Fed is unlikely to reduce short-term interest rates in the near future. However, sentiment was boosted by favorable corporate earnings reports and continued optimism about companies expected to benefit from demand for AI. The U.S. economy continued to show signs of acceleration, including the Labor Department's report that employers had added 353,000 nonfarm jobs in January, nearly double consensus estimates.

Developed European equities also rose over the period. The market rallied on expectations that the European Central Bank (ECB) could soon lower borrowing costs but lost some of its momentum late in the month as sticky inflation data prompted the market to reassess the magnitude and timing of rate cuts. The minutes of the ECB's January meeting and policymakers' public comments also dampened market expectations for imminent rate cuts. Both headline and core inflation in the eurozone slowed less than forecast in February. Annual consumer price growth declined marginally to 2.6%, while core inflation slipped to 3.1% from 3.3% in January. The eurozone unexpectedly avoided a recession in the final three months of 2023.

Developed Asian markets were broadly positive. Japanese stocks rose even though negative gross domestic product data suggested that the country went into a recession in the fourth quarter of 2023. Corporate profitability and historic weakness in the yen provided a favorable backdrop for share price gains, particularly in the case of Japan's exporters, due to the revenues they derive from overseas. Hong Kong stocks also gained ground as investor sentiment was lifted by Chinese regulatory measures intended to stabilize financial markets.

Emerging markets rallied and outperformed most of their developed market peers. In Asia, Chinese stocks rebounded following months of underperformance as investors were encouraged that the Chinese central bank reduced certain interest rates to boost demand for mortgage loans in order to help the beleaguered property sector. Emerging European markets were largely positive. Latin America lagged other regions, weighed down by losses in Mexico and Argentina.

Sector performance in the MSCI All Country World Index ex Australia Net was entirely positive. Consumer discretionary, information technology, and industrials and business services were the best performers, while utilities lagged the most but still produced positive returns.

FUND REVIEW

The fund outperformed the MSCI All Country World Index ex Australia Net for the one-month period ended February 29, 2024. NVIDIA was the largest relative contributor for the month as shares rallied after the company delivered another outstanding quarterly earnings report amid high expectations, beating consensus estimates amid strength across all business lines, with data centers seeing particularly exponential growth, driven by accelerated use of inference applications, over the reporting period. The company also significantly raised guidance for the first quarter and indicated that it expects additional acceleration from new H200 and B100 chip product transitions and could see more upside from China if licenses are approved. Overall, we think NVIDIA is positioned for potentially staggering growth over the coming year as artificial intelligence demand continues, and we believe the market could be underestimating the magnitude of acceleration even with the currently high valuation. At the sector level, stock selection in information technology helped relative returns the most, with our positions in NVIDIA and Apple being particularly strong. Stock picking in health care names also aided relative results, especially our positions in Eli Lilly, Cigna, and Daiichi Sankyo. No sectors detracted on a relative basis.

OUTLOOK

We think 2023 marked the true end of the COVID era from an economic perspective, with supply chains having broadly normalized; the world largely withstanding new, higher interest rates; and corporate earnings having a new baseline. A number of catalysts drove markets higher for the year, including enthusiasm around generative artificial intelligence, a somewhat surprisingly resilient U.S. economy, and market expectations for easing monetary policy in light of downward trending inflation prints. These factors helped stocks overcome a wide array of overhangs that included a regional banking crisis in the U.S., deteriorating macroeconomic conditions in China, and escalating armed conflict in Europe and the Middle East. While we are certainly encouraged that many dynamics have shown signs of improvement, a good deal of uncertainty remains, which we think calls for some prudence.

At the end of 2023, markets had priced in six interest rate cuts for 2024, but we think that scenario, is highly unlikely, particularly as the U.S. Federal Reserve has recently telegraphed only three. For some time, we have believed we were near the very end of rate hikes or at the peak, but we now question how long we will be at these higher levels before the Federal Reserve moves to lower rates. We don't think investors can have their cake and eat it, too, with a good economy and inflation disappearing, all while central banks aggressively cut rates. We think a more likely scenario involves a meaningful slowdown in economic activity as the lagging effects of previous tightening take hold, which could lead to rate cuts. Alternatively, we could potentially see the economy remain relatively robust, with inflation slowly moving lower and rates remaining higher for a bit longer. Ultimately, however, we do not expect interest rates to return to pre-COVID levels.

We also believe we are in a new economic normal with more anemic global growth and more challenged corporate profit growth. The global gross domestic product growth outlook for this year is the lowest it has been in 20 years outside of 2008 during the global financial crisis and 2020 at the height of the global pandemic. Meanwhile, higher commodity prices, labor costs, and taxes are likely to be headwinds for many corporations. While we still think the world will continue to grow, we expect any expansion to be lower than pre-pandemic levels. We also expect some level of political uncertainty to arise as we move through the year given the raft of key elections slated to take place in the U.S., India, Taiwan, the UK, Mexico, and South Africa among other nations in 2024.

Moving forward, we think we are likely to see a greater variety of sources of return for those focused on fundamentals and valuations. As such, we continue to own a largely sector-neutral, globally diversified portfolio of an eclectic set of what we believe are well-managed companies in attractive end markets that are exposed to strong, durable themes spanning the growth spectrum. This allowed us to prudently participate in a rising equity market that was stronger than we expected in 2023, while also creating a portfolio that we think can be resilient in a range of environments.

CONTACT US

For more information about the Fund, please contact our Relationship Management team on +61 2 8667 5700 or visit www.troweprice.com

FUND INFORMATION

APIR	ETL0071AU
Inception Date	15 September 2006
Benchmark	MSCI All Country World Index ex-Australia (unhedged)
Management Fees and Cost^	0.85% p.a.
Distribution	Annually
Buy/Sell	Buy +0.20% / Sell -0.10%
Total Assets	$5,955,758,699 AUD

^The Management Fee for the T. Rowe Price Global Equity Fund - I Class is 0.75% p.a. and the Indirect Cost is 0.10% 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.

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 with tracking error, which measures the standard deviation of the difference in a manager's returns versus the index 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.

The information shown does not reflect any Exchange Traded Funds (ETFs) that may be held in the fund.

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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202403-3436893 / 202403-3442339