

Release Date: 12-31-2018

# T. Rowe Price Health Sciences Portfolio — Class II

## Investment Strategy from investment's prospectus

The investment seeks long-term capital appreciation. The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in the common stocks of companies engaged in the research, development, production, or distribution of products or services related to health care, medicine, or the life sciences (collectively termed "health sciences"). While the fund can invest in companies of any size, the majority of fund assets are expected to be invested in large- and mid-capitalization companies. It is non-diversified.

## Category Description: Health

Health portfolios focus on the medical and health-care industries. Most invest in a range of companies, buying everything from pharmaceutical and medical-device makers to HMOs, hospitals, and nursing homes. A few funds concentrate on just one industry segment, such as service providers or biotechnology firms.

## Operations

|                                    |                                |
|------------------------------------|--------------------------------|
| Fund Inception Date                | 04-30-02                       |
| Initial Share Class Inception Date | 12-29-00                       |
| Advisor                            | T. Rowe Price Associates, Inc. |
| Subadvisor                         | —                              |

## Fees and Expenses as of 05-01-18

|                                |       |
|--------------------------------|-------|
| Gross Prospectus Expense Ratio | 1.20% |
| Net Prospectus Expense Ratio   | 1.19% |

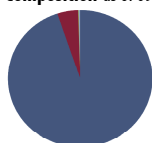
| Waiver Data    | Type        | Exp.Date | %    |
|----------------|-------------|----------|------|
| Management Fee | Contractual | 04-30-20 | 0.01 |

## Portfolio Manager(s)

Ziad Bakri, CFA, M.D., University of Nottingham Medical School. Since 2016.

## Portfolio Analysis as of 09-30-18

### Composition as of 09-30-18

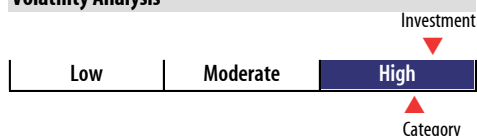


|                 | % Assets |
|-----------------|----------|
| U.S. Stocks     | 94.84    |
| Non-U.S. Stocks | 4.64     |
| Bonds           | 0.00     |
| Cash            | 0.17     |
| Other           | 0.35     |

### Top 20 Holdings as of 09-30-18

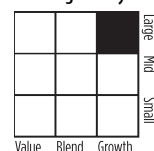
|                                | % Assets |
|--------------------------------|----------|
| UnitedHealth Group Inc         | 7.29     |
| Intuitive Surgical Inc         | 5.29     |
| Becton, Dickinson and Co       | 4.84     |
| Vertex Pharmaceuticals Inc     | 3.81     |
| Anthem Inc                     | 2.95     |
| Cigna Corp                     | 2.81     |
| Thermo Fisher Scientific Inc   | 2.71     |
| Alexion Pharmaceuticals Inc    | 2.52     |
| Stryker Corp                   | 2.43     |
| Merck & Co Inc                 | 2.31     |
| Neurocrine Biosciences Inc     | 2.22     |
| Centene Corp                   | 2.18     |
| Pfizer Inc                     | 2.06     |
| Agilent Technologies Inc       | 2.04     |
| Sage Therapeutics Inc          | 1.99     |
| HCA Healthcare Inc             | 1.93     |
| Sarepta Therapeutics Inc       | 1.74     |
| Humana Inc                     | 1.63     |
| Eli Lilly and Co               | 1.53     |
| Biogen Inc                     | 1.47     |
| Total Number of Stock Holdings | 117      |
| Total Number of Bond Holdings  | 1        |
| Annual Turnover Ratio %        | 42.80    |
| Total Fund Assets (\$mil)      | 598.68   |

## Volatility Analysis



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

### Morningstar Style Box™ as of 09-30-18



|        | % Mkt Cap |
|--------|-----------|
| Giant  | 22.48     |
| Large  | 41.64     |
| Medium | 25.71     |
| Small  | 9.16      |
| Micro  | 1.00      |

### Statistics as of 09-30-18

|                  | Stk Port Avg | S&P 500   | Category  |
|------------------|--------------|-----------|-----------|
| P/E Ratio        | 22.40        | 14.35     | 19.63     |
| P/B Ratio        | 4.73         | 2.73      | 4.42      |
| P/C Ratio        | 14.83        | 11.79     | 15.52     |
| GeoAvgCap(\$mil) | 30,162.08    | 93,688.30 | 33,846.52 |

### Risk Measures as of 12-31-18

|                   | Port Avg | S&P 500 | Category |
|-------------------|----------|---------|----------|
| 3 Yr Std Dev      | 17.08    | 10.95   | 19.23    |
| 3 Yr Sharpe Ratio | 0.29     | 0.76    | 0.26     |
| 3 Yr Alpha        | -2.41    | —       | -3.30    |
| 3 Yr Beta         | 1.25     | —       | 1.32     |
| 3 Yr R-squared    | 61.38    | —       | 55.99    |

### Morningstar Sectors as of 09-30-18

|                        | %Fund | S&P 500 % |
|------------------------|-------|-----------|
| Cyclical               | 0.00  | 32.63     |
| Basic Materials        | 0.00  | 2.56      |
| Consumer Cyclical      | 0.00  | 11.82     |
| Financial Services     | 0.00  | 15.83     |
| Real Estate            | 0.00  | 2.42      |
| Sensitive              | 0.97  | 40.71     |
| Communication Services | 0.00  | 3.58      |
| Energy                 | 0.00  | 5.32      |
| Industrials            | 0.00  | 9.92      |
| Technology             | 0.97  | 21.89     |
| Defensive              | 99.03 | 26.65     |
| Consumer Defensive     | 0.00  | 7.85      |
| Healthcare             | 99.03 | 15.46     |
| Utilities              | 0.00  | 3.34      |

## Notes

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NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE