



STRATEGY HIGHLIGHTS

As of 30 June 2020

Health Sciences Equity Strategy

Total Strategy Assets:¹ \$14.2 billion²

Figures shown in U.S. Dollars

INVESTMENT APPROACH

- Stock selection is based on analysis of specific long-term trends in the health care sector and rigorous fundamental analysis.
- Focus on steadily growing companies with above-average and accelerating growth per share, recurring revenues, and high or growing market share resulting from a sustainable competitive advantage.
- We seek companies that have the greatest ability to bring new products and technologies to the health care marketplace that will improve the practice of medicine and satisfy unmet clinical needs.
- Investment candidates should possess a catalyst designed to unlock unrecognized or underappreciated economic and/or strategic value.

PORTFOLIO CONSTRUCTION

- Typically 125-175 stock portfolio
- Typical position sizes range from 0.25% to 5.00%
- The strategy is diversified across pharmaceuticals, health care services companies, products and devices providers, and biotechnology firms
- Industry allocations are a by-product of our bottom-up stock selection process

BENCHMARK

- Lipper Health/Biotechnology Funds Index

PORTFOLIO MANAGEMENT

Ziad Bakri, CFA[®]

- 14 years of investment experience; 8 years with T. Rowe Price.
- M.D., University of Nottingham

PORTFOLIO SPECIALISTS

Brian Dausch, CFA[®]

- 22 years of investment experience; 21 years with T. Rowe Price.
- B.S., University of Delaware

Portfolio Specialists do not assume management responsibilities.

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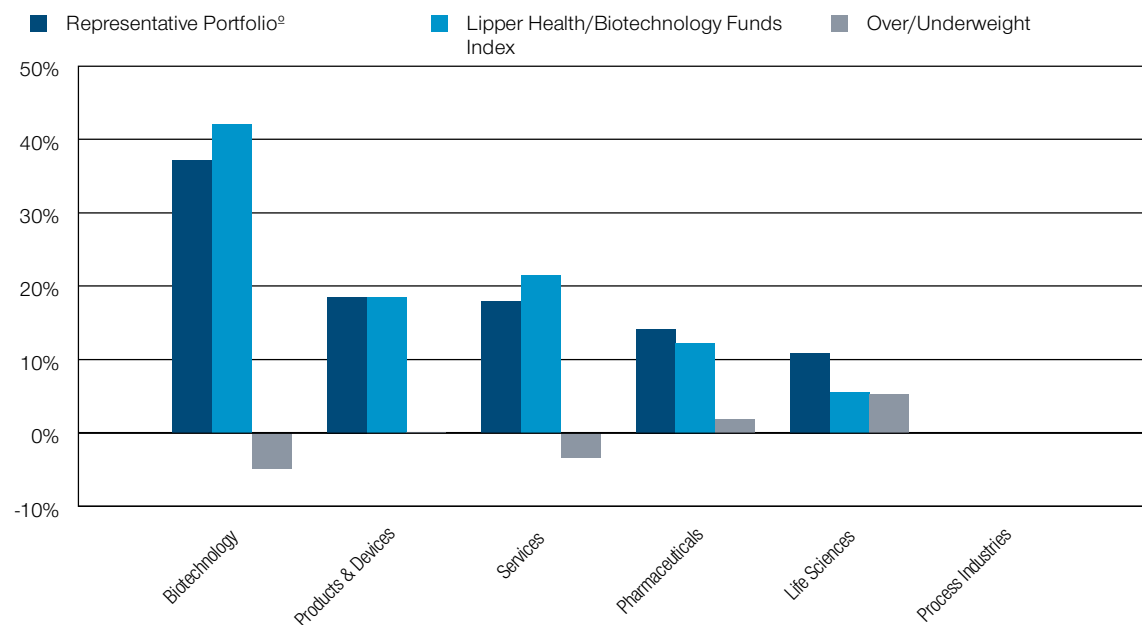
¹ Includes a U.S.-registered mutual fund, a variable annuity portfolio, a separate account, and subadvised portfolios.

² Assets reported are as of 31 March 2020.

TOP 10 ISSUERS

	% of Representative Portfolio ²
UnitedHealth Group	5.4%
Vertex Pharmaceuticals	4.2
Thermo Fisher Scientific	3.6
Intuitive Surgical	3.3
Becton, Dickinson & Company	2.8
Eli Lilly And	2.3
Danaher	2.2
Merck	2.2
Regeneron Pharmaceuticals	2.2
AbbVie	2.1
Total	30.3%

SECTOR DIVERSIFICATION



PORTFOLIO CHARACTERISTICS

	Representative Portfolio ²	Lipper Health/Biotechnology Funds Index
Projected Earnings Growth Rate (3 - 5 Years)* ^o †	10.3%	10.7%
Price to Earnings (12 Months Forward)* ^o †	32.3X	33.9X
Return on Equity (Last 12 Months excl. charges) ^o	13.2%	13.8%
Price to Book ^o	7.0X	6.4X
Investment Weighted Median Market Cap (mm)	\$36,804	\$37,437
Investment Weighted Average Market Cap (mm)	\$70,749	\$69,692
Number of Issuers	230	384
Top 20 Issuers as % of Total	47.4%	47.2%
Portfolio Turnover ††	38.8%	-

^oInvestment Weighted Median.

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†Based on the Representative Portfolio's underlying holdings and is not a projection of future portfolio performance.

^oPlease see Additional Disclosures section for further information.

††Portfolio Turnover represents 1 year period ending 12/31/19.

For Sourcing Information, please see Additional Disclosures.

PERFORMANCE

	Three Months	Year-to-Date	One Year	Annualized			
				Three Years	Five Years	Ten Years	Fifteen Years
Health Sciences II Equity Composite (Gross)	23.64%	7.26%	18.32%	15.21%	9.35%	21.42%	16.46%
Health Sciences II Equity Composite (Net)	23.46	6.94	17.62	14.53	8.70	20.71	15.77
Lipper Health/Biotechnology Funds Index	24.28	8.64	22.23	14.15	8.09	18.52	12.95
Value Added (Gross)	-0.64	-1.38	-3.91	1.06	1.26	2.90	3.51
Value Added (Net)	-0.82	-1.70	-4.61	0.38	0.61	2.19	2.82

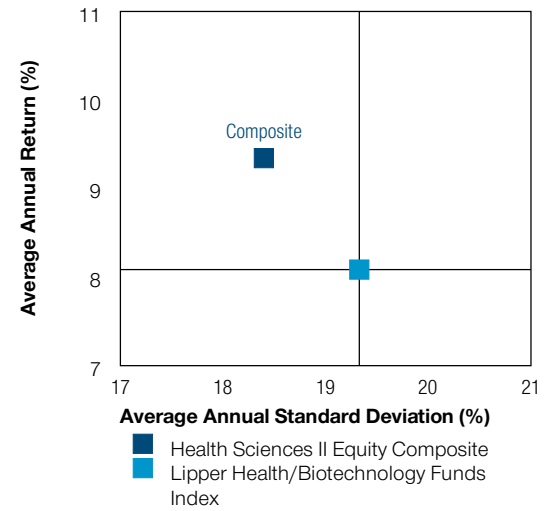
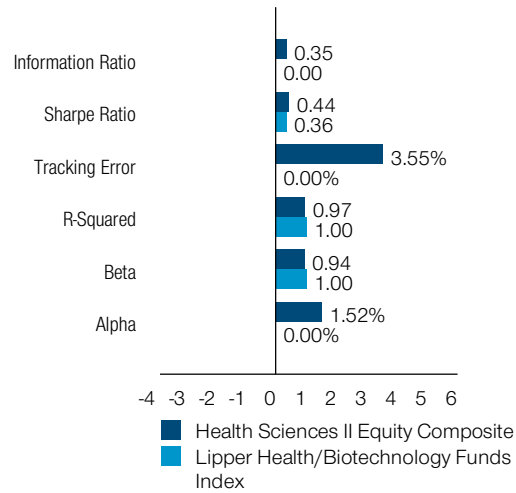
Past performance is not a reliable indicator of future performance.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of all non-reclaimable withholding taxes on dividends, interest income, and capital gains.

For Sourcing Information, please see Additional Disclosures.

RISK/RETURN CHARACTERISTICS

Five Years ended 30 June 2020



Past performance is not a reliable indicator of future performance. Statistics based on monthly gross returns. Returns would have been lower as the result of the deduction of applicable fees.

FEE SCHEDULE**Health Sciences II Equity Composite**

The Health Sciences II Equity Composite seeks long-term capital appreciation primarily through investment in companies engaged in the research, development, production, or distribution of products or services related to health care, medicine, or life sciences. The strategy may employ the use of written and purchased call and put options. (Created April 2010)

Flat fee	60 basis points
Minimum separate account size	\$50 million

GIPS® Disclosure

Health Sciences II Equity Composite

Period Ended December 31, 2019

Figures Shown in U.S. dollar

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Annual Returns (%)	17.30	11.89	32.93	52.60	32.96	13.83	-9.66	28.90	1.98	30.12
Net Annual Returns (%) ¹	16.60	11.23	32.15	51.72	32.18	13.16	-10.20	28.15	1.37	29.36
Lipper Health/Biotechnology Funds Index (%)	11.86	9.30	23.91	51.33	30.61	8.55	-11.07	24.98	3.07	27.60
Composite 3-Yr St. Dev.	21.58	16.94	15.79	14.34	13.57	14.76	16.77	15.59	16.89	16.71
Lipper Health/Biotechnology Funds Index 3-Yr St. Dev.	19.25	15.70	14.08	13.32	13.25	15.65	18.87	17.91	18.42	16.47
Composite Dispersion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.04
Comp. Assets (Millions)	2,844.3	3,517.5	6,162.4	10,356.5	13,442.7	16,307.9	11,799.4	13,832.9	13,457.5	16,057.7
# of Accts. in Comp.	4	4	5	5	4	4	5	5	6	6
Total Firm Assets (Billions)	485.0	493.1	579.8	696.3	749.6	772.4	817.2	1,000.2	972.7	1,218.2 ²

¹Reflects deduction of highest applicable fee schedule without benefit of breakpoints. Investment return and principal value will vary. Past performance is not a reliable indicator of future performance. Monthly composite performance is available upon request. **See below for further information related to net of fee calculations.**

²Preliminary - subject to adjustment.

T. Rowe Price (TRP) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). TRP has been independently verified for the 23-year period ended June 30, 2019 by KPMG LLP. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The minimum asset level for equity portfolios to be included in composites is \$5 million and prior to January 2002 the minimum was \$1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites is \$10 million; prior to October 2004 the minimum was \$5 million; and prior to January 2002 the minimum was \$1 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

Some portfolios may trade futures, options, and other potentially high-risk derivatives which generally represent less than 10% of a portfolio. Prior to September 1, 2013, the strategy utilized options contracts to generate income and seek protection against a decline in the value of the strategy securities or an increase in prices of securities that may be purchased. Derivative exposure in the strategy typically was in the mid to upper teens percentage range and generally did not exceed 25%.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions and/or a presentation that adheres to the GIPS® standards are available upon request.

A portfolio management change occurred effective February 15, 2013, April 1, 2016 and July 1, 2016. There were no changes to the investment program or strategy related to this composite.

ADDITIONAL DISCLOSURES

Portfolio Construction: There is no guarantee that the investment will remain within the anticipated ranges of exposure.

Unless indicated otherwise the source of all data is T. Rowe Price.

The specific securities identified and described do not represent all of the securities purchased or sold for this Composite. This information is not intended to be a recommendation to take any particular investment action and is subject to change. No assumption should be made that the securities identified and discussed were or will be profitable.

Source for Lipper data: Lipper Inc.

Lipper Data (excluding Performance and Risk Return exhibits) is estimated by T. Rowe Price based on information provided by Lipper, Inc., and LionShares. T. Rowe Price identifies the funds that compose the Lipper index and builds an aggregate portfolio for the index based on each fund's holdings as provided by LionShares. Please note that the portfolio holdings for each fund within the index are based on the most recent public information that is available, and since the funds have different reporting periods, some of this information may not be current.

Unless otherwise noted, index returns are shown with gross dividends reinvested.

The information shown does not reflect any Exchange Traded Funds (ETFs) that may be held in the portfolio.

T. Rowe Price uses a custom structure for sector and industry reporting for this product.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of other accounts in the strategy. Please see the GIPS Disclosure page for additional information on the composite.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Risks

The following risks are materially relevant to the portfolio.

General Portfolio 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 portfolio 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 portfolio 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 portfolio's attempts to reduce or eliminate certain risks through hedging may not work as intended. **Investment portfolio risk** - Investing in portfolios 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 portfolio operations or financial losses.

IMPORTANT INFORMATION

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.

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