

# Small-Cap Value Fund (PRSVX)

As of March 31, 2026



T. Rowe Price

## Portfolio Highlights

The portfolio underperformed the Russell 2000 Value Index for the three-month period ended March 31, 2026.

Relative Performance Drivers:

- +Health care (stock selection)
- +Information technology (stock selection)
- Financials (stock selection)
- Consumer discretionary (stock selection)

Additional Details:

We remain confident in our bottom-up stock selection process and continue to approach our opportunity set with a focus on long-term investment horizons and best-in-class businesses that are trading at attractive valuations.

## Fund Information

CUSIP	77957Q103
Inception Date of Fund	June 30, 1988
Benchmark	Russell 2000 Value Index
Expense Information (as of the most recent Prospectus)	0.79%
Total Assets (all share classes)	\$9,224,923,027
Percent of Portfolio in Cash	1.0%

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

	3m	1yr	3yrs	5yrs	10yrs	15yrs
Small-Cap Value Fund	3.77	19.01	11.76	4.91	9.76	8.92
Russell 2000 Value Index	4.96	28.09	13.80	5.79	9.61	8.62
Russell 2000 Index	0.89	25.72	13.05	3.77	9.88	8.98

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

	Inception Date	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Small-Cap Value Fund	Jun 30 1988	28.97	13.37	-11.49	25.84	12.50	25.54	-18.55	12.22	10.93	8.22
Russell 2000 Value Index		31.74	7.84	-12.86	22.39	4.63	28.27	-14.48	14.65	8.05	12.59
Russell 2000 Index		21.31	14.65	-11.01	25.52	19.96	14.82	-20.44	16.93	11.54	12.81

**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](http://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: Small-cap stocks:** Investments in securities issued by small-cap companies are likely to be more volatile than investments in securities issued by larger companies. **Value investing:** The fund's value approach to investing could cause it to underperform other stock funds that employ a different investment style. See the prospectus for more detail on the fund's principal risks.

## Performance Review

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

### Health care (stock selection)

- **Erasca:** Erasca is a clinical-stage biotechnology company developing precision oncology therapies against well-validated targets with a focus on solid tumors. Shares surged following positive preliminary data from Phase 1 clinical trials for the company's oncology candidate ERAS-0015. The data indicated that ERAS-0015 demonstrated a favorable safety profile, with no dose-limiting toxicities observed. Additionally, the pharmacokinetic results revealed a linear and predictable profile.
- **Arcellx:** Arcellx is a clinical-stage biotechnology company focused on autologous CAR-T therapy. Shares surged after the company reached an agreement to be acquired by Gilead Sciences.

### Information technology (stock selection)

- **Viavi Solutions:** Viavi Solutions is a network test, measurement, and assurance technology company that is emerging from a lengthy inventory correction. Shares rose after Viavi's January earnings release exceeded analyst expectations, driven by strong year-over-year revenue growth as the company saw robust demand for its products. Increased investment in optical infrastructure and the accelerated expansion of AI-related, high-density data centers were additional tailwinds that helped boost shares during the quarter.
- **Littelfuse:** Littelfuse is a diversified manufacturer of electronic components. Shares surged early in the period driven by strong quarterly earnings results thanks to robust data center demand. Investor optimism was further boosted by positive AI-driven forecasts for the semiconductor industry, an outlook for the first quarter of 2026 that exceeded expectations, and an enhanced credit facility. Littelfuse is well positioned to take advantage of improving cyclical end markets, and combined with new growth avenues and internal self-help driven by new leadership, that could result in a materially improved earnings profile versus recent history. We believe the stock has a strong chance to outperform in the intermediate term.

## Relative Detractors

### Financials (stock selection)

- **PennyMac Financial Services:** PennyMac Financial Services is a comprehensive mortgage and servicing platform. Shares fell sharply, mainly as a result of disappointing fourth-quarter earnings that came in well below consensus estimates. The earnings miss was attributed to revenue figures that missed expectations, lower loan servicing fees, increased borrower prepayments, and increased competition within the mortgage market. With a top management team and strong balance sheet, we believe the company can execute through a challenged industry backdrop to be a long-term winner relative to peers.

- **Coastal Financial:** Coastal Financial is a unique high-growth bank that is the banking provider for fintech partners. Multiple factors led to the decline in share price during the quarter including a January earnings report that fell short of consensus expectations. Additionally, wider apprehensions about credit quality within the regional banking space, combined with elevated interest rates and worries over possible credit losses, further weighed on shares.

### Consumer discretionary (stock selection)

- **Abercrombie & Fitch:** Abercrombie & Fitch is a specialty retailer offering apparel and accessories for men, women, and children. The company's shares declined after its fourth-quarter earnings release, despite posting robust year-over-year net sales growth. Investors were unsettled by management's cautious outlook for fiscal year 2026, which highlighted potential near-term margin pressures arising from U.S. import tariffs. Since Abercrombie & Fitch sources a significant portion of its merchandise from Asian countries subject to these tariffs, investors anticipate that increased costs could weigh on profitability moving forward.
- **Tri Pointe Homes:** Shares of Tri Pointe Homes surged during the quarter. Not owning the name weighed on relative performance.

## Portfolio Positioning And Activity

Trades are driven by bottom-up stock selection, and we were able to find attractive ideas across the sectors. While there were no thematic changes to positioning, we were able to take advantage of select opportunities created by market volatility to add names where the valuations were not reflective of the company's risk/reward potential, in our view.

## Significant Purchases

- **EnerSys:** EnerSys is a global leader in stored energy solutions for industrial applications. The company manufactures, markets, and distributes various types of industrial batteries, battery chargers, power equipment, and battery accessories. We found the current valuation reasonable to start building our position.
- **Golar LNG:** Golar LNG is a company focused on the midstream liquefied natural gas value chain. We think Golar LNG is a unique asset with highly contracted cash flows and long-term upside commodity price participation.
- **Dyne Therapeutics:** Dyne Therapeutics is a clinical-stage biotech company focused on developing treatments for serious neuromuscular diseases. Dyne has pioneered a muscle-delivery oligonucleotide platform that we believe could transform drug development for a wide range of muscular genetic disorders.
- **Sphere Entertainment:** Sphere Entertainment provides live entertainment and media services through its Sphere and MSG Networks segments. We think Sphere has a long runway for growth as the company expands its live entertainment venues to different markets.

## Significant Sales

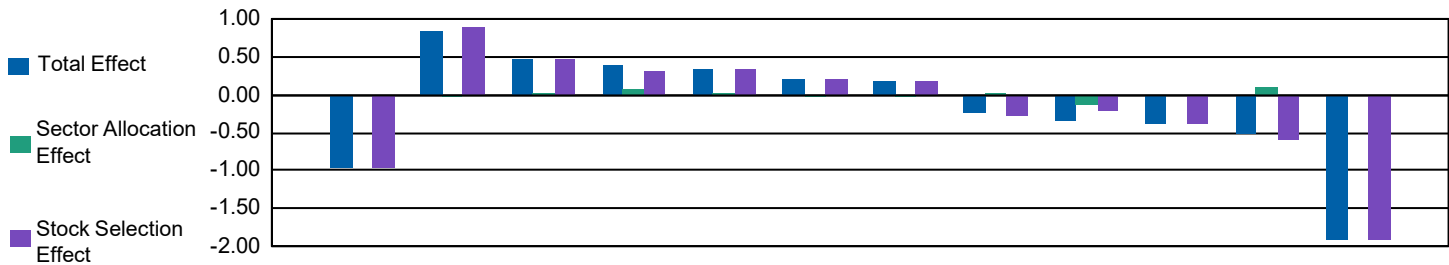
- **Arcellx:** We sold shares of Arcellx after it agreed to be acquired by Gilead Sciences.
- **Erasca:** We sold shares of Erasca on strength, as shares surged during the quarter. We decided it was prudent to pocket some gains.
- **UL Solutions:** We reduced our stake in UL Solutions to manage our position size as shares were trading at a relatively high valuation, in our view.
- **Strategic Education:** We trimmed our position in Strategic Education due to valuation considerations. We used the proceeds to fund higher-conviction ideas.

## Manager's Outlook

The quarter was once again highly volatile, as double-digit small-cap value gains at the start of the year were almost erased in March due to deep investor concerns surrounding the start of the U.S.-Iran War and its overhang on the global economy. As the war continues to rapidly develop, we do not spend much time pontificating about the direction it will go and instead focus on how the information currently available impacts our portfolio companies through bottom-up fundamental analysis. We still believe that the 2026 earnings backdrop for small-caps is strong and down-cap companies have the ability to take advantage of growth opportunities, considering the U.S. economy has remained resilient. In addition, factor performance continued to broaden out in the quarter as the lowest-quality segments that led for most of last year performed worst. As previously stated, we believe that we are nearing the other side of this low-quality cycle and have positioned the portfolio to take advantage as it arrives. We remain confident in our bottom-up stock selection process and continue to approach our opportunity set with a focus on long-term investment horizons and best-in-class businesses that are trading at attractive valuations.

Quarterly Attribution

Sector Attribution Data: Fund vs Russell 2000 Value Index (3 months ended March 31, 2026) (%)



	Total	Health Care	Info Tech	Comm Svcs	Utilities	Materials	Bus Svcs	Real Estate	Energy	Consumer Staples	Consumer Disc	Financials
Over/Under Weight	N/A	0.67	0.56	-0.28	-0.06	0.33	0.16	-0.72	0.07	-0.01	-0.79	-0.97
Fund Performance	3.99	8.72	15.33	19.71	9.75	7.95	4.72	-2.12	39.39	-12.88	-9.45	-6.57
Index Performance	4.96	0.81	9.92	3.53	3.21	4.17	3.51	0.77	43.37	9.83	-3.82	0.73
Sector Allocation Effect	N/A	-0.04	0.01	0.07	0.01	-0.01	-0.01	0.02	-0.13	0.00	0.09	0.00
Stock Selection Effect	-0.97	0.90	0.47	0.32	0.35	0.21	0.19	-0.26	-0.21	-0.38	-0.59	-1.94
Total Effect	-0.96	0.86	0.48	0.39	0.35	0.20	0.18	-0.24	-0.35	-0.39	-0.50	-1.93

Top 5 Relative Contributors vs. Russell 2000 Value Index (3 Months ended March 31, 2026)

Security	% of Equities	Net Contribution (bps)
Viavi Solutions Inc.	1.3	74
Matador Resources Company	1.4	47
Permian Resources Holdings, Inc.	1.1	39
Technipfmc Plc	0.9	38
Erasca, Inc.	0.3	38

Top 5 Relative Detractors vs. Russell 2000 Value Index (3 Months ended March 31, 2026)

Security	% of Equities	Net Contribution (bps)
Pennymac Financial Services, Inc.	0.9	-37
Coastal Financial Corporation	0.6	-30
Sm Energy Company	0.0	-23
Valaris Limited	0.0	-22
Pinnacle Financial Partners Inc.	2.0	-21

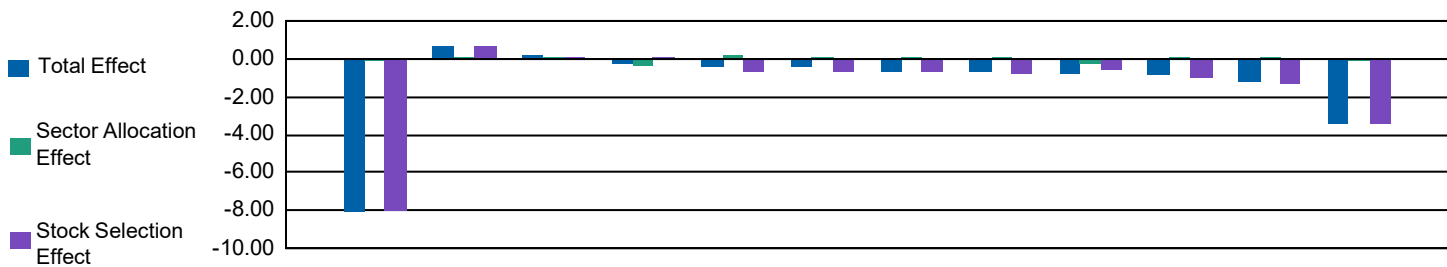
Net contribution is calculated versus a specific benchmark. It is the difference between the security's absolute contribution to the portfolio and the security's absolute contribution to the benchmark. This reflects the amount the security has impacted relative return.

**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.

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## 12-Month Attribution

## Sector Attribution Data: Fund vs Russell 2000 Value Index (12 months ended March 31, 2026) (%)



	Total	Indust & Bus Svcs	Utilities	Comm Svcs	Health Care	Materials	Info Tech	Consumer Disc	Energy	Real Estate	Consumer Staples	Financials
Over/Under Weight	N/A	0.16	-0.06	-0.28	0.67	0.33	0.56	-0.79	0.07	-0.72	-0.01	-0.97
Fund Performance	19.98	29.77	15.37	76.14	41.18	45.74	46.71	10.03	57.20	-2.60	-43.01	3.70
Index Performance	28.10	24.97	13.60	66.37	47.52	60.31	61.31	16.59	68.23	5.75	4.59	15.54
Sector Allocation Effect	-0.15	0.04	0.10	-0.28	0.22	0.14	0.04	0.06	-0.24	0.09	0.13	-0.04
Stock Selection Effect	-7.97	0.64	0.08	0.13	-0.64	-0.61	-0.68	-0.73	-0.53	-0.95	-1.30	-3.37
Total Effect	-8.12	0.68	0.17	-0.16	-0.41	-0.47	-0.64	-0.67	-0.77	-0.87	-1.17	-3.41

## Top 5 Relative Contributors vs. Russell 2000 Value Index (12 Months ended March 31, 2026)

Security	% of Equities	Net Contribution (bps)
Viavi Solutions Inc.	1.3	133
Technipfmc Plc	0.9	74
Carvana Co.	0.0	56
Erasca, Inc.	0.3	54
Permian Resources Holdings, Inc.	1.1	49

## Top 5 Relative Detractors vs. Russell 2000 Value Index (12 Months ended March 31, 2026)

Security	% of Equities	Net Contribution (bps)
EchoStar Corporation	0.0	-108
Hecla Mining Company	0.0	-52
Praxis Precision Medicines, Inc.	0.0	-45
Coeur Mining, Inc.	0.0	-44
Pinnacle Financial Partners Inc.	2.0	-38

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## Portfolio Positioning

## Sector Diversification - Changes Over Time vs. Russell 2000 Value Index (%)

Sector	Fund 3/31/25	Fund 12/31/25	Fund 3/31/26	Benchmark 3/31/26
Financials	29.0	26.4	23.9	24.9
Indust & Bus Svcs	13.0	13.0	12.7	12.5
Health Care	8.2	11.3	11.4	10.8
Energy	7.4	6.8	9.9	9.8
Info Tech	6.5	8.4	8.6	8.2
Cons Disc	8.6	9.7	8.4	9.2
Real Estate	11.1	8.8	8.0	8.7
Materials	4.5	5.8	6.1	5.7
Utilities	6.0	5.5	5.7	5.7
Comm Svcs	1.7	1.9	2.6	2.9
Cons Stpls	2.7	1.6	1.6	1.6

## Largest Purchases

Issuer	Sector	% of Fund 3/31/26	% of Fund 12/31/25
EnerSys (N)	Indust & Bus Svcs	0.6	0.0
Golar LNG (N)	Energy	0.5	0.0
Dyne therapeutics	Health Care	0.9	0.5
Sphere Entertainment (N)	Comm Svcs	0.3	0.0
Pinnacle Financial Partners (N)	Financials	2.0	0.0
Peabody Energy (N)	Energy	0.2	0.0
Floor & decor Holdings	Consumer Discretionary	0.2	0.1
Agios Pharmaceuticals (N)	Health Care	0.2	0.0
CECO Environmental (N)	Indust & Bus Svcs	0.2	0.0
Saia	Indust & Bus Svcs	0.4	0.2

## Largest Sales

Issuer	Sector	% of Fund 3/31/26	% of Fund 12/31/25
Arcellx (E)	Health Care	0.0	0.5
Erasca	Health Care	0.3	0.2
UL Solutions	Indust & Bus Svcs	0.1	0.5
Strategic Education	Consumer Discretionary	0.4	0.7
Landstar System (E)	Indust & Bus Svcs	0.0	0.3
Figs	Consumer Discretionary	0.2	0.5
Viavi Solutions	Info Tech	1.3	0.9
JFrog (E)	Info Tech	0.0	0.3
Houlihan Lokey	Financials	0.1	0.4
SouthState	Financials	0.4	0.7

(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

## Top 10 Issuers

Issuer	Industry	% of Fund	% of Russell 2000 Value Index
Pinnacle Financial Partners	Banks	2.0	0.0
Columbia Banking System	Banks	1.8	0.0
Matador Resources	Oil, Gas & Consumable Fuels	1.4	0.0
Viavi Solutions	Communications Equipment	1.3	0.0
Texas Capital Bancshares	Banks	1.1	0.2
Permian Resources	Oil, Gas & Consumable Fuels	1.1	0.0
HA Sustainable Infrastructure Capital	Financial Services	1.1	0.3
CareTrust REIT	Health Care Reits	1.0	0.5
ONE Gas	Gas Utilities	0.9	0.4
Towne Bank/Portsmouth VA	Banks	0.9	0.2

## Top 5 Over/Underweight Positions vs. Russell 2000 Value Index

Issuer	Industry	% of Fund	% of Benchmark	Over/Underweight (%)
Pinnacle Financial Partners	Banks	2.0	0.0	2.0
Columbia Banking System	Banks	1.8	0.0	1.8
Matador Resources	Oil, Gas & Consumable Fuels	1.4	0.0	1.4
Viavi Solutions	Communications Equipment	1.3	0.0	1.3
Permian Resources	Oil, Gas & Consumable Fuels	1.1	0.0	1.1
Echostar	Media	0.0	1.1	-1.1
Coeur Mining	Metals & Mining	0.0	0.7	-0.7
Hecla Mining	Metals & Mining	0.0	0.6	-0.6
SM Energy	Oil, Gas & Consumable Fuels	0.0	0.5	-0.5
Praxis Precision Medicines	Biotechnology	0.0	0.5	-0.5

## Portfolio Management

	Managed Since	Joined Firm
David Wagner	2014	2000

## 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](http://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 the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting.

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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