

Harbour T. Rowe Price Global Equity Fund

MONTHLY FUND FACT SHEET

Information as at 31 October 2021

Fund Description

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

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.

Fund Benchmark

MSCI All Country World Index (unhedged).

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)	0.02%	-0.37%	24.97%	26.16%	23.96%	22.36%	18.10%
Benchmark return (reflects no deductions)	1.32%	0.73%	26.78%	13.59%	13.94%	14.71%	11.57%
Return (after deductions for charges, before tax)	-0.08%	-0.92%	23.11%	24.20%	22.18%	20.68%	16.50%

Inception: 21 October 2015

Market Review

In New Zealand dollar terms, global equities gained ground in October, rebounding from September's sell-off as stabilizing coronavirus cases and strong earnings and economic data helped lift markets broadly. However, a stronger New Zealand dollar versus other major currencies reduced returns for NZD-based investors.

U.S. stocks advanced in October. Favorable third-quarter corporate earnings reports were major drivers of market performance. Economic growth remained positive, and signs that inflation may be plateauing were encouraging. Investors also welcomed an agreement in Congress to extend the federal debt ceiling—the government's statutory borrowing limit—until December 3 and to increase it by US\$480 billion. In addition, investors were encouraged by efforts among Senate Democrats to reach an agreement on social spending legislation. While the "framework" unveiled by President Joe Biden at the end of the month had a smaller price tag and fewer provisions than what he had previously proposed, the legislation to be written seems unlikely to result in broad increases in tax rates.

Shares in developed Europe eked out positive gains but were mixed in New Zealand dollar terms. Solid corporate earnings helped to counter worries that elevated inflation, supply chain disruptions, and the prospect of tightening monetary policy could hobble an economic recovery. The eurozone economy grew 2.2% sequentially in the third quarter, an uptick from 2.1% in the previous quarter, according to an initial estimate from Eurostat. The European Central Bank (ECB) maintained its existing policies and indicated that it would continue buying assets under the auspices of its Pandemic Emergency Purchase Programme (PEPP) at the somewhat moderated rate announced in September.

Developed Asian markets fell, with Japan faring worst. Sentiment was dampened by political uncertainty in the lead up to the October 31 general election, continued accommodative central bank policies due to weak economic and consumer pricing data, and a weakening yen versus other major currencies.

Emerging markets lost ground and underperformed developed markets. In Asia, Chinese equities fell amid further evidence of a domestic economic slowdown and ongoing concerns about the country's property sector. In Latin America, Brazil pulled back as concerns about pressures on the country's public finances flared up. In emerging Europe, the energy-driven Russian market rose modestly, boosted by stronger oil prices. Turkish equities fell as the central bank announced a further reduction in interest rates, which added to pressure on the country's currency, the lira.

Sector performance in the MSCI All Country World Index Net was mixed. Consumer discretionary, information technology, and energy were the

strongest performers, while communication services and consumer staples lost the most ground.

Fund review

The fund underperformed the MSCI All Country World Index Net for the one-month period ended October 31, 2021. THG was the largest relative detractor in the portfolio for the period. THG owns The Hut Group, which operates as a multi-website online retailer that provides health, beauty, fashion, lifestyle, and marketplace services. Shares traded lower over the month despite solid earnings due to an analyst short report which drove investors to be concerned that results would be worse than expected. T.Rowe Price think THG is a company that is just beginning to develop a differentiated enterprise e-commerce platform to help brands and retailers build a global online direct-to-consumer footprint. At the sector level, holdings in the consumer discretionary sector detracted the most from relative returns, especially positions in THG, Tesla, and Magazine Luiza. On the positive side, stock selection in financials boosted relative results, especially our holdings in KKR, Charles Schwab, and Brookfield Asset Management.

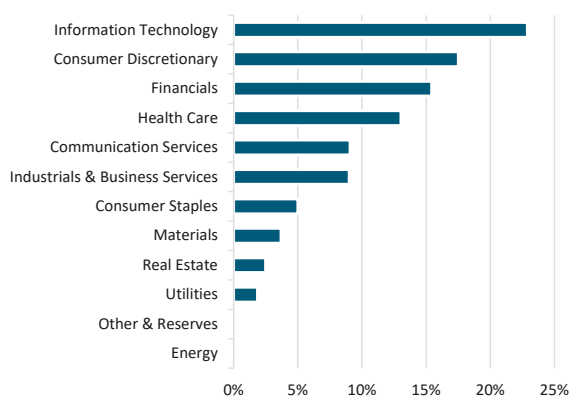
T. Rowe Outlook

T.Rowe Price saw equity market volatility increase throughout the recent quarter in what has been both a challenging and a fascinating macro environment, with an interesting mix of positive and negative tensions. Global economic growth remains above trend, albeit past peak levels; liquidity remains abundant, although policy accommodation is expected to gradually tighten; substantial progress on vaccine distribution has been made, but they face increased risk from the fast-spreading delta variant; publicly traded corporates have broadly delivered strong earnings, yet they face prospects of higher taxes and a stricter regulatory environment; equity valuations are more than a standard deviation above their historical average on a 30-year view; however, investors are getting more yield in equities than in high yield bonds; and market sentiment is more positive than not, but not outrightly bullish. Additionally, policy objectives in China have continued to evolve, which has led to even more investor complexity.

They expect markets to remain volatile in the near term given the ongoing pushes and pulls across such large dimensions and are trying to be balanced within the portfolio, keeping the overall portfolio risk (beta) near 1.0. While their mandate is growth oriented, they have the flexibility to be contrarian, which allows them to buy the best assets at good prices and embrace some uncertainty, particularly when that uncertainty has already led to very meaningful price declines. This approach has manifested itself within the portfolio through an increased exposure to China, a co-leader in technology and artificial intelligence, the world's second-biggest economy, and which is located at the center of southeast Asia, which they view as the most vibrant region of the world. They are not making a portfolio-defining bet but are leaning into China on weakness, especially in names they believe will provide compelling upside potential over the long term, despite near-term headwinds.

While there are still many unknowns, they think the environment is likely to remain supportive for stocks for a while yet. They anticipate the post-pandemic world will be similar to what it was pre-COVID, with relatively lower growth and still low rates. There is a fair amount of pent-up demand to be released as economies open up, which should also benefit equities to some degree. They continue to thoughtfully process information as it is uncovered and are open minded that the world can change as time progresses and events unfold. Overall, they remain encouraged by their portfolio holdings and their long-term ability to deliver durable growth potential to their clients.

Sector Diversification %

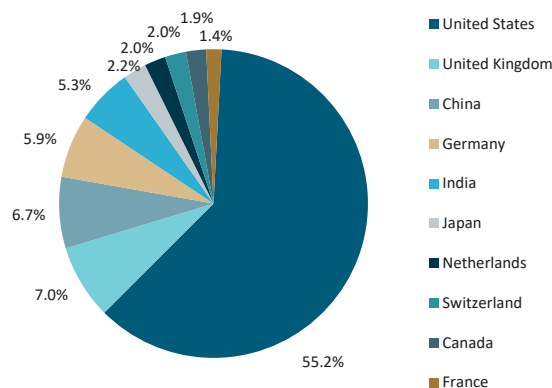


Top 10 Holdings

Company	Country
Amazon.com	United States
Alphabet	United States
Microsoft	United States
Evotec	Germany
Meta Platforms	United States
Charles Schwab	United States
Roper Technologies	United States
Wells Fargo	United States
Danaher	United States
Goldman Sachs	United States

Country

Geographical Diversification (Top 10)

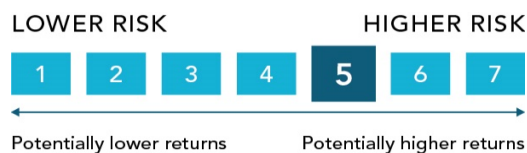


Key Information

Unit Price	2.8687
Unit Pricing	Daily
Fund Size (GAV)	\$427,451,223
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 October 2021. For more information on the risks associated with this Fund, please see our Product Disclosure Statement (PDS).



Investment Team for this Fund

Andrew Bascand
Managing Director & Portfolio
Manager



Chris Di Leva, CFA
Portfolio Manager, Multi Asset
Specialist



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