

Health Sciences Fund (PRHSX)

As of December 31, 2025


T.RowePrice

Portfolio Management	Managed Since	Joined Firm
Ziad Bakri	2016	2011

Investment Objective

The fund seeks long-term capital appreciation.

General Information

CUSIP	741480107
Inception Date	December 29, 1995
Benchmark	Russell 3000 Health Care Index
Expense Information (as of the most recent Prospectus)	0.80%

Market Commentary

Major U.S. stock indexes were narrowly mixed in December. Equities were initially buoyed by expectations for a December interest rate cut due to signs of a weakening labor market. Indeed, the Federal Reserve, which reduced rates in September and October despite continued elevated inflation, lowered rates again on December 10. There were hints of sector rotation during the month, as investors seemed to favor cyclical sectors that have previously underperformed but could benefit from lower interest rates and fiscal stimulus legislation passed during the summer. On the other hand, concerns about heightened valuations and enormous capital expenditures among artificial intelligence-related stocks periodically weighed on some high-growth segments.

The Russell 3000 Health Care Index posted negative returns in December and underperformed the broad equity market, as represented by the S&P 500 Index. Subsector performance within the health care index was largely negative. The products and devices, services, life sciences, and biotechnology segments all posted moderate losses, while pharmaceuticals finished the period flat.

Performance (%) (NAV, total return Performance > 1yr is Annualized)

	1m	3m	1yr	3yrs	5yrs	10yrs	15yrs
Health Sciences Fund (PRHSX)	-1.86	15.45	17.72	7.30	4.21	9.14	14.80
Lipper Health/Biotechnology Funds Index (LPH)	-2.14	13.54	21.68	9.20	3.20	8.15	13.13
Russell 3000 Health Care Index (RUS3H)	-1.50	11.92	14.56	6.84	6.31	9.54	13.08

Past performance is not a guarantee or a reliable indicator of future results. 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 fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

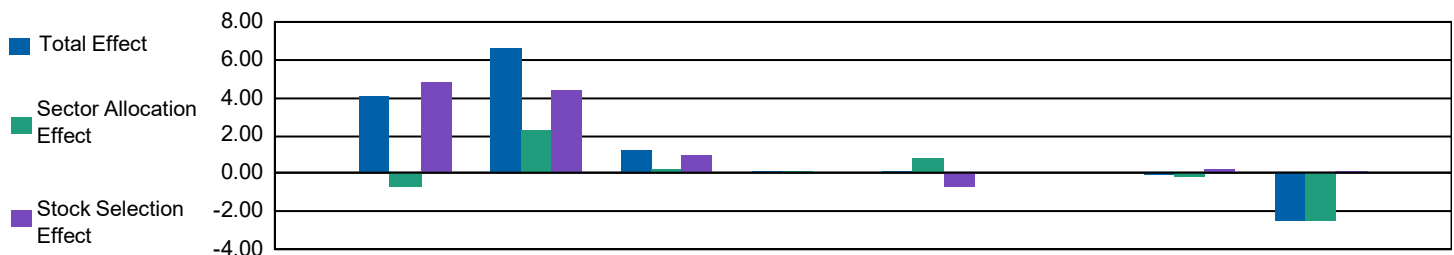
Risks: Health sciences companies: A fund that focuses its investments in specific industries or sectors is more susceptible to adverse developments affecting those industries and sectors than a more broadly diversified fund. **Large- and mid-cap stocks:** Securities issued by large- and mid-cap companies tend to be less volatile than securities issued by small-cap companies. However, large-cap companies may not be able to attain the high growth rates of successful small-cap companies, especially during strong economic periods, and may be unable to respond as quickly to competitive challenges. See the prospectus for more detail on the fund's principal risks.

Risk Return Characteristics (Five Years ended December 31, 2025)

	Annualized Std. Deviation (%)	Alpha (%)	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error (%)
Health Sciences Fund	15.33	-1.87	1.01	0.89	-0.41	0.06	5.14
Russell 3000 Health Care Index	14.21	0.00	1.00	1.00	0.00	0.21	0.00
Health Sciences Fund	15.33	1.02	0.98	0.93	0.25	0.06	4.03
LPR Health/Biotech Ix	15.20	0.00	1.00	1.00	0.00	-0.01	0.00

Past performance is not a guarantee or a reliable indicator of future results. Figures are calculated using monthly data and are net of fees.

Sector Attribution Data: Fund vs Russell 3000 Health Care Index (12 Months ended December 31, 2025) (%)



	Total	Biotechnology	Services	Consumer Nondurables	Products & Devices	Miscellaneous	Life Sciences	Pharmaceuticals
Over (Under) Weight	0.00	19.74	-2.24	0.20	-7.53	-0.05	0.01	-14.55
Fund Performance	18.69	40.74	-1.64	85.21	2.66	3.75	4.85	29.83
Index Performance	14.56	26.97	-6.73	120.67	5.73	15.35	3.01	29.86
Sector Allocation Effect	-0.74	2.25	0.24	0.09	0.78	0.00	-0.23	-2.58
Stock Selection Effect	4.87	4.45	0.94	0.00	-0.77	0.00	0.22	0.04
Total Effect	4.13	6.70	1.18	0.09	0.01	0.00	-0.01	-2.55

Past performance is not a guarantee or a reliable indicator of future results. 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 2026 FactSet. All Rights Reserved. Analysis by T. Rowe Price. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees.

Top 10 Issuers (%)

	Industry	Fund
Eli Lilly and Co	Major Pharmaceuticals	12.4
Intuitive Surgical	Implants	4.5
Thermo Fisher Scientific	Life Sciences	4.3
Argenx	Other Biotechnology	3.9
Stryker	Implants	3.5
UnitedHealth Group	Payors	3.3
AstraZeneca	Major Pharmaceuticals	2.8
AbbVie	Major Pharmaceuticals	2.7
Danaher	Life Sciences	2.7
Regeneron Pharmaceuticals	Other Biotechnology	2.5

Comprising 42.6% of total net assets.

Portfolio Characteristics

	Fund	RUS3H	LPH
Number of Issuers	215	496	475
Investment Weighted Average Market Cap (mm)	\$220,277	\$286,759	\$150,991
Price to Earnings (12 Months Forward) ⁽¹⁾⁽²⁾⁽³⁾	17.8X	20.2X	16.4X
Price to Book (trailing) ⁽²⁾	6.5X	5.6X	6.4X
Projected Earnings Growth Rate (3-5 Years) ⁽¹⁾⁽²⁾⁽³⁾	8.9%	9.0%	8.4%
Return on Equity (Last 12 Months excl. charges) ⁽²⁾	21.2%	33.5%	14.0%
Top 20 Issuers as Percent of Total	59.2%	69.7%	51.7%
Total Assets (all share classes)	\$12,090,340,604	N/A	N/A
Percent of Portfolio in Cash	0.2%	N/A	N/A

⁽¹⁾Source: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All Rights Reserved.⁽²⁾Statistics are based on Investment Weighted Average.⁽³⁾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 (%)**

	Fund	RUS3H
Biotechnology	42.2	19.6
Pharmaceuticals	21.7	36.2
Products & Devices	13.8	20.9
Services	13.3	15.3
Life Sciences	8.6	8.0
Consumer Nondurables	0.2	0.0
Financial	0.1	0.0
Misc.	0.0	0.1

Geographical**Diversification (%)**

	Fund	Fund vs RUS3H
United States	87.5	-12.3
Netherlands	4.1	4.1
United Kingdom	3.2	3.2
Denmark	1.9	1.9
China	1.5	1.5
France	0.5	0.5
Japan	0.5	0.5
Germany	0.3	0.1
Israel	0.2	0.2
Switzerland	0.2	0.2
Belgium	0.0	0.0

Additional Disclosures & Definitions

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. Read it carefully.

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Portfolio holdings in this report are presented gross of any non-reclaimable withholding tax. Any non-reclaimable withholding tax is included in position market values. Portfolio diversification data is calculated net of any non-reclaimable withholding tax. Any non-reclaimable tax withheld is not reflected in category market values.

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.

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

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.

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