



T.RowePrice

PORTFOLIO UPDATE

Health Sciences Fund

As of March 31, 2024



Portfolio Manager:
Ziad Bakri

Managed Fund Since:
2016

Joined Firm:
2011

INVESTMENT OBJECTIVE

The fund seeks long-term capital appreciation.

FUND INFORMATION

Symbol	PRHSX
CUSIP	741480107
Inception Date of Fund	December 29, 1995
Benchmark	S&P 500 Index
Expense Information (as of the most recent Prospectus)	0.80%
Fiscal Year End	December 31
12B-1 Fee	—

PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized			
				Three Years	Five Years	Ten Years	Fifteen Years
Health Sciences Fund	1.66%	7.95%	13.90%	3.54%	9.99%	11.75%	17.56%
Lipper Health/Biotechnology Funds Index	1.57	7.88	15.21	1.07	8.32	9.75	15.03
S&P 500 Index	3.22	10.56	29.88	11.49	15.05	12.96	15.63

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.

Due to the fund's concentration in health sciences companies, its share price will be more volatile than that of more diversified funds. Further, these firms are often dependent on government funding and regulation and are vulnerable to product liability lawsuits and competition from low-cost generic products. The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

MARKET COMMENTARY

U.S. stocks rose in March, capping a strong quarter for equities that lifted several broad indexes to all-time highs. Investors remained optimistic about the corporate profit potential stemming from advances in artificial intelligence. Investors were also encouraged by the outcome of the Federal Reserve's mid-March monetary policy meeting. Although the central bank kept short-term interest rates steady, policymakers maintained their year-end 2023 "dot plot" projections for three quarter-point interest rate cuts by the end of 2024 despite recent upticks in inflation readings.

The Lipper Health/Biotechnology Funds Index posted positive returns in March but underperformed the broad equity market, as represented by the S&P 500 Index. Subsector performance within the health care index was largely positive. The products and devices and pharmaceuticals subsectors gained solid ground during the period, while services and life sciences also advanced. Biotechnology was the only subsector to post losses during the month.

RISK RETURN CHARACTERISTICS

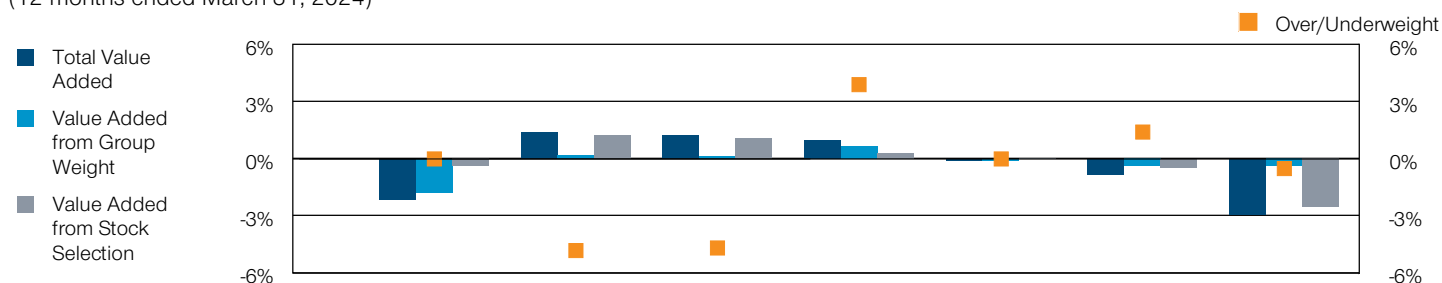
(Five Years ended March 31, 2024)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Health Sciences Fund	16.73%	1.71%	0.98	0.96	0.47	0.47	3.55%
LPR Health/Biotech Ix	16.79	0.00	1.00	1.00	0.00	0.37	0.00
Health Sciences Fund	16.73	-0.99	0.72	0.61	-0.43	0.47	11.68
S&P 500 Index	18.21	0.00	1.00	1.00	0.00	0.71	0.00

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. LIPPER HEALTH/BIOTECHNOLOGY FUNDS INDEX

(12 months ended March 31, 2024)



	Total	Services	Products & Devices	Pharmaceuticals	Other	Life Sciences	Biotechnology
Over/Underweight	0.00%	-4.82%	-4.66%	3.89%	0.00%	1.42%	-0.52%
Fund Performance	14.55	12.82	14.80	45.67	-61.18	1.89	13.12
Index Performance	16.68	7.36	8.76	43.71	-13.30	5.18	21.79
Value Add - Group Weight	-1.76	0.16	0.13	0.67	-0.11	-0.36	-0.37
Value Add - Stock Selection	-0.37	1.23	1.07	0.30	0.00	-0.45	-2.53
Total Contribution	-2.13	1.39	1.20	0.97	-0.10	-0.81	-2.90

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. Analysis by T. Rowe Price. T. Rowe Price uses a custom structure for sector and industry reporting for this product. 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 43.1% of total net assets.

	Industry	% of Fund
Eli Lilly and Co	Major Pharmaceuticals	9.9%
UnitedHealth Group	Payors	6.1
Intuitive Surgical	Implants	4.1
Thermo Fisher Scientific	Life Sciences	4.0
Merck	Major Pharmaceuticals	4.0
Stryker	Implants	3.6
Elevance Health	Payors	3.6
Danaher	Life Sciences	3.0
Regeneron Pharmaceuticals	Other Biotechnology	2.7
Vertex Pharmaceuticals	Major Biotechnology	2.1

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

PORTFOLIO CHARACTERISTICS

	Health Sciences Fund	LPR Health/Biotech Ix	S&P 500 Index
Number of Issuers	235	348	500
Investment Weighted Median Market Cap (mm)	\$105,645	\$71,489	\$224,445
Price to Earnings (12 Months Forward)*° †	30.4X	30.4X	24.9X
Price to Book (trailing)°	6.9X	5.6X	8.2X
Projected Earnings Growth Rate (3 - 5 Years)*° †	12.4%	11.7%	11.8%
Return on Equity (Last 12 Months excl. charges)°	17.8%	15.0%	28.4%
Top 20 Issuers as Percent of Total	58.6%	49.8%	42.7%
Total Assets (all share classes)	15,415,200,556	–	–
Percent of Portfolio in Cash	0.1%	–	–

°Statistics are based on 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.

GEOGRAPHICAL DIVERSIFICATION

	United States	United Kingdom	Netherlands	Denmark	China	Ireland	Germany	Japan	Switzerland	Canada	France	Belgium	Australia
Health Sciences Fund	89.7%	2.9%	2.2%	2.1%	1.2%	0.6%	0.5%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%
LPR Health/Biotech Ix	91.9	2.0	1.3	2.3	0.5	0.1	0.3	0.2	0.8	0.0	0.3	0.2	0.1
Over/Underweight	-2.1	1.0	0.8	-0.1	0.6	0.5	0.2	0.1	-0.7	0.1	-0.2	-0.2	-0.1

SECTOR DIVERSIFICATION

	Biotechnology	Services	Pharmaceuticals	Products & Devices	Life Sciences	Misc.
Health Sciences Fund	31.0%	20.6%	19.6%	16.8%	10.2%	1.5%
LPR Health/Biotech Ix	29.5	24.4	15.5	22.5	8.1	0.0
Over/Underweight	1.5	-3.8	4.1	-5.7	2.1	1.5

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.

Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.

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.

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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