



PORTFOLIO UPDATE

Diversified Mid-Cap Growth Fund

As of December 31, 2023



Portfolio Manager:
Donald Peters

Managed Fund Since:
2003

Joined Firm:
1993

INVESTMENT OBJECTIVE

The fund seeks to provide long-term capital growth by investing primarily in the common stocks of mid-cap growth companies.

FUND INFORMATION

Symbol	PRDMX
CUSIP	779585108
Inception Date of Fund	December 31, 2003
Benchmark	Russell Midcap Growth Index
Expense Information (as of the most recent Prospectus)	0.87%
Fiscal Year End	December 31
12B-1 Fee	—

MARKET COMMENTARY

U.S. equities advanced in December as Federal Reserve officials projected at their mid-December policy meeting that there could be multiple rate cuts in 2024. As measured by various Russell indexes, small-cap equities significantly outperformed mid-caps and large-caps, with value outperforming growth among all market capitalizations. Within the S&P 500, real estate led returns, followed by industrials and business services and consumer discretionary. All other sectors advanced except energy, which fell slightly.

Stocks had one of their best gains of the month in the wake of the Federal Reserve's final policy meeting of the year. Officials left rates unchanged, as expected, but policymakers' rate expectations were for more significant rate cuts in 2024 than previously expected. Dovish comments from Fed officials seemed to provide a further boost to sentiment.

The favorable end to 2023 for equities sets up a unique dynamic for the coming year as investors must adapt to a new market regime. We believe broader, less concentrated market leadership is likely to provide more varied sources of returns for investors who maintain a sharp focus on valuation fundamentals, creating particularly attractive opportunities for active strategic investors.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized			
				Three Years	Five Years	Ten Years	Fifteen Years
Diversified Mid-Cap Growth Fund	6.53%	11.96%	20.78%	1.17%	13.48%	10.77%	14.63%
Russell Midcap Growth Index	7.58	14.55	25.87	1.31	13.81	10.57	14.68
S&P MidCap 400 Index	8.72	11.67	16.44	8.09	12.62	9.27	13.33

Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit [troweprice.com](https://www.troweprice.com). The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The stocks of mid-cap companies entail greater risk and are usually more volatile than the shares of large-cap companies.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

RISK RETURN CHARACTERISTICS

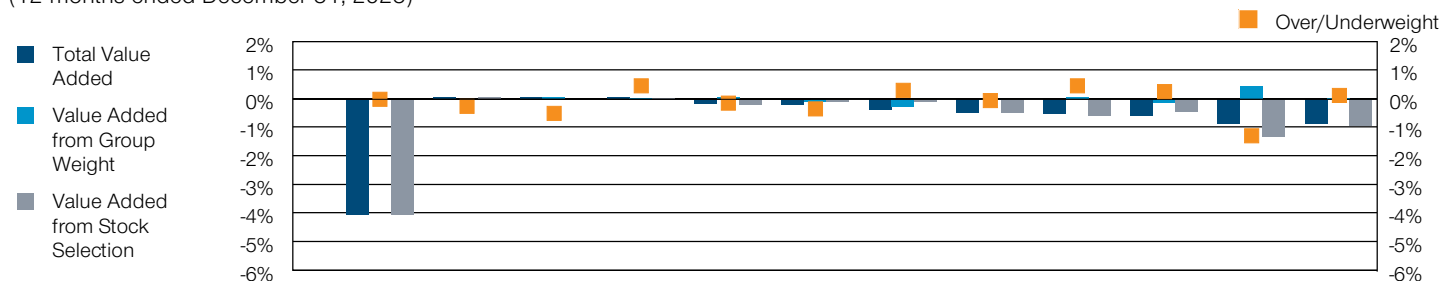
(Five Years ended December 31, 2023)

	Active Share* (as of 12/31/23)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Diversified Mid-Cap Growth Fund	27.1%	21.51%	0.01%	0.97	0.99	-0.15	0.53	2.23%
Russell Midcap Growth Index	–	22.11	0.00	1.00	1.00	0.00	0.53	0.00
Diversified Mid-Cap Growth Fund	–	21.51	2.01	0.89	0.84	0.10	0.53	8.90
S&P MidCap 400 Index	–	22.26	0.00	1.00	1.00	0.00	0.48	0.00

* Active Share is a snapshot in time as of the indicated date.

Past performance is not a reliable indicator of future performance. Figures are calculated using monthly data and are net of fees.**SECTOR ATTRIBUTION DATA VS. RUSSELL MIDCAP GROWTH INDEX**

(12 months ended December 31, 2023)



	Total	Utilities	Consumer Staples	Energy	Materials	Real Estate	Comm Svcs	Consumer Disc	Indust & Bus Svcs	Financials	Health Care	Info Tech
Over/Underweight	0.00%	-0.25%	-0.49%	0.46%	-0.14%	-0.34%	0.30%	-0.05%	0.47%	0.26%	-1.29%	0.13%
Fund Performance	21.80	70.72	9.14	1.33	3.43	11.80	35.73	27.13	27.33	18.03	-1.15	44.80
Index Performance	25.87	4.22	7.95	0.92	10.92	15.32	41.11	30.59	30.32	21.50	4.83	49.72
Value Add - Group Weight	-0.04	0.00	0.09	0.02	0.05	-0.10	-0.28	0.00	0.07	-0.14	0.45	0.04
Value Add - Stock Selection	-4.03	0.08	-0.01	0.04	-0.22	-0.10	-0.10	-0.47	-0.59	-0.42	-1.31	-0.93
Total Contribution	-4.07	0.08	0.08	0.05	-0.16	-0.21	-0.38	-0.47	-0.52	-0.56	-0.86	-0.89

Past performance is not a reliable indicator of future performance. All numbers are percentages. Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets. Non-equity positions are excluded from structure shown. Returns will not match official T. Rowe Price performance because FactSet uses different exchange rate sources and does not capture intra-day trading. Performance for each security is obtained in the local currency and, if necessary, is converted to USD using an exchange rate determined by an independent third party. Figures are shown with gross dividends reinvested. Sources: Financial data and analytics provider FactSet. Copyright 2024 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD.

TOP 10 ISSUERS

Comprising 15.3% of total net assets.

	Industry	% of Fund
Apollo Global Management	Financial Services	1.9%
CrowdStrike Holdings	Software	1.7
Cencora	Health Care Providers & Svcs	1.7
Cintas	Commercial Services & Supplies	1.5
Ross Stores	Specialty Retail	1.5
Copart	Commercial Services & Supplies	1.4
Cheniere Energy	Oil, Gas & Consumable Fuels	1.4
Dexcom	Health Care Equip & Supplies	1.4
IDEXX Laboratories	Health Care Equip & Supplies	1.4
Old Dominion Freight Line	Ground Transportation	1.4

Issuers are as of the date indicated and are subject to change.

PORTFOLIO CHARACTERISTICS

	Diversified Mid-Cap Growth Fund	Russell Midcap Growth Index	S&P MidCap 400 Index
Number of Issuers	248	329	400
Investment Weighted Median Market Cap (mm)	\$29,510	\$27,579	\$7,481
Price to Earnings (12 Months Forward)*° †	29.4X	29.4X	18.0X
Price to Book (trailing)°	10.0X	10.4X	3.0X
Projected Earnings Growth Rate (3 - 5 Years)*° †	13.2%	13.1%	9.7%
Return on Equity (Last 12 Months excl. charges)°	22.7%	24.4%	17.5%
Top 20 Issuers as Percent of Total	27.0%	25.7%	11.1%
Total Assets (all share classes)	2,055,400,218	–	–
Percent of Portfolio in Cash	0.0%	–	–

°Investment Weighted Median.

*I/B/E/S © 2024 Refinitiv. All rights reserved.

†These statistics are based on the Fund's underlying holdings and are not a projection of future portfolio performance. Actual results may vary.

SECTOR DIVERSIFICATION

	Info Tech	Indust & Bus Svcs	Health Care	Cons Disc	Financials	Comm Svcs	Energy	Cons Stpls	Real Estate	Materials	Utilities
Diversified Mid-Cap Growth Fund	24.6%	20.1%	17.4%	13.3%	10.7%	4.5%	4.3%	2.3%	1.4%	1.2%	0.1%
Russell Midcap Growth Index	23.7	19.6	18.7	13.4	10.5	4.2	3.8	2.8	1.7	1.3	0.4
Over/Underweight	0.9	0.5	-1.2	0.0	0.3	0.3	0.5	-0.5	-0.3	-0.1	-0.3

Definitions

Active Share is a holdings based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

Additional Disclosures

Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit [troweprice.com](https://www.troweprice.com). Read it carefully.

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

T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting.

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

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

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

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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