



# GLOBAL FOCUSED GROWTH EQUITY STRATEGY

## Investing on the right side of change

We live in a low growth, high disruption world; an era of unprecedented change. Key global industries are being disrupted through technological innovation, changing consumer preferences, and political or regulatory initiatives.

## Disruption trends are accelerating

The momentum behind the tidal wave of change has been accelerating since the 2008 global financial crisis, fuelled by low interest rates and easy credit. Technological shifts that unlock capacity and create benefits for users are being adopted at spectacular speeds, driving phenomenal gains in market share for companies at the forefront of successful disruption.

In fact, it often has a winner-takes-all dynamic, with a handful of early movers grabbing the lion's share of the benefits. On the other hand, many incumbent companies on the wrong side of market share redistribution can find it difficult to re-assert themselves in the face of changing tastes, preferences, advertising mediums and brand values.

## What does this mean for investors?

The impact of innovation is often mis-understood. Markets tend to over- or underestimate the impact of good and bad things. Change, be it improvement or disappointment, is constant and requires active management and hard choices in decision-making. Having the imagination to grasp the significance of disruption – now and over time – is essential for investors, given the gains in market share that innovative companies can grab. At the same time, the potential for extreme outcomes from structural change implies the need for disciplined risk control, portfolio diversification and broad factor exposures.

### Strategy snapshot

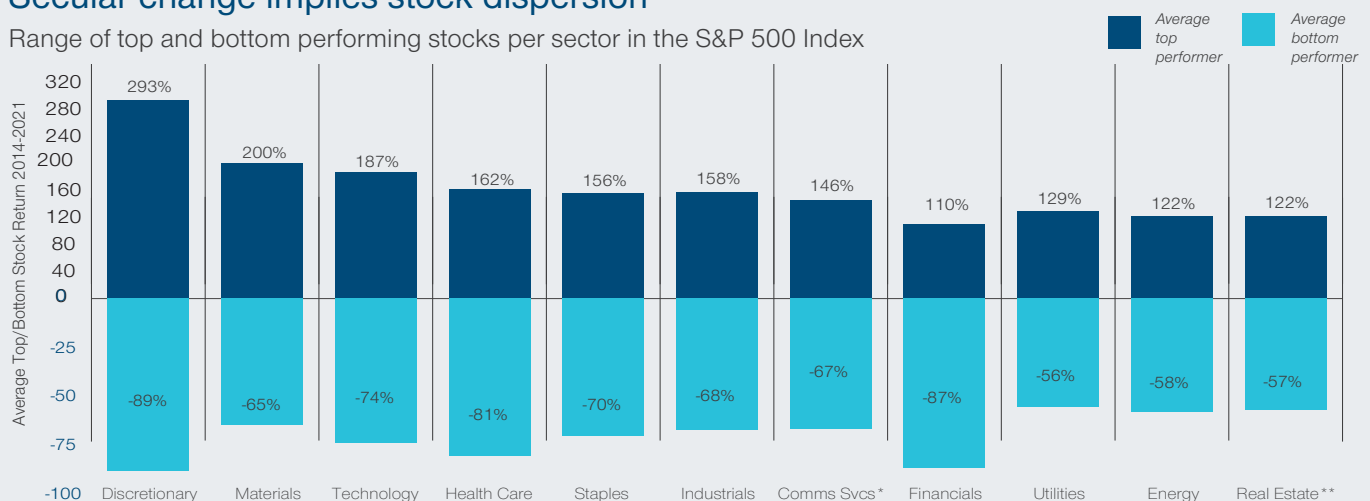
A high conviction portfolio representing our most compelling bottom-up growth ideas, often derived from technological innovation and secular disruption.

<b>Asset Class</b>	Global equities
<b>Comparator benchmark*</b>	MSCI AC World Index
<b>Portfolio manager</b>	David Eiswert
<b>Typical portfolio</b>	<ul style="list-style-type: none"> <li>60-80 stocks</li> <li>Position sizes 0.5%-5.0%</li> <li>Sectors max +/- 15% versus benchmark</li> </ul>

\*The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

## Secular change implies stock dispersion

Range of top and bottom performing stocks per sector in the S&P 500 Index



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

As at 31 December 2021

\* Effective 28 September 2018, S&P Dow Jones Indices and MSCI broadened and renamed the Telecommunication Services Sector as Communication Services.

\*\* On 31 August 2016, S&P Dow Jones Indices and MSCI moved stock-exchange listed Equity REITs and other listed real estate companies from the Financials Sector of their Global Industry Classification Standard (GICS®) to a new Real Estate Sector.

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# Why T. Rowe Price for Global Equities?

We believe our active, research-intensive approach, our experienced team and our collaborative culture are key to delivering long-term success in global equities.

Our approach to growth investing can only be accomplished with deep, rigorous fundamental research, which is used to identify favourable company characteristics such as an attractive industry structure, sustainable competitive advantages, the potential for market share gains, a shareholder-focused management team, and positive change dynamics.

## Our research edge

The scale, breadth and quality of our global research platform is the most critical part of our competitive advantage. Each of our investment decisions is backed by one of the industry's largest and most experienced buy-side platforms, with local analysts in the world's major economies working in collaboration with our global network of specialists across all industries and major asset classes to find the best investment ideas for our clients.

Our analysts go beyond the numbers, getting out into the field to see first-hand how companies are performing today and, more importantly, to make skilled judgements about how we think they'll perform in the future.

Environmental, social and governance (ESG) factors are an important component of our process that helps assess the quality and long-term sustainability of the companies in which we invest. The businesses we invest in tend to be high-quality companies that are well-run and generally score well on ESG measures.



### Local research – boots on the ground

- Analysts in nine different major research offices, in close proximity to local companies, industries and markets
- Understanding of local cultures, languages and a physical presence for better interaction and engagement in the processes of change



### Global sector analysis – multi-disciplinary collaboration

- Global context, to identify trends that innovative companies can benefit from, and potential headwinds too
- Looking at investment opportunities from multiple perspectives – the most reliable way to reveal their true potential



### Our research culture – going beyond the numbers for investable insights of change

- Forward-looking analysis identifies high quality companies on the right side of change
- Validating research through one-to-one meetings and on-site visits is core to our approach

## Independent thinking

Each of our analysts thinks differently, has different perspectives on the market and on the opportunities they cover. The emphasis of every analyst's output is on what they believe matters most. "What is the thesis? How is our view differentiated from the market? What needs to occur for this thesis to be successful?" These principal factors are crucially important to our portfolio managers.

Active investment management ultimately relies on taking some form of differentiated view from the consensus. The only way to do that is by having a group of people with varied backgrounds and experiences who will challenge the consensus and bring unique perspectives to the decision-making process. It is dependent upon a process of intellectual honesty and rigour, where challenge is encouraged so that a wide spectrum of ideas is captured, that ultimately benefits our clients.

# Why T. Rowe Price Global Focused Growth Equity Strategy?

Our investment process is designed to leverage the best of T. Rowe Price to identify companies on the right side of change. We believe companies with improving economic returns outperform over time. In an era of technological innovation and the rapid evolution of new products and business models, we focus on understanding the forces enhancing or erasing durable competitive advantage, to identify those that stand to benefit and those at risk before the market does.



“In an era of extreme disruption, what distinguishes intelligent investment decisions is research: the ability to quantify change, fully understand its dimensions and correctly identify the stocks most likely to benefit from it.”

David Eiswert, Portfolio Manager



## Search for insight

Qualitative research to identify companies with **improving business fundamentals**



## Forecast economic returns

Financial analysis to identify companies with **improving return on capital**



## Assess risk and reward

Upside vs downside valuation analysis to identify the greatest **potential for a higher stock price**

## 3 reasons to consider this strategy

Our Global Focused Growth Equity Strategy invests in a high-conviction portfolio of our best growth ideas. It's designed to give controlled access to innovation-led investment opportunities across all industries and regions.

### 1. Focus on growth and improvement

Our research is focused on identifying companies with a sustainable competitive advantage, potential for market share gains, positive change dynamics and a shareholder-focused management team. These attributes are key to delivering improving economic returns, which we believe is key to unlocking returns for shareholders.

### 2. Benefiting from unique insights

Differentiated views on catalysts for growth help identify under-appreciated areas of opportunity. We always ask ourselves what matters, what drives relative returns and how can we get in front of that? Being focused on identifying the insight for why a particular company is going to produce better returns over time can add significant value.

### 3. Unconstrained, high-conviction portfolio

This is a go-anywhere portfolio that seeks out the most attractive bottom-up opportunities across market cap, sectors and countries, including emerging markets. We maintain a focused, best ideas portfolio of typically 60 to 80 holdings. Stock selection is the primary source of added value.

### Carefully controlled portfolio of global growth opportunities

#### Opportunity

- Our team of global research analysts covers the full equity set, searching in the widest array of companies.

#### Choice

- A dedicated investment team and clear investment framework helps identify opportunities at the forefront of innovation and change.

#### Flexibility

- 60-80 holdings with no benchmark constraints creates a high conviction global portfolio.

## What sets T. Rowe Price apart?

Since our formation in 1937, we have had one purpose: to meet our clients' individual needs, helping them to achieve their long-term financial goals. We aim to deliver global investment management excellence that you and your clients can rely on for the long term.

As a global investment manager, we focus on actively listening and anticipating and on developing strategies that respond to the needs of our clients. With clients in over 53 countries, we offer a broad range of equity, fixed income and multi-asset strategies all powered by one of the largest and most experienced global research platforms in the industry, which helps us uncover the most attractive investments worldwide.

### T. Rowe Price at a glance\*

- US\$1,551.8bn in assets under management
- 386 research analysts collaborating across asset classes and industries
- 248 equity analysts, 95 fixed income analysts, 43 multi-asset analysts
- Offices in 17 markets, research analysts in 9 different locations

\*All figures as at 31 March 2022. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates.

### For more information, visit our website or contact our Relationship Management Team

- 📍 [troweprice.com/intermediaries](http://troweprice.com/intermediaries)
- 📞 020 7002 4372
- ✉ [UKintermediaries@troweprice.com](mailto:UKintermediaries@troweprice.com)

Telephone calls may be recorded.

## Risks

The following risks are materially relevant to the fund:

**Country risk (China) (OEIC only)** - all investments in China are subject to risks similar to those for other emerging markets investments. In addition, investments that are purchased or held in connection with a QFII licence or the Stock Connect program may be subject to additional risks. **Currency risk** - changes in currency exchange rates could reduce investment gains or increase investment losses. **Emerging markets risk** - emerging markets are less established than developed markets and therefore involve higher risks. **Small and mid-cap risk** - stocks of small and mid-size companies can be more volatile than stocks of larger companies. **Style risk** - different investment styles typically go in and out of favour depending on market conditions and investor sentiment. **Volatility risk** - the performance of the fund has a risk of high volatility.

### General fund risks

**Capital risk** - The value of your investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the fund and the currency in which you subscribed, if different. **Equity risk** - in general, equities involve higher risks than bonds or money market instruments. **ESG and Sustainability risk (SICAV only)** - may result in a material negative impact on the value of an investment and performance of the fund. **Geographic concentration risk** - To the extent that a fund invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by events within that area. **Hedging risk** - A fund's attempts to reduce or eliminate certain risks through hedging may not work as intended. **Investment risk** - Investing in funds involves certain risks an investor would not face if investing in markets directly. **Management risk** - The investment manager or its designees may at times find their obligations to a portfolio to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably). **Operational risk** - Operational failures could lead to disruptions of fund operations or financial losses.

## Important information

The SICAV Funds are sub-funds of the T. Rowe Price Funds SICAV, a Luxembourg investment company with variable capital which is registered with Commission de Surveillance du Secteur Financier and which qualifies as an undertaking for collective investment in transferable securities ("UCITS"). The OEIC Funds are sub-funds of the T. Rowe Price Funds OEIC, an investment company with variable capital incorporated in England and Wales which is registered with the UK Financial Conduct Authority and which qualifies as a UCITS. Full details of the objectives, investment policies and risks are located in the prospectus which is available with the key investor information documents in English and in an official language of the jurisdictions in which the Funds are registered for public sale, together with the articles of incorporation and the annual and semi-annual reports (together "Fund Documents"). Any decision to invest should be made on the basis of the Fund Documents which are available free of charge from the local representative, local information/paying agent or from authorised distributors and via [www.troweprice.com](http://www.troweprice.com). A summary of investor rights for the T. Rowe Price Funds SICAV is available in English at [www.troweprice.com](http://www.troweprice.com). The Management Company reserves the right to terminate marketing arrangements. Please note that the Funds typically have a risk of high volatility. **This material is being furnished for general informational and/or marketing purposes only.** The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested. The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction. Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date noted on the material and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price. The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request. It is not intended for distribution to retail investors in any jurisdiction. **UK** - This material is issued and approved by T. Rowe Price International Ltd, 60 Queen Victoria Street, London, EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only. © 2022 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc. 202205-2194574

### T. Rowe Price Global Focused Growth Equity Strategy

Strategy inception	31 January 1996
Strategy AUM**	£23,205.0m
Portfolio manager (since)	David Eiswert (30 Sep 2012)
Comparator benchmark***	MSCI AC World Index

### T. Rowe Price Funds SICAV – Global Focused Growth Equity Fund (actively managed)

Fund size	£2,998.4m
Launch date	28 March 2003
Base currency	USD
ISIN A EUR	LU0143551892
I USD	LU0143563046
Q EUR	LU1127969597

### T. Rowe Price Funds OEIC – Global Focused Growth Equity Fund (actively managed)

Fund size	£394.5m
Launch date	30 May 2017
Base currency	GBP
ISIN C Acc GBP	GB00BF0S8S26

\*\*As at 31 March 2022.

Full details of all available share classes can be found on our website.

**Benchmark:** Investors may use the benchmark to compare the fund's performance. The benchmark has been selected because it is similar to the investment universe used by the investment manager and therefore acts as an appropriate comparator. The investment manager is not constrained by any country, sector and/or individual security weightings relative to the benchmark and has complete freedom to invest in securities that do not form part of the benchmark.

\*\*\*The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.