



## STRATEGY HIGHLIGHTS

# Global Aggregate Strategy (USD) Bond

**Total Global Aggregate Bond Assets:**<sup>1</sup> \$530.3 million | **Total Global Fixed Income Assets:** \$29.5 billion

**Total Global Aggregate Strategy Bond Assets:**<sup>2</sup> \$1.3 billion

Figures shown in U.S. Dollars

## INVESTMENT APPROACH

- Seek to generate consistent performance over benchmark by exploiting inefficiencies in the full universe of the global fixed income markets:
  - Focus on successful alpha generation and the importance of effective risk management.
- Alpha generation classified under three main performance activities:
  - Currency Management: 35% Expected contribution to value added
  - Country/Duration Management: 35% Expected contribution to value added
  - Sector Allocation/Issue selection: 30%

## PORTFOLIO CONSTRUCTION

- Currency limit: maximum +/- 20% relative to benchmark
- Weighted duration limit: maximum +/- 3 years relative to benchmark
- Sub-investment grade: maximum 20%
- Allocation to any corporate bond issuer limited to 5%
- Above investment grade: not restricted (includes corporates and emerging markets)
- Portfolio holdings: typically between 400 and 600 issuers
- Expected Average credit quality: A- or better
- Target average tracking error: Between 150 basis points and 300 basis points per annum.

## BENCHMARK

- Bloomberg Global Aggregate Bond Index

## PORTFOLIO MANAGEMENT

### Quentin Fitzsimmons, IIMR

- 32 years of investment experience; 8 years with T. Rowe Price.
- B.S., University of Bristol

### Ju Yen Tan

- 27 years of investment experience; 19 years with T. Rowe Price.
- M.S.E., Oxford University

### Kenneth Orchard, CFA®

- 20 years of investment experience; 13 years with T. Rowe Price.
- M.S., London School of Economics
- B.A., University of British Columbia

### Andrew Keirle, IIMR

- 27 years of investment experience; 18 years with T. Rowe Price.
- B.Sc., University of Swansea at the University of Wales

### Saurabh Sud, CFA®

- 16 years of investment experience; 5 years with T. Rowe Price.
- M.B.A., Columbia Business School
- B. Tech, Indian Institute of Technology Delhi

## PORTFOLIO SPECIALISTS

### Stephane Fertat, CFA®

- 26 years of investment experience; 16 years with T. Rowe Price.
- M.S.F., Ecole Supérieure de Commerce de Paris

Portfolio Specialists do not assume management responsibilities.

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<sup>1</sup> Includes Global Aggregate Bond Strategy assets

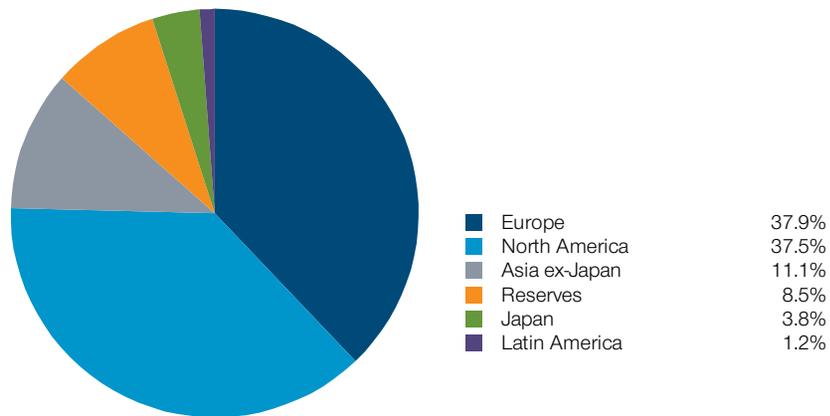
<sup>2</sup> Includes a sub-fund of a Luxembourg domiciled SICAV, a sub-advised portfolio and separate accounts

**PORTFOLIO CHARACTERISTICS**

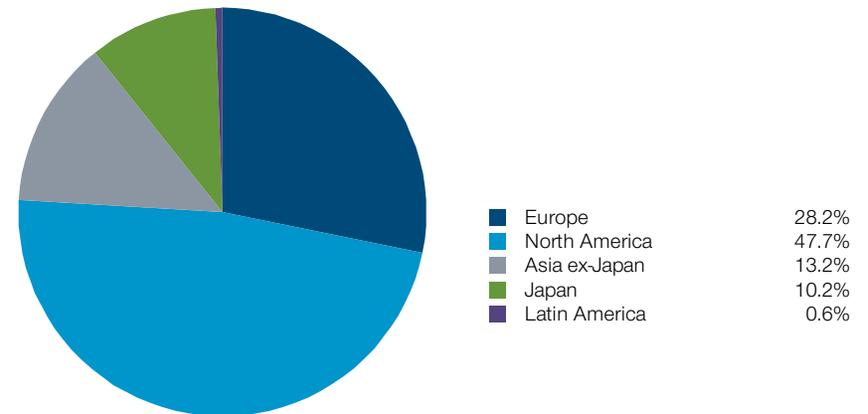
|                                     | Representative Portfolio <sup>2</sup> | Bloomberg Global Aggregate Bond Index |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Weighted Average Coupon             | 2.92%                                 | 2.76%                                 |
| Weighted Average Maturity           | 8.44 years                            | 8.44 years                            |
| Weighted Average Effective Duration | 7.35 years                            | 6.56 years                            |
| Yield to Maturity                   | 3.96%                                 | 3.74%                                 |
| Average Credit Quality              | AA-                                   | AA3/A1                                |
| Number of Holdings                  | 695                                   | 30,048                                |

**REGIONAL ALLOCATION**

**Representative Portfolio<sup>2</sup>**



**Bloomberg Global Aggregate Bond Index**



**Past performance is not a reliable indicator of future performance.**

<sup>2</sup>Please see Additional Disclosures section for further information.

**PERFORMANCE**

|                                                        | Three Months | One Year | Annualized  |            |           |               |
|--------------------------------------------------------|--------------|----------|-------------|------------|-----------|---------------|
|                                                        |              |          | Three Years | Five Years | Ten Years | Fifteen Years |
| Global Aggregate Strategy (USD) Bond Composite (Gross) | -3.41%       | -2.36%   | -6.20%      | -1.20%     | 0.13%     | 2.32%         |
| Global Aggregate Strategy (USD) Bond Composite (Net)   | -3.46        | -2.55    | -6.39       | -1.40      | -0.07     | 2.12          |
| Bloomberg Global Aggregate Bond Index                  | -2.08        | 0.49     | -4.73       | -1.17      | -0.07     | 1.62          |
| Value Added (Gross)                                    | -1.33        | -2.85    | -1.47       | -0.03      | 0.20      | 0.70          |
| Value Added (Net)                                      | -1.38        | -3.04    | -1.66       | -0.23      | 0.00      | 0.50          |

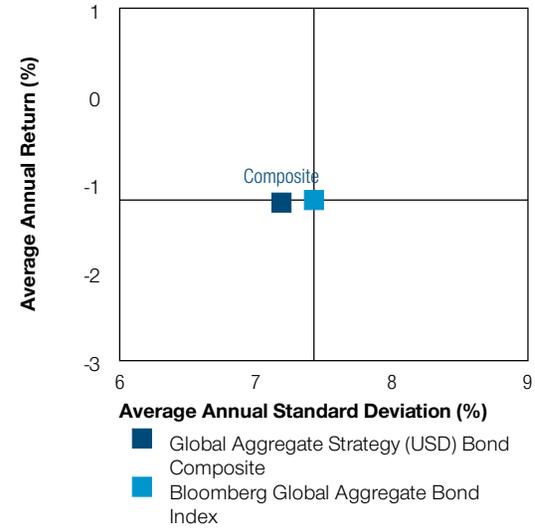
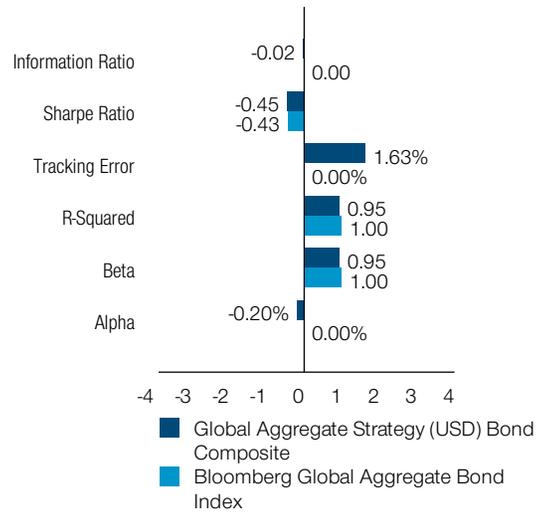
**Past performance is not a reliable indicator of future performance.**

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of all non-reclaimable withholding taxes on dividends, interest income, and capital gains.

See GIPS® Composite Report located in this material for additional information.

**RISK/RETURN CHARACTERISTICS**

Five Years ended 31 March 2024



**Past performance is not a reliable indicator of future performance.** Statistics based on monthly gross returns. Returns would have been lower as the result of the deduction of applicable fees.

**FEE SCHEDULE****Global Aggregate Strategy (USD) Bond Composite**

The Global Aggregate Strategy (USD) Bond Composite is comprised of portfolios that seek current income and capital appreciation primarily through investment in fixed income securities issued by governments and other investment grade entities. Below investment grade issues including high yield and emerging debt securities are also permitted. The use of derivatives, including futures and options, is also permitted. (Created May 2006, inception May 31, 2006.)

|                               |                                   |
|-------------------------------|-----------------------------------|
| First \$50 million            | 20 basis points                   |
| Next \$50 million             | 17.5 basis points                 |
| Above \$100 million           | 17.5 basis points on all assets * |
| Above \$250 million           | 11 basis points on all assets *   |
| Minimum separate account size | \$50 million                      |

\* A transitional credit is applied to the fee schedule as assets approach or fall below the break point.

## GIPS® Composite Report

## Global Aggregate Strategy (USD) Bond Composite

Period Ended December 31, 2023

Figures Shown in U.S. dollar

|                                                     | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u>          |
|-----------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------|
| Gross Annual Returns (%)                            | 1.15        | -2.25       | 3.35        | 7.05        | -0.82       | 5.90        | 14.08       | -5.29       | -16.03      | 3.39                 |
| Net Annual Returns (%) <sup>1</sup>                 | 0.07        | -3.29       | 2.25        | 5.91        | -1.88       | 4.77        | 12.88       | -6.30       | -16.94      | 2.29                 |
| Bloomberg Global Aggregate Bond Index (%)           | 0.59        | -3.15       | 2.09        | 7.39        | -1.20       | 6.84        | 9.20        | -4.71       | -16.25      | 5.72                 |
| Composite 3-Yr St. Dev.                             | 4.23        | 4.04        | 4.99        | 4.78        | 4.98        | 3.83        | 4.52        | 4.65        | 7.13        | 7.98                 |
| Bloomberg Global Aggregate Bond Index 3-Yr St. Dev. | 3.93        | 3.90        | 4.97        | 4.82        | 4.90        | 3.53        | 4.17        | 4.39        | 7.38        | 8.65                 |
| Composite Dispersion                                | N/A                  |
| Comp. Assets (Millions)                             | 68.3        | 77.2        | 190.5       | 284.1       | 359.2       | 493.5       | 578.9       | 653.6       | 573.0       | 580.7                |
| # of Accts. in Comp.                                | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1                    |
| Total Firm Assets (Billions)                        | 749.6       | 772.4       | 817.2       | 1,000.2     | 972.7       | 1,218.2     | 1,482.5     | 1,653.6     | 1,237.4     | 1,403.8 <sup>2</sup> |

<sup>1</sup>The fee rate used to calculate net returns is 1.07%. This represents the maximum fee rate applicable to all composite members. **Past performance is not a reliable indicator of future performance.**

<sup>2</sup>Preliminary - subject to adjustment.

T. Rowe Price (TRP) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. TRP has been independently verified for the 27-year period ended June 30, 2023 by KPMG LLP. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm wide basis. Verification does not ensure the accuracy of any specific composite presentation. TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. As of October 1, 2022, there is no minimum asset level for portfolio inclusion into the composite. Prior to October 2022, the minimum asset level for equity portfolios to be included in composites was \$5 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites was \$10 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the maximum fee rate applicable to all composite members as shown above. Gross performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Gross performance returns are used to calculate presented risk measures. 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. Policies for valuing portfolios, calculating performance, and preparing compliant presentations 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.

The strategy utilizes on a regular basis a variety of derivative instruments such as (but not limited to) currency forwards, fixed income futures, interest rate swaps, credit default swaps, synthetic indices, and options on all mentioned instruments, primarily to hedge certain market risks associated with the strategy's objective, to express directional opportunities on specific markets and to facilitate liquidity management.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## ADDITIONAL DISCLOSURES

Portfolio Construction: There is no guarantee that the investment will remain within the anticipated ranges of exposure.

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

Unless indicated otherwise the source of all data is T. Rowe Price.

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.

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Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of other accounts in the strategy. Please see the GIPS® Composite Report for additional information on the composite.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

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## Risks

The following risks are materially relevant to the portfolio.

**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. **Credit** - Credit risk arises when an issuer's financial health deteriorates and/or it fails to fulfill its financial obligations to the portfolio. **Currency** - Currency exchange rate movements could reduce investment gains or increase investment losses. **Derivative** - Derivatives may be used to create leverage which could expose the portfolio to higher volatility and/or losses that are significantly greater than the cost of the derivative. **Emerging markets** - Emerging markets are less established than developed markets and therefore involve higher risks. **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 portfolio's assets are concentrated. **Liquidity** - Liquidity risk may result in securities becoming hard to value or trade within a desired timeframe at a fair price. **Prepayment and extension** - Mortgage- and asset-backed securities could increase the portfolio's sensitivity to unexpected changes in interest rates. **Real estate** - Real estate and related investments can be hurt by any factor that makes an area or individual property less valuable. **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 portfolio's assets are concentrated. **Total Return Swap** - Total return swap contracts may expose the portfolio to additional risks, including market, counterparty and operational risks as well as risks linked to the use of collateral arrangements.

## General Portfolio Risks

**Counterparty** - Counterparty risk may materialise if an entity with which the portfolio does business becomes unwilling or unable to meet its obligations to the portfolio. **ESG and sustainability** - ESG and Sustainability risk may result in a material negative impact on the value of an investment and performance of the portfolio. **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 portfolio's assets are concentrated. **Hedging** - Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely. **Investment portfolio** - Investing in portfolios 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 portfolio 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.

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