

QUARTERLY REVIEW

Global Impact Equity Fund

As of December 31, 2023



Our Investment Approach

- In pursuit of long-term growth of capital, the Fund seeks positive environmental or social impact and to outperform the benchmark.
- Strategy is aligned to the UN Sustainable Development Goals (UN SDGs), a globally recognized framework designed to end poverty, protect the planet, and ensure prosperity
- Pursuing positive impact drives every investment decision, which we assess across three pillars: 1) climate and resource impact; 2) social equity and quality of life; 3) sustainable innovation and productivity
- We apply a high-conviction, impact-oriented approach designed to create a diversified portfolio to help balance risk and opportunity

Portfolio Construction

- Strategy uses a global opportunity set to look across all countries, sectors, and market capitalizations, while actively excluding non-impact areas of the global economy, to find stocks with clear impact and financial return markers
- Leverages integrated fundamental research and ESG resources to systematically and proactively evaluate the quality and long-term sustainability of investment candidates
- Target number of holdings is between 55-85 stocks
- Typical position sizes ranges from 0.5 – 5.0%

FUND INFORMATION

Symbol	TGPEX
CUSIP	87281D793
Inception Date of Fund	March 15, 2021
Benchmark	MSCI All Country World Index Net
Expense Information (as of the most recent Prospectus)	2.78%
Fiscal Year End	October 31
12B-1 Fee	—
Total Assets (all share classes)	\$19,997,009
Percent of Portfolio in Cash	2.23%

PERFORMANCE (NAV, total return)

	One Month	Three Months	One Year	Annualized	
				Two Year	Since Inception 3/15/21
Global Impact Equity Fund	5.90%	10.54%	16.29%	-6.40%	-0.44%
Global Impact Equity Fund – I Class	5.88	10.52	16.41	-6.33	-0.35
MSCI All Country World Index Net	4.80	11.03	22.20	-0.12	4.33

CALENDAR YEAR PERFORMANCE (NAV, total return)

	Inception Date	2022	2023
Global Impact Equity Fund	Mar 15 2021	-24.67%	16.29%
Global Impact Equity Fund – I Class		-24.62	16.41
MSCI All Country World Index Net		-18.36	22.20

Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit troweprice.com.

The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any. Share prices are subject to market risk, including loss of the money you invest. In addition, there are risks associated with unfavorable currency exchange rates and political or economic uncertainty abroad.

The fund may not succeed in generating a positive environmental or social impact. A company's ability to affect positive impact or T. Rowe Price's assessment of a company's positive social and environmental impact may change over time, which could cause the fund to temporarily hold securities that are not consistent with the fund's responsible investment principles.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

THOUGHTS FROM THE INVESTMENT TEAM

The year 2023 surprised positively as the bearish outlook forecasting a recession and corporate earnings downgrades against a backdrop of higher interest rates and geopolitical uncertainties failed to play out. Instead, the macroeconomic narrative ended up being about rising expectations for a dovish monetary policy pivot by the U.S. Federal Reserve (Fed), alongside resilient corporate earnings and consumer spending. In short, hard-landing fears gave way to a broader consensus around an economic soft-landing. Although a recession remains possible, expectations are that it could be mild and/or short-lived.

From an equity market standpoint, market performance was top-heavy, led by a narrow set of companies exposed to technologies including artificial intelligence (the Magnificent Seven), one of the key investment themes of 2023. However, we are encouraged by a broadening of market strength in the second half of the year.

Entering 2024, we are excited about the market and macro set-up and believe it will benefit stock pickers. First, we will be looking at identifying and adding exposure to end-markets with bottoming earnings such as life sciences tools companies (Danaher, Thermo Fisher Scientific), semiconductor capital equipment firms (ASML, TSMC) and freight (Canada National Railway). Secondly, although we do not allocate to regions, we believe growth in 2024 will be more inclusive toward emerging markets (EM) and, therefore, are making sure we are aware of regional disparities. Our stance toward U.S. equities is broadly neutral as valuations appear full and higher rates might pressure companies with a higher cost structure. We are slightly overweight EM (mainly through our EM financial bets). EM are attractively valued relative to developed markets, in our view, and the possibility of incremental fiscal and monetary stimulus generally is likely to be more supportive for EM. Thirdly, accessing idiosyncratic impact opportunities. For example, companies that are neutral to rising rates such as SPIE or select companies exposed to obesity treatment, or GLP-1, innovation, which stands to have a knock-on effect several industries such as medical technology (Stryker) and nutrition (DSM-Firmenich).

Encouragingly, many companies are shifting investment toward social and environmental pressure points, as we are seeing growing demand for solutions. Furthermore, government incentive programs such as the Inflation Reduction Act (IRA) in the U.S. or the European Union Green Deal can offer substantial support to sustainable solutions players.

We have identified three impact themes to watch for in 2024: decarbonization solutions in a high interest environment, climate adaptation, and “a just transition”.

- Decarbonization has been one of the most invested ESG themes in a period of lower interest rates. Recently, a higher cost of capital and stock specific issues have been challenging for the renewables sector. However, decarbonization goes beyond renewable energy producers and we aim to discover companies with idiosyncratic profiles such as Hubbell, which is exposed to several secular trends (grid modernization and electrification) or Waste Connections, one of the largest waste management companies in North America, which operates in an industry with stable demand and good pricing power driven by high barriers to entry.
- As it becomes more and more apparent that net-zero targets will unlikely be met by 2050, investors need to be pragmatic and look at climate adaptation solutions, which help prepare communities for, and protect them against, climate change consequences. Examples of solutions are linked to improved agricultural resilience, protection against climate change risk, and improved power resilience.
- As defined by the International Labour Organization, “a just transition” means greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. We expect increasing focus on “a just transition” in the coming years to create investment opportunities in companies linked to our enhancing quality of life sub-pillar, aligned to the United Nations Sustainable Development Goal number 8 (decent work). As a transition toward a net-zero economy occurs, companies

must recruit, re-skill and up-skill employees in new technologies. Occupational safety and health in resource-heavy industries are also a core component of a just transition and therefore we expect companies that provide worker protection, such as MSA Safety, to benefit.

Finally, we are excited about the progress made in terms of data improvement as corporate disclosures improve and the acceleration of sustainable investment regulation globally, which provide further evidence that impact investing is establishing itself in the mainstream.

Market Outlook

Long-term U.S. Treasury yields climbed for much of 2023, peaking in late October, before falling sharply in response to weaker-than-expected inflation and labor market data. Many equity markets rallied through year-end as Fed officials projected at their mid-December policy meeting that there could be three quarter-point interest rate cuts in 2024.

We maintain the view that a return to an ultra-low-rate world is unlikely. Given the uncertain environment and wide range of possible economic outcomes, we have constructed a balanced portfolio, albeit one that is positioned to benefit from idiosyncratic company tailwinds. We continue to believe that strong company fundamentals and valuation focus are paramount. As valuations outside of mega cap growth stocks have reset, we are finding more opportunities to own companies that are trading at a discount relative to their market position and compound growth potential.

Despite the polarization surrounding sustainable investing broadly, our long-term conviction for impact investing has not wavered. Society’s most significant environmental and social challenges continually require effective solutions and, in our view, the opportunity to own businesses that create a positive environmental or social impact is greater than ever before in public equity markets. The scale of these issues means that solutions will likely not be possible without the backing of large, well-funded, publicly listed firms. Encouragingly, we are seeing a growing number of companies shift investment toward these pressure points, highlighting the importance of being on what we view as the right side of sustainable change. As this shift gains steam, we believe it will fuel positive long-term returns for the sustainability “winners.”

The pressures and fractures that have evolved are clearly testing the resolve of investors and the ESG community alike, but impact investing’s ability to align investments and measure them against social and environmental outcomes is a clear, tangible differentiator that we believe helps to address these concerns.

PORTFOLIO POSITIONING AND ACTIVITY

Our investment approach aligns with the United Nations Sustainable Development Goals as we evaluate impact across three proprietary pillars and eight sub-pillars that encompass: (1) Climate and Resource Impact, (2) Social Equity and Quality of Life, and (3) Sustainable Innovation and Productivity.

The Social Equity and Quality of Life pillar makes up 55.3% of the portfolio and includes companies that are promoting and enabling improved health and wellbeing and enabling social equality, education, and financial inclusion. The Climate and Resource Impact pillar makes up 36.3% of the portfolio and is focused on companies that are producing renewable energy; promoting circular economies and reduced waste; and contributing to energy efficiency and decarbonization. The Sustainable Innovation and Productivity pillar makes up 6.2% of the portfolio and includes companies that are enabling technological solutions to social and environmental issues, like semiconductor companies that improve access to digital products or are engaged in constructing smart cities or other innovative infrastructure development.

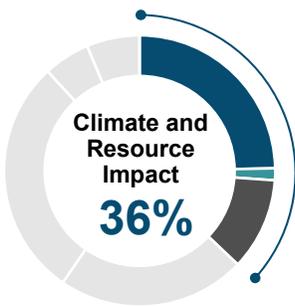
With economic uncertainty persisting, risk/reward dynamics more muted, and narrow market leadership that has been dominated by the Magnificent 7, we continue to focus on building a portfolio that seeks to balance risk management and opportunistic action. While we did not make dramatic changes to the portfolio during the final quarter of 2023, we added to companies with attractive earnings outlooks and sold those with deteriorating fundamentals. We also reduced portfolio cyclicalities by selling a few industrial companies in which we lost conviction and took profits in some of our technology names, such as Shopify and MercadoLibre, which helped reduce some factor exposure.

We eliminated our position in NextEra Energy Partners due to concerns about the company's ability to achieve growth in the current interest rates environment. We sold Rockwool as the risk/reward deteriorated on the back of weak volumes in Europe. We also eliminated Nibe Industrier on deteriorating competitive advantage in the current macro environment. We exited Tomra Systems on broken thesis around the Deposit Return Scheme, as most of countries prefer more traditional recycling methods.

Most of our purchases were aimed at improving the quality of the portfolio. The biggest addition was TE Connectivity, a market leader in the connector industry and key provider for hybrid and electric vehicles. We initiated a position in Autodesk, a leader in three-dimensional (3D) design and engineering software which enable more energy efficient buildings and manufacturing processes. We believe the company is a quality compounder that can benefit from tailwinds from higher infrastructure capex, decarbonization and re-shoring. We also started an investment in GoDaddy, which enables small and medium-sized enterprise growth and formation with tools to create and buy online businesses. We are confident that the company is on track to accelerate revenue growth thanks to a strong management team, an innovative AI tool and an improving cost structure. We also initiated a position in SPIE, a defensive mid-cap business services company that generates impact by providing mechanical, electrical and heating, ventilation, and air conditioning (HVAC) engineering services to a wide range of end markets to achieve energy efficiency for customers.

PORTFOLIO HOLDINGS BY IMPACT SUB-PILLAR

As of December 31, 2023



- Reducing Greenhouse Gases (GHGs) 24.1%
- Promoting Healthy Ecosystems 1.4
- Nurturing Circular Economies 10.8



- Enabling Social Equity 22.0%
- Improving Health 27.9
- Enhancing Quality of Life 5.4



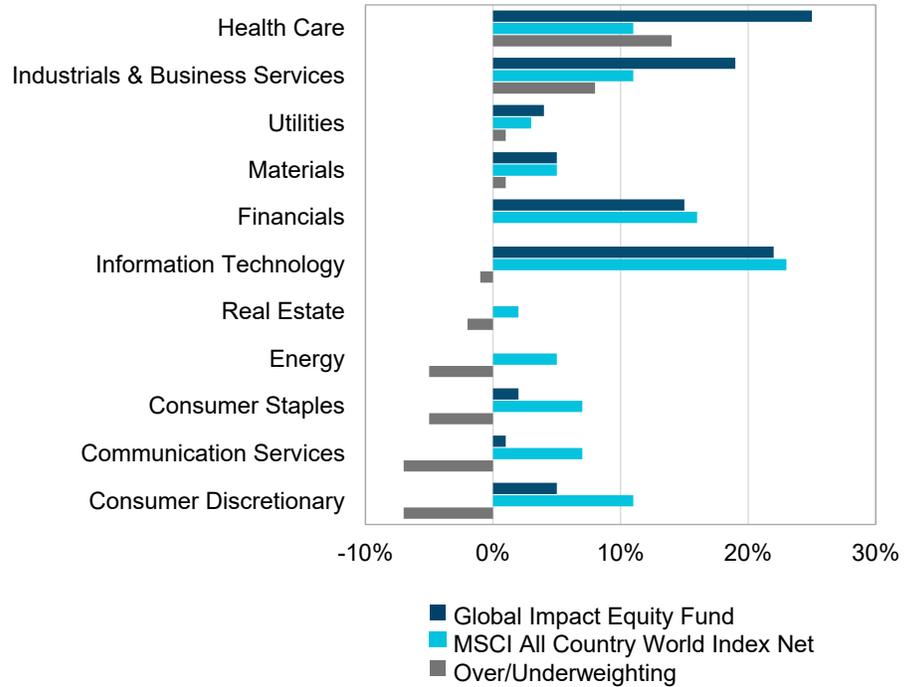
- Sustainable Technology 6.2%
- Building Sustainable Industry and Infrastructure 0.0

SECTOR AND REGION POSITIONING

Global Impact Equity Fund vs. MSCI All Country World Index Net

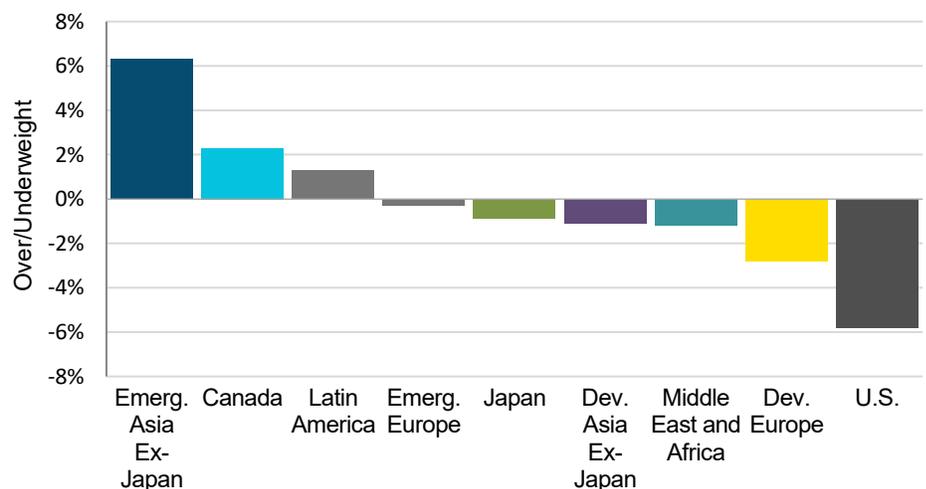
RELATIVE SECTOR WEIGHTS

As of December 31, 2023



RELATIVE REGION WEIGHTS VS. MSCI ALL COUNTRY WORLD INDEX NET

As of December 31, 2023



Cash weight was 2.23% as of December 31, 2023. Please see Additional Disclosures page for sourcing information.

20 LARGEST ISSUERS

Global Impact Equity Fund

As of December 31, 2023

Company	% of Fund	Impact Pillar	Sub Pillar	Impact Activity	Impact Thesis	Primary UN SDG
Eli Lilly and Co	3.25%	Social Equity & Quality of Life	Improving health	Providing health care solutions	Eli Lilly's portfolio of approved products drives impact for c.51m patients worldwide across >100 countries today. The company has particularly significant impact in diabetes – a disease affecting >400m and resulting in 1.5m deaths annually worldwide. LLY's product portfolio helps improve disease management for both type 2 (e.g. through Trulicity & Jardiance) and type 1 (through its portfolio of human insulins) diabetes patients. The impact thesis hinges on the company's ability to further grow its impact in diabetes and to address obesity with a new class of GLP-1 agonists. There are approximately 40m type 2 diabetes and 111m people who are obese in the U.S. alone. LLY's new products could therefore generate substantial impact while also helping to support substantial healthcare system savings due to the range of co-morbidities associated with these conditions.	
Roper Technologies	2.78	Climate & Resource Impact	Reducing GHGs	Increasing energy efficiency	Roper Technologies delivers impact by operating businesses that provide software and engineered products, that provide cloud computing technology and enable health care solutions. Cloud computing solutions help to reduce energy consumption from traditional local data centers used by their customers, thus improving the energy intensity of clients and improving commercial energy efficiency. Many companies provide expanded access to healthcare services & treatment, as well as enable healthcare research and innovation.	
ASML Holding	2.72	Sustainable Innovation & Productivity	Sustainable technology	Innovative software & technology	ASML creates impact through its lithography equipment - which is responsible for a critical step in semiconductor manufacturing, and thus enables downstream semiconductor innovation. ASML has 100% market share in Extreme Ultra Violet lithography equipment which is needed to make leading edge chips with superior energy efficiency. Some high impact areas from a sustainability standpoint include EVs, remote education, remote surgery, driverless vehicles. In addition, ASML is focused on making its EUV equipment more energy efficient. The company's target is to reduce energy user per exposed wafer by 60% 2018-2025 (-37% has already been achieved). This helps reduce the emissions associated with semiconductor fabrication. Finally, ASML contributes to waste reduction in the semiconductor industry by refurbishing or repurposing all of its devices. >95% of ASML devices sold over the past 30 years are still in use.	
Linde PLC	2.59	Climate & Resource Impact	Reducing GHGs	Decarbonization, carbon capture and sequestration	As an industrial gas company, we believe that LIN is an important 'enabler' of the energy transition - it enables its customers to avoid & reduce their own carbon footprints by e.g. improving efficiency in manufacturing processes. Linde is also a key enabler of green hydrogen and carbon capture & storage (CCS) technologies. As well as enabling decarbonisation, LIN has a positive impact via improving healthcare solutions through its healthcare business segment, and reducing food waste by supplying gases that extend the shelf life of foodstuffs.	
UnitedHealth Group	2.40	Social Equity & Quality of Life	Improving health	Providing health care solutions	As the largest U.S. health insurer, UNH delivers meaningful impact by providing a financial safety net to its enrollees across commercial & community/senior and facilitating access to healthcare. UNH's impact thesis is supported by: 1) The largest presence of any MCO in Medicare Advantage by enrollee share - UNH therefore plays an important role in covering the healthcare needs of seniors. 2) Strength in value-based care (esp. through Optum Health) which can help drive improved patient outcomes and lower costs 3) A focus on technology which enhances the company's ability to deliver more effective care.	

Source: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification. Impact thesis sourced from T. Rowe Price. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

20 LARGEST ISSUERS—CONTINUED

Global Impact Equity Fund

As of December 31, 2023

Company	% of Fund	Impact Pillar	Sub Pillar	Impact Activity	Impact Thesis	Primary UN SDG
Thermo Fisher Scientific	2.28%	Social Equity & Quality of Life	Improving health	Providing health care solutions	Thermo Fisher Scientific delivers significant impact in healthcare in a) enabling biopharma innovation & life sciences research and b) advancing precision medicine. TMO acts as a “one stop shop” for its biopharma clients seeking to develop new therapeutics, providing both products and outsourcing services that span the entire spectrum of drug development and manufacturing. The drug development process can take up to 15 years and can cost >\$2.5bn – TMO drives substantial impact by helping to “bend” the time and cost curves associated with this process. Through its CDMO within the biopharma services division, TMO also helps manufacture medicines used by >1m patients per day. In specialty diagnostics, TMO’s products help improve the speed and accuracy of diagnoses, enabling more effective (& cost efficient) care and advancing precision medicine.	
Intuit	2.08	Social Equity & Quality of Life	Enabling social equity	Financial inclusion	Intuit promotes financial inclusion with products oriented toward personal finance solutions and supporting SMEs. Specifically, Credit Karma meaningfully helps consumers improve their FICO scores and Intuit software reduces cost of access of financial products / access to SMEs.	
Bank Central Asia	2.07	Social Equity & Quality of Life	Enabling social equity	Enabling enterprise growth	Financial inclusion remains low in the Indonesia. In 2021, penetration of financial institution accounts (50%) and debit/credit card ownership (35%) was below that of the East Asia & Pacific averages (64%/50%). Bank Central Asia is helping to close this financial inclusion gap, reduce financial inequalities and enable economic growth in Indonesia with a large exposure to microfinancing, retail and SME lending. The bank is also at the forefront of sustainable finance in East Asia with a growing sustainable finance portfolio.	
Danaher	2.06	Social Equity & Quality of Life	Improving health	Providing health care solutions	Danaher’s largest three divisions (biotechnology, life sciences and diagnostics) help its customers to create substantial impact for patients by solving complex challenges related to human health. Within biotechnology and life sciences, DHR tools and services help accelerate the development of biopharma products and improve scientific understanding of the causes of disease to power drug development.	
Waste Connections	2.02	Climate & Resource Impact	Reducing GHGs	Reducing methane & other GHGs	WCN has a strong impact thesis focused on mitigating & recovering methane emissions from putrescible municipal landfill waste. Also, WCN provides non-hazardous solid waste collection, transfer and disposal services, along with recycling and resource recovery. We map close to 100% sustainable revenue alignment; exclusions relate to ‘Other’ revenue.	
HDFC Bank	2.01	Social Equity & Quality of Life	Enabling social equity	Financial inclusion	HDFC is a leading financial services company which is increasing financial inclusion in India with retail & SME customers accounting for 66.7% of the loan book. The bank’s lending to these sectors helps enable economic growth and reduction in domestic and international financial inequalities with c. 240 million adults in Indian remaining unbanked. The bank is also contributing to India’s economic growth by supporting and enhancing investment and infrastructure lending to governments and private entities.	
Zoetis	1.99	Social Equity & Quality of Life	Improving health	Companion & animal health	Zoetis derives c.65% of its revenues from products used for companion animals (principally dogs and cats). In keeping pets healthy, Zoetis creates impact by helping to support the range of second degree therapeutic, physiological and psychological benefits for humans that are associated with pet ownership. In livestock (c.35% of revenues), over 20% of animal production losses are linked to animal disease. Zoetis can therefore help create significant impact by improving disease prevention and treatment, improving animal health – and ultimately supporting improved food system efficiency, food security and lower GHGs per unit of food produced.	

Source: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification. Impact thesis sourced from T. Rowe Price. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

20 LARGEST ISSUERS—CONTINUED

Global Impact Equity Fund

As of December 31, 2023

Company	% of Fund	Impact Pillar	Sub Pillar	Impact Activity	Impact Thesis	Primary UN SDG
Taiwan Semiconductor Manufacturing	1.98%	Sustainable Innovation & Productivity	Sustainable technology	Innovative software & technology	TSMC creates impact through continuous innovation in semiconductor manufacturing which enables production of leading edge chips which, in turn, can be used in a wide variety of sustainable applications and enable downstream energy efficiency. The company has been instrumental in semiconductor innovation for 30 years and is the partner of choice for advanced node chips with over 60% capacity share. The impact thesis is centered on the role of semiconductor innovation for energy efficiency, existing sustainable applications (EVs, renewable energy, 5G) and future sustainable innovation through AI.	
Keyence	1.98	Climate & Resource Impact	Nurturing circular economies	Reducing waste	Keyence manufactures precision robotic vision sensors that are primarily used in factory automation. These have notable environmental and social impact by reducing manufacturing waste, improving industrial efficiency and increasing safety in the workplace. As a result we map ~100% sustainable revenue alignment tied to reducing manufacturing waste.	
OneMain Holdings	1.98	Social Equity & Quality of Life	Enabling social equity	Financial inclusion	OneMain Holdings offers auto loans and personal loans primarily to non-prime customers who have limited access to credit through more than 1,400 branches in 44 states. OMF's emphasis on financial advancement and success for customers (every customer gets a personalized budget plus access to financial literacy resources) differentiates it from other lenders targeting underserved communities and helps reduce financial inequalities within the United States.	
Brookfield Renewable Partners	1.91	Climate & Resource Impact	Reducing GHGs	Decarbonization & carbon capture	Brookfield Renewable is a pure-play solar, wind & hydro electricity provider, generating zero carbon electricity across multiple geographies. It is therefore helping to decarbonise the power sector.	
Hubbell	1.86	Climate & Resource Impact	Reducing GHGs	Increasing energy efficiency	Hubbell is a large industrial compounder with more than 50 brands under 2 segments which manufactures utility and electrical solutions supporting the resi/non-resi construction, industrial, and utility applications, primarily in the US market. Impact occurs 'in front of the meter' through utility T&D components which support the buildout of renewables, as well as electrical solutions for solar and wind generation applications. It also occurs 'behind the meter' via products that increase the energy efficiency of buildings and homes, as well as solutions that support electrification in industries such as transportation and manufacturing. Impact is also 'at the edge' through utility communications and controls solutions that provide data collection, analysis, and control capabilities enabling efficient energy management and consumption, facilitating the integration of renewable energy and smart grid technologies.	
Intuitive Surgical	1.85	Social Equity & Quality of Life	Improving health	Providing health care solutions	As the global leader in robotic-assisted, minimally invasive surgery, Intuitive Surgical delivers substantial impact in healthcare by raising the quality of surgery and leveling the playing field of surgical ability. The company's da Vinci surgical robot helps reduce surgical complications and ultimately drive better outcomes for patients. To date, >12m procedures have been performed using da Vinci systems and the company has deepened its impact by expanding into a range of surgical specialties after initially launching da Vinci in a urological indication. c.50m soft issue surgeries are performed annually worldwide but the penetration of robotic surgery remains extremely low (<5%) – Intuitive therefore has a substantial runway to grow its impact over time.	

Source: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification. Impact thesis sourced from T. Rowe Price. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

20 LARGEST ISSUERS—CONTINUED**Global Impact Equity Fund**

As of December 31, 2023

Company	% of Fund	Impact Pillar	Sub Pillar	Impact Activity	Impact Thesis	Primary UN SDG
Canadian National Railway	1.82%	Climate & Resource Impact	Reducing GHGs	Decarbonization, carbon capture and sequestration	Rail is one of the least carbon-intensive modes of freight transport (according to the IEA, freight rail emissions per ton km are ~75% less than truck and ~90% less if electric). The conversion of freight transport from road to rail is particularly impactful in US/Canada where ~67/70% of freight operates on trucks, according to the US Bureau of Transportation Statistics & the Canadian Government. Within this context, CNI generates impact by offering freight rail transport services in US and Canada, which enable the decarbonization of freight transport through conversion from road to rail.	
Becton, Dickinson & Company	1.75	Social Equity & Quality of Life	Improving health	Providing health care solutions	The "Durable Core" of BD's business consists of products and solutions that form the backbone of healthcare worldwide – this includes products such as collection tubes, catheters and syringes. In supporting effective treatment, these products create meaningful impact for patients – BD's Durable Core touches 90% of people treated in U.S. hospitals. BD's "Transformative Solutions" are the main focus of the company's R&D efforts, seeking to improve chronic disease outcomes, enable care to shift into new settings to improve outcomes and improve healthcare processes through connected care. This part of the business has particular additionality and is the focus of the company's >\$1bn in R&D spend. Overall, the company produces >37bn devices a year sold in >190 countries, generating broad-based impact for patients and improving health outcomes.	

Source: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification. Impact thesis sourced from T. Rowe Price.
<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

TOP 5 NEW ADDITIONS AND ELIMINATIONS

If fewer than 5 new additions are shown, those are all of the new additions for the period.

TOP 5 NEW ADDITIONS

Company	% of Fund Current Quarter	% of Fund Prior Quarter	Impact Pillar	Sub Pillar	Impact Activity	Impact Thesis	Primary UN SDG
TE Connectivity	1.16%	–	Climate & Resource Impact	Reducing GHGs	Decarbonization, carbon capture and sequestration	TEL is a solution provider for Hybrid and Electric Vehicles. TEL has been increasingly focused on the Automotive sector (exposure increased from 36% in 2011 to 56% in 2020) and is a key enabler and beneficiary of the transition to EVs. Other connectivity solutions are used for safety and/or autonomy features. Lastly, some of their connectors are used for medical applications.	
Autodesk	1.10	–	Climate & Resource Impact	Nurturing circular economies	Enabling efficient consumption	Autodesk's 3D design and engineering software is uniquely positioned to have a positive impact on the amount of embodied carbon in buildings, which accounts for around 13% of global GHG emissions. Their software also facilitate manufacturing processes that are more efficient in energy and raw material use.	
Spie	0.85	–	Climate & Resource Impact	Reducing GHGs	Increasing energy efficiency	SPIE generates impact by providing mechanical, electrical and HVAC engineering services to a wide range of end markets in order to achieve energy efficiency and emission reduction goals for customers.	
GoDaddy	0.80	–	Social Equity & Quality of Life	Enabling social equity	Enabling SMEs	GoDaddy equips SMEs with tools to build online businesses. This positive impact is further catalyzed by the company's new product, GoDaddy Airo, which dramatically simplifies the process of building an online business using generative AI.	
Sonova	0.51	–	Social Equity & Quality of Life	Improving health	Providing health care solutions	Sonova is a leader in the hearing aid industry.	

Source: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification. Impact thesis sourced from T. Rowe Price. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

TOP 5 NEW ADDITIONS AND ELIMINATIONS

If fewer than 5 new eliminations are shown, those are all of the new eliminations for the period.

TOP 5 ELIMINATIONS

Company	% of Fund Current Quarter	% of Fund Prior Quarter	Impact Pillar	Sub Pillar	Impact Activity	Impact Thesis	Primary UN SDG
Trimble	–	1.49%	Climate & Resource Impact	Reducing GHGs	Increasing energy efficiency	Trimble produces software and hardware that help customers digitalize and optimize processes. Its products reduce operational costs, increase productivity, improve safety, enhance product quality, and reduce emissions, mainly in construction, transportation and agriculture end markets.	
Kerry Group	–	1.46	Social Equity & Quality of Life	Improving health	Improving nutrition & food quality	Kerry Group is directly exposed to the healthier eating / product reformulation theme – it offers ingredients like texturants, flavours, proteins, enzymes and acidulants as well as value-add ingredients like food protection and probiotics for digestive health and fortification.	
Nextera Energy Partners	–	1.22	Climate & Resource Impact	Reducing GHGs	Decarbonization & carbon capture	NextEra Energy Partners is one of the largest producers of renewable energy in the U.S. NEP currently owns & operates 9.3 GW of renewable capacity. The company operates an industry-leading portfolio of wind, solar and battery storage assets and 100% of power generated comes from clean or renewable resources which supports the decarbonisation of the power sector in the US. 100% of NEP's development pipeline is renewable which should help to substantially increase the share of renewable energy in the global energy mix.	
ROCKWOOL	–	0.94	Climate & Resource Impact	Reducing GHGs	Increasing energy efficiency	Rockwool has a strong impact thesis focused on i) insulation products to improve energy efficiency for buildings, and therefore lower emissions in the buildings sector; ii) insulation and ceiling tiles that are highly fire-resistant and therefore protect the life/health of occupants and first responders; and iii) precision growing products from its Grodan business to lower water consumption in crop production as well as improve crop yields.	
Tomra Systems	–	0.88	Climate & Resource Impact	Nurturing circular economies	Reducing waste	TOMRA Systems manufactures reverse vending machines for automated collection of used beverage containers. It enables the circular economy and reduces emissions from waste management by promoting post consumer waste collection and recycling with a direct impact on SDG 12 and SDG 13.	

Source: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification. Impact thesis sourced from T. Rowe Price. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Impact and Engagement Commentary

The following 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 – Social Equity and Quality of Life, Improving Health

UnitedHealth is a leading U.S. health insurer.

Engagement Objective

We engaged with UnitedHealth on impact and ESG disclosures.

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.

Impact and Engagement Commentary - Continued

ASML – Sustainable Innovation and Productivity, Sustainable Technology

ASML is a Dutch semiconductor equipment manufacturing company.

Engagement Objective

We engaged with ASML to discuss impact, product emissions, and circular economy topics.

Engagement Outcome

We engaged with ASML to discuss best practices in impact measurement and the setting of key performance indicators (KPIs). We also touched on the management of end-product emissions and circular economy issues.

Our goal was to highlight the importance of disclosing information that can help investors measure the impact of the company's operations, which we summarize as follows: (1) its role in enabling the development of leading-edge chips with frontier efficiency, (2) reducing energy use and greenhouse gas emissions associated with semiconductor manufacturing through improvements in extreme ultraviolet lithography (EUV) technology, and (3) nurturing the circular economy of semiconductor equipment by refurbishing machines.

We asked ASML about gaining visibility on the downstream applications of chips manufactured using its machines. ASML said that this is not feasible. While ASML can see when the machines are running, they cannot get information on which company is developing the chip, nor can they track the downstream application. While we did not gain much more color on how to quantify ASML's impact on downstream energy efficiency, as leading-edge chip manufacturing is only possible with ASML EUV machines, we believe market share in EUV is a valid KPI.

Improving the energy efficiency of ASML's machines is critical to reducing emissions associated with semiconductor manufacturing, and the company's measurement of this is very strong. Relevant KPIs here are: scope 3¹ emissions for product use (this is reported for ASML's full range of products in use) and energy efficiency per exposed wafer—in particular, how this has improved in further generations of machines. Since 2019, ASML has achieved a 45% reduction per wafer for NXE (EUV) machines—which clearly demonstrates ASML's role in reducing use-phase emissions through device energy efficiency.

However, the real-world emission savings of ASML's products depend on renewable energy (RE) access and use by customers. We discussed the feasibility of ASML's goal for net zero emissions by 2040 as this hinges on its customers moving to RE (and many of these customers have later timelines for RE use). We think access to RE is a key risk to the impact thesis. Decreasing emissions in the semiconductor industry is a big challenge due to the limited availability of RE in some of the major manufacturing markets.

The focus of ASML's product design is long term and circular. Notably, 95% of all the machines the company has created are still in use today. ASML also commits to continue to service these machines up to 2040 to ensure optimal resource use from its technologies.

We imparted our views on the importance of impact measurement and KPIs, and the engagement helped us solidify our impact thesis on ASML.

¹ Scope 1 (direct emissions from owned or controlled sources), scope 2 (indirect emissions from the generation of purchased electricity, steam, or cooling), scope 3 (all other indirect emissions).

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