T. Rowe Price Global Equity Growth Fund

MONTHLY FUND FACT SHEET

Information as at 31 August 2021

Fund Description

The Fund invests in a broadly diversified portfolio of global equities, typically comprising around 150 stocks.

Fund Benchmark

MSCI All Country World Index (unhedged).

Fund Objective

To provide long-term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed, on recognised exchanges and/or markets throughout the world.

Performance

	1 mth	3 mth	1 yr (% p.a)	2 yr (% p.a)	3 yr (% p.a)	5 yr (% p.a)	Since inception (annualised)
Return (reflects no deductions)	**2.88%**	**12.06%**	**29.53%**	**29.27%**	**21.56%**	**23.13%**	**19.31%**
Benchmark return (reflects no deductions)	1.64%	8.16%	23.53%	15.90%	12.11%	14.99%	12.09%
Return (after deductions for charges, before tax)	2.50%	11.44%	27.60%	27.27%	19.78%	21.44%	17.69%

Inception: 21 October 2015

Market Review

In New Zealand dollar terms, global equities were broadly positive in August as investors welcomed strong corporate earnings and improving economic conditions. Concerns regarding the spread of the delta variant of the coronavirus tempered gains, but investors seemed encouraged by further vaccination progress.

U.S. stocks generated solid gains, bolstered by a strong second-quarter earnings season. Favorable economic data, including the Labor Department's nonfarm payroll report reflecting the addition of 943,000 jobs in July, the best showing since strict lockdowns were eased in the summer of 2020, also supported gains. However, declining retail sales, the surge of the delta variant, and growing expectations that the Federal Reserve could soon begin to taper its monthly asset purchases all posed headwinds at times.

Developed European stocks rose on strong corporate earnings and hopes that central banks' accommodative policies and coronavirus vaccination programs would continue to support an economic recovery. Stocks in Portugal, the Netherlands, Ireland, and Austria were among the strongest performers, while Sweden was the only major European country to finish in negative territory. The number of coronavirus cases in the European Union and European Economic Area stabilized, although the number of deaths rose, according to the European Centre for Disease Prevention and Control. Inflation in the eurozone increased 2.2% in July—up from 1.9% in June and slightly higher than the European Central Bank's 2% target. Rising energy costs drove the increase. However, inflation in the UK cooled from June's levels. The Bank of England said that "some modest tightening of monetary policy over the forecast period is likely to be necessary" should the economy evolve broadly in line with the bank's projections.

Developed Asian markets were mixed. Japan was a top performer, despite a deteriorating coronavirus situation, with more than 70% of the population under a state of emergency after the government expanded the measures to eight more prefectures, due to last until September 12. Growth momentum was marginally positive; the main driver was domestic private demand, helped by strength in private consumption, capital spending, and residential investment, which offset the drag from net exports and inventories. Singapore and Hong Kong lagged with negative returns.

Stocks in emerging markets outperformed shares in developed non-U.S. markets. Emerging Asian markets were mostly positive. Shares in Thailand, the Philippines, and India were top performers, while Chinese shares lagged with minimal gains due in part to signs of slowing momentum in the economy. In Latin America, Argentine shares surged amid expectations that political parties opposed to President Alberto Fernandez's policies—as reported by Bloomberg—could do well in November's midterm elections. Stocks in Colombia were also strong, whereas Brazilian shares finished in negative territory.

Sector performance in the MSCI All Country World Index was positive. Financials, utilities, and information technology were the strongest performers, while consumer discretionary and materials lagged but still produced positive results.

Fund review

The fund outperformed the MSCI All Country World Index for the one-month period ended August 31, 2021. Evotec was the largest contributor in the portfolio. Shares of the European contract research organization spiked following solid quarterly results. While earnings were weaker than expected due to increased operating expenses and cost of goods, topline growth was strong and investors remained encouraged by the firm's growth trajectory. T.Rowe Price have high conviction in Evotec's long-term growth potential, driven by secular tailwinds and deeper customer penetration as end-market businesses choose to outsource these services more often. At the sector level, stock selection in health care contributed the most, led by their positions in Evotec, Eurofins Scientific, and Danaher. Conversely, stock choices in real estate hurt relative results, especially their holdings in China Resources Mixc Lifestyle and KE Holdings.

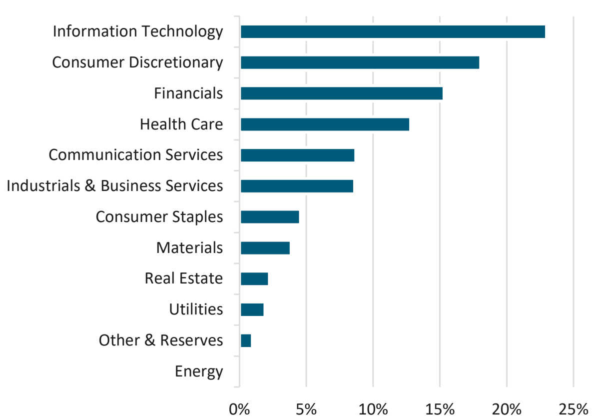
T. Rowe Outlook

We are in unprecedented times where there is no standard playbook. Equity markets have remained resilient during a period marked by a very uneven global economic recovery as countries and regions are forging divergent paths to a post-pandemic world. Continued uncertainty and growing debate around inflation, interest rates, growth, valuations, and market sentiment have led to heightened investor complexity, which increases the merits of T.Rowe's strategy: They remain humble in acknowledging what they don't know and to the risks of portfolio-defining "bets." Although macro considerations are factored into their bottom-up, stock-specific theses, they do not try to predict macro outcomes and instead remain focused on corporate earnings and the path of earnings growth over time. As always, their goal is to fill the portfolio with the best bottom-up ideas that fit their investment framework.

T.Rowe Price expects markets to remain volatile in the near term as genuine investor debate about how the world will look on the other side of the pandemic ebbs and flows. They are thoughtfully processing information as it is uncovered and are open-minded that the world can change as time progresses and events unfold. Their default view remains that the recent spate of inflation they have seen is likely transitory due to the ongoing secular forces of globalization, demographics, digitalization, and low interest rates and that the post-pandemic world should be similar to what it was pre-COVID-19, with relatively lower growth and lower rates. However, they recognize the need for some time to pass to gain a clearer picture.

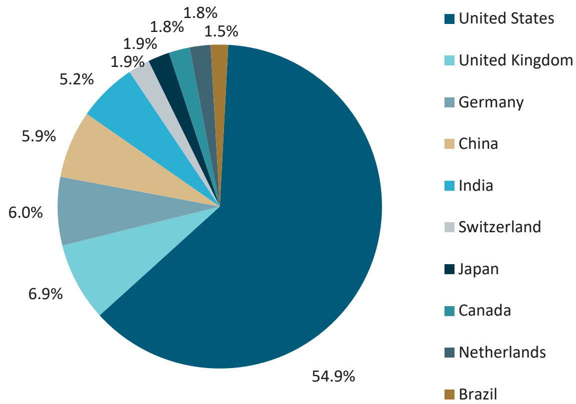
Recognizing the challenges in front of them, T. Rowe are trying to be balanced within the portfolio, keeping the overall portfolio risk (beta) near 1.0, while focusing on picking stocks and owning an idiosyncratic set of names across sectors and countries as opposed to expressing large bets at the sector or country level. While equity valuations are broadly viewed as being above average, they think we are far from a peak of a bubble. However, under the surface, volatility at the single stock level feels high, suggesting the need to be selective. Overall, they remain encouraged by their portfolio holdings and their long-term ability will likely to deliver durable growth to their clients.

Sector Diversification %



Top 10 Holdings	Country
Amazon.com	United States
Alphabet	United States
Facebook	United States
Evotec	Germany
Danaher	United States
Roper Technologies	United States
Apple	United States
Charles Schwab	United States
Goldman Sachs	United States
Alibaba Group Holding	China

Geographical Diversification (Top 10)

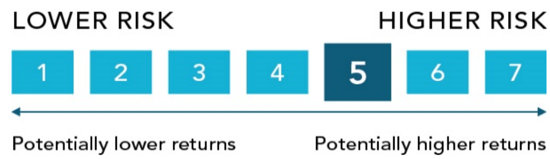


Key Information

Unit Price	2.9679
Unit Pricing	Daily
Fund Size (GAV)	$395,493,394
Fund Inception Date	21 October 2015
Estimated Total Fund charge:	1.17%pa
Performance fee	No
Entry/exit fees	None
Distribution frequency	Not for this Fund
Currency	NZD

Risk Profile

This Fund has a risk rating of 5, based on returns data from the 5 years to 31 August 2021 . For more information on the risks associated with this Fund, please see our Product Disclosure Statement (PDS).



Investment Team for this Fund

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