QUARTERLY REVIEW

U.S. Equity Research Fund (PRCOX)

As of March 31, 2026

Portfolio Highlights

The portfolio performed in line with the S&P 500 Index for the three-month period ended March 31, 2026.
Relative performance drivers:
+ Information Technology (stock selection)
+ Financials (stock selection)
- Consumer Staples (stock selection)
- Communication Services (stock selection)

Fund Information

CUSIP	77954P108
Inception Date of Fund	November 30, 1994
Benchmark	S&P 500 Index
Expense Information (as of the most recent Prospectus)	0.45%
Total Assets (all share classes)	$15,643,642,412
Percent of Portfolio in Cash	0.5%

Performance (%) (NAV, total return performance > 1 year is annualized)

	3m	1yr	3yrs	5yrs	10yrs	15yrs
U.S. Equity Research Fund	-4.40	16.92	19.05	12.44	14.60	13.49
S&P 500 Index	-4.33	17.80	18.32	12.06	14.16	13.29

Calendar Year Performance (%) (NAV, total return)

	Inception Date	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
U.S. Equity Research Fund	Nov 30 1994	10.23	23.72	-4.63	32.46	19.81	27.98	-18.80	29.80	26.42	16.34
S&P 500 Index		11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	25.02	17.88

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.
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: Sector exposure: Issuers in the same economic sector may be similarly affected by economic or market events, making the fund more vulnerable to unfavorable developments in that economic sector than funds that invest more broadly. **Index correlation:** Because the fund weights each sector and industry similar to the Index, the fund’s ability to broadly reallocate its portfolio due to changes in outlook for a particular sector or industry is less than other actively managed funds with greater flexibility to overweight or underweight certain industries due to changes in market conditions. As a result, the fund’s performance may lag the performance of other actively managed funds with more flexible investment programs. See the prospectus for more detail on the fund's principal risks.

Performance Review

Geopolitical Concerns Weighed on U.S. Equities

U.S. stocks fell during the first quarter given investor concerns over the scale and duration of the conflict in Iran and the associated impacts on global macroeconomic conditions. Even so, markets climbed at the start of the year, with mostly favorable economic data and corporate earnings reports pushing stocks higher. In February, however, performance was more mixed as investors navigated a crosscurrent of encouraging economic data, tariff-related legal decisions, and artificial intelligence (AI) spending scrutiny. On February 28, Israel and the U.S. launched joint military air strikes on Iran, with subsequent retaliation by Iran impacting other countries across the region. As the month progressed, impacts on energy infrastructure and supply lines, primarily related to egress through the Strait of Hormuz, caused oil prices to spike. The resulting uncertainty, combined with hawkish Federal Reserve commentary around interest rates, caused equities to finish the month and quarter lower.

Relative Contributors

Information Technology (stock selection)

- **Sandisk:** An average overweight position in Sandisk, a manufacturer of NAND flash-based technology and storage solutions, contributed to relative performance. During the period, the stock benefited from a memory supply shortage, increasing memory prices, and better-than-expected earnings and revenue from its most recent quarter. Investors were also encouraged by management's positive earnings and revenue guidance for the company's current quarter. We think the company is well positioned for growth in the attractive data storage market, although we trimmed our position into an underweight during the period on concerns over the longer-term durability of the NAND cycle.
- **Keysight Technologies:** An overweight position in Keysight Technologies, which manufactures electronic test and measurement equipment and software, helped relative performance. Shares rose after the company reported strong results from its most recent quarter, including a 23% year-over-year increase in revenue, and raised its full-year sales and earnings outlook. The results were driven by strong demand for test and validation tools for AI data centers. We think the company's dominant position in electronic test and measurement provides a unique opportunity to benefit from growing innovation across multiple industries. Keysight's primary sales driver, customer research and development spending, sees steady annual growth and we believe it will increasingly skew toward opportunities where the company's leading-edge solutions are required. In addition, an underlevered balance sheet and strong free cash flow generation offer ample opportunity to drive shareholder value.

Financials (stock selection)

- **Wells Fargo:** An underweight position in U.S. bank Wells Fargo contributed to relative returns. Shares declined early in the period after the company reported lower-than-expected revenue from its most recent quarter. Shares were also pressured by concerns about credit quality and economic risk and worries that further interest rate cuts by the U.S. Federal Reserve could reduce the company's net interest income. We are underweight as we believe forward estimates already reflect the company's potential balance sheet growth after its asset cap lift, and we don't think Wells Fargo has the same exposure to net interest margin accretion potential as peers.
- **Berkshire Hathaway:** An underweight position in conglomerate Berkshire Hathaway was beneficial as shares declined after Chief Executive Officer Warren Buffett retired at the end of 2025. During the quarter, shares were pressured by the market's rotation away from defensive stocks, a year-over-year decrease in the company's fourth-quarter operating earnings, and predictions of slowing earnings growth in 2026. We are underweight as we have concerns about the company's management leadership transition, high absolute and relative valuations, and slowing growth. We have chosen to invest in more attractive risk/reward opportunities in the insurance space.

Relative Detractors

Consumer Staples (stock selection)

- **Estee Lauder:** An overweight position in perfume and cosmetics company Estee Lauder weighed on relative performance. Shares declined after management issued disappointing growth guidance, driven in part by the negative impact of tariffs, amid elevated investor expectations as the company continues to work through its "Beauty Reimagined" turnaround strategy, which is geared toward improving profitability and operational efficiency. Shares also fell following reports that the company was discussing a potential acquisition of Spanish fashion and beauty company Puig. We believe Estee Lauder's sales could improve and margins could expand through a combination of mix normalization, less markdown and obsolescence costs, supply chain optimization, and corporate overhead reductions.
- **Unilever:** A nonindex position in global consumer goods company Unilever detracted from relative returns as the stock was pressured in part by geopolitical tensions. Shares declined after management issued cautious 2026 organic sales guidance and warned of a slower start to 2026. Shares were also pressured late in the period as investors reacted negatively to the news that Unilever had agreed to combine its food business with McCormick. We like that Unilever's turnaround is beginning to gain traction, and we think key financial return metrics could inflect favorably under improved board governance and a strong CEO.

Communication Services (stock selection)

- **Verizon Communications:** Not owning wireless operator Verizon Communications weighed on relative returns. Shares rose after the company reported mixed fourth-quarter results that included better-than-expected subscriber growth and provided an aggressive 2026 framework for free cash flow, capital expenditures, and capital returns. We are underweight as we believe the company is facing increasing competitive pressures from T-Mobile US's lead position in 5G as well as limited free cash flow growth opportunity in its wireline operations due to competition from cable.
- **AT&T:** Not owning AT&T, a provider of communications and digital entertainment services, hurt relative results. Shares rose after the company reported better-than-feared fourth-quarter results, including solid subscriber growth, issued encouraging 2026 guidance, and announced a share repurchase plan. Shares were also boosted later in the period on investor optimism toward the company's launch of new AI tools designed to boost customer engagement, including a self-service customer app. We believe that increasing competitive pressure in the wireless space coupled with a secular decline in DirecTV and AT&T's wireline and telecommunications operations will weigh on the company's profitability. In addition, AT&T is caught between a high dividend payout ratio and a high debt level as it enters the 5G investment cycle, which we think will hamper financial flexibility for years to come.

Portfolio Positioning And Activity

A team of approximately 30 industry-focused T. Rowe Price analysts is responsible for selecting stocks for the fund, subject to the daily oversight of the portfolio managers who work closely with the analysts. The portfolio managers allocate capital to each analyst in proportion to the weight of the stocks they follow within the S&P 500. The analysts overweight the most attractive stocks, underweight the least attractive stocks, and opportunistically add high-conviction, nonindex securities from their coverage area.

Given the sector, industry and style-neutral position of the strategy, we would expect to generate the majority of our alpha from stock selection. The majority of the tracking error is due to stock-specific risk.

Significant Overweights

- **T-Mobile US:** T-Mobile US is a U.S. wireless carrier. Following its 2020 acquisition of Sprint, we think T-Mobile is well positioned for accelerating revenue and free cash flow growth. In our view, T-Mobile has the potential to become the best wireless network in the U.S. as it realizes synergies from the Sprint merger, increases its exposure to suburban and rural areas as well as the enterprise wireless market segment, and further expands its 5G network leadership.
- **Chubb:** Chubb is a best-in-class global property and casualty (P&C) operator. We like that the company enjoys a high growth rating in the industry and a globally diversified book that includes leadership positions in all major primary insurance segments. Additionally, higher interest rates are helping to drive growth in investment income. We think the stock is attractively valued and believe it will continue to benefit from positive P&C pricing.
- **Citigroup:** Citigroup is a regulated money center bank with scaled operations in U.S. credit cards, capital markets, and Treasury and trade services. We like that Citigroup has been executing on its expense rationalization plan and turnaround strategy. We also think Citigroup should benefit from a more favorable regulatory environment under the Trump administration.
- **Ciena:** Ciena is a manufacturer of optical network equipment, which supports the delivery of video, data, and voice traffic. We think the market is significantly underestimating Ciena's secular positioning with the greenfield data centers that are being built by hyperscalers, cloud service providers, governments, and enterprises. We believe the company's top-line growth will accelerate over the next year or two, driven by the success of its data center interconnect and the company's entrance into new optical data center markets.

Significant Underweights

- **Berkshire Hathaway:** Berkshire Hathaway is a large conglomerate. We have concerns about its management succession plans, high absolute and relative valuation, and slowing growth and have chosen to invest in more attractive risk/reward opportunities in the insurance space. We prefer Chubb.
- **Verizon Communications:** Verizon Communications is a wireless operator. We believe the company is facing increasing competitive pressures from T-Mobile US's lead position in 5G as well as limited free cash flow growth opportunity in its wireless operations due to competition from cable. We prefer T-Mobile US.
- **AT&T:** AT&T is a provider of communications and digital entertainment services. We believe that increasing competitive pressure in the wireless space coupled with a secular decline in DirecTV and AT&T's wireline and telecommunications operations will weigh on the company's profitability. In addition, AT&T is caught between a high dividend payout ratio and a high debt level as it enters the 5G investment cycle, which we think will hamper financial flexibility for years to come. We prefer T-Mobile US.
- **Wells Fargo:** Wells Fargo is a U.S. bank. We are underweight as we believe forward estimates already reflect the company's potential balance sheet growth after its asset cap lift, and we don't think Wells Fargo has the same exposure to net interest margin accretion potential as peers. We prefer U.S. Bancorp.

Significant Purchases

- **Applied Materials:** We added shares of Applied Materials, a leading manufacturer of semiconductor equipment, as we think new transistor structures, advanced packaging, and materials-driven innovation could lead to solid growth for the company. We think Applied Materials has the broadest, most integrated portfolio of its peers and is well positioned for growth, driven by its unique integrated value proposition, which we believe is underappreciated. We also like the company's exposure to dynamic random-asset memory and the memory cycle.
- **Apple:** We added shares of software and personal computing giant Apple in an effort to increase the portfolio's ballast while also limiting AI risk. We continue to focus on the importance of AI integration but maintain our view that Apple is uniquely sheltered from existential AI risk as its products are the main vehicle in which people engage with large language models.
- **Ciena:** Ciena is a manufacturer of optical network equipment, which supports the delivery of video, data, and voice traffic. We initiated a position as we believe the company's top-line growth will accelerate over the next year or two, driven by the success of its data center interconnect and the company's entrance into new optical data center markets.
- **Cisco Systems:** We added to our position in Cisco Systems, the largest global vendor of networking products. We think the company will benefit from sovereigns and hyperscalers allocating market share to Cisco in backend AI networking, which could help drive acceleration of the company's top-line growth algorithm. Additionally, we believe many investors are underestimating the total addressable market of this backend networking market.

Significant Sales

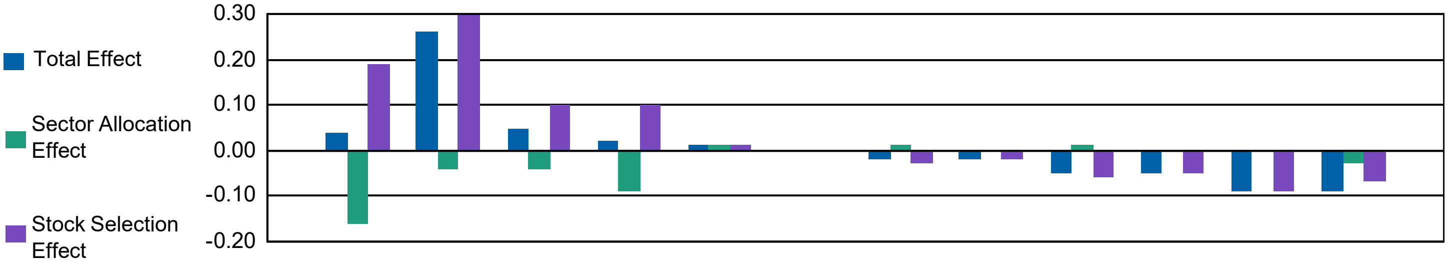
- **IBM:** We sold shares of technology and consulting company IBM after AI startup Anthropic announced an update to its Claude Code platform that investors feared could make it easier for companies to migrate away from IBM mainframes, potentially disrupting IBM's core business. We also have concerns that the company could face increasing competition from IT infrastructure services company Kyndryl, which was spun out of IBM in 2021.
- **Qualcomm:** We eliminated our position in wireless connectivity technology leader Qualcomm on concerns about near-term uncertainty in memory supply and pricing for handset original equipment manufacturers and the potential loss of the company's partnership with Apple.
- **KLA:** We trimmed our position in KLA, a semiconductor capital equipment company with dominant positions in process control (metrology and inspection), on recent strength and in favor of higher-conviction investments elsewhere in semiconductors.
- **CME Group:** We sold shares of CME Group, the leading global futures exchange, on recent strength given recent geopolitical uncertainty and market volatility and deployed the proceeds into payment names with more attractive risk/reward opportunities.

Organizational Update

During the first quarter, Zachary Baca (Health Care) and Stephanie Beebe (Information Technology) left the strategy while Anna Nussbaum (Information Technology) and William McSweeney (Materials) joined the strategy.

Quarterly Attribution

Sector Attribution Data: Fund vs S&P 500 Index (3 months ended March 31, 2026) (%)



	Total	Info Tech	Finan-cials	Indust & Bus Svcs	Utilities	Mater-ials	Energy	Real Estate	Cons-umer Disc	Health Care	Comm Svcs	Cons-umer Staples
Over/Under Weight	N/A	0.06	0.63	-0.79	0.07	0.06	0.08	-0.16	-0.31	0.09	0.10	-0.30
Fund Performance	-4.30	-8.35	-8.70	6.09	8.65	9.63	36.99	1.66	-9.72	-5.41	-7.78	6.18
Index Performance	-4.33	-9.13	-9.35	4.61	8.26	9.73	38.25	2.76	-9.19	-4.88	-6.94	7.68
Sector Allocation Effect	-0.16	-0.04	-0.04	-0.09	0.01	0.00	0.01	0.00	0.01	0.00	0.00	-0.03
Stock Selection Effect	0.19	0.30	0.10	0.10	0.01	0.00	-0.03	-0.02	-0.06	-0.05	-0.09	-0.07
Total Effect	0.04	0.26	0.05	0.02	0.01	0.00	-0.02	-0.02	-0.05	-0.05	-0.09	-0.09

Top 5 Relative Contributors vs. S&P 500 Index (3 Months ended March 31, 2026)

Security	% of Equities	Stock Return (%)	Net Contribution (bps)
Sandisk Corporation	0.1	167.65	15
Vertiv Holdings Co	0.3	54.71	10
Keysight Technologies, Inc.	0.3	38.97	9
International Business Machines Corporation	0.2	-25.06	7
Conocophillips	0.5	42.08	6

Top 5 Relative Detractors vs. S&P 500 Index (3 Months ended March 31, 2026)

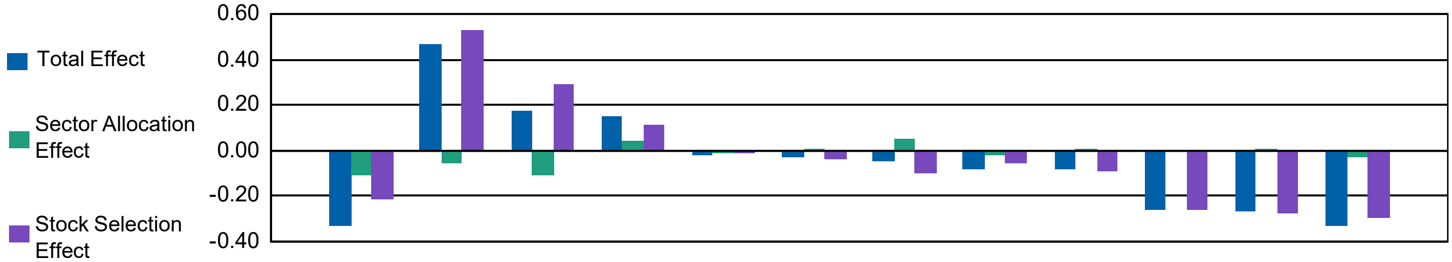
Security	% of Equities	Stock Return (%)	Net Contribution (bps)
Applied Materials, Inc.	0.6	2.37	-16
Verizon Communications Inc.	0.0	0.00	-7
Ge Vernova Inc.	0.2	33.74	-6
Texas Instruments Incorporated	0.1	-5.09	-5
At&T Inc.	0.0	0.00	-5

Net contribution is calculated versus a specific benchmark. It is the difference between the security's absolute contribution to the portfolio and the security's absolute contribution to the benchmark. This reflects the amount the security has impacted relative return.
Source: T. Rowe Price. Stock return reflects reinvestment of dividends and capital gains and is not representative of the Fund's performance.

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. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees.

12-Month Attribution

Sector Attribution Data: Fund vs S&P 500 Index (12 months ended March 31, 2026) (%)



	Total	Indust & Bus Svcs	Finan-cials	Info Tech	Real Estate	Utilities	Cons-umer Staples	Energy	Mater-ials	Health Care	Cons-umer Disc	Comm Svcs
Over/Under Weight	N/A	-0.79	0.63	0.06	-0.16	0.07	-0.30	0.08	0.06	0.09	-0.31	0.10
Fund Performance	17.47	33.00	2.51	29.29	2.28	18.04	4.33	34.39	12.43	-0.27	9.17	29.34
Index Performance	17.80	25.17	0.72	29.05	2.34	19.71	6.31	36.32	17.98	2.31	11.72	32.51
Sector Allocation Effect	-0.11	-0.06	-0.11	0.04	-0.01	0.01	0.05	-0.02	0.01	0.00	0.01	-0.03
Stock Selection Effect	-0.22	0.53	0.29	0.11	-0.01	-0.04	-0.10	-0.06	-0.09	-0.26	-0.28	-0.30
Total Effect	-0.33	0.47	0.18	0.15	-0.02	-0.03	-0.05	-0.08	-0.08	-0.26	-0.27	-0.33

Top 5 Relative Contributors vs. S&P 500 Index (12 Months ended March 31, 2026)

Security	% of Equities	Stock Return (%)	Net Contribution (bps)
Vertiv Holdings Co	0.3	188.52	21
Keysight Technologies, Inc.	0.3	88.54	19
Sandisk Corporation	0.1	158.22	18
Monolithic Power Systems, Inc.	0.2	89.91	14
First Solar, Inc.	0.0	84.53	14

Top 5 Relative Detractors vs. S&P 500 Index (12 Months ended March 31, 2026)

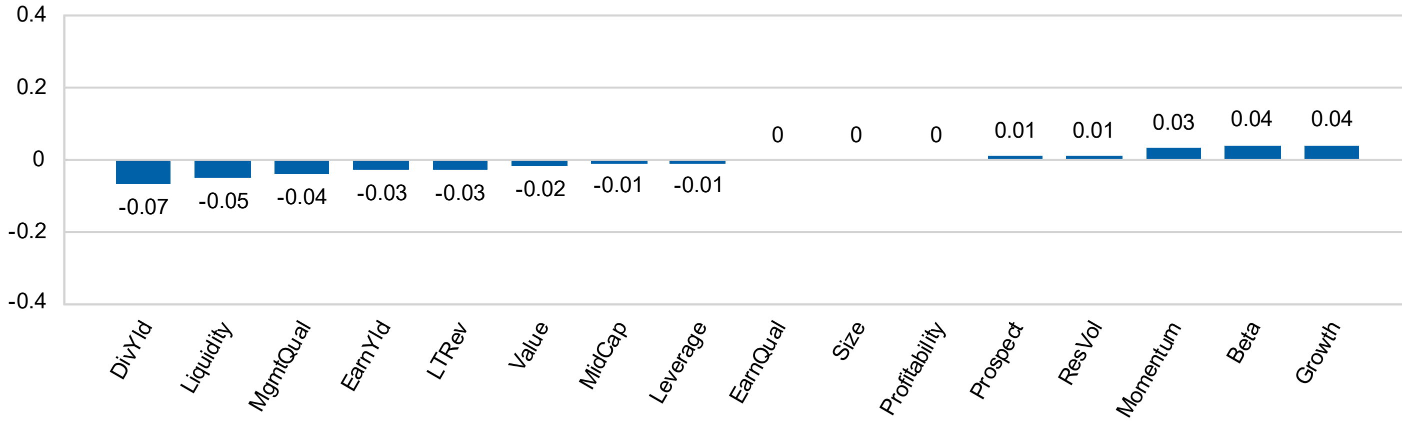
Security	% of Equities	Stock Return (%)	Net Contribution (bps)
Applied Materials, Inc.	0.6	50.59	-26
Newmont Corporation	0.0	0.00	-14
Rtx Corporation	0.3	48.10	-12
Lam Research Corporation	0.4	122.14	-12
Alphabet Inc.	5.6	85.16	-12

Net contribution is calculated versus a specific benchmark. It is the difference between the security’s absolute contribution to the portfolio and the security’s absolute contribution to the benchmark. This reflects the amount the security has impacted relative return.
Source: T. Rowe Price. Stock return reflects reinvestment of dividends and capital gains and is not representative of the Fund’s performance.

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. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees.

Portfolio Positioning

Barra Risk Factors for U.S. Equity Research Fund (Active Weights)



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Risk exposures of less than 0.2 are not statistically significant.

Sector Diversification - Changes Over Time vs. S&P 500 Index (%)

Sector	Fund 3/31/25	Fund 12/31/25	Fund 3/31/26	Benchmark 3/31/26
Info Tech	29.8	35.2	32.9	32.9
Financials	15.2	14.0	13.2	12.6
Comm Svcs	8.9	10.2	10.4	10.3
Cons Disc	10.5	10.2	9.6	9.9
Health Care	11.4	9.6	9.5	9.5
Indust & Bus Svcs	7.7	7.3	8.2	9.0
Cons Stpls	5.7	4.5	4.9	5.3
Energy	3.8	2.8	4.1	4.0
Utilities	2.6	2.3	2.6	2.5
Materials	2.0	1.8	2.2	2.1
Real Estate	2.2	1.8	1.8	2.0

Largest Purchases

Issuer	Sector	% of Fund 03/31/26	% of Fund 12/31/25
Applied Materials	Info Tech	0.6	0.3
Alphabet	Comm Svcs	5.6	5.5
Ciena (N)	Info Tech	0.4	0.0
Cisco Systems	Info Tech	0.7	0.4
Apple	Info Tech	6.8	6.8
Lumentum Holdings (N)	Info Tech	0.2	0.0
Intercontinental Exchange	Financials	0.3	0.1
Aon (N)	Financials	0.2	0.0
Netflix	Comm Svcs	1.0	0.7
Analog Devices	Info Tech	0.3	0.1

Largest Sales

Issuer	Sector	% of Fund 03/31/26	% of Fund 12/31/25
IBM	Info Tech	0.2	0.5
Qualcomm (E)	Info Tech	0.0	0.4
KLA	Info Tech	0.3	0.5
CME Group	Financials	0.0	0.3
Monolithic Power Systems	Info Tech	0.2	0.3
Accenture (E)	Info Tech	0.0	0.3
Palantir Technologies	Info Tech	0.4	0.7
Sandisk Corp/DE	Info Tech	0.1	0.1
Hubbell (E)	Indust & Bus Svcs	0.0	0.2
NVIDIA	Info Tech	7.7	8.1

(N) New Position
(E) Eliminated
A purchase or sale that occurred as a result of a corporate action where the Portfolio Manager had no discretion, if any, will not be displayed. Securities are shown in order by their total net cost and proceed values. Net is defined as total cost of purchases less total proceeds of sales.

Holdings

Major Position Changes

Issuer	Industry	% of Fund 3/31/26	% of Fund 12/31/25	Difference (%)
Applied Materials	Semicons & Semicon Equip	0.6	0.3	0.3
Ciena (N)	Communications Equipment	0.4	0.0	0.4
ExxonMobil	Oil, Gas & Consumable Fuels	1.1	0.8	0.3
Cisco Systems	Communications Equipment	0.7	0.4	0.3
Netflix	Entertainment	1.0	0.7	0.3
NVIDIA	Semicons & Semicon Equip	7.7	8.1	-0.4
Qualcomm (E)	Semicons & Semicon Equip	0.0	0.4	-0.4
Tesla	Automobiles	1.8	2.1	-0.3
IBM	IT Services	0.2	0.5	-0.3
Accenture (E)	IT Services	0.0	0.3	-0.3

(N) New Position
(E) Eliminated
Major position changes are based on security purchases and sales as well as fluctuations in market value.

Top 10 Issuers

Issuer	Industry	% of Fund	% of S&P 500 Index
NVIDIA	Semicons & Semicon Equip	7.7	7.6
Apple	Tech. Hard., Stor. & Periph.	6.8	6.7
Alphabet	Interactive Media & Services	5.6	5.4
Microsoft	Software	5.1	4.9
Amazon.com	Broadline Retail	3.8	3.6
Broadcom	Semicons & Semicon Equip	2.8	2.6
Meta Platforms	Interactive Media & Services	2.4	2.2
Tesla	Automobiles	1.8	1.9
Eli Lilly and Co	Pharmaceuticals	1.4	1.3
JPMorgan Chase	Banks	1.3	1.4

Top 5 Over/Underweight Positions vs. S&P 500 Index

Issuer	Industry	% of Fund	% of Benchmark	Over/ Underweight (%)
T-Mobile US	Wireless Telecommunication Services	1.0	0.2	0.8
Citigroup	Banks	0.6	0.4	0.3
Ciena	Communications Equipment	0.4	0.1	0.3
Chubb	Insurance	0.5	0.2	0.3
Marsh & McLennan	Insurance	0.4	0.2	0.2
Berkshire Hathaway CL A	Financial Services	1.0	1.6	-0.6
Verizon Communications	Diversified Telecom Services	0.0	0.4	-0.4
AT&T	Diversified Telecom Services	0.0	0.4	-0.4
Wells Fargo	Banks	0.1	0.4	-0.3
IBM	IT Services	0.2	0.4	-0.2

Industry Spotlight

Energy Analyst

T. Rowe Price equity research analyst Andy Peters manages investments for three subsectors of energy-oilfield services, midstream, and refining-in the US Structured Research Equity Strategy (SRS). Prior to joining T. Rowe Price, Andy was a junior analyst for a small asset manager in Boston covering mostly international equities. He came to T. Rowe Price in early 2014 and worked on the Mid-Cap Value Fund, where he was exposed extensively to oil and gas equities, before joining the energy team in 2023. He's been a participating SRS analyst since 2024.

At T. Rowe Price, Andy likes the collaboration and partnership with other investment personnel and appreciates that each analyst can have their own nuanced opinions and leverage their colleagues for insights. He notes the professional atmosphere and the significant emphasis that analysts and portfolio managers place on research and becoming an expert in their spaces. He likes the firm's long-term investment approach, which allows him to look past the day-to-day volatility in the market and focus on a stock's potential over a full market cycle. Last, he appreciates T. Rowe Price's ability to invest in resources and tools that he can leverage to make decisions about his sleeve of the portfolio.

When considering his coverage area, Andy calculates a base case and downside case for each company and overweights the stocks with the most attractive risk/reward profiles. He buckets his SRS coverage into four groups -oilfield services, refining, natural gas midstream, and natural gas liquid (NGL) midstream - that each have their own drivers. Andy finds oilfield services companies attractive when oil prices are low and the stocks are trading at a discount. These stocks tend to see long periods of outperformance or underperformance driven by commodity bear and bull markets, and to invest successfully, investors need to determine which of these secular backdrops we are in. Andy believes we're currently in the early stages of a commodity bull market as low-cost shale resources are being depleted, breakevens are rising, and oil and gas exploration and production companies are allocating more capital to international and offshore projects. He holds a long-term overweight bias relative to the benchmark as he believes secular dynamics in the space are attractive, with the current upcycle only in its infancy, and he prefers oilfield services companies that he believes will have the best earnings growth over the next five to 10 years.

Within refining, stocks tend to trade in tandem with refining margins. Andy finds the space attractive when margins are declining, product markets are oversupplied, valuations are cheap, and crack spreads (the difference between crude oil costs and the wholesale prices of refined products) are low-factors he believes point to a cyclical correction. He believes the market is entering a period of low new refinery additions, which could be beneficial over the medium term, but cyclically he thinks the space is stretched right now. As a result, he maintains a cautious approach to refining and is equally weighted relative to the benchmark.

Last, Andy views the midstream space as a ballast for the portfolio and often executes pair trades among his midstream holdings to help drive alpha in his sleeve. He notes that valuations of midstream stocks don't move around as much as they do for the stocks in his other group. He prefers to invest in the companies he believes have the best earnings growth potential over the next three to five years. Additionally, he will often use this area of his sleeve as a source of funds when he finds more attractive opportunities in the oilfield services or refining spaces.

Williams Companies (WMB), a midstream company headquartered in Tulsa, Oklahoma, that focuses primarily on natural gas infrastructure, is a top overweight position in Andy's sleeve. Andy likes that the company is highly levered to growing power and natural gas demand in the U.S., can deploy capital at very high returns, and has one of the best earnings growth outlooks in the midstream space. Williams Companies owns Transco, which Andy believes is the best natural gas infrastructure asset in the U.S. and moves gas bi-directionally along the Eastern Seaboard, hitting just about every major metropolitan area along that route. With Marcellus gas largely trapped, Transco is one of the only egress options for Marcellus growth. Andy considers Williams Companies a pair trade versus pure-play midstream company Kinder Morgan (KMI), which is a large underweight position in his sleeve and doesn't have the entrenched competitive position that Williams has.

Targa Resources (TRGP), a highly integrated NGL midstream company primarily based in the Permian Basin, is another large overweight position in Andy's sleeve. Andy's position in Targa Resources is a bet on the duration of Permian-associated gas production growth driven by rising gas-to-oil ratios, enhanced by the company's ability to maximize fee capture per unit through its best-in-class, fully integrated Permian NGL midstream system. He likes that Targa is exposed to the lowest-cost resources in the U.S. and has ExxonMobil (XOM) as its largest customer. Andy believes the company will experience steady earnings growth supported by a ramp in share repurchases following a deceleration in growth capex after 2026. Andy pairs his overweight position in Targa Resources with an underweight position in midstream operator Oneok (OKI), which he believes operates a similar type of business but in second-tier basins where growth is slower.

Conversely, refining company Marathon Petroleum (MPC) is a top underweight position in Andy's sleeve. Marathon Petroleum operates 13 refineries totaling 2.9 million barrels per day of crude refining capacity. These refineries include the Galveston Bay and Garyville plants, which are among the largest facilities in the U.S. Andy likes that Marathon has a substantial midstream business through its sponsored master limited partnership, MPLX, which provides predictable through-cycle cash flows. However, he prefers Valero Energy (VLO) and Phillips 66 (PSX) in the refinery space. Valero also has a strong Gulf Coast footprint and a similar valuation to Valero, but Andy believes Valero is a better-run company. Andy likes Phillips 66's higher refining margins, valuable midstream assets, and activist involvement.

Andy is monitoring the impacts of the U.S.'s conflict with Iran on both oil prices and his SRS investments. Andy believes the longer-term consequences of the conflict will largely depend on how long the Strait of Hormuz remains closed, which is shutting in approximately 10 million barrels per day of oil production. Prior to the conflict, Andy estimates that oil markets were oversupplied by roughly 2 million barrels per day, and the disruption has effectively absorbed the surplus that had accumulated over the course of 2025. As a result, the global oil market now appears more balanced, reducing the likelihood of a significant price decline. In Andy's view, the longer-term economic impact should remain limited if the Strait reopens within the next one to two months. However, a more prolonged closure would likely lead to more meaningful economic consequences. Regardless of the outcome, Andy plans to continue using his framework to invest in companies he believes have the most attractive risk/reward profiles.

Portfolio Management

	Managed Since	Joined Firm
Ann Holcomb	2015	1996
Jason Polun	2015	2003
Jason Nogueira	2021	2004

Additional Disclosures

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

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