

Small-Cap Value Fund (PRSVX)



T. Rowe Price

As of December 31, 2025

Portfolio Highlights

The portfolio underperformed the Russell 2000 Value Index for the three-month period ended December 31, 2025.

Relative Performance Drivers:

- + Information technology (stock selection)
- + Industrials and business services (stock selection)
- Health care (stock selection)
- Financials (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)	0.77%
Total Assets (all share classes)	\$9,071,770,989
Percent of Portfolio in Cash	0.7%

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

	3m	1yr	3yrs	5yrs	10yrs	15yrs
Small-Cap Value Fund	2.20	8.22	10.44	6.62	9.70	9.20
Russell 2000 Value Index	3.26	12.59	11.73	8.88	9.27	8.73
Russell 2000 Index	2.19	12.81	13.73	6.09	9.62	9.47

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.

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 finished the fourth quarter higher, with interest rate cuts helping overcome investor concerns about valuations and capital expenditure for companies within the AI trade. Even as the government was shut down in October and sharp tariff rhetoric toward China caused macroeconomic uncertainty, equities advanced in the month thanks to largely strong corporate earnings and a series of agreements between companies meant to accelerate AI development. In November, hawkish commentary from the U.S. Federal Reserve surrounding further rate cuts and scrutiny over valuations and spending in the AI space created headwinds early in the month, but softer economic readings as the month progressed sparked hopes for a December interest rate cut and helped stocks finish higher. In December, the Federal Reserve cut interest rates by 25 basis points, but equities were mixed as further AI scrutiny and unfavorable macroeconomic data led to more muted returns as the year ended.

Relative Contributors

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 sharply after Viavi's October earnings release exceeded analyst expectations, driven by strong year-over-year revenue growth in the data center and aerospace and defense segments. Viavi also announced plans to retire over USD 100 million of its convertible senior notes via a private stock exchange, underscoring its commitment to debt reduction and financial improvement.
- **Mara Holdings:** Shares of Mara Holdings sold off strongly during the quarter. Not owning the stock meaningfully helped relative returns.

Industrials and business services (stock selection)

- **Allegiant Travel Company:** Allegiant Travel Company is a leisure airline and travel package business based out of Las Vegas, NV. Shares surged in the final quarter of the year, despite an October earnings miss on revenue estimates. Investors reacted positively to raised full-year guidance, driven by strong year-over-year passenger growth and better-than-expected cost control and efficiency. We believe Allegiant operates one of the best airline business models in the world and has the potential to deliver durable growth in the long run.
- **RBC Bearings:** RBC Bearings is a niche supplier of ball bearings, roller bearings, plain bearings, and engineered products to the aerospace and defense and industrial end markets. Shares spiked on quarterly results that surpassed analyst expectations thanks in part to robust demand from the aerospace and defense markets. RBC also reported substantial backlog growth, which provides strong visibility into future revenue streams. We like the company's strong management team and believe it is positioned for above-average organic growth as end markets recover.

Relative Detractors

Health care (stock selection)

- **Praxis Precision Medicines:** Shares of Praxis Precision Medicines surged during the quarter. Not owning the company meaningfully hurt relative returns.
- **Oscar Health:** Oscar Health, a health insurance company, declined during the quarter. Shares declined due to a larger-than-expected operating loss, rising medical costs, and Affordable Care Act headwinds, notably uncertainty over federal subsidies expiring in 2025, which could lower enrollment and affordability. Even though federal subsidies did expire at the end of the year, we continue to like Oscar's management team and believe they have the ability to complete a successful turnaround with a growth strategy focused on the individual market segment.

Financials (stock selection)

- **Houlihan Lokey:** Houlihan Lokey is a top merger and acquisition (M&A) advisor to middle-market clients, with leading restructuring and valuation practices. Shares declined despite a solid October earnings release, as investors may have been underwhelmed by the company's full-year earnings per share growth outlook. Investors may have also elected to pocket some gains as shares have rebounded strongly from a sell-off earlier in the year. We believe the company has a strong brand and management team, with a higher level of recurring business than peers.
- **Walker & Dunlop:** Shares of Walker & Dunlop, a leading provider of commercial real estate financial services in the U.S., sold off following an earnings per share miss due to higher expenses, including personnel costs. A modestly worse credit profile may have also dampened investor sentiment.

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

- **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.
- **CareTrust REIT:** We purchased shares of CareTrust REIT, which owns, acquires, and leases health care-related properties. The company has a solid balance sheet, is growing very fast, and is led by a strong management team. We also found the current valuation reasonable.
- **Vaxcyte:** We added shares of Vaxcyte, a clinical-stage vaccine company based in California that specializes in pneumococcal vaccines. We believe that Vaxcyte has a best-in-class franchise in the large pneumococcal vaccine category.
- **Atlantic Union Bankshares:** Atlantic Union Bank is a regional bank operating in the Mid-Atlantic section of the U.S. We think Atlantic Union is a high-performing bank that has the ability to generate durable earnings growth in the intermediate term.

Significant Sales

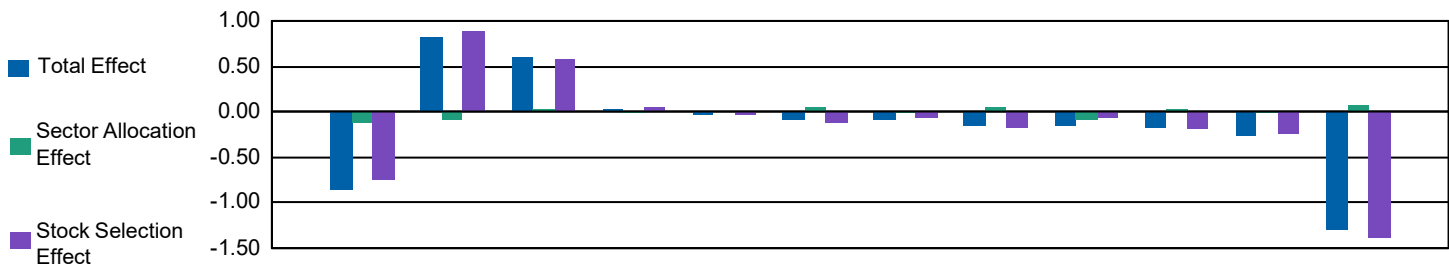
- **Hillenbrand:** We sold shares of Hillenbrand after it reached an agreement to be acquired by Lone Star.
- **Mirion Technologies:** We trimmed our position in Mirion Technologies on strength as shares appreciated to all-time highs during the quarter. We maintain high conviction in the name and believe Mirion is an undervalued high-quality asset with margin upside.
- **Popular:** We reduced our position in Puerto Rico-based bank, Popular, due to valuation considerations, as the name has performed very well in the second half of the year.
- **Ascendis Pharma:** We sold shares of commercial-stage biotech company Ascendis Pharma on strength as shares were trading near all-time highs. We felt the valuation became full and elected to use the proceeds to invest in other ideas with a longer runway for growth.

Manager's Outlook

It was yet another volatile quarter for small-caps, although final returns were much more muted compared with previous quarters as factor performance finally broadened out and the low-quality leadership that led for most of the year started to show signs of reversing. Although we cannot predict the direction of the market in 2026, we believe that the earnings growth backdrop for small-caps is solid and relative valuations remain attractive compared with larger peers. In addition, low-quality market environments are historically short-lived and followed by more durable market environments that benefit our active management approach. As previously said, we believe that we are edging closer to the other side of this low-quality cycle and have been positioning the portfolio to take advantage once 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 December 31, 2025) (%)



	Total	Info Tech	Indust & Bus Svcs	Energy	Materials	Utilities	Consumer Disc	Real Estate	Comm Svcs	Consumer Staples	Financials	Health Care
Over/Under Weight	N/A	0.26	-0.14	-0.19	-0.32	-0.26	-0.24	-0.75	-1.35	-0.05	-0.30	-0.15
Fund Performance	2.38	5.97	5.29	4.92	9.91	-2.17	-2.11	-2.10	6.06	-15.19	2.59	5.64
Index Performance	3.26	-4.55	0.60	4.26	10.13	-0.31	-1.77	-0.16	9.84	-3.96	3.47	19.75
Sector Allocation Effect	-0.12	-0.08	0.01	-0.02	0.00	0.04	-0.02	0.04	-0.08	0.01	-0.02	0.08
Stock Selection Effect	-0.75	0.89	0.59	0.05	-0.03	-0.12	-0.06	-0.18	-0.06	-0.19	-0.24	-1.39
Total Effect	-0.87	0.82	0.60	0.03	-0.03	-0.08	-0.08	-0.14	-0.15	-0.18	-0.26	-1.31

Top 5 Relative Contributors vs. Russell 2000 Value Index (3 Months ended December 31, 2025)

Security	% of Equities	Net Contribution (bps)
Viavi Solutions Inc.	0.9	31
Mara Holdings, Inc.	0.0	26
Figs, Inc.	0.5	24
Oklo Inc.	0.1	23
Victoria's Secret & Co.	0.5	22

Top 5 Relative Detractors vs. Russell 2000 Value Index (3 Months ended December 31, 2025)

Security	% of Equities	Net Contribution (bps)
EchoStar Corporation	0.0	-33
Praxis Precision Medicines, Inc.	0.0	-32
Hecla Mining Company	0.0	-24
Terns Pharmaceuticals, Inc.	0.0	-17
Peloton Interactive, Inc.	0.3	-15

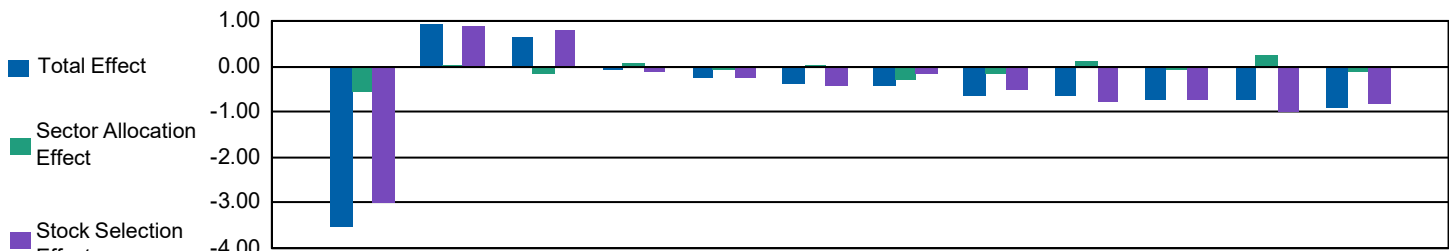
Net contribution is calculated versus a specific benchmark. It is the difference between the security's absolute contribution to the portfolio and the security's absolute contribution to the benchmark. This reflects the amount the security has impacted relative return.

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.

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 Russell 2000 Value Index (12 months ended December 31, 2025) (%)



	Total	Indust & Bus Svcs	Energy	Utilities	Consumer Disc	Real Estate	Comm Svcs	Info Tech	Consumer Staples	Materials	Health Care	Financials
Over/Under Weight	N/A	-0.14	-0.19	-0.26	-0.24	-0.75	-1.35	0.26	-0.05	-0.32	-0.15	-0.30
Fund Performance	9.09	14.63	9.15	14.35	4.55	-2.98	35.74	13.11	-35.02	25.49	17.50	7.62
Index Performance	12.60	7.96	0.84	16.44	6.28	0.88	43.67	22.03	-5.97	43.94	25.70	10.51
Sector Allocation Effect	-0.53	0.05	-0.13	0.09	-0.03	0.05	-0.27	-0.13	0.12	-0.03	0.24	-0.09
Stock Selection Effect	-2.98	0.86	0.79	-0.11	-0.22	-0.42	-0.16	-0.48	-0.76	-0.70	-0.98	-0.81
Total Effect	-3.51	0.91	0.66	-0.02	-0.25	-0.37	-0.42	-0.61	-0.63	-0.73	-0.74	-0.89

Top 5 Relative Contributors vs. Russell 2000 Value Index (12 Months ended December 31, 2025)

Security	% of Equities	Net Contribution (bps)
Carvana Co.	0.2	59
Viavi Solutions Inc.	0.9	50
Technipfmc Plc	0.7	39
Elanco Animal Health Incorporated	0.6	35
Constellation Se	0.5	31

Top 5 Relative Detractors vs. Russell 2000 Value Index (12 Months ended December 31, 2025)

Security	% of Equities	Net Contribution (bps)
EchoStar Corporation	0.0	-93
Hecla Mining Company	0.0	-54
Praxis Precision Medicines, Inc.	0.0	-36
Coeur Mining, Inc.	0.0	-35
Endava Plc	0.1	-28

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.

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Portfolio Positioning

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

Sector	Fund 12/31/24	Fund 9/30/25	Fund 12/31/25	Benchmark 12/31/25
Financials	28.1	26.9	26.4	26.4
Indust & Bus Svcs	14.1	12.9	13.0	12.6
Health Care	8.5	10.3	11.3	11.0
Cons Disc	9.7	11.0	9.7	9.9
Real Estate	10.3	9.0	8.8	9.5
Info Tech	6.7	8.1	8.4	7.7
Energy	7.8	6.7	6.8	7.0
Materials	4.3	5.2	5.8	5.4
Utilities	5.1	6.0	5.5	5.7
Comm Svcs	1.7	1.8	1.9	3.2
Cons Stpls	2.5	1.5	1.6	1.6

Largest Purchases

Issuer	Sector	% of Fund 12/31/25	% of Fund 9/30/25
CareTrust REIT	Real Estate	0.9	0.6
Vaxcyte	Health Care	0.7	0.3
Dyne therapeutics	Health Care	0.5	0.2
Arcellx	Health Care	0.5	0.4
Cipher Mining (N)	Info Tech	0.2	0.0
Atlantic Union Bankshares (N)	Financials	0.2	0.0
Vishay Intertechnology (N)	Info Tech	0.1	0.0
Applied Digital	Info Tech	0.3	0.1
PotlatchDeltic (N)	Real Estate	0.2	0.0
Endava (N)	Info Tech	0.1	0.0

Largest Sales

Issuer	Sector	% of Fund 12/31/25	% of Fund 9/30/25
Hillenbrand (E)	Indust & Bus Svcs	0.0	0.3
Popular	Financials	0.2	0.5
ZenPayroll (E)	Info Tech	0.0	0.6
Oklo	Utilities	0.1	0.4
Ascendis Pharma (E)	Health Care	0.0	0.3
Mirion Technologies	Info Tech	0.7	0.9
Enerflex	Energy	0.3	0.4
Doximity (E)	Health Care	0.0	0.3
Prosperity Bancshares (E)	Financials	0.0	0.2
Houlihan Lokey	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
Columbia Banking System	Banks	1.8	0.0
Pinnacle Financial Partners	Banks	1.7	0.0
PennyMac Financial Services	Financial Services	1.4	0.3
Texas Capital Bancshares	Banks	1.1	0.3
Cytokinetics	Biotechnology	1.1	0.5
CareTrust REIT	Health Care Reits	0.9	0.5
HA Sustainable Infrastructure Capital	Financial Services	0.9	0.3
Viavi Solutions	Communications Equipment	0.9	0.0
Matador Resources	Oil, Gas & Consumable Fuels	0.9	0.0
Live Oak Bancshares	Banks	0.9	0.0

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

Issuer	Industry	% of Fund	% of Benchmark	Over/Underweight (%)
Columbia Banking System	Banks	1.8	0.0	1.8
Pinnacle Financial Partners	Banks	1.7	0.0	1.7
PennyMac Financial Services	Financial Services	1.4	0.3	1.1
Viavi Solutions	Communications Equipment	0.9	0.0	0.9
Matador Resources	Oil, Gas & Consumable Fuels	0.9	0.0	0.9
Echostar	Media	0.0	1.1	-1.1
Hecla Mining	Metals & Mining	0.0	0.7	-0.7
Cadence Bank	Banks	0.0	0.6	-0.6
UMB Financial	Banks	0.0	0.5	-0.5
Jackson Financial	Financial Services	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. Read it carefully.

Visit Troweprice.com/glossary for a glossary of financial terminology.

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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.

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that investments in the securities identified and discussed were or will be profitable.

The manager's views and portfolio holdings are historical and subject to change. This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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