T.RowePrice®

US SMALLER COMPANIES EQUITY STRATEGY

Investing in enterprise and innovation

As the world's largest equity market, the US has an extensive array of up-and-coming businesses that make it the ideal universe for a well-diversified, actively managed portfolio of smaller companies with solid, long-term growth potential.

US smaller companies in context

The scale of the US domestic market gives successful smaller companies the potential for impressive growth in their client base and sales right on their doorstep. Many US smaller companies are more domestically-focused than their large cap counterparts – they are more directly exposed to the growth of the US economy.

The rewards of success make it a highly competitive environment for companies to operate in – weeding out the losers and nurturing high quality companies. A culture of innovation and legal framework for shareholder rewards encourage the creativity and discipline needed to capture that potential. The US is an effective "nursery" of successful companies, fit for local and global expansion and capable of impressive earnings growth.

Strategy snapshot

A widely diversified portfolio of smaller capitalisation companies in the US.

We have a core style orientation that maintains broad exposure to both growth and value stocks designed to produce consistent performance across different market conditions.

Asset Class	US Smaller Companies
Comparator Benchmark*	Russell 2500 Index
Portfolio Manager	Curt Organt
Typical Portfolio	▪ 150-250 holdings ▪ Sector weights driven by stock selection ▪ Stocks with market cap <US$10bn

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

Nurturing corporate success: supportive framework in a highly competitive market

A vast addressable, single-language domestic market	A culture of innovation	Legal framework for success and shareholder security	Strength of product, management, distribution and cash flow discipline

The significance for investors

How can investors access successful US smaller companies in their portfolio?

If US equities are more complex and dynamic than is sometimes appreciated, US smaller companies are often even more so.

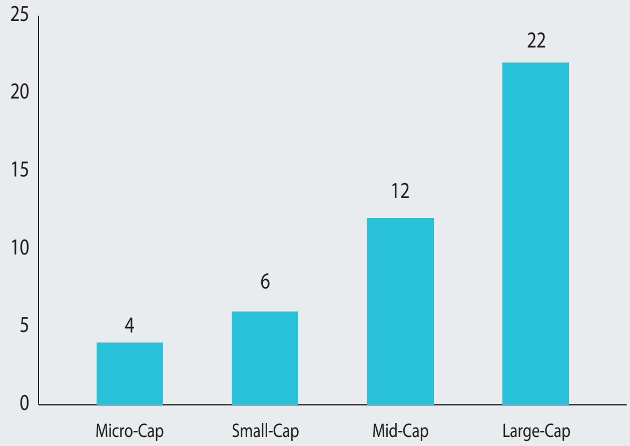
With over 2,500 companies to choose from, there is vast diversity across all industries for investors to build a portfolio of future success stories.

However, dynamism and diversity come with a significant level of risk and churn in the investment index. The combination of both the thriving and failing companies and lower levels of analyst coverage make this a surprisingly inefficient market. An active stock-picking approach is essential to harness the returns of attractive small cap companies across the full opportunity set from deep value to aggressive growth.

The smaller companies advantage

With less analytical coverage and greater inefficiency in the small-capitalisation segment of the market, fundamental analysis can provide the greatest potential for added value.

Number of company estimates by Wall Street analysts



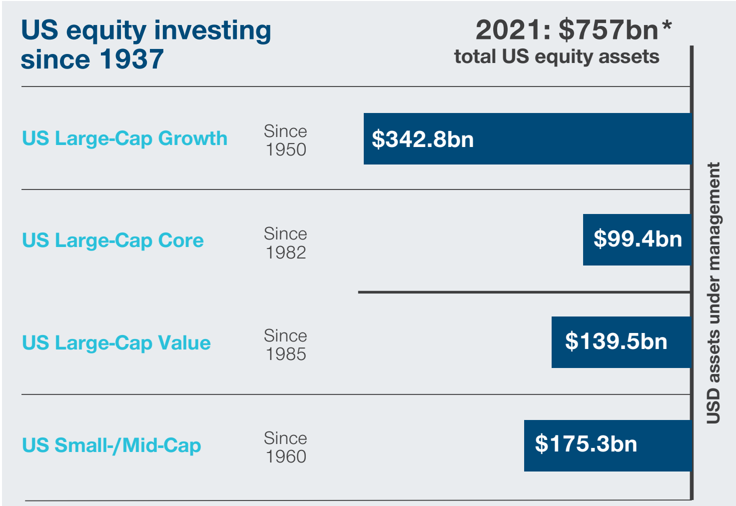
Based on Russell Top 200 for large, Russell Midcap (next 800) for mid, Russell 2000 top 1000 for Small, and smallest 1000 for micro

As at 31 December 2021.

Why T. Rowe Price for US Equities?

1. Established heritage

We have been managing US equities for over 80 years and are one of the largest active managers of US equities globally, responsible for more than US$700bn in US portfolios for clients around the world.



*As at 31 March 2022, in US dollars. The combined US Equity assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates.

2. Research expertise

Our portfolio managers are supported by one of the industry's largest US buy-side research platforms: 99 on-the-ground specialist US equity analysts who work within a global platform sharing insights on countries, companies, competitors, suppliers and sectors. In addition, as one of the largest active shareholders in many of the US companies we hold in our portfolios, we have valuable access to company management which few other managers can match and which we believe gives us the ability to better assess the opportunities and challenges companies are facing.

Local research – boots on the ground

- Local analysts immersed in US industries, in close proximity to local companies and markets
- Understanding of local dynamics and a physical presence enhances interaction and engagement

Global sector analysis – multi-disciplinary collaboration

- Opportunities evaluated in a global context by assessing and meeting with suppliers, customers and competitors
- Daily collaboration across the research team to share, challenge and validate investment ideas

Our research culture – going beyond the numbers for investable insights

- Forward-looking analysis identifies high quality companies with long-term potential
- Validating research through one-to-one meetings and on-site visits is core to our approach

3. Risk-aware approach

We maintain a strong focus on delivering attractive risk-adjusted returns for our clients. We assess opportunities in the context of both how much we can make if we're right as well as how much we can lose if we're wrong. As a result, we manage our portfolios to mitigate exposure to any single risk-factor (sector bets, style-tilts, factor-exposures etc.) which has the potential to introduce a greater level of risk.

4. Comprehensive range of client solutions

We have established expertise across the US equity universe and offer a range of established solutions to suit different client preferences: from large to small cap, and from growth through to value strategies.

	Value ←		→	Growth
LARGE CAP	**US Large-Cap Value Equity** *OEIC & SICAV*	**US Large-Cap Core Equity** *OEIC & SICAV*	**US Blue-Chip Equity** *SICAV*	**US Large-Cap Growth Equity** *OEIC & SICAV*
SMALL CAP		**US Smaller Companies Equity** *OEIC & SICAV*		

Why T. Rowe Price US Smaller Companies Equity Strategy?

Our investment approach

Our investment approach is anchored in fundamental, bottom-up stock selection. In this strategy, we focus on investing in large-cap companies, typically with a market cap of more than U$8bn. We believe large cap companies can, at times, be inefficiently priced due to differences in investors' perceptions of a company's fundamental and financial outlook, thereby creating valuation anomalies and, in turn, investment opportunities. A research-led approach allows us to avoid short-term or macroeconomic "noise" and focus instead on companies with strong fundamentals and appealing valuations, which we believe are the main drivers of long-term investment outperformance.

1. Attractive business model
2. Sound or improving financial characteristics
3. Potential for catalyst
4. Reasonable valuation
5. Quality, shareholder-oriented management teams

"We want to own companies with strong business models and catalysts not fully appreciated by the market. We also pay a lot of attention to the quality of management, as good decisions around things like strategic direction and capital allocation greatly improves our odds of success over time."

Curt Organt, CFA, Portfolio Manager

3 reasons to consider this strategy

Our US Smaller Companies Equity Strategy invests in a well-diversified portfolio of attractively valued, out-of-favour companies with strong potential for improvement, or companies that may appear fully valued, but whose long-term growth potential is underappreciated.

1. A blend of compelling growth and value opportunities

We maintain a blend of value and growth stocks, opportunistically purchasing emerging growth stocks when our research leads us to believe a company's true growth potential is not fully appreciated by others in the marketplace and purchasing value and core stocks with a near-term catalyst to improve fundamentals, company earnings, or valuation. This approach enables us to selectively take advantage of valuation anomalies created by extreme swings in investor sentiment while delivering a more consistent pattern of performance to our clients.

2. A highly diversified set of opportunities

We maintain a portfolio of 150-250 positions, with market-like risk exposures and sector weightings to help limit industry risk and volatility. We will invest across the growth and value universe in response to changing market conditions and as the opportunity set evolves.

3. A long-term investment orientation

We are patient investors whose discussions with company managements emphasise long-term business strategy as opposed to near-term operating results.

Portfolio turnover is therefore relatively low, which allows for the compounding of earnings growth and lower portfolio trading costs.

Controlled access to US smaller companies across the growth and value spectrum

Highly-diversified portfolio

- Diversified portfolio of some 150-250 opportunities across industries
- Position sizes are a function of conviction not benchmark weightings

Growth and value opportunities

- Flexible style bias, tilted in response to changing conditions

Leading companies

- Diversified portfolio of innovative businesses with potential for growth and attractive valuations

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. Information for the T. Rowe Price group of companies. 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

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Telephone calls may be recorded.

T. Rowe Price US Smaller Companies Equity Strategy		
Strategy inception date		31 July 2001
Strategy AUM**		£2,732.2m
Lead portfolio manager (tenure)		Curt Organt (31 March 2019)
Comparator Benchmark***		Russell 2500 Index
T. Rowe Price Funds SICAV – US Smaller Companies Equity Fund (actively managed)		
Fund size**		£2,196.5m
Launch date		28 September 2001
Base currency		USD
ISINs	A EUR	LU0918140210
	I USD	LU0133096981
	Q GBP	LU0860350650
T. Rowe Price Funds OEIC – US Smaller Companies Equity Fund (actively managed)		
Fund size**		£198.4m
Launch date		13 March 2017
Base currency		GBP
ISIN	C Acc GBP	GB00BD446P55

***As at 31 March 2022*
Full details of all available share classes can be found on our website.
****The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.*
***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.*

Risks

The following risks are materially relevant to the fund.
Small and mid-cap risk – Stocks of small and mid-size companies can be more volatile than stocks of larger companies.
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. **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. **ESG and Sustainability risk *(SICAV only)*** - may result in a material negative impact onthe value of an investment and performance of the fund. **Investment Fund 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. A summary of investor rights for the T. Rowe Price Funds SICAV is available in English at 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.
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