

T.RowePrice®



**ANNUAL REPORT**

December 31, 2022

T. ROWE PRICE

# Health Sciences Portfolio

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## HIGHLIGHTS

- The Health Sciences Portfolio underperformed its benchmark, the Lipper Variable Annuity Underlying Health/Biotechnology Funds Average, but outperformed the broad equity market as measured by the S&P 500 Index, in the 12 months ended December 31, 2022.
- Stock selection drove underperformance, while allocation effects contributed to returns. The biotechnology and life sciences subsectors weighed on performance, while services and pharmaceuticals added value.
- While we expect the macroeconomic backdrop to remain challenging in the near term, we maintain an optimistic outlook for the sector going forward.
- We believe investors need to be selective, and we are staying true to our philosophy of investing in highly innovative therapeutic companies and companies that are improving the standard of care in a cost-effective manner, which has served us well over time.

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## Dear Investor

Nearly all major global stock and bond indexes fell sharply in 2022, as investors contended with persistently high inflation, tightening financial conditions, and slowing economic and corporate earnings growth.

Double-digit losses were common in equity markets around the world, and bond investors also faced a historically tough environment amid a sharp rise in interest rates. Value shares declined but outperformed growth stocks by a considerable margin as equity investors turned risk averse and as rising rates put downward pressure on growth stock valuations. Emerging markets stocks generally underperformed shares in developed markets. Meanwhile, the U.S. dollar strengthened versus most currencies during the period, which weighed on returns for U.S. investors in international securities.

Within the S&P 500 Index, energy was a rare bright spot, gaining more than 60% as oil prices jumped in response to Russia's invasion of Ukraine and concerns over commodity supply shortages. Defensive shares, such as utilities, consumer staples, and health care, held up relatively well and finished the year with roughly flat returns. Conversely, communication services, consumer discretionary, and information technology shares suffered the largest declines.

Elevated inflation remained a leading concern for investors throughout the period, although there were signs that price increases were moderating by year-end. November's consumer price index data showed headline inflation rising 7.1% on a 12-month basis, the lowest level since December 2021 but still well above the Federal Reserve's 2% long-term target.

In response to the high inflation readings, global central banks tightened monetary policy, and investors focused on communications from central bank officials on how high rates would have to go. The Fed, which at the end of 2021 had forecast that it would only need to raise interest rates 0.75 percentage point in all of 2022, raised its short-term lending benchmark from near zero in March to a target range of 4.25% to 4.50% by December and indicated that additional hikes are likely.

Bond yields increased considerably across the U.S. Treasury yield curve as the Fed tightened monetary policy, with the yield on the benchmark 10-year U.S. Treasury note climbing from 1.52% at the start of the period to 3.88% at the end of the year. Significant inversions in the yield curve, which are often considered a warning sign of a coming recession, occurred during the period as shorter-maturity Treasuries experienced the largest yield increases. The sharp increase in yields led to historically weak results across the fixed income market, with the Bloomberg U.S. Aggregate Bond Index delivering its worst year on record. (Bond prices and yields move in opposite directions.)

As the period came to an end, the economic backdrop appeared mixed. Although manufacturing gauges have drifted toward contraction levels, the U.S. jobs market remained resilient, and corporate and household balance sheets appeared strong. Meanwhile, the housing market has weakened amid rising mortgage rates.

The past year has been a trying time for investors as few sectors remained untouched by the broad headwinds that markets faced, and volatility may continue in the near term as central banks tighten policy amid slowing economic growth. However, in our view, there continue to be opportunities for selective investors focused on fundamentals. Valuations in most global equity markets have improved markedly, although U.S. equities still appear relatively expensive by historical standards, while bond yields have reached some of the most attractive levels since the 2008 global financial crisis.

We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,



Robert Sharps  
CEO and President

**INVESTMENT OBJECTIVE**

The fund seeks long-term capital appreciation.

**FUND COMMENTARY****How did the fund perform in the past 12 months?**

The Health Sciences Portfolio returned -12.47% in the 12-month period ended December 31, 2022. The portfolio underperformed its benchmark, the Lipper Variable Annuity Underlying Health/Biotechnology Funds Average, but outperformed the broad equity market as measured by the S&P 500 Index. (Returns for II Class shares varied slightly, reflecting their different fee structure. *Past performance cannot guarantee future results.*)

**PERFORMANCE COMPARISON**

Periods Ended 12/31/22	Total Return	
	6 Months	12 Months
Health Sciences Portfolio	6.32%	-12.47%
Health Sciences Portfolio-II	6.20	-12.69
S&P 500 Index	2.31	-18.11
Lipper Variable Annuity Underlying Health/Biotechnology Funds Average	6.25	-10.37

**What factors influenced the fund's performance?**

Stock picks in the biotechnology subsector hindered performance. Smaller positions in several names that outperformed during the year, mainly due to positive data readouts, weighed on returns. Shares of Karuna Therapeutics traded sharply higher following a positive Phase 3 data readout for its potential schizophrenia treatment in early August, which significantly improved the drug's chances of approval by the U.S. Food and Drug Administration. Although we added to our position in Karuna before and after the data readout, our limited exposure hurt performance. While a leadership-change announcement in early December weighed on the stock more recently, we remain constructive on the company as we believe there is a significant amount of upside to be captured in its paradigm-shifting therapy for schizophrenia.

Our exposure to the life sciences subsector, which underperformed during the year, also held back returns; however, stock selection helped mitigate losses. Growing concerns of a slowdown in COVID-19 vaccine-related demand weighed on larger companies with bioprocessing exposure within the sector, while smaller-cap, more capital-intensive companies were hurt by rapidly rising interest rates. However, we think the longer-term outlook for the group remains favorable, supported by the ongoing innovation in biopharma.

Our holdings in the services subsector aided performance. Select managed care names such as UnitedHealth Group and Elevance Health finished the period higher. The group benefited from strong fundamentals driven by a robust commercial pricing environment, broadly in line health care utilization trends, and abating political overhangs. Additionally, these are largely U.S. domestic-oriented businesses with strong cash flows that have demonstrated the ability to adjust price and/or benefits in response to cost inflation, which investors have appreciated.

Our exposure to larger-cap pharmaceuticals, which benefited from their more defensive characteristics, was another source of strength. Investor preference for companies with strong balance sheets and cash flow generation in an environment with persistent inflation and rising interest rates benefited firms such as Merck and Eli Lilly, which were top absolute contributors for the portfolio.

**How is the fund positioned?**

From a high level, the areas that we have always favored (companies developing innovative, game-changing therapies and companies that are improving the standard of care in a cost-effective manner) will remain areas we focus on because we think that's where investors can realize long-term value.

From a subsector perspective, biotechnology represents the portfolio's largest exposure. While we remain committed to investing in innovative companies developing new medicines, we recognize the environment for smaller biotechnology companies has changed, as raising capital has become more difficult. As such, we have set a higher bar for owning non-profitable biotechnology companies. Conversely, we have found opportunities to selectively add to larger-cap biotechnology companies with strong research and development capabilities that are profitable and fairly valued given the likelihood that higher interest rates and higher inflation will remain for longer than many expect.

We added to our position in Regeneron Pharmaceuticals, a commercial-stage biotechnology company focused on the development and commercialization of biologic drugs. We believe the recent success of two Phase 3 trials for high-dose Eylea, an injection indicated to treat a variety of ocular diseases, was a significant step in the life-cycle management of the company's blockbuster drug. We think the positive readouts substantially extend the revenue runway for the company, and we believe the valuation remains favorable given its now-durable growth profile. Conversely, we eliminated our position in Amgen during the second quarter on strength. While the company has a growing dividend, solid cash flow generation, and a strong internal research and development program, the stock had become more fairly valued in our view, due to investor interest in companies with pharma-like profiles, and we elected to take profits and fund other higher-conviction ideas.

**INDUSTRY DIVERSIFICATION**

	Percent of Net Assets	
	6/30/22	12/31/22
Biotechnology	25.2%	26.6%
Services	24.4	23.7
Pharmaceuticals	17.3	17.9
Life Sciences	15.7	15.9
Products and Devices	16.6	14.6
Consumer Nondurables	0.6	0.2
Other and Reserves	0.2	1.1
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Historical weightings reflect current industry/sector classifications.

With limited inflation and input cost pressures as well as strong balance sheets and cash flow generation, larger-cap pharmaceuticals have benefited from their more defensive characteristics. Given rising recession uncertainties and the diminished investor appetite for risk-taking, we have modestly increased our exposure to the group. We added shares of Merck, which we believe should be able to drive revenue growth in the medium term with its human papillomavirus vaccine Gardasil, its oncology treatments Lenvima and Lynparza, as well as its animal health business. Merck may also be able to utilize its strong balance sheet and cash flows to finance significant acquisitions and bolster its pipeline. Conversely, we scaled back our position in Pfizer as the stock's near-term outlook is heavily tied to its COVID portfolio, which remains difficult to forecast.

Within the services subsector, our largest exposure is to the structurally growing managed care industry, where fundamentals remain strong given a favorable commercial pricing environment. Within the space, we have significant positions in UnitedHealth Group, Humana, and Elevance Health. Regarding Elevance, which was our largest addition in the subsector during the period, we think it offers an attractive mix of company-specific growth drivers at a compelling valuation when considering the company's room for improving returns and long runway for growth with its Medicaid and Medicare Advantage businesses.

Additionally, we have a favorable view of life sciences companies, which develop the platforms, instrumentation, and technology that drive future discovery and the application of drugs and diagnostics. Fundamentals overall remain exceptional. Within the space, we have core positions in Thermo Fisher Scientific, Danaher, and Agilent Technologies.

**What is portfolio management's outlook?**

Macroeconomic factors dominated equity market performance in 2022, with higher interest rates, rising inflation, and growing recessionary fears weighing on investor confidence. While we expect the macroeconomic backdrop to remain challenging in the near term, we maintain an optimistic outlook for the sector going forward.

We are seeing great progress across a number of therapeutic platforms, including oncology, neurology, ophthalmology, and autoimmune and infectious diseases, and the market environment for companies developing innovative therapies remains encouraging. Even with the groundbreaking developments that we have seen over the last several years, there is still a strong pipeline for future innovation given the large number of disorders, such as cancer, Alzheimer's, obesity, and diabetes, affecting large populations in need of improved treatment options. As a result of ongoing scientific advancement and improvement, we believe we are on the cusp of a significant wave of innovation that should lead to meaningful drug launches in the coming years that will cure diseases or dramatically improve quality of life.

Encouragingly, innovation is occurring in companies of all sizes, and we continue to own a well-diversified portfolio of names across the health care landscape. Although we believe investors must remain selective amid this period of near-term uncertainty, we are staying true to our investment philosophy and process.

The views expressed reflect the opinions of T. Rowe Price as of the date of this report and are subject to change based on changes in market, economic, or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**RISKS OF GROWTH INVESTING**

Growth stocks can be volatile for several reasons. Since these companies usually invest a high portion of earnings in their businesses, they may lack the dividends of value stocks that can cushion stock prices in a falling market. Also, earnings disappointments often lead to sharply falling prices because investors buy growth stocks in anticipation of superior earnings growth.

**RISKS OF HEALTH SCIENCES PORTFOLIO INVESTING**

Portfolios that invest only in specific industries will experience greater volatility than portfolios investing in a broad range of industries. Companies in the health sciences field are subject to special risks such as increased competition within the health care industry, changes in legislation or government regulations, reductions in government funding, product liability or other litigation, and the obsolescence of popular products.

**BENCHMARK INFORMATION**

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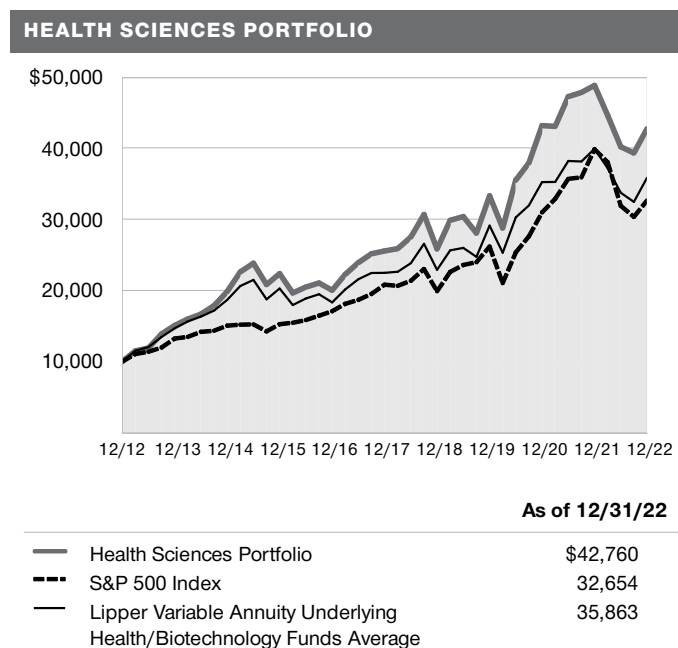
**TWENTY-FIVE LARGEST HOLDINGS**

	<b>Percent of Net Assets 12/31/22</b>
UnitedHealth Group	8.6%
Thermo Fisher Scientific	5.1
Eli Lilly	4.5
Danaher	3.8
Merck	3.5
AstraZeneca	3.4
Elevance Health	3.1
Regeneron Pharmaceuticals	3.0
Intuitive Surgical	3.0
Stryker	2.3
Pfizer	2.3
Alnylam Pharmaceuticals	2.2
Vertex Pharmaceuticals	2.2
Humana	2.2
Agilent Technologies	2.0
Becton Dickinson & Company	1.8
AbbVie	1.7
Centene	1.7
Argenx	1.6
Molina Healthcare	1.5
Cigna	1.5
Moderna	1.2
Penumbra	0.9
Hologic	0.9
HCA Healthcare	0.9
<b>Total</b>	<b>64.9%</b>

Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.

## GROWTH OF \$10,000

This chart shows the value of a hypothetical \$10,000 investment in the portfolio over the past 10 fiscal year periods or since inception (for portfolios lacking 10-year records). The result is compared with benchmarks, which include a broad-based market index and may also include a peer group average or index. Market indexes do not include expenses, which are deducted from fund returns as well as mutual fund averages and indexes.



Note: Performance for the II Class share will vary due to its differing fee structure. See the Average Annual Compound Total Return table.

## AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 12/31/22	1 Year	5 Years	10 Years
Health Sciences Portfolio	-12.47%	10.84%	15.64%
Health Sciences Portfolio-II	-12.69	10.56	15.35

The fund's performance information represents only past performance and is not necessarily an indication of future results. Current performance may be lower or higher than the performance data cited. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please contact a T. Rowe Price representative at 1-800-469-6587 (financial advisors, or customers who have an advisor, should call 1-800-638-8790). Total returns do not include charges imposed by your insurance company's separate account. If these had been included, performance would have been lower.

This table shows how the portfolio would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. When assessing performance, investors should consider both short- and long-term returns.

## FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Shares of the fund are currently offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. Please note that the fund has two classes of shares: the original share class and II Class. II Class shares are sold through financial intermediaries, which are compensated for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan.

### Actual Expenses

The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

**FUND EXPENSE EXAMPLE (CONTINUED)****HEALTH SCIENCES PORTFOLIO**

	<b>Beginning Account Value 7/1/22</b>	<b>Ending Account Value 12/31/22</b>	<b>Expenses Paid During Period* 7/1/22 to 12/31/22</b>
<b>Health Sciences Portfolio</b>			
Actual	\$1,000.00	\$1,063.20	\$4.89
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.47	4.79
<b>Health Sciences Portfolio-II</b>			
Actual	1,000.00	1,062.00	6.18
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.21	6.06

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Health Sciences Portfolio was 0.94%, and the Health Sciences Portfolio-II was 1.19%.



**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Health Sciences Portfolio Class**

	Year Ended				
	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>					
Beginning of period	\$ 64.72	\$ 61.04	\$ 49.82	\$ 40.34	\$ 42.33
Investment activities					
Net investment loss <sup>(1)(2)</sup>	(0.13)	(0.26)	(0.12)	(0.08)	(0.05)
Net realized and unrealized gain/loss	(7.95)	8.19	14.90	11.73	0.55
Total from investment activities	(8.08)	7.93	14.78	11.65	0.50
Distributions					
Net realized gain	(0.90)	(4.25)	(3.56)	(2.17)	(2.49)
<b>NET ASSET VALUE</b>					
End of period	\$ 55.74	\$ 64.72	\$ 61.04	\$ 49.82	\$ 40.34

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(3)</sup></b>	<b>(12.47)%</b>	<b>13.10%</b>	<b>29.62%</b>	<b>28.95%</b>	<b>1.11%</b>
Ratios to average net assets: <sup>(2)</sup>					
Gross expenses before waivers/payments by Price Associates <sup>(4)</sup>	0.95%	0.95%	0.95%	0.95%	0.95%
Net expenses after waivers/payments by Price Associates	0.94%	0.94%	0.94%	0.94%	0.95%
Net investment loss	(0.23)%	(0.40)%	(0.23)%	(0.17)%	(0.12)%
Portfolio turnover rate	27.9%	32.3%	38.0%	37.0%	45.5%
Net assets, end of period (in thousands)	\$ 153,188	\$ 178,434	\$ 159,718	\$ 122,289	\$ 95,922

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.<sup>(4)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.

The accompanying notes are an integral part of these financial statements.

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Health Sciences Portfolio - II Class**

	Year Ended				
	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>					
Beginning of period	\$ 61.19	\$ 57.96	\$ 47.48	\$ 38.62	\$ 40.73
Investment activities					
Net investment loss <sup>(1)(2)</sup>	(0.25)	(0.40)	(0.24)	(0.19)	(0.17)
Net realized and unrealized gain/loss	(7.52)	7.77	14.16	11.22	0.55
Total from investment activities	(7.77)	7.37	13.92	11.03	0.38
Distributions					
Net realized gain	(0.90)	(4.14)	(3.44)	(2.17)	(2.49)
<b>NET ASSET VALUE</b>					
<b>End of period</b>	<b>\$ 52.52</b>	<b>\$ 61.19</b>	<b>\$ 57.96</b>	<b>\$ 47.48</b>	<b>\$ 38.62</b>

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(3)</sup></b>	<b>(12.69)%</b>	<b>12.83%</b>	<b>29.27%</b>	<b>28.63%</b>	<b>0.86%</b>
Ratios to average net assets: <sup>(2)</sup>					
Gross expenses before waivers/payments by Price Associates <sup>(4)</sup>	1.20%	1.20%	1.20%	1.20%	1.20%
Net expenses after waivers/payments by Price Associates	1.19%	1.19%	1.19%	1.19%	1.20%
Net investment loss	(0.48)%	(0.64)%	(0.47)%	(0.42)%	(0.39)%
Portfolio turnover rate	27.9%	32.3%	38.0%	37.0%	45.5%
Net assets, end of period (in thousands)	\$ 576,092	\$ 704,365	\$ 626,850	\$ 514,755	\$ 434,528

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.<sup>(4)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE HEALTH SCIENCES PORTFOLIO

December 31, 2022

PORTFOLIO OF INVESTMENTS <sup>†</sup>	Shares	\$ Value
(Cost and value in \$000s)		
<b>COMMON STOCKS 93.7%</b>		
<b>BIOTECHNOLOGY 22.1%</b>		
<b>International Biotechnology 0.0%</b>		
Ideaya Biosciences (1)	7,313	133
		133
<b>Major Biotechnology 4.9%</b>		
Biogen (1)	16,091	4,456
BioNTech, ADR	25,214	3,788
Celldex Therapeutics (1)	28,247	1,259
Exact Sciences (1)	42,754	2,117
Exact Sciences CMO Milestone, Acquisition Date: 1/6/21, Cost \$— (1)(2)(3)	167,424	89
Exact Sciences Expense Fund, Acquisition Date: 1/6/21, Cost \$— (1)(2)(3)	171	—
Exact Sciences FDA Milestone, Acquisition Date: 1/6/21, Cost \$— (1)(2)(3)	83,712	44
Neurocrine Biosciences (1)	15,372	1,836
Royalty Pharma, Class A	75,254	2,974
Seagen (1)	20,296	2,608
Vertex Pharmaceuticals (1)	56,118	16,206
		35,377
<b>Other Biotechnology 17.2%</b>		
Aadi Bioscience (1)	6,782	87
ACADIA Pharmaceuticals (1)	52,982	844
Acerta Future Payments, EC, Acquisition Date: 6/30/21, Cost \$826 (1)(2)(3)	826,005	724
Adaptive Biotechnologies (1)	27,974	214
ADC Therapeutics (1)	55,544	213
Affinivax Expense Fund, Acquisition Date: 9/12/22, Cost \$1 (1)(2)(3)	562	1
Affinivax Milestone Event, Acquisition Date: 9/12/22, Cost \$156 (1)(2)(3)	331,976	199
Affinivax Next Gen. Prod. Milestone Event, Acquisition Date: 9/12/22, Cost \$156 (1)(2)(3)	331,976	73
Agios Pharmaceuticals (1)	18,862	530
Alectro (1)	16,082	148
Allakos (1)	24,100	203
Allogene Therapeutics (1)	85,113	535
Alnylam Pharmaceuticals (1)	68,901	16,374
Apellis Pharmaceuticals (1)	28,475	1,472
Arvinas (1)	23,413	801
Ascendis Pharma, ADR (1)	37,605	4,593
Avidity Biosciences (1)	77,173	1,713
BeiGene, ADR (1)	7,778	1,711
Bicycle Therapeutics, ADR (1)	12,072	357
Blueprint Medicines (1)	50,538	2,214
C4 Therapeutics (1)	21,403	126
Centessa Pharmaceuticals, ADR (1)	46,861	145
Cerevel Therapeutics Holdings (1)	73,121	2,306
CRISPR Therapeutics (1)	11,772	479
Cytokinetics (1)	16,059	736
Day One Biopharmaceuticals (1)	21,830	470

	Shares	\$ Value
(Cost and value in \$000s)		
Denali Therapeutics (1)	47,783	1,329
DICE Therapeutics (1)	30,180	942
Enanta Pharmaceuticals (1)	6,200	288
Entrada Therapeutics (1)	29,975	405
EQRx (1)	51,453	127
EQRx, Warrants, 12/20/26 (1)	11,096	3
Evotec (EUR) (1)	16,684	271
Exelixis (1)	89,392	1,434
Exscientia, ADR (1)	10,586	56
Fate Therapeutics (1)	36,150	365
Flame Biosciences, Acquisition Date: 9/28/20, Cost \$247 (1)(2)(3)	37,754	173
F-star Therapeutics (1)	2,357	15
Generation Bio (1)	86,363	339
Genmab (DKK) (1)	14,052	5,941
Ginkgo Bioworks, Earn Out Shares \$15.00, Acquisition Date: 9/17/21, Cost \$— (1)(3)	9,683	5
Ginkgo Bioworks, Earn Out Shares \$17.50, Acquisition Date: 9/17/21, Cost \$— (1)(3)	9,683	5
Ginkgo Bioworks, Earn Out Shares \$20.00, Acquisition Date: 9/17/21, Cost \$— (1)(3)	9,683	4
Gyroscope Therapeutics, Milestone Payment 1, Acquisition Date: 2/18/22, Cost \$253 (1)(2)(3)	253,263	124
Gyroscope Therapeutics, Milestone Payment 2, Acquisition Date: 2/18/22, Cost \$169 (1)(2)(3)	168,785	46
Gyroscope Therapeutics, Milestone Payment 3, Acquisition Date: 2/18/22, Cost \$169 (1)(2)(3)	168,785	44
IGM Biosciences (1)	13,757	234
Immuneering, Class A (1)	76,043	369
Immunocore Holdings, ADR (1)	47,492	2,710
Incyte (1)	39,909	3,206
Insmed (1)	107,941	2,157
Intellia Therapeutics (1)	18,200	635
Invivyd (1)	15,900	24
Ionis Pharmaceuticals (1)	51,223	1,935
iovance Biotherapeutics (1)	58,312	373
IVERIC bio (1)	72,315	1,548
Karuna Therapeutics (1)	27,096	5,324
Kodiak Sciences (1)	17,662	126
Kronos Bio (1)	5,591	9
Kymera Therapeutics (1)	33,447	835
LianBio, ADR (1)	102,126	168
Longboard Pharmaceuticals (1)	23,081	73
Lyell Immunopharma (1)	74,333	258
MeiraGTx Holdings (1)	9,836	64
Mirati Therapeutics (1)	24,497	1,110
Moderna (1)	46,995	8,441
Monte Rosa Therapeutics (1)	60,977	464
MoonLake Immunotherapeutics (1)	39,168	411
Morphic Holding (1)	8,261	221
Novocure (1)	52,819	3,874
Nurix Therapeutics (1)	9,696	106
Prelude Therapeutics (1)	10,060	61

T. ROWE PRICE HEALTH SCIENCES PORTFOLIO

	Shares	\$ Value
(Cost and value in \$000s)		
Prime Medicine Restricted, Acquisition Date: 4/19/21, Cost \$319 (1)(3)	23,411	413
Progenic Pharmaceuticals, CVR (2)	45,500	52
Prothena (1)	29,190	1,759
PTC Therapeutics (1)	9,622	367
RAPT Therapeutics (1)	32,804	650
Regeneron Pharmaceuticals (1)	30,656	22,118
REGENXBIO (1)	5,047	114
Relay Therapeutics (1)	49,603	741
Repligen (1)	9,497	1,608
Replimune Group (1)	60,833	1,655
REVOLUTION Medicines (1)	45,509	1,084
Rocket Pharmaceuticals (1)	21,439	420
Sage Therapeutics (1)	24,781	945
Sana Biotechnology (1)	68,347	270
Sarepta Therapeutics (1)	20,610	2,671
Scholar Rock, Warrants, 12/31/25, Acquisition Date: 6/17/22, Cost \$— (1)(3)	6,855	35
Scholar Rock Holding (1)	87,333	790
SpringWorks Therapeutics (1)	7,848	204
Stoke Therapeutics (1)	13,995	129
Tenaya Therapeutics (1)	59,906	120
Theseus Pharmaceuticals (1)	53,475	266
Ultragenyx Pharmaceutical (1)	59,700	2,766
Vividion Therapeutics, Milestone Payment, Acquisition Date: 8/25/21, Cost \$— (1)(2)(3)	103,855	47
Vividion Therapeutics, Milestone Payment, Acquisition Date: 8/25/21, Cost \$— (1)(2)(3)	77,892	37
Vividion Therapeutics, Milestone Payment 3, Acquisition Date: 8/25/21, Cost \$— (1)(2)(3)	77,892	33
Xencor (1)	34,357	895
Zai Lab, ADR (1)	21,226	652
Zentalis Pharmaceuticals (1)	26,633	536
		125,297
Total Biotechnology		160,807
<b>CONSUMER NONDURABLES 0.0%</b>		
<b>Healthcare Services 0.0%</b>		
Capsule, Acquisition Date: 4/7/21, Cost \$553 (1)(2)(3)	38,140	112
Total Consumer Nondurables		112
<b>LIFE SCIENCES 13.0%</b>		
<b>Life Sciences 13.0%</b>		
Agilent Technologies	97,335	14,566
Bio-Techne	19,617	1,626
Bruker	83,753	5,725
Danaher	103,489	27,468
Dynamics Special Purpose, Acquisition Date: 12/20/21, Cost \$— (1)(3)	5,211	7
Ginkgo Bioworks Holdings (1)	91,250	154
Mettler-Toledo International (1)	2,248	3,249
Olink Holding, ADR (1)	84,134	2,135
Pacific Biosciences of California (1)	116,774	955

	Shares	\$ Value
(Cost and value in \$000s)		
Quanterix (1)	5,554	77
Rapid Micro Biosystems, Class A (1)	31,688	36
Seer (1)	44,582	259
Senti Biosciences (1)	62,666	88
SomaLogic, Acquisition Date: 9/2/21, Cost \$— (1)(3)	174,553	1
SomaLogic, Warrants, 8/31/26 (1)	4,962	2
Thermo Fisher Scientific	67,786	37,329
Twist Bioscience (1)	14,171	337
Waters (1)	2,869	983
Total Life Sciences		94,997
<b>MISCELLANEOUS 0.0%</b>		
<b>Miscellaneous 0.0%</b>		
Health Sciences Acquisitions Corp 2 (1)	30,999	310
Total Miscellaneous		310
<b>PHARMACEUTICALS 16.8%</b>		
<b>Major Pharmaceuticals 16.8%</b>		
AbbVie	76,334	12,336
AstraZeneca, ADR	359,982	24,407
Daiichi Sankyo (JPY)	177,400	5,710
Eli Lilly	88,929	32,534
Merck	229,661	25,481
Pfizer	320,280	16,411
Roche Holding (CHF)	17,640	5,543
Total Pharmaceuticals		122,422
<b>PRODUCTS &amp; DEVICES 16.0%</b>		
<b>Capital Equipment 0.5%</b>		
GE HealthCare Technologies (1)(4)	7,978	466
PROCEPT BioRobotics (1)	30,130	1,252
STERIS	10,106	1,866
		3,584
<b>Implants 8.0%</b>		
Becton Dickinson & Company	51,088	12,992
Intuitive Surgical (1)	81,300	21,573
iRhythm Technologies (1)	8,146	763
Stryker	67,130	16,413
Teleflex	14,023	3,500
Verily Life Sciences, Series B, Acquisition Date: 1/23/19, Cost \$644 (1)(2)(3)	5,220	786
Zimmer Biomet Holdings	20,065	2,558
		58,585
<b>Other Products &amp; Devices 7.5%</b>		
10X Genomics, Class A (1)	55,854	2,035
Argenx, ADR (1)	31,663	11,995
Avantor (1)	189,076	3,988
Burning Rock Biotech, ADR (1)	10,102	23
Catalent (1)	43,141	1,942
Cooper	4,875	1,612
Dexcom (1)	51,587	5,842
Hologic (1)	87,854	6,572
Inari Medical (1)	17,209	1,094
Insulet (1)	19,343	5,694
Lantheus Holdings (1)	5,978	305

T. ROWE PRICE HEALTH SCIENCES PORTFOLIO

	Shares	\$ Value
(Cost and value in \$000s)		
Nevro (1)	6,863	272
Pax Labs, Class A, Acquisition Date: 4/18/19, Cost \$1,452 (1)(2)(3)	385,684	254
Penumbra (1)	30,080	6,691
Saluda Medical, Warrants, 1/1/23, Acquisition Date: 1/20/22, Cost \$— (1) (2)(3)	9,344	—
Shockwave Medical (1)	24,783	5,096
Warby Parker, Class A (1)	70,171	946
		54,361
Total Products & Devices		116,530
<b>SERVICES 21.7%</b>		
<b>Distribution 0.1%</b>		
Option Care Health (1)	28,578	860
		860
<b>Information 0.9%</b>		
Doximity, Class A (1)	56,349	1,891
Sema4 Holdings (1)	63,949	17
Sema4 Holdings, Warrants, 7/22/26 (1)	11,396	—
Sophia Genetics (1)	32,820	68
Veeva Systems, Class A (1)	26,063	4,206
		6,182
<b>Other Services 0.9%</b>		
Certara (1)	21,846	351
Elanco Animal Health (1)	27,562	337
Guardant Health (1)	49,098	1,336
West Pharmaceutical Services	15,645	3,682
Wuxi Biologics Cayman (HKD) (1)	135,500	1,026
		6,732
<b>Payors 18.7%</b>		
Alignment Healthcare (1)	57,752	679
Centene (1)	149,375	12,250
Cigna	31,945	10,585
Elevance Health	44,616	22,887
Humana	31,534	16,151
Molina Healthcare (1)	34,080	11,254
UnitedHealth Group	118,657	62,909
		136,715
<b>Providers 1.1%</b>		
agilon health (1)	21,898	354
HCA Healthcare	26,733	6,415
Oak Street Health (1)	22,645	487
Surgery Partners (1)	15,196	423
		7,679
Total Services		158,168
Total Miscellaneous Common Stocks 4.1% (5)		29,896
<b>Total Common Stocks (Cost \$359,473)</b>		<b>683,242</b>

	Shares	\$ Value
(Cost and value in \$000s)		
<b>CONVERTIBLE PREFERRED STOCKS 4.6%</b>		
<b>BIOTECHNOLOGY 1.4%</b>		
<b>Other Biotechnology 1.4%</b>		
Arbor Bio, Series B, Acquisition Date: 10/29/21, Cost \$398 (1)(2)(3)	23,994	398
Chroma Medicine, Series A, Acquisition Date: 10/12/21, Cost \$500 (1)(2)(3)	235,778	500
Delfi Diagnostics, Series A, Acquisition Date: 1/12/21 - 4/7/22, Cost \$320 (1) (2)(3)	154,525	748
Delfi Diagnostics, Series A, Acquisition Date: 6/10/22, Cost \$407 (1)(2)(3)	84,104	407
Eikon Therapeutics, Series B, Acquisition Date: 12/3/21, Cost \$810 (1)(2)(3)	45,781	810
EndeavorBio, Series B, Acquisition Date: 1/21/22, Cost \$398 (1)(2)(3)	84,304	398
FOG Pharma, Series C, Acquisition Date: 1/11/21-8/2/21, Cost \$282 (1) (2)(3)	19,483	209
FOG Pharma, Series D, Acquisition Date: 11/17/22, Cost \$296 (1)(2)(3)	27,546	296
Generate Bio, Series B, Acquisition Date: 9/2/21, Cost \$1,001 (1)(2)(3)	84,485	1,001
Genesis Therapeutics, Series A, Acquisition Date: 11/24/20, Cost \$191 (1)(2)(3)	37,471	191
Insitro, Series B, Acquisition Date: 5/21/20, Cost \$248 (1)(2)(3)	39,793	728
Insitro, Series C, Acquisition Date: 4/7/21, Cost \$481 (1)(2)(3)	26,282	481
Laronde, Series B, Acquisition Date: 7/28/21, Cost \$1,471 (1)(2)(3)	52,537	294
Nutcracker Therapeutics, Series C, Acquisition Date: 8/27/21, Cost \$501 (1)(2)(3)	46,567	501
Odyssey Therapeutics, Series B, Acquisition Date: 5/13/22, Cost \$319 (1)(2)(3)	50,567	319
Ring Therapeutics, Series B, Acquisition Date: 4/12/21, Cost \$404 (1)(2)(3)	43,885	404
Ring Therapeutics, Series C, Acquisition Date: 10/7/22, Cost \$198 (1)(2)(3)	21,482	198
Saliogen Therapeutics, Series B, Acquisition Date: 12/10/21, Cost \$497 (1)(2)(3)	4,690	497
Scribe Therapeutics, Series B, Acquisition Date: 3/17/21, Cost \$278 (1)(2)(3)	45,881	278
Sionna Therapeutics, Series B, Acquisition Date: 2/2/22, Cost \$239 (1)(2)(3)	24,459	239
Tessera Therapeutics, Series C, Acquisition Date: 2/25/22, Cost \$357 (1)(2)(3)	17,475	357

T. ROWE PRICE HEALTH SCIENCES PORTFOLIO

	Shares	\$ Value
(Cost and value in \$000s)		
Treeline Biosciences, Series A, Acquisition Date: 4/9/21 - 9/26/22, Cost \$830 (1)(2)(3)	106,061	830
Total Biotechnology		10,084
<b>CONSUMER NONDURABLES 0.2%</b>		
<b>Healthcare Services 0.2%</b>		
Color Health, Series D, Acquisition Date: 12/17/20, Cost \$501 (1)(2)(3)	13,310	544
Color Health, Series D-1, Acquisition Date: 1/13/20, Cost \$430 (1)(2)(3)	20,165	825
Color Health, Series E, Acquisition Date: 10/26/21, Cost \$199 (1)(2)(3)	1,991	82
Total Consumer Nondurables		1,451
<b>LIFE SCIENCES 1.1%</b>		
<b>Life Sciences 1.1%</b>		
Cellanome, Series A, Acquisition Date: 12/30/21, Cost \$497 (1)(2)(3)	89,839	625
Chromacode, Series D-1, Acquisition Date: 2/28/22, Cost \$99 (1)(2)(3)	141,298	92
Chromacode, Series D-2, Acquisition Date: 2/28/22, Cost \$99 (1)(2)(3)	117,322	76
Clear Labs, Series C, Acquisition Date: 5/13/21, Cost \$595 (1)(2)(3)	171,440	595
DNA Script, Series C, Acquisition Date: 12/16/21, Cost \$960 (EUR) (1) (2)(3)	1,132	909
Element Biosciences, Series C, Acquisition Date: 6/21/21, Cost \$797 (1)(2)(3)	38,785	797
Inscripta, Series E, Acquisition Date: 3/30/21, Cost \$572 (1)(2)(3)	64,740	361
Lumicks Tech, Series D, Acquisition Date: 4/14/21, Cost \$396 (1)(2)(3)	221	428
National Resilience, Series B, Acquisition Date: 10/23/20, Cost \$741 (1)(2)(3)	54,252	3,295
National Resilience, Series C, Acquisition Date: 6/9/21, Cost \$854 (1)(2)(3)	19,224	1,167
Total Life Sciences		8,345
<b>PRODUCTS &amp; DEVICES 0.3%</b>		
<b>Capital Equipment 0.1%</b>		
Reflexion Medical, Series C, Acquisition Date: 4/3/18, Cost \$255 (1)(2)(3)	150,708	357
Reflexion Medical, Series D, Acquisition Date: 4/3/20, Cost \$97 (1) (2)(3)	51,079	121
Reflexion Medical, Series E, Acquisition Date: 3/1/22, Cost \$199 (1)(2)(3)	83,857	199
		677
<b>Implants 0.1%</b>		
Kardium, Series D-5, Acquisition Date: 11/29/18, Cost \$392 (1)(2)(3)	403,778	411

	Shares	\$ Value
(Cost and value in \$000s)		
Kardium, Series D-6, Acquisition Date: 1/8/21, Cost \$565 (1)(2)(3)	556,501	565
		976
<b>Other Products &amp; Devices 0.1%</b>		
Saluda Medical, Series D, Acquisition Date: 1/20/22, Cost \$397 (1)(2)(3)	31,146	397
		397
Total Products & Devices		2,050
<b>SERVICES 1.6%</b>		
<b>Information 0.0%</b>		
Cleerly, Series C, Acquisition Date: 7/8/22, Cost \$313 (1)(2)(3)	26,533	313
		313
<b>Other Services 1.5%</b>		
Caris Life Sciences, Series C, Acquisition Date: 8/14/20, Cost \$467 (1)(2)(3)	169,277	1,114
Caris Life Sciences, Series D, Acquisition Date: 5/11/21, Cost \$826 (1)(2)(3)	101,939	671
Freenome Holdings, Series B, Acquisition Date: 6/24/19, Cost \$325 (1)(2)(3)	71,397	833
Freenome Holdings, Series C, Acquisition Date: 8/14/20, Cost \$276 (1)(2)(3)	41,732	487
Freenome Holdings, Series D, Acquisition Date: 11/22/21, Cost \$179 (1)(2)(3)	23,669	276
PrognomiQ, Series A-4, Acquisition Date: 11/15/19, Cost \$61 (1)(2)(3)	26,885	82
PrognomiQ, Series A-5, Acquisition Date: 5/12/20, Cost \$53 (1)(2)(3)	23,318	71
PrognomiQ, Series B, Acquisition Date: 9/11/20, Cost \$384 (1)(2)(3)	168,024	514
PrognomiQ, Series C, Acquisition Date: 2/16/22, Cost \$157 (1)(2)(3)	51,466	157
Tempus Labs, Series D, Acquisition Date: 3/16/18, Cost \$533 (1)(2)(3)	56,856	3,348
Tempus Labs, Series E, Acquisition Date: 8/23/18, Cost \$629 (1)(2)(3)	37,551	2,270
Tempus Labs, Series F, Acquisition Date: 4/30/19, Cost \$197 (1)(2)(3)	7,944	486
Tempus Labs, Series G, Acquisition Date: 2/6/20, Cost \$196 (1)(2)(3)	5,107	317
Tempus Labs, Series G-2, Acquisition Date: 11/19/20, Cost \$302 (1)(2)(3)	5,275	297
		10,923
<b>Providers 0.1%</b>		
Honor Technology, Series D, Acquisition Date: 10/16/20, Cost \$339 (1)(2)(3)	140,829	324



	Shares	\$ Value
(Cost and value in \$000s)		
Honor Technology, Series E, Acquisition Date: 9/29/21, Cost \$300 (1)(2)(3)	94,916	218
		542
Total Services		11,778
<b>Total Convertible Preferred Stocks (Cost \$24,608)</b>		<b>33,708</b>
<b>PREFERRED STOCKS 0.6%</b>		
<b>LIFE SCIENCES 0.6%</b>		
<b>Life Sciences 0.6%</b>		
Sartorius (EUR)	10,773	4,254
Total Life Sciences		4,254
<b>Total Preferred Stocks (Cost \$2,068)</b>		<b>4,254</b>

	Shares	\$ Value
(Cost and value in \$000s)		
<b>SHORT-TERM INVESTMENTS 1.1%</b>		
<b>Money Market Funds 1.1%</b>		
T. Rowe Price Government Reserve Fund, 4.30% (6)(7)	8,291,115	8,291
<b>Total Short-Term Investments (Cost \$8,291)</b>		<b>8,291</b>
<b>Total Investments in Securities 100.0% of Net Assets (Cost \$394,440)</b>		<b>\$ 729,495</b>

‡ Shares are denominated in U.S. dollars unless otherwise noted.

- (1) Non-income producing
  - (2) See Note 2. Level 3 in fair value hierarchy.
  - (3) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund may have registration rights for certain restricted securities. Any costs related to such registration are generally borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period end amounts to \$36,964 and represents 5.1% of net assets.
  - (4) When-issued security
  - (5) The identity of certain securities has been concealed to protect the fund while it completes a purchase or selling program for the securities.
  - (6) Seven-day yield
  - (7) Affiliated Companies
- ADR American Depositary Receipts  
 CHF Swiss Franc  
 CVR Contingent Value Rights  
 DKK Danish Krone  
 EC Escrow CUSIP; represents a beneficial interest in a residual pool of assets; the amount and timing of future distributions, if any, is uncertain; when presented, interest rate and maturity date are those of the original security.  
 EUR Euro  
 HKD Hong Kong Dollar  
 JPY Japanese Yen

**AFFILIATED COMPANIES**

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the year ended December 31, 2022. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

<b>Affiliate</b>	<b>Net Realized Gain (Loss)</b>	<b>Change in Net Unrealized Gain/Loss</b>	<b>Investment Income</b>
T. Rowe Price Government Reserve Fund, 4.30%	\$ —#	\$ —	\$ 39+

**Supplementary Investment Schedule**

<b>Affiliate</b>	<b>Value 12/31/21</b>	<b>Purchase Cost</b>	<b>Sales Cost</b>	<b>Value 12/31/22</b>
T. Rowe Price Government Reserve Fund, 4.30%	\$ 4,237	□	□	\$ 8,291^

# Capital gain distributions from underlying Price funds represented \$0 of the net realized gain (loss).

+ Investment income comprised \$39 of dividend income and \$0 of interest income.

✕ Purchase and sale information not shown for cash management funds.

^ The cost basis of investments in affiliated companies was \$8,291.

The accompanying notes are an integral part of these financial statements.



T. ROWE PRICE HEALTH SCIENCES PORTFOLIO

December 31, 2022

**STATEMENT OF ASSETS AND LIABILITIES**

(\$000s, except shares and per share amounts)

**Assets**

Investments in securities, at value (cost \$394,440)	\$	729,495
Receivable for investment securities sold		819
Receivable for shares sold		545
Dividends receivable		302
Foreign currency (cost \$6)		7
Other assets		280
Total assets		<u>731,448</u>

**Liabilities**

Payable for investment securities purchased		885
Investment management and administrative fees payable		632
Payable for shares redeemed		533
Other liabilities		118
Total liabilities		<u>2,168</u>

**NET ASSETS**

**\$ 729,280**

**Net Assets Consist of:**

Total distributable earnings (loss)	\$	326,711
Paid-in capital applicable to 13,717,558 shares of \$0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		<u>402,569</u>

**NET ASSETS**

**\$ 729,280**

**NET ASSET VALUE PER SHARE**

**Health Sciences Portfolio Class**

**(\$153,188,247 / 2,748,162 shares outstanding)**

**\$ 55.74**

**Health Sciences Portfolio - II Class**

**(\$576,091,312 / 10,969,396 shares outstanding)**

**\$ 52.52**

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF OPERATIONS**

(\$000s)

	Year Ended 12/31/22
<b>Investment Income (Loss)</b>	
Dividend income (net of foreign taxes of \$62)	\$ 5,235
Expenses	
Investment management and administrative expense	7,005
Rule 12b-1 fees Health Sciences Portfolio - II Class	1,455
Waived / paid by Price Associates	(74)
Net expenses	8,386
Net investment loss	(3,151)
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Securities	(1,752)
Foreign currency transactions	(27)
Net realized loss	(1,779)
Change in net unrealized gain / loss	
Securities	(108,569)
Other assets and liabilities denominated in foreign currencies	(3)
Change in net unrealized gain / loss	(108,572)
Net realized and unrealized gain / loss	(110,351)
<b>DECREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ (113,502)</b>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	Year Ended	
	12/31/22	12/31/21
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment loss	\$ (3,151)	\$ (5,007)
Net realized gain (loss)	(1,779)	55,812
Change in net unrealized gain / loss	(108,572)	50,150
Increase (decrease) in net assets from operations	(113,502)	100,955
Distributions to shareholders		
Net earnings		
Health Sciences Portfolio Class	(2,438)	(10,993)
Health Sciences Portfolio - II Class	(9,767)	(44,781)
Decrease in net assets from distributions	(12,205)	(55,774)
Capital share transactions*		
Shares sold		
Health Sciences Portfolio Class	17,783	21,515
Health Sciences Portfolio - II Class	73,001	91,432
Distributions reinvested		
Health Sciences Portfolio Class	2,438	10,993
Health Sciences Portfolio - II Class	9,767	44,781
Shares redeemed		
Health Sciences Portfolio Class	(20,386)	(23,724)
Health Sciences Portfolio - II Class	(110,415)	(93,947)
Increase (decrease) in net assets from capital share transactions	(27,812)	51,050
<b>Net Assets</b>		
Increase (decrease) during period	(153,519)	96,231
Beginning of period	882,799	786,568
<b>End of period</b>	<b>\$ 729,280</b>	<b>\$ 882,799</b>
*Share information (000s)		
Shares sold		
Health Sciences Portfolio Class	318	330
Health Sciences Portfolio - II Class	1,372	1,465
Distributions reinvested		
Health Sciences Portfolio Class	44	172
Health Sciences Portfolio - II Class	187	744
Shares redeemed		
Health Sciences Portfolio Class	(371)	(362)
Health Sciences Portfolio - II Class	(2,101)	(1,512)
Increase (decrease) in shares outstanding	(551)	837

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price Equity Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Health Sciences Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks long-term capital appreciation. Shares of the fund currently are offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies. The fund has two classes of shares: the Health Sciences Portfolio (Health Sciences Portfolio Class) and the Health Sciences Portfolio–II (Health Sciences Portfolio–II Class). Health Sciences Portfolio–II Class shares are sold through financial intermediaries, which it compensates for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation** The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

**Investment Transactions, Investment Income, and Distributions** Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from mutual fund investments are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class annually. A capital gain distribution, if any, may also be declared and paid by the fund annually.

**Currency Translation** Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

**Class Accounting** Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. Health Sciences Portfolio–II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

**Capital Transactions** Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

**New Accounting Guidance** In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, the fund opted to early adopt, as permitted, effective December 1, 2022. Adoption of the guidance did not have a material impact on the fund's financial statements.

**Indemnification** In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

## NOTE 2 - VALUATION

**Fair Value** The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the Valuation Designee's assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

**Valuation Techniques** Equity securities, including exchange-traded funds, listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities and the last quoted sale or closing price for international securities.

The last quoted prices of non-U.S. equity securities may be adjusted to reflect the fair value of such securities at the close of the NYSE, if the Valuation Designee determines that developments between the close of a foreign market and the close of the NYSE will affect the value of some or all of the fund's portfolio securities. Each business day, the Valuation Designee uses information from outside pricing services to evaluate the quoted prices of portfolio securities and, if appropriate, decide whether it is necessary to adjust quoted prices to reflect fair value by reviewing a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The Valuation Designee uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The Valuation Designee cannot predict how often it will use quoted prices and how often it will determine it necessary to adjust those prices to reflect fair value.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

**Valuation Inputs** The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on December 31, 2022 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
<b>Assets</b>				
Common Stocks	\$ 660,256	\$ 20,148	\$ 2,838	\$ 683,242
Convertible Preferred Stocks	—	—	33,708	33,708
Preferred Stocks	—	4,254	—	4,254
Short-Term Investments	8,291	—	—	8,291
<b>Total</b>	<b>\$ 668,547</b>	<b>\$ 24,402</b>	<b>\$ 36,546</b>	<b>\$ 729,495</b>

Following is a reconciliation of the fund's Level 3 holdings for the year ended December 31, 2022. Gain (loss) reflects both realized and change in unrealized gain/loss on Level 3 holdings during the period, if any, and is included on the accompanying Statement of Operations. The change in unrealized gain/loss on Level 3 instruments held at December 31, 2022, totaled \$(2,404,000) for the year ended December 31, 2022.

(\$000s)	Beginning Balance 12/31/21	Gain (Loss) During Period	Total Purchases	Total Sales	Ending Balance 12/31/22
<b>Investment in Securities</b>					
Common Stocks	\$ 2,755	\$ (925)	\$ 1,455	\$ (447)	\$ 2,838
Convertible Preferred Stocks	33,259	144	4,106	(3,801)	33,708
<b>Total</b>	<b>\$ 36,014</b>	<b>\$ (781)</b>	<b>\$ 5,561</b>	<b>\$ (4,248)</b>	<b>\$ 36,546</b>

In accordance with GAAP, the following table provides quantitative information about significant unobservable inputs used to determine the fair valuations of the fund's Level 3 assets, by class of financial instrument. Because the Valuation Designee considers a wide variety of factors and inputs, both observable and unobservable, in determining fair values, the unobservable inputs presented do not reflect all inputs significant to the fair value determination.

Investments in Securities	Value (000s)	Valuation Technique(s)+	Significant Unobservable Input(s)	Value or Range of Input(s)	Weighted Average of Input(s)*	Impact to Valuation from an Increase in Input**
Common Stocks	\$ 2,838	Recent comparable transaction price(s)	—#	—#	—#	—#
			Discount for uncertainty	5% - 78%	55%	Decrease
		Market comparable	Enterprise value to sales multiple	2.8x	2.8x	Increase
			Enterprise value to gross profit multiple	6.0x	6.0x	Increase
			Probability for alternate outcome	20% - 40%	30%	Decrease
			Discount for lack of marketability	10%	10%	Decrease
		Expected present value	Discount rate for cost of equity	12% - 25%	14%	Decrease
			Discount for regulatory uncertainty	29% - 100%	29%	Decrease
Convertible Preferred Stocks	\$ 33,708	Recent comparable transaction price(s)	—#	—#	—#	—#
			Premium for cumulative preferred dividend rights	3% - 8%	4%	Increase
			Discount for cumulative preferred dividend rights	2%	2%	Decrease
		Market comparable	Enterprise value to sales multiple	2.5x - 11.7x	4.9x	Increase
			Sales growth rate	(58%) - 266%	12%	Increase
			Enterprise value to gross profit multiple	8.5x - 10.2x	9.4x	Increase
			Gross profit growth rate	29%	29%	Increase
			Discount rate for cost of capital	30%	30%	Decrease
			Discount for lack of marketability	10%	10%	Decrease
		Estimated liquidation	Discount for lack of collectability	100%	100%	Decrease

- + Valuation techniques may change in order to reflect the Valuation Designee's judgment of current market participant assumptions.
- \* Unobservable inputs were weighted by the relative fair value of the instruments.
- \*\* Represents the directional change in the fair value of the Level 3 investment(s) that would have resulted from an increase in the corresponding input at period end. A decrease in the unobservable input would have had the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.
- # No quantitative unobservable inputs significant to the valuation technique were created by the Valuation Designee.

### NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

**Restricted Securities** The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

**When-Issued Securities** The fund enters into when-issued purchase or sale commitments, pursuant to which it agrees to purchase or sell, respectively, an authorized but not yet issued security for a fixed unit price, with payment and delivery not due until issuance of the security on a scheduled future date. When-issued securities may be new securities or securities issued through a corporate action, such as a reorganization or restructuring. Until settlement, the fund maintains liquid assets sufficient to settle its commitment to purchase a when-issued security or, in the case of a sale commitment, the fund maintains an entitlement to the security to be sold. Amounts realized on when-issued transactions are included in realized gain/loss on securities in the accompanying financial statements.

**Private Investments Issued by Special Purpose Acquisition Companies** Special purpose acquisition companies (SPACs) are shell companies that have no operations but are formed to raise capital with the intention of merging with or acquiring a company with the proceeds of the SPAC's initial public offering (IPO). The fund may enter into a contingent commitment with a SPAC to purchase private investments in public equity (PIPE) if and when the SPAC completes its merger or acquisition. The fund maintains liquid assets sufficient to settle its commitment to purchase the PIPE. However, if the commitment expires, then no shares are purchased. Purchased PIPE shares will be restricted from trading until the registration statement for the shares is declared effective. Upon registration, the shares can be freely sold; however, in certain circumstances, the issuer may have the right to temporarily suspend trading of the shares in the first year after the merger or acquisition. The securities issued by a SPAC may be considered illiquid, more difficult to value, and/or be subject to restrictions on resale.

**Other** Purchases and sales of portfolio securities other than short-term securities aggregated \$206,995,000 and \$256,530,000, respectively, for the year ended December 31, 2022.

### NOTE 4 - FEDERAL INCOME TAXES

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes.

The fund files U.S. federal, state, and local tax returns as required. The fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Capital accounts within the financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The permanent book/tax adjustments, if any, have no impact on results of operations or net assets. The permanent book/tax adjustments relate primarily to the current net operating loss.



The tax character of distributions paid for the periods presented was as follows:

(\$000s)	December 31, 2022	December 31, 2021
Ordinary income (including short-term capital gains, if any)	\$ 219	\$ 10,739
Long-term capital gain	11,986	45,035
<b>Total distributions</b>	<b>\$ 12,205</b>	<b>\$ 55,774</b>

At December 31, 2022, the tax-basis cost of investments (including derivatives, if any) and gross unrealized appreciation and depreciation were as follows:

(\$000s)	
Cost of investments	\$ 403,231
Unrealized appreciation	\$ 363,524
Unrealized depreciation	(37,254)
<b>Net unrealized appreciation (depreciation)</b>	<b>\$ 326,270</b>

At December 31, 2022, the tax-basis components of accumulated net earnings (loss) were as follows:

(\$000s)	
Undistributed long-term capital gain	\$ 735
Net unrealized appreciation (depreciation)	326,270
Loss carryforwards and deferrals	(294)
<b>Total distributable earnings (loss)</b>	<b>\$ 326,711</b>

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement purposes versus for tax purposes; these differences will reverse in a subsequent reporting period. The temporary differences relate primarily to the deferral of losses from wash sales and the realization of gains/losses on passive foreign investment companies. The loss carryforwards and deferrals primarily relate to late-year ordinary loss deferrals. The fund has elected to defer certain losses to the first day of the following fiscal year for late-year ordinary loss deferrals.

## NOTE 5 - FOREIGN TAXES

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Taxes attributable to income are accrued by the fund as a reduction of income. Current and deferred tax expense attributable to capital gains is reflected as a component of realized or change in unrealized gain/loss on securities in the accompanying financial statements. To the extent that the fund has country specific capital loss carryforwards, such carryforwards are applied against net unrealized gains when determining the deferred tax liability. Any deferred tax liability incurred by the fund is included in either Other liabilities or Deferred tax liability on the accompanying Statement of Assets and Liabilities.

**NOTE 6 - RELATED PARTY TRANSACTIONS**

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.95% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring, extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2023 to waive a portion of its management fee in order to limit the fund's management fee to 0.94% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price Associates by the fund. The total management fees waived were \$74,000 and allocated ratably in the amounts of \$15,000 and \$59,000 for the Health Sciences Portfolio Class and Health Sciences Portfolio-II Class, respectively, for the year ended December 31, 2022.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund (collectively, Price). Price Associates provides certain accounting and administrative services to the funds. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. Pursuant to the all-inclusive fee arrangement under the investment management and administrative agreement, expenses incurred by the funds pursuant to these service agreements are paid by Price Associates.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the year ended December 31, 2022, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the year ended December 31, 2022, this reimbursement amounted to \$12,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

**NOTE 7 - OTHER MATTERS**

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.

**Report of Independent Registered Public Accounting Firm**

**To the Board of Directors of T. Rowe Price Equity Series, Inc. and  
Shareholders of T. Rowe Price Health Sciences Portfolio**

**Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of T. Rowe Price Health Sciences Portfolio (one of the portfolios constituting T. Rowe Price Equity Series, Inc., referred to hereafter as the "Fund") as of December 31, 2022, the related statement of operations for the year ended December 31, 2022, the statement of changes in net assets for each of the two years in the period ended December 31, 2022, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2022 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2022 and the financial highlights for each of the five years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2022 by correspondence with the custodians, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Baltimore, Maryland  
February 10, 2023

We have served as the auditor of one or more investment companies in the T. Rowe Price group of investment companies since 1973.

## **TAX INFORMATION (UNAUDITED) FOR THE TAX YEAR ENDED 12/31/22**

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

The fund's distributions to shareholders included:

- \$219,000 from short-term capital gains
- \$11,986,000 from long-term capital gains, subject to a long-term capital gains tax rate of not greater than 20%

## **INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS**

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, [sec.gov](http://sec.gov).

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

## **HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS**

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website ([sec.gov](http://sec.gov)). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on [troweprice.com](http://troweprice.com).

**LIQUIDITY RISK MANAGEMENT PROGRAM**

In accordance with Rule 22e-4 (Liquidity Rule) under the Investment Company Act of 1940, as amended, the fund has established a liquidity risk management program (Liquidity Program) reasonably designed to assess and manage the fund's liquidity risk, which generally represents the risk that the fund would not be able to meet redemption requests without significant dilution of remaining investors' interests in the fund. The fund's Board of Directors (Board) has appointed the fund's investment adviser, T. Rowe Price Associates, Inc. (Adviser), as the administrator of the Liquidity Program. As administrator, the Adviser is responsible for overseeing the day-to-day operations of the Liquidity Program and, among other things, is responsible for assessing, managing, and reviewing with the Board at least annually the liquidity risk of each T. Rowe Price fund. The Adviser has delegated oversight of the Liquidity Program to a Liquidity Risk Committee (LRC), which is a cross-functional committee composed of personnel from multiple departments within the Adviser.

The Liquidity Program's principal objectives include supporting the T. Rowe Price funds' compliance with limits on investments in illiquid assets and mitigating the risk that the fund will be unable to timely meet its redemption obligations. The Liquidity Program also includes a number of elements that support the management and assessment of liquidity risk, including an annual assessment of factors that influence the fund's liquidity and the periodic classification and reclassification of a fund's investments into categories that reflect the LRC's assessment of their relative liquidity under current market conditions. Under the Liquidity Program, every investment held by the fund is classified at least monthly into one of four liquidity categories based on estimations of the investment's ability to be sold during designated time frames in current market conditions without significantly changing the investment's market value.

As required by the Liquidity Rule, at a meeting held on July 25, 2022, the Board was presented with an annual assessment prepared by the LRC, on behalf of the Adviser, that addressed the operation of the Liquidity Program and assessed its adequacy and effectiveness of implementation, including any material changes to the Liquidity Program and the determination of each fund's Highly Liquid Investment Minimum (HLIM). The annual assessment included consideration of the following factors, as applicable: the fund's investment strategy and liquidity of portfolio investments during normal and reasonably foreseeable stressed conditions, including whether the investment strategy is appropriate for an open-end fund, the extent to which the strategy involves a relatively concentrated portfolio or large positions in particular issuers, and the use of borrowings for investment purposes and derivatives; short-term and long-term cash flow projections covering both normal and reasonably foreseeable stressed conditions; and holdings of cash and cash equivalents, as well as available borrowing arrangements.

For the fund and other T. Rowe Price funds, the annual assessment incorporated a report related to a fund's holdings, shareholder and portfolio concentration, any borrowings during the period, cash flow projections, and other relevant data for the period of April 1, 2021, through March 31, 2022. The report described the methodology for classifying a fund's investments (including any derivative transactions) into one of four liquidity categories, as well as the percentage of a fund's investments assigned to each category. It also explained the methodology for establishing a fund's HLIM and noted that the LRC reviews the HLIM assigned to each fund no less frequently than annually.

During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program continues to operate adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

**ABOUT THE FUND'S DIRECTORS AND OFFICERS**

Your fund is overseen by a Board of Directors (Board) that meets regularly to review a wide variety of matters affecting or potentially affecting the fund, including performance, investment programs, compliance matters, advisory fees and expenses, service providers, and business and regulatory affairs. The Board elects the fund's officers, who are listed in the final table. The directors who are also employees or officers of T. Rowe Price are considered to be "interested" directors as defined in Section 2(a)(19) of the 1940 Act because of their relationships with T. Rowe Price and its affiliates. The business address of each director and officer is 100 East Pratt Street, Baltimore, Maryland 21202. The Statement of Additional Information includes additional information about the fund directors and is available without charge by calling a T. Rowe Price representative at 1-800-638-5660.

**INDEPENDENT DIRECTORS<sup>(a)</sup>**

<b>Name (Year of Birth) Year Elected [Number of T. Rowe Price Portfolios Overseen]</b>	<b>Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years</b>
Teresa Bryce Bazemore (1959) 2018 [205]	President and Chief Executive Officer, Federal Home Loan Bank of San Francisco (2021 to present); President, Radian Guaranty (2008 to 2017); Chief Executive Officer, Bazemore Consulting LLC (2018 to 2021); Director, Chimera Investment Corporation (2017 to 2021); Director, First Industrial Realty Trust (2020 to present); Director, Federal Home Loan Bank of Pittsburgh (2017 to 2019)
Ronald J. Daniels <sup>(b)</sup> (1959) 2018 [0]	President, The Johns Hopkins University and Professor, Political Science Department, The Johns Hopkins University (2009 to present); Director, Lyndhurst Holdings (2015 to present); Director, BridgeBio Pharma, Inc. (2020 to present)
Bruce W. Duncan (1951) 2013 [205]	President, Chief Executive Officer, and Director, CyrusOne, Inc. (2020 to 2021); Chief Executive Officer and Director (2009 to 2016), Chair of the Board (2016 to 2020), and President (2009 to 2016), First Industrial Realty Trust, owner and operator of industrial properties; Chair of the Board (2005 to 2016) and Director (1999 to 2016), Starwood Hotels & Resorts, a hotel and leisure company; Member, Investment Company Institute Board of Governors (2017 to 2019); Member, Independent Directors Council Governing Board (2017 to 2019); Senior Advisor, KKR (2018 to present); Director, Boston Properties (2016 to present); Director, Marriott International, Inc. (2016 to 2020)
Robert J. Gerrard, Jr. (1952) 2012 [205]	Advisory Board Member, Pipeline Crisis/Winning Strategies, a collaborative working to improve opportunities for young African Americans (1997 to 2016); Chair of the Board, all funds (July 2018 to present)
Paul F. McBride (1956) 2013 [205]	Advisory Board Member, Vizzia Technologies (2015 to present); Board Member, Dunbar Armored (2012 to 2018)
Kellye L. Walker <sup>(c)</sup> (1966) 2021 [205]	Executive Vice President and Chief Legal Officer, Eastman Chemical Company (April 2020 to present); Executive Vice President and Chief Legal Officer, Huntington Ingalls Industries, Inc. (January 2015 to March 2020); Director, Lincoln Electric Company (October 2020 to present)

<sup>(a)</sup>All information about the independent directors was current as of December 31, 2021, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

<sup>(b)</sup>Effective April 27, 2022, Mr. Daniels resigned from his role as an independent director of the Price Funds.

<sup>(c)</sup>Effective November 8, 2021, Ms. Walker was appointed as an independent director of the Price Funds.

**INTERESTED DIRECTORS<sup>(a)</sup>**

<b>Name (Year of Birth) Year Elected [Number of T. Rowe Price Portfolios Overseen]</b>	<b>Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years</b>
David Oestreicher (1967) 2018 [205]	Director, Vice President, and Secretary, T. Rowe Price, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., and T. Rowe Price Services, Inc.; Director and Secretary, T. Rowe Price Investment Management, Inc. (Price Investment Management); Vice President and Secretary, T. Rowe Price International (Price International); Vice President, T. Rowe Price Hong Kong (Price Hong Kong), T. Rowe Price Japan (Price Japan), and T. Rowe Price Singapore (Price Singapore); General Counsel, Vice President, and Secretary, T. Rowe Price Group, Inc.; Chair of the Board, Chief Executive Officer, President, and Secretary, T. Rowe Price Trust Company; Principal Executive Officer and Executive Vice President, all funds
Robert W. Sharps, CFA, CPA <sup>(b)</sup> (1971) 2017 [0]	Director and Vice President, T. Rowe Price; Director, Price Investment Management; Chief Executive Officer and President, T. Rowe Price Group, Inc.; Vice President, T. Rowe Price Trust Company
Eric L. Veiel, CFA (1972) 2022 [205]	Director and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company

<sup>(a)</sup>All information about the interested directors was current as of January 1, 2022, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

<sup>(b)</sup>Effective February 3, 2022, Mr. Sharps resigned from his role as an interested director of the Price Funds.

**OFFICERS**

<b>Name (Year of Birth) Position Held With Equity Series</b>	<b>Principal Occupation(s)</b>
Ziad Bakri, M.D., CFA (1980) Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Brian W.H. Berghuis, CFA (1958) Executive Vice President	Vice President, Price Investment Management, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Armando (Dino) Capasso (1974) Chief Compliance Officer	Chief Compliance Officer and Vice President, T. Rowe Price and Price Investment Management; Vice President, T. Rowe Price Group, Inc.; formerly, Chief Compliance Officer, PGIM Investments LLC and AST Investment Services, Inc. (ASTIS) (to 2022); Chief Compliance Officer, PGIM Retail Funds complex and Prudential Insurance Funds (to 2022); Vice President and Deputy Chief Compliance Officer, PGIM Investments LLC and ASTIS (to 2019); Senior Vice President and Senior Counsel, Pacific Investment Management Company LLC (to 2017)
Alan S. Dupski, CPA (1982) Principal Financial Officer, Vice President, and Treasurer	Vice President, Price Investment Management, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Gary J. Greb (1961) Vice President	Vice President, Price Investment Management, T. Rowe Price, Price International, and T. Rowe Price Trust Company
Paul D. Greene II (1978) Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Cheryl Hampton, CPA (1969) Vice President	Vice President, T. Rowe Price; formerly, Tax Director, Invesco Ltd. (to 2021); Vice President, Oppenheimer Funds, Inc. (to 2019)
Stephon Jackson, CFA (1962) Co-president	Vice President, T. Rowe Price
Benjamin Kersse, CPA (1989) Vice President	Vice President, T. Rowe Price
Paul J. Krug, CPA (1964) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
John D. Linehan, CFA (1965) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Joshua Nelson (1977) Co-president	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., Price International, and T. Rowe Price Trust Company
Fran M. Pollack-Matz (1961) Vice President and Secretary	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.
Shannon H. Rauser (1987) Assistant Secretary	Assistant Vice President, T. Rowe Price
Charles M. Shriver, CFA (1967) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., Price International, and T. Rowe Price Trust Company
Neil Smith (1972) Executive Vice President	Vice President, Price Hong Kong, Price Japan, Price Singapore, T. Rowe Price Group, Inc., and Price International
Toby M. Thompson, CAIA, CFA (1971) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., Price International, and T. Rowe Price Trust Company
John F. Wakeman (1962) Vice President	Vice President, Price Investment Management and T. Rowe Price Group, Inc.
Megan Warren (1968) Vice President	OFAC Sanctions Compliance Officer and Vice President, Price Investment Management; Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company
Justin P. White (1981) Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.

Unless otherwise noted, officers have been employees of T. Rowe Price or Price International for at least 5 years.

# T.RowePrice®

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*Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.*