

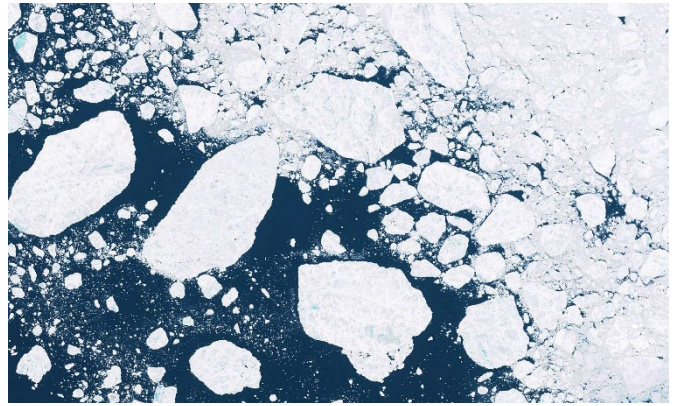


# T. Rowe Price

AUSTRALIAN UNIT TRUST PORTFOLIO UPDATE

## T. Rowe Price Global Impact Equity Fund – I Class

As of 31 January 2024



**Portfolio Manager:**

Hari Balkrishna

**Firm:**

2010

**Investment Experience:**

18 Years



CERTIFIED BY RIAA



### INVESTMENT OBJECTIVE

The Fund's investment objective is to provide long-term capital appreciation through growth in the value of its investments whilst at the same time seeking to have a positive effect on the environment and society by investing in companies whose current or future business activities are expected to generate a positive impact under one of the following three impact pillars ("Impact Pillars"): Climate and resources; Social equity and quality of life; and Sustainable innovation and productivity.

### TOP 10 HOLDINGS (%)

Company	Country	Industry	Impact Pillar	Sub Pillar	% of Fund
Eli Lilly and Co	United States	Pharmaceuticals	Improving health	Providing health care solutions	3.5
ASML Holding	Netherlands	Semiconductors & Semiconductor Equipment	Sustainable technology	Innovative software & technology	2.9
New Linde	United States	Chemicals	Reducing GHGs	Decarbonization, carbon capture and sequestration	2.6
Roper Technologies	United States	Industrial Conglomerates	Reducing GHGs	Increasing energy efficiency	2.5
Thermo Fisher Scientific	United States	Life Sciences Tools & Services	Improving health	Providing health care solutions	2.2
Taiwan Semiconductor Manufacturing	Taiwan	Semiconductors & Semiconductor Equipment	Sustainable technology	Innovative software & technology	2.2
UnitedHealth Group	United States	Health Care Providers & Services	Improving health	Providing health care solutions	2.1
Waste Connections	United States	Commercial Services & Supplies	Reducing GHGs	Reducing methane & other GHGs	2.1
Intuitive Surgical	United States	Health Care Equipment & Supplies	Improving health	Providing health care solutions	2.1
Danaher	United States	Life Sciences Tools & Services	Improving health	Providing health care solutions	2.1

Source: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification.

### PERFORMANCE

	One Month	Three Months	Year-to-Date	One Year	Two Years	Since Inception
T. Rowe Price Global Impact Equity Fund – I Class (Gross – AUD)*	3.07%	11.87%	3.07%	16.05%	3.74%	6.28%
T. Rowe Price Global Impact Equity Fund – I Class (Net – AUD)**	3.00	11.64	3.00	15.00	2.76	5.26
MSCI All Country World Index ex Australia Net***	3.87	10.21	3.87	22.55	5.95	10.10
Value Added (Gross) <sup>1</sup>	-0.80	1.66	-0.80	-6.50	-2.21	-3.82
Value Added (Net) <sup>2</sup>	-0.87	1.43	-0.87	-7.55	-3.19	-4.84

**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.

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

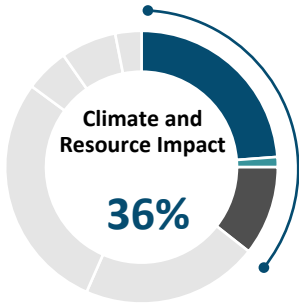
<sup>2</sup> The Value Added is shown as the Fund (Net) minus its Index.




Performance is computed in U.S. dollars and converted to Australian dollars using an exchange rate determined by an independent third party.

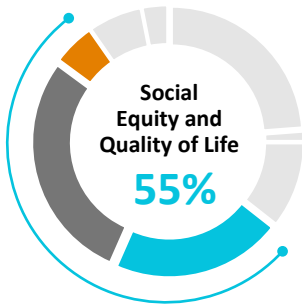
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## POSITIONING BY IMPACT SUB-PILLAR

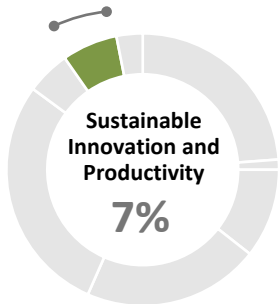
As of 31 January 2024



-  Reducing GHGs 23.81%
-  Promoting Healthy Ecosystems 1.22%
-  Nurturing Circular Economies 10.63%



-  Enabling Social Equity 21.04%
-  Improving Health 28.48%
-  Enhancing Quality of Life 5.16%



-  Sustainable Technology 6.61%

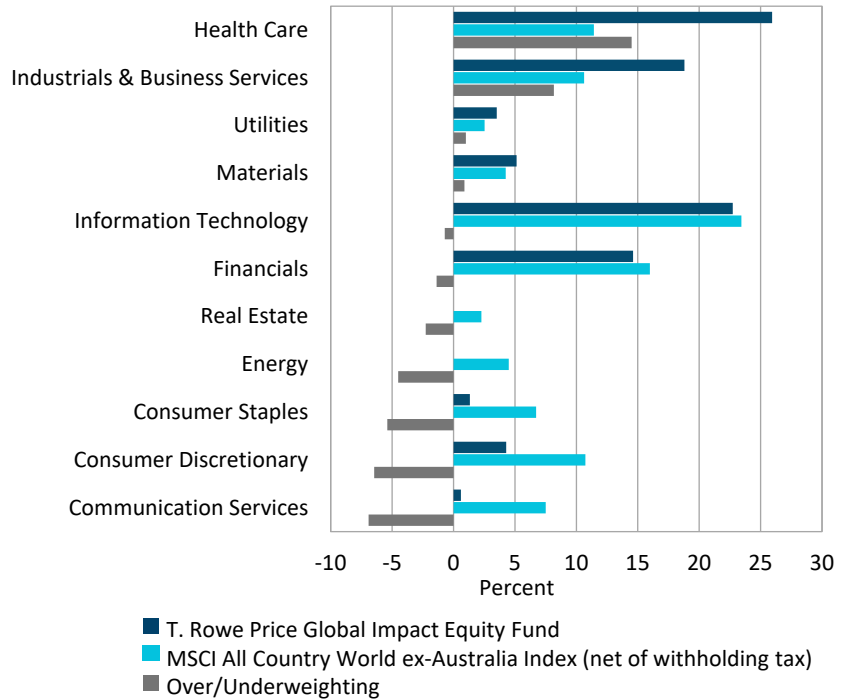
Numbers may not total due to rounding. Source: T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification. Cash weight was 3.06%.

## SECTOR AND REGION POSITIONING

### T. Rowe Price Global Impact Equity Fund vs. MSCI All Country World Index ex Australia Net

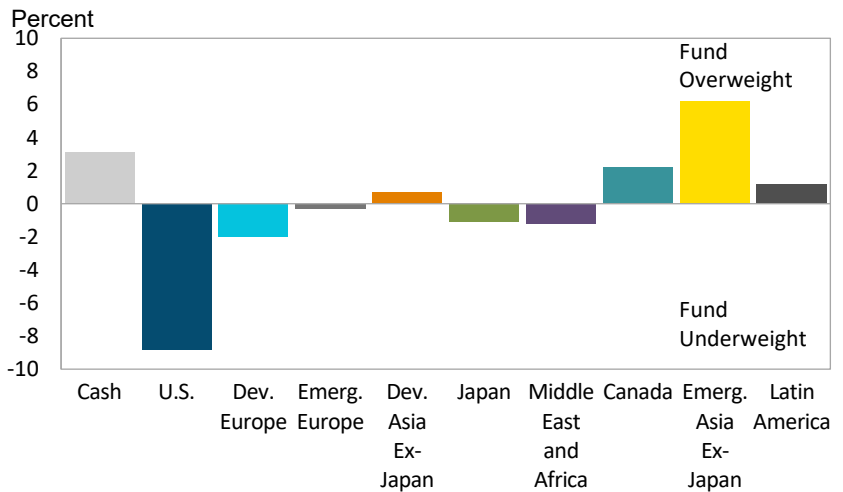
#### RELATIVE SECTOR WEIGHTS

As of 31 January 2024



#### RELATIVE REGION WEIGHTS

As of 31 January 2024



Numbers may not total due to rounding. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Please see Additional Disclosures page for information about this Global Industry Classification Standard (GICS) information. Please see Additional Disclosures page for information about this MSCI Information.

**COUNTRY DIVERSIFICATION (TOP 10)**

	% of Fund	MSCI All Country World ex-Australia Index (net of withholding tax)
United States	55.3	64.1
Canada	5.1	2.9
Japan	4.7	5.7
India	4.4	1.8
Netherlands	4.3	1.2
Taiwan	3.4	1.7
United Kingdom	2.7	3.6
Switzerland	2.5	2.5
France	2.5	2.9
Indonesia	2.1	0.2

**MARKET REVIEW**

In the early days of the month, U.S. equities struggled as strong economic data prompted investors to temper their expectations for aggressive Federal Reserve (Fed) 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 Fed policymakers held short-term interest rates steady and gave no indications that they were on the verge of reducing rates.

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 and a softer tone to comments by ECB President Christine Lagarde raised hopes of a shift to easier policy. She re-emphasised that policy would continue to depend on incoming economic and financial data.

Japanese equities had a strong start to 2024, continuing the strong 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 on 1 January.

Chinese shares slumped 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.

**FUND REVIEW**

The fund underperformed its benchmark. Li Auto, which develops new energy vehicles (NEVs) that generate lower use-phase emissions than internal combustion engine vehicles, dragged. The Chinese carmaker's shares fell after it announced an expected delay to the launch of its flagship family multi-purpose vehicle. On the positive front, the company said that the total number of vehicles it delivered in 2023 more than doubled. Leading European contract research organization Evotec was another laggard. The firm's outsourcing model helps pharmaceutical and biotechnology companies reduce fixed costs, mitigate risks, and accelerate innovation. Its shares were weak after news of the current chief executive officer stepping down for personal reasons. In contrast, ASML was a top contributor to relative returns. The semiconductor capital equipment company generates positive impact through its lithography equipment, which is needed to manufacture leading-edge chips with superior energy efficiency. It reported record-high orders in the fourth quarter of 2023. Eli Lilly, whose product portfolio helps consumers manage diabetes and address obesity, also added value. The biopharmaceutical company's shares rallied in anticipation of an earnings beat—following strong performance last year on the successful launch of its diabetes drug Mounjaro and a robust pipeline for indications like Alzheimer's disease and obesity.

**PORTFOLIO CHARACTERISTICS**

	Fund	MSCI All Country World ex-Australia Index (net of withholding tax)
Number of Issuers	65	2,782
Top 20 Issuers as Percent of Total	43.1%	26.1%
Percent of Portfolio in Cash	3.1%	-
Portfolio Turnover (12 Months)	54.7%	-
Active Share	92.4%	-

**OUTLOOK**

Entering 2024, we are excited about the market and macroeconomic 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 US equities is broadly neutral as valuations appear full and higher interest 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, a leading independent multi-technical services provider in Europe, which helps reduce emissions through energy efficiency improvement projects or select companies exposed to obesity treatment, or GLP-1 innovation, which stands to have a knock-on effect on several industries such as medical technology (Stryker) and nutrition (DSM-Firmenich).

**FUND INFORMATION**

APIR	ETL6342AU
Inception Date	29-Mar-2021
Benchmark	MSCI All Country World ex-Australia Index (net of withholding tax)
Management Fees and Costs*	0.85% p.a.
Distribution	Annually
Buy/Sell	Buy +0.10% / Sell -0.10%
Total Assets (AUD)	\$45,260,098 AUD

\* The Management Fee for the T. Rowe Price Global Impact Equity Fund - I Class is 0.85% p.a. and the Indirect Cost is 0.00% 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.

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The information shown does not reflect any 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.

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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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## CONTACT US

For more information about the Fund, please contact our Relationship Management team on +61 2 8667 5700 or visit [www.troweprice.com](http://www.troweprice.com)

## IMPORTANT INFORMATION

Equity Trustees Limited ("Equity Trustees") (ABN: 46 004 031 298, AFSL: 240975) is a subsidiary of EQT Holdings Limited (ABN: 22 607 797 615), a publicly listed company on the Australian Stock Exchange (ASX:EQT). Equity Trustees and T. Rowe Price Australia Limited ("TRPAU") (ABN: 13 620 668 895, AFSL: 503741) are, respectively, the responsible entity and investment manager of the T. Rowe Price Australian Unit Trusts. Available in Australia for Wholesale Clients only and in New Zealand for Wholesale Investors only.

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](http://www.eqt.com.au/insto) [[eqt.com.au](http://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.

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