AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

T. Rowe Price Concentrated Global Equity Fund - I Class

As of 31 January 2024

Portfolio Manager:
Peter Bates

Joined Firm:
2004

Investment Experience:
22 Years

Morningstar Medalist Rating™:
As of 31/12/2023
Analyst-Driven %
10
Data Coverage %
83

INVESTMENT OBJECTIVE

The Fund is a high conviction global equity strategy that aims to provide long-term capital appreciation. The Fund typically invests in a concentrated portfolio of mid to large cap companies which are traded or listed on recognised exchange and/or markets throughout the world, including developing countries.

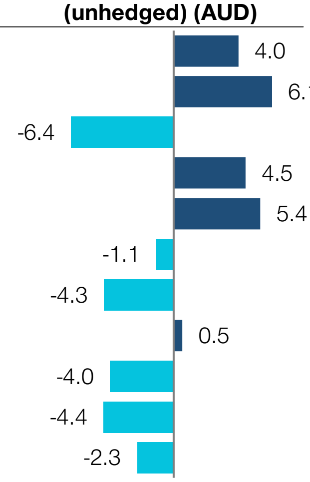
TOP 10 HOLDINGS

	Country	Industry	% of Fund
Microsoft	United States	Software	5.4%
NVIDIA	United States	Semiconductors & Semiconductor Equipment	5.0
Meta Platforms	United States	Interactive Media & Services	4.1
Eli Lilly and Co	United States	Pharmaceuticals	3.8
Amazon.com	United States	Broadline Retail	3.7
Danaher	United States	Life Sciences Tools & Services	3.7
ITOCHU	Japan	Trading Companies & Distributors	3.5
Corebridge Financial	United States	Financial Services	3.4
UnitedHealth Group	United States	Health Care Providers & Services	3.3
CF Industries	United States	Chemicals	3.2

SECTOR EXPOSURE

	% of Fund
Financials	18.8%
Health Care	18.4
Information Technology	17.6
Industrials & Business Services	15.6
Materials	8.9
Communication Services	6.4
Consumer Discretionary	6.4
Utilities	3.0
Consumer Staples	2.9
Energy	0.0
Real Estate	0.0

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



PERFORMANCE

	One Month	Three Months	Year-to-date	One Year	Since Share Class Inception 15 December 2021
T. Rowe Price Concentrated Global Equity Fund - I Class (Gross – AUD)*	6.01%	10.91%	6.01%	28.42%	7.48%
T. Rowe Price Concentrated Global Equity Fund - I Class (Net – AUD)**	5.94	10.68	5.94	27.26	6.46
MSCI World Index ex-Australia Net (unhedged) (AUD)***	4.52	11.16	4.52	25.09	5.64
Value Added (Gross) [1]	1.49	-0.25	1.49	3.33	1.84
Value Added (Net) [2]	1.42	-0.48	1.42	2.17	0.82

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.

COUNTRY DIVERSIFICATION (TOP 10)

	% of Fund	MSCI World Index ex-Australia Net (unhedged) (AUD)
United States	74.0%	71.3%
Japan	9.0	6.4
Switzerland	6.6	2.8
Taiwan	2.4	0.0
Germany	2.2	2.3
United Kingdom	2.0	4.0
Canada	1.9	3.2

PORTFOLIO CHARACTERISTICS

	Fund	MSCI World Index ex-Australia Net (unhedged) (AUD)
Number of Issuers	34	1,407
Top 20 Issuers as Percent of Total	67.8%	28.8%
Percent of Portfolio in Cash	1.9%	–
Portfolio Turnover (12 Months)	84.4%	–
Active Share	85.0%	–

MARKET REVIEW

In Australian dollar terms, global equities displayed positive returns in January, though markets were volatile as stronger-than-expected economic data in the U.S. put high hopes for 2024 rate cuts in doubt, investors appeared to take profits from 2023 big winners, and geopolitical tensions lingered. A weaker Australian dollar versus other major currencies helped lift returns for Australian dollar-based investors.

U.S. stocks delivered positive returns. In the early days of the month, equities struggled as strong economic data prompted investors to temper their expectations for aggressive Federal Reserve interest rate cuts in 2024. As the month progressed, shares were lifted by generally favorable corporate earnings and by renewed investor interest in companies expected to benefit from artificial intelligence. However, stocks tumbled on the last day of the month, as Federal Reserve policymakers held short-term interest rates steady and gave no indications that they were on the verge of reducing rates.

Developed European stocks advanced amid expectations that central banks could soon start to lower interest rates in the region. The European Central Bank (ECB) left its key deposit rate at a record high of 4%, as expected. A more dovish outlook on the economy—the meeting statement said "risks to economic growth remained tilted to the downside"—and a softer tone to comments by ECB President Christine Lagarde raised hopes of a shift to easier policy. Economic data indicated that growth in the eurozone and the UK was more resilient than expected. The euro area avoided a recession in the final quarter of last year as growth in Italy and Spain offset a decline in Germany and stagnation in France. Overall gross domestic product rose 0.1% sequentially after flatlining in the July–September period.

Developed Asian markets gained ground. Equities in Japan had a strong start to 2024, continuing the solid performance seen last year. The monetary policy backdrop remained highly accommodative—and investors were forced to reassess the likelihood that the Bank of Japan would end its negative interest rate policy in the near term as a deadly earthquake struck Japan's Noto Peninsula at the beginning of the month. Yen weakness also helped prop up returns for local investors.

Emerging markets were broadly negative and meaningfully underperformed developed market peers. In emerging Asia, several markets declined, dragged down by losses in China as the economy remained sluggish and the property market remained in distress. Late in the month, the Chinese vice premier called upon government agencies to take steps to stabilize the market and support listed Chinese companies. Latin American markets were also broadly negative. Conversely, emerging Europe delivered mostly positive returns, helped by a strong rally in Turkiye as central bank officials raised short-term interest rates from 42.5% to 45.0% and signaled that they felt rates were high enough to lead to disinflation—a decline in the rate of inflation.

Sector performance in the MSCI World Index ex Australia was mostly positive. Communication services, information technology, and health care were the strongest performers, while real estate, materials, and utilities were the only sectors that lost ground.

FUND REVIEW

The portfolio outperformed the MSCI World ex Australia Index Net for the one-month period ended January 31, 2024. At the sector level, stock selection drove relative outperformance. Consumer discretionary names, coupled with an underweight position, contributed the most to relative returns, led by our holdings in Tesla, Richemont, and Amazon.com. Information technology names also helped relative results, especially our positions in NVIDIA and Taiwan Semiconductor Manufacturing. Conversely, our sector allocation and stock selection in utilities weighed on relative returns, most notably our positions in PG&E and Enel. At the regional level, holdings in North America contributed the most; no regions detracted on a relative basis.

OUTLOOK

We think a new investment regime is forming that differs from the pre-pandemic regime characterized by efficient global trade, cheap abundant energy, and excess labor that resulted in low inflation and low interest rates. In our view, there is real evidence that we are in a different world where deglobalization—spurred by ongoing and elevated geopolitical tensions—is leading to lower global harmonization, oil productivity has peaked, and a declining global labor pool is creating more wage pressure. This may be leading to a "higher for longer" scenario as it relates to both inflation and interest rates that is likely to usher in a new era of lower valuations and lower real growth.

The most recent corporate earnings season signaled that some of the tailwinds supporting the global economy may be abating, which has raised the odds for a recession in the first half of 2024, in our view. While our expectation is that any recession would likely be soft, the outcome remains very uncertain. In an uncertain world, we believe a sensible investing approach is to balance growth and value style factor tilts, to invest in durable growth themes, to balance recession and macro risk, and to find companies with a positive catalyst for change.

We firmly maintain that equities are still the best place to be for the long term, and we furthermore believe there are alpha opportunities in every sleeve of the market. We are encouraged that equity markets have started to broaden, and we are finding idiosyncratic ideas across our expansive opportunity set in areas that include artificial intelligence (AI), such as the semiconductor ecosystem and AI infrastructure; health care innovation, such as obesity drugs and bioprocessing; as well as infrastructure and residential and commercial construction. We also remain focused on delivering a portfolio that is balanced by style and cyclical exposures through a disciplined framework that makes use of our robust research platform, worldwide fundamentally driven investment process, and multidimensional view on risk management.

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	ETL8650AU
Inception Date	15 December 2021
Benchmark	MSCI World Index ex-Australia Net (unhedged) (AUD)
Management Fees and Cost^	0.85% p.a.
Distribution	Annually
Buy/Sell	Buy +0.15% / Sell -0.05%
Total Assets	$3,638,382 AUD

^The Management Fee for the T. Rowe Price Concentrated 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.

Source for MSCI data: MSCI. MSCI and its affiliates and third party sources and providers (collectively, “MSCI”) makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. Historical MSCI data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

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. The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc, ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by T. Rowe Price. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any or such standard or classification, Without limiting any or the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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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A Target Market Determination for each T. Rowe Price Australian Unit Trust (or class of units in a Trust) is available here (www.eqt.com.au/insto [eqt.com.au]). It describes who the financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where Equity Trustees Limited, the responsible entity of the T. Rowe Price Australian Unit Trusts may need to review the Target Market Determination for the financial product.

Past performance is not a reliable indicator of future performance. The price of any fund may go up or down. Investment involves risk including a possible loss to the principal amount invested. For general information purposes only, does not take into account the investment objectives, financial situation or needs of any particular investor. For further details, please refer to each fund's product disclosure statement and reference guide which are available from Equity Trustees (www.eqt.com.au/insto) or TRPAU (www.troweprice.com.au)/ (www.troweprice.nz).

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