



**T.RowePrice**

**ANNUAL REPORT**

December 31, 2023

T. ROWE PRICE

# Institutional Small-Cap Stock Fund

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## HIGHLIGHTS

- The Institutional Small-Cap Stock Fund advanced and outperformed the Russell 2000 Index, as major U.S. stock indexes produced strong gains and rebounded from weaker performance in 2022.
- Stock selection in the health care, industrials and business services, and consumer discretionary sectors were notably strong, while the financials sector was the most significant detractor due to our stock choices.
- Bottom-up stock selection continued to drive our portfolio positioning. We sought companies that are attempting to solve hard problems, believing that they will be successful regardless of the macro environment.
- We maintain conviction in our investment process, remain focused on identifying the advantaged companies across our universe that offer relative value, and believe that our fundamental and patient approach will provide strong long-term results.

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## Dear Investor

Global stock and bond indexes were broadly positive during 2023 as most economies managed to avoid the recession that was widely predicted at the start of the year. Technology companies benefited from investor enthusiasm for artificial intelligence developments and led the equity rally, while fixed income benchmarks rebounded late in the year amid falling interest rates.

For the 12-month period, the technology-oriented Nasdaq Composite Index rose about 43%, reaching a record high and producing the strongest result of the major benchmarks. Growth stocks outperformed value shares, and developed market stocks generally outpaced their emerging markets counterparts. Currency movements were mixed over the period, although a weaker dollar versus major European currencies was beneficial for U.S. investors in European securities.

Within the S&P 500 Index, which finished the year just short of the record level it reached in early 2022, the information technology, communication services, and consumer discretionary sectors were all lifted by the tech rally and recorded significant gains. A small group of tech-oriented mega-cap companies helped drive much of the market's advance. Conversely, the defensive utilities sector had the weakest returns in the growth-focused environment, and the energy sector also lost ground amid declining oil prices. The financials sector bounced back from the failure of three large regional banks in the spring and was one of the top-performing segments in the second half of the year.

The U.S. economy was the strongest among the major markets during the period, with gross domestic product growth coming in at 4.9% in the third quarter, the highest since the end of 2021. Corporate fundamentals were also broadly supportive. Year-over-year earnings growth contracted in the first and second quarters of 2023, but results were better than expected, and earnings growth turned positive again in the third quarter. Markets remained resilient despite a debt ceiling standoff in the U.S., the outbreak of war in the Middle East, the continuing conflict between Russia and Ukraine, and a sluggish economic recovery in China.

Inflation remained a concern, but investors were encouraged by the slowing pace of price increases as well as the possibility that the Federal Reserve was nearing the end of its rate-hiking cycle. The Fed held rates steady after raising its short-term lending benchmark rate to a target range of 5.25% to 5.50% in July, the highest level since March 2001, and at its final meeting of the year in December, the central bank indicated that there could be three 25-basis-point rate cuts in 2024.

The yield of the benchmark 10-year U.S. Treasury note briefly reached 5.00% in October for the first time since late 2007 before falling back to 3.88% by period-end, the same level where it started the year, amid cooler-than-expected inflation readings and less-hawkish Fed rhetoric. Fixed income benchmarks were lifted late in the year by falling yields. Investment-grade and high yield corporate bonds produced solid returns, supported by the higher coupons that have become available over the past year, as well as increasing hopes that the economy might be able to avoid a recession.

Global economies and markets showed surprising resilience in 2023, but considerable uncertainty remains as we look ahead. Geopolitical events, the path of monetary policy, and the impact of the Fed's rate hikes on the economy all raise the potential for additional volatility. 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 help 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 to provide long-term capital growth by investing primarily in stocks of small companies.

## FUND COMMENTARY

### How did the fund perform in the past 12 months?

The Institutional Small-Cap Stock Fund returned 17.55% for 2023. The fund outperformed the Russell 2000 Index but underperformed its Lipper peer group. Lipper currently classifies the fund as a small-cap growth portfolio, but we have not changed our investment approach. The fund outperformed the Lipper Small-Cap Core Funds Index. *(Past performance cannot guarantee future results.)*

### PERFORMANCE COMPARISON

Periods Ended 12/31/23	Total Return	
	6 Months	12 Months
Institutional Small-Cap Stock Fund	8.02%	17.55%
Russell 2000 Index	8.18	16.93
Lipper Small-Cap Core Funds Index	8.96	16.15
Lipper Small-Cap Growth Funds Index	5.93	18.36
S&P 500 Index	8.04	26.29

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

The health care sector added value due to stock choices, led by two names boosted by acquisition announcements. Shares of Abcam, a producer and distributor of research-grade antibodies, spiked in the period on news that the company would be acquired by Danaher. Shares of clinical-stage biopharmaceutical company Karuna Therapeutics also surged following an announcement that Bristol-Myers Squibb is expected to acquire the company. Blueprint Medicines is a commercial-stage biotechnology company focused on developing precision small molecule treatments for cancer. Shares rose sharply late in the period following news that sales exceeded estimates for its Aykavit medicine, which is primarily used for patients with indolent systemic mastocytosis (ISM). The company has also released positive news regarding elenestininib, a KIT D816V inhibitor that also treats ISM. Recent data seemingly confirming that Blueprint's dominance relative to a competitor within the ISM market further boosted shares.

Stock choices in the industrials and business services sector contributed, most notably our holdings in less-than-truckload (LTL) company Saia and Ingersoll Rand, a maker of industrial pumps, compressors, and other flow control products. LTL is a shipping service for relatively small loads that don't require a full truckload trailer. Both companies executed well during the year, and we trimmed our stakes on strength.

Stock selection in the consumer discretionary sector boosted relative results, especially our holding in Cava, the largest Mediterranean restaurant company in the U.S. We first invested in Cava while the company was still private, and shares performed well following the company's initial public offering. We like the company's concept, management's ability to execute, and the potential for continued margin expansion as the brand scales. Duolingo, an educational mobile app focused on language learning, was another strong performer. Duolingo has experienced strong subscriber and revenue growth while maintaining cost discipline and has consistently exceeded market expectations. Solid execution and favorable customer traffic trends amid a supportive closeout environment aided shares of Ollie's Bargain Outlet Holdings. We have a positive long-term view of Ollie's given its strong customer value proposition and its long runway for unit growth.

On the negative side, the regional banking turmoil in March weighed on some of our holdings in the financials sector. The closure of Signature Bank, announced by regulators on March 12, 2023, marks the fourth-largest bank failure in U.S. history. Signature Bank's weakness appeared to reflect concerns about its exposure to the U.S. dollar-denominated operating deposits of companies involved in cryptocurrency and other digital assets. The bank's customer concentration within the highly connected New York real estate market also likely led to the pace of withdrawals resulting in its collapse. Our out-of-benchmark exposure to the company weighed on relative performance. Similarities to Silicon Valley Bank, including some exposure to the tech and innovation sector, sparked a large outflow of deposits at Western Alliance Bancorporation, a large community bank operating in California, Nevada, and Arizona. The company has since rebounded from oversold conditions.

The energy sector also detracted, due mainly to stock selection, but an underweight allocation also hindered returns. Shares of Devon Energy declined due to weaker execution relative to peers, who raised production guidance with less capital expenditure while Devon maintained both production and capex guidance.

### How is the fund positioned?

Bottom-up stock selection continued to drive our portfolio positioning. We sought companies that are attempting to solve hard problems, believing that they will be successful regardless of the macro environment. The industrials and business services sector represents our largest sector allocation and overweight versus the benchmark. We found opportunities across the various sectors, but some of our largest purchases occurred within energy, where we narrowed our underweight. On the other hand, we sold holdings that were acquired, that performed well, or in which our conviction has begun to wane, and we used proceeds to fund names that have come under pressure.

The industrials and business services sector has been an investment focus for multiple years. Generally, we look for companies with durable businesses and strong management teams, a history of strong execution, quality lean production, and a focus on shareholder value. We tend to find opportunities in companies with niche products that service growing end markets. Our top holding in the sector, although we did trim to manage the position size, is Ingersoll Rand, mentioned earlier. The company was formed by the 2020 merger of Gardner Denver and the industrial division of Ingersoll Rand, a deal that left the combined company with a significant margin improvement opportunity. We believe the company has a best-in-class management team, a compelling combination of solid underlying businesses with secular tailwinds, and the ability to generate organic growth from share gains and mergers and acquisitions. Another large position was in Saia, a less-than-truckload company benefiting from an improving industry backdrop. Additionally, the company is seen to be a benefactor of competitor Yellow's bankruptcy. Saia is expanding its footprint and has been investing for future growth, which should flow through to shareholder returns over time.

Within the energy sector, we seek selective exposure to high-quality, low-cost producers with attractive acreage for production and the ability to withstand sector headwinds. A pullback in the sector, as gas and oil prices declined, created compelling entry points in companies including onshore exploration and production names Range Resources and Southwestern Energy. We believe these companies will benefit from a favorable natural gas outlook. We also added a position in global oil field service and equipment company TechnipFMC, the clear market leader in the subsea segment. We believe increased offshore spending will lead to accelerating cash flows and significant margin improvement. On the sale side, we exited Devon Energy, which had moved beyond our market capitalization, and Patterson-UTI Energy in favor of those higher-conviction names.

Other large sales included trimming longtime holdings Lattice Semiconductor and Ollie's Bargain Outlet Holdings on strength following share price appreciation and the merger-driven eliminations of health care companies Abcam and Prometheus Biosciences. Rounding out top trades, we also exited software company SS&C Technologies on market capitalization considerations.

#### SECTOR DIVERSIFICATION

	Percent of Net Assets	
	6/30/23	12/31/23
Industrials and Business Services	17.9%	19.5%
Health Care	19.2	17.4
Financials	14.0	15.7
Information Technology	12.9	13.4
Consumer Discretionary	12.6	11.5
Energy	4.8	6.0
Real Estate	5.3	5.2
Materials	3.7	4.1
Utilities	3.0	2.8
Consumer Staples	3.8	2.8
Communication Services	0.2	0.6
Other and Reserves	2.6	1.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Historical weightings reflect current industry/sector classifications.

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

Arguably the most significant factor affecting the U.S. economy throughout the year was rising interest rates in response to elevated inflation. The Federal Reserve raised short-term interest rates four times through the end of July, lifting the fed funds target rate to the 5.25% to 5.50% range. However, equities rallied in the fourth quarter as longer-term interest rates fell sharply in response to weaker-than-expected inflation and labor market data and also as Fed officials projected at their mid-December policy meeting that there could be three quarter-point interest rate cuts in 2024. We had believed for some time that the market was seeking a reason to run, and it finally came to pass as the year concluded.

We do see some economic green shoots, but we remain cautious on the economy as well as small-cap fundamentals more broadly. The first quarter of 2024 brings an earnings season that could potentially derail the rally if results do not meet the lofty expectations that the market has now priced in. It is also not clear to us that the Fed will reduce rates to the extent the market expects, and if those expectations are not met, we could see weakness in small-cap stocks. The domestic political and geopolitical environments remain volatile, and we are heading into what will likely be a highly contentious 2024 presidential election. While we monitor these macroeconomic factors, we do not make top-down adjustments to the portfolio in response. We maintain conviction in our investment process, remain focused on identifying the advantaged companies across our universe that offer relative value, and believe that our fundamental and patient approach will provide strong long-term results.

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 INVESTING IN THE INSTITUTIONAL SMALL-CAP STOCK FUND

Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising and falling prices. The value of a stock in which the fund invests may decline due to general weakness in the U.S. stock market, such as when the U.S. financial markets decline, or because of factors that affect a particular company or industry.

Because the fund may hold stocks with either growth or value characteristics, it could underperform other stock funds that take a strictly growth or value approach to investing when one style is currently in favor. Growth stocks tend to be more volatile than the overall stock market and can have sharp price declines as a result of earnings disappointments. Value stocks carry the risk that the market will not recognize their intrinsic value or that they are actually appropriately priced at a low level.

Because the fund invests primarily in securities issued by small-cap companies, it is likely to be more volatile than a fund that focuses on securities issued by larger companies. Small companies often have less experienced management, narrower product lines, more limited financial resources, and less publicly available information than larger companies. In addition, smaller companies are typically more sensitive to changes in overall economic conditions, and their securities may be difficult to trade.

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## BENCHMARK INFORMATION

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**TWENTY-FIVE LARGEST HOLDINGS**

	<b>Percent of Net Assets 12/31/23</b>
Cava Group	1.5%
Ingersoll Rand	1.3
Element Solutions	1.1
EastGroup Properties	1.1
Burlington Stores	1.0
BellRing Brands	1.0
PennyMac Financial Services	1.0
Selective Insurance Group	1.0
FirstService	1.0
RBC Bearings	0.9
Diamondback Energy	0.9
Saia	0.9
Federal Signal	0.9
Entegris	0.9
Papa John's International	0.9
Molina Healthcare	0.9
PAR Technology	0.9
Teledyne Technologies	0.8
Onto Innovation	0.8
Karuna Therapeutics	0.8
Descartes Systems Group	0.8
SPX Technologies	0.8
DoubleVerify Holdings	0.8
Cboe Global Markets	0.8
AZZ	0.8
<b>Total</b>	<b>23.6%</b>

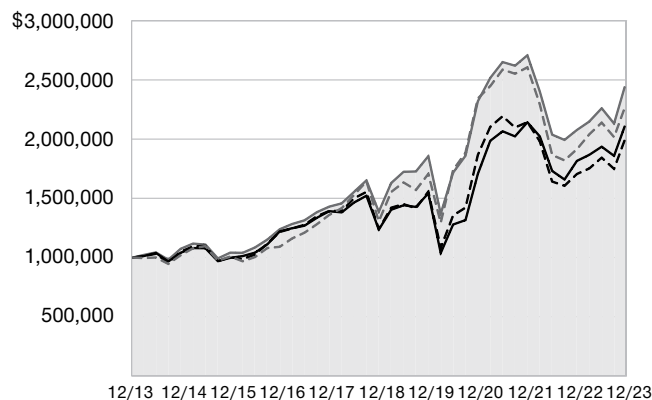
Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.



## GROWTH OF \$1 MILLION

This chart shows the value of a hypothetical \$1 million investment in the fund over the past 10 fiscal year periods or since inception (for funds 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.

### INSTITUTIONAL SMALL-CAP STOCK FUND



As of 12/31/23

—	Institutional Small-Cap Stock Fund	\$2,444,413
---	Russell 2000 Index	1,995,906
—	Lipper Small-Cap Core Funds Index	2,111,573
---	Lipper Small-Cap Growth Funds Index	2,268,681

## AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 12/31/23	1 Year	5 Years	10 Years
Institutional Small-Cap Stock Fund	17.55%	12.01%	9.35%

*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 1-800-638-8790.*

This table shows how the fund 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. Returns do not reflect taxes that the shareholder may pay on distributions or the redemption of shares. When assessing performance, investors should consider both short- and long-term returns.

## EXPENSE RATIO

Institutional Small-Cap Stock Fund	0.66%
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The expense ratio shown is as of the fund's most recent prospectus. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, includes acquired fund fees and expenses but does not include fee or expense waivers.

## 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.

### 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)****INSTITUTIONAL SMALL-CAP STOCK FUND**

	<b>Beginning Account Value 7/1/23</b>	<b>Ending Account Value 12/31/23</b>	<b>Expenses Paid During Period* 7/1/23 to 12/31/23</b>
Actual	\$1,000.00	\$1,080.20	\$3.46
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.88	3.36

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.66%), 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.

## FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Year Ended				
	12/31/23	12/31/22	12/31/21	12/31/20	12/31/19
<b>NET ASSET VALUE</b>					
Beginning of period	\$ 23.90	\$ 32.85	\$ 30.62	\$ 25.61	\$ 20.30
Investment activities					
Net investment income <sup>(1)(2)</sup>	0.09	0.06	0.01	0.05	0.04
Net realized and unrealized gain/loss	4.10	(7.73)	5.02	6.35	6.84
Total from investment activities	4.19	(7.67)	5.03	6.40	6.88
Distributions					
Net investment income	(0.12)	(0.05)	(0.02)	(0.05)	(0.04)
Net realized gain	(1.34)	(1.23)	(2.78)	(1.34)	(1.53)
Total distributions	(1.46)	(1.28)	(2.80)	(1.39)	(1.57)
<b>NET ASSET VALUE</b>					
End of period	\$ 26.63	\$ 23.90	\$ 32.85	\$ 30.62	\$ 25.61
<b>Ratios/Supplemental Data</b>					
Total return <sup>(2)(3)</sup>	17.55%	(23.31)%	16.77%	25.00%	33.96%
Ratios to average net assets: <sup>(2)</sup>					
Gross expenses before waivers/payments by Price Associates	0.66%	0.66%	0.66%	0.66%	0.66%
Net expenses after waivers/payments by Price Associates	0.66%	0.66%	0.66%	0.66%	0.66%
Net investment income	0.37%	0.21%	0.02%	0.19%	0.17%
Portfolio turnover rate	26.2%	25.1%	18.9%	22.6%	28.7%
Net assets, end of period (in millions)	\$ 4,401	\$ 4,479	\$ 6,158	\$ 6,164	\$ 5,645

<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.

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

December 31, 2023

PORTFOLIO OF INVESTMENTS†	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>COMMON STOCKS 96.8%</b>		
<b>COMMUNICATION SERVICES 0.6%</b>		
<b>Entertainment 0.4%</b>		
Liberty Media Corp-Liberty Live, Class C (1)	469,445	17,553
		17,553
<b>Interactive Media &amp; Services 0.2%</b>		
Vimeo (1)	2,299,600	9,014
		9,014
Total Communication Services		26,567
<b>CONSUMER DISCRETIONARY 11.4%</b>		
<b>Automobiles 0.4%</b>		
Rivian Automotive, Class A (1)	664,306	15,585
		15,585
<b>Broadline Retail 0.8%</b>		
Kohl's	309,888	8,887
Ollie's Bargain Outlet Holdings (1)	281,350	21,352
Savers Value Village (1)	275,088	4,781
		35,020
<b>Diversified Consumer Services 1.9%</b>		
Bright Horizons Family Solutions (1)	291,669	27,487
Clear Secure, Class A	639,413	13,204
Duolingo (1)	90,501	20,530
Rover Group, Acquisition Date: 8/2/21, Cost \$— (1)(2)(3)	361,837	—
Strategic Education	245,437	22,671
		83,892
<b>Hotels, Restaurants &amp; Leisure 4.6%</b>		
BJ's Restaurants (1)	500,353	18,018
Cava Group (1)	1,485,560	63,849
Chuy's Holdings (1)	323,243	12,358
Dutch Bros, Class A (1)	535,470	16,958
Jack in the Box	112,100	9,151
Papa John's International	501,341	38,217
Red Rock Resorts, Class A	270,798	14,442
Torchys Holdings, Class A, Acquisition Date: 11/13/20, Cost \$17,606 (1)(2)(3)(4)	2,059,233	11,161
Wyndham Hotels & Resorts	210,763	16,947
		201,101
<b>Household Durables 0.8%</b>		
Installed Building Products	69,800	12,761
Skyline Champion (1)	311,068	23,100
		35,861
<b>Specialty Retail 2.6%</b>		
Burlington Stores (1)	231,025	44,930
Caleres	426,400	13,103
Five Below (1)	70,164	14,956
Floor & Decor Holdings, Class A (1)	54,295	6,057
Monro	460,888	13,523
RH (1)	29,162	8,500
Warby Parker, Class A (1)	1,061,626	14,969
		116,038

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>		
Skechers USA, Class A (1)	242,577	15,122
		15,122
Total Consumer Discretionary		502,619
<b>CONSUMER STAPLES 2.9%</b>		
<b>Beverages 0.7%</b>		
Boston Beer, Class A (1)	81,553	28,184
Coca-Cola Consolidated	421	391
		28,575
<b>Food Products 1.2%</b>		
Farmers Business Network, Acquisition Date: 11/3/17, Cost \$6,258 (1)(2)(3)	338,911	1,769
Post Holdings (1)	232,767	20,497
Simply Good Foods (1)	262,866	10,410
TreeHouse Foods (1)	139,402	5,778
Utz Brands	770,874	12,519
		50,973
<b>Personal Care Products 1.0%</b>		
BellRing Brands (1)	799,799	44,333
		44,333
Total Consumer Staples		123,881
<b>ENERGY 5.5%</b>		
<b>Energy Equipment &amp; Services 1.8%</b>		
ChampionX	684,261	19,987
Expro Group Holdings (1)	594,056	9,457
Liberty Energy	1,162,541	21,089
NOV	640,200	12,983
TechnipFMC	866,007	17,442
		80,958
<b>Oil, Gas &amp; Consumable Fuels 3.7%</b>		
Diamondback Energy	259,714	40,277
DT Midstream	265,900	14,571
Kimbell Royalty Partners	497,226	7,483
Magnolia Oil & Gas, Class A	973,513	20,726
Matador Resources	206,900	11,764
Range Resources	1,075,800	32,747
SM Energy	220,800	8,550
Southwestern Energy (1)	4,009,857	26,265
		162,383
Total Energy		243,341
<b>FINANCIALS 15.6%</b>		
<b>Banks 8.4%</b>		
BankUnited	467,213	15,152
Blue Foundry Bancorp (1)	379,000	3,665
Cadence Bank	642,596	19,014
Capitol Federal Financial	1,369,413	8,833
Columbia Banking System	744,300	19,858
CRB Group, Acquisition Date: 4/14/22, Cost \$1,368 (1)(2)(3)	13,013	950
CrossFirst Bankshares (1)	611,395	8,303
Dime Community Bancshares	430,118	11,583

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Dogwood State Bank, Non-Voting Shares, Acquisition Date: 5/6/19, Cost \$1,511 (1)(2)(3)	151,114	2,652
Dogwood State Bank, Voting Shares, Acquisition Date: 5/6/19, Cost \$742 (1)(2)(3)	74,220	1,303
Dogwood State Bank, Warrants, 5/6/24, Acquisition Date: 5/6/19, Cost \$— (1)(2)(3)	22,533	177
East West Bancorp	408,477	29,390
Eastern Bankshares	698,400	9,917
Equity Bancshares, Class A	328,332	11,130
FB Financial	373,389	14,879
First Bancshares	416,332	12,211
Five Star Bancorp	298,457	7,814
Grasshopper Bancorp, Acquisition Date: 10/12/18 - 5/2/19, Cost \$2,456 (1)(2)(3)	245,627	737
Grasshopper Bancorp, Warrants, 10/12/28, Acquisition Date: 10/12/18, Cost \$— (1)(2)(3)	47,055	15
HarborOne Bancorp	249,630	2,991
Heritage Commerce	694,694	6,891
Home BancShares	463,329	11,736
Kearny Financial	736,600	6,607
Live Oak Bancshares	541,005	24,616
Origin Bancorp	507,766	18,061
Pacific Premier Bancorp	441,359	12,848
Pinnacle Financial Partners	288,806	25,190
Popular	146,929	12,058
Prosperity Bancshares	53,700	3,637
SouthState	307,678	25,983
Texas Capital Bancshares (1)	213,999	13,831
Veritex Holdings	455,070	10,589
Western Alliance Bancorp	273,782	18,012
		370,633
<b>Capital Markets 1.7%</b>		
Cboe Global Markets	187,622	33,502
P10, Class A	1,121,773	11,464
StepStone Group, Class A	436,434	13,892
TMX Group (CAD)	635,355	15,368
		74,226
<b>Consumer Finance 0.4%</b>		
Encore Capital Group (1)	230,331	11,690
PRA Group (1)	237,644	6,226
		17,916
<b>Financial Services 1.3%</b>		
PennyMac Financial Services	497,659	43,978
Toast, Class A (1)	660,988	12,070
		56,048
<b>Insurance 3.8%</b>		
Assurant	182,602	30,767
Axis Capital Holdings	539,140	29,852
First American Financial	353,989	22,811
Hanover Insurance Group	184,261	22,373
RLI	33,900	4,513
Selective Insurance Group	435,205	43,294

	Shares/Par	\$ Value
(Cost and value in \$000s)		
White Mountains Insurance Group	9,300	13,996
		167,606
Total Financials		686,429
<b>HEALTH CARE 16.0%</b>		
<b>Biotechnology 7.7%</b>		
Agius Pharmaceuticals (1)	198,600	4,423
Apellis Pharmaceuticals (1)	508,152	30,418
Arcellx (1)	176,800	9,812
Argenx, ADR (1)	58,320	22,187
Ascendis Pharma, ADR (1)	229,531	28,910
Avid Bioservices (1)	886,483	5,762
Blueprint Medicines (1)	202,499	18,679
Bridgebio Pharma (1)	216,106	8,724
Cabaletta Bio (1)	200,126	4,543
Crinetics Pharmaceuticals (1)	363,951	12,949
CRISPR Therapeutics (1)	125,883	7,880
Cytokinetics (1)	314,052	26,220
HilleVax (1)	151,854	2,437
Icosavax (1)	322,039	5,075
Immatics (1)	367,638	3,871
Immunocore Holdings, ADR (1)	80,300	5,486
Insmid (1)	731,849	22,680
Ionis Pharmaceuticals (1)	350,071	17,710
Karuna Therapeutics (1)	112,307	35,546
Kymera Therapeutics (1)	129,514	3,298
Leap Therapeutics, Acquisition Date: 9/28/20, Cost \$121 (1)(3)	9,500	36
MacroGenics (1)	523,376	5,035
MoonLake Immunotherapeutics (1)	168,064	10,149
MorphoSys, ADR (1)	798,013	7,900
RAPT Therapeutics (1)	218,507	5,430
Scholar Rock, Warrants, 12/31/25, Acquisition Date: 6/17/22, Cost \$— (1)(3)	45,404	590
Syndax Pharmaceuticals (1)	230,229	4,975
Vaxcyte (1)	230,406	14,470
Verve Therapeutics (1)	372,605	5,194
Xenon Pharmaceuticals (1)	121,769	5,609
Zentalis Pharmaceuticals (1)	230,092	3,486
		339,484
<b>Health Care Equipment &amp; Supplies 2.7%</b>		
ICU Medical (1)	90,799	9,056
Masimo (1)	247,531	29,013
Neogen (1)	991,762	19,944
Outset Medical (1)	681,089	3,685
Pax Labs, Class A, Acquisition Date: 4/18/19, Cost \$7,145 (1)(2)(3)	1,897,440	759
Penumbra (1)	14,558	3,662
PROCEPT BioRobotics (1)	707,384	29,647
QuidelOrtho (1)	285,017	21,006
		116,772
<b>Health Care Providers &amp; Services 2.6%</b>		
Alignment Healthcare (1)	1,361,386	11,722
Guardant Health (1)	239,031	6,466
Molina Healthcare (1)	105,240	38,024

	Shares/Par	\$ Value
(Cost and value in \$000s)		
NeoGenomics (1)	1,360,680	22,016
Privia Health Group (1)	1,012,264	23,312
U.S. Physical Therapy	134,888	12,563
		114,103
<b>Health Care Technology 0.2%</b>		
Certara (1)	525,977	9,252
		9,252
<b>Life Sciences Tools &amp; Services 1.9%</b>		
10X Genomics, Class A (1)	231,295	12,943
Azenta (1)	68,956	4,492
Bruker	424,863	31,219
Pacific Biosciences of California (1)	1,402,990	13,763
Repligen (1)	65,232	11,729
Sotera Health (1)	656,953	11,070
		85,216
<b>Pharmaceuticals 0.9%</b>		
Catalent (1)	316,124	14,203
Elanco Animal Health (1)	935,300	13,936
EyePoint Pharmaceuticals (1)	170,599	3,943
Structure Therapeutics, ADR (1)	184,167	7,507
		39,589
Total Health Care		704,416
<b>INDUSTRIALS &amp; BUSINESS SERVICES 18.6%</b>		
<b>Aerospace &amp; Defense 0.3%</b>		
Bombardier, Class B (CAD) (1)	175,625	7,052
Cadre Holdings	194,579	6,400
		13,452
<b>Building Products 2.0%</b>		
AAON	175,300	12,949
AZZ	569,151	33,062
CSW Industrials	123,020	25,516
Zurn Elkay Water Solutions	572,841	16,847
		88,374
<b>Commercial Services &amp; Supplies 1.9%</b>		
Casella Waste Systems, Class A (1)	253,058	21,627
Rentokil Initial (GBP)	3,051,010	17,196
Stericycle (1)	323,187	16,017
Tetra Tech	90,504	15,108
VSE	228,974	14,794
		84,742
<b>Construction &amp; Engineering 0.6%</b>		
Arcosa	148,900	12,305
WillScot Mobile Mini Holdings (1)	348,886	15,525
		27,830
<b>Electrical Equipment 0.2%</b>		
Thermon Group Holdings (1)	226,975	7,393
		7,393
<b>Ground Transportation 1.3%</b>		
Convoy, Warrants, 3/15/33, Acquisition Date: 3/24/23, Cost \$— (1) (2)(3)	51,254	—
Landstar System	81,478	15,778

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Saia (1)	91,649	40,163
		55,941
<b>Machinery 8.3%</b>		
ATS (1)	105,676	4,552
Crane	128,200	15,146
Enerpac Tool Group	709,942	22,072
Enpro	106,055	16,623
Esab	188,426	16,322
ESCO Technologies	160,842	18,823
Federal Signal	508,806	39,046
Graco	246,983	21,428
Helios Technologies	265,761	12,052
Ingersoll Rand	721,063	55,767
John Bean Technologies	196,852	19,577
Marel (ISK)	1,195,327	4,146
Mueller Water Products, Class A	1,254,257	18,061
RBC Bearings (1)	143,014	40,743
Spirax-Sarco Engineering (GBP)	79,805	10,678
SPX Technologies (1)	337,405	34,081
Toro	147,191	14,129
		363,246
<b>Passenger Airlines 0.2%</b>		
Allegiant Travel	127,977	10,572
		10,572
<b>Professional Services 2.0%</b>		
Booz Allen Hamilton Holding	72,473	9,270
Checkr, Acquisition Date: 6/29/18 - 12/2/19, Cost \$2,271 (1)(2)(3)	291,546	1,574
Clarivate (1)	1,475,680	13,665
Legalzoom.com (1)	680,312	7,687
NV5 Global (1)	47,163	5,241
Parsons (1)	485,131	30,423
Paycor HCM (1)	919,332	19,848
		87,708
<b>Trading Companies &amp; Distributors 1.8%</b>		
Beacon Roofing Supply (1)	294,195	25,601
Rush Enterprises, Class A	368,362	18,529
SiteOne Landscape Supply (1)	202,366	32,884
		77,014
Total Industrials & Business Services		816,272
<b>INFORMATION TECHNOLOGY 12.6%</b>		
<b>Electronic Equipment, Instruments &amp; Components 4.3%</b>		
Cognex	105,900	4,420
CTS	354,480	15,505
Littelfuse	87,060	23,294
Mirion Technologies (1)	2,394,180	24,540
Napco Security Technologies	323,906	11,094
Novanta (1)	106,745	17,977
PAR Technology (1)	866,680	37,735
Teledyne Technologies (1)	83,404	37,222
Vontier	533,529	18,434
		190,221



	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>IT Services 0.1%</b>		
ServiceTitan, Acquisition Date: 11/9/18 - 5/4/21, Cost \$582 (1)(2)(3)	12,412	905
Themis Solutions, Acquisition Date: 4/14/21, Cost \$1,603 (1)(2)(3)	71,410	1,397
		2,302
<b>Semiconductors &amp; Semiconductor Equipment 3.5%</b>		
Allegro MicroSystems (1)	360,100	10,900
Entegris	319,991	38,341
Lattice Semiconductor (1)	462,844	31,932
MACOM Technology Solutions Holdings (1)	302,183	28,088
Onto Innovation (1)	236,914	36,224
Power Integrations	110,973	9,112
		154,597
<b>Software 4.7%</b>		
Agilysys (1)	179,664	15,239
Altair Engineering, Class A (1)	194,600	16,376
Amplitude, Class A (1)	1,272,388	16,185
Braze, Class A (1)	112,200	5,961
Descartes Systems Group (1)	405,855	34,116
DoubleVerify Holdings (1)	922,706	33,937
Envestnet (1)	275,646	13,650
Five9 (1)	269,438	21,202
Manhattan Associates (1)	65,484	14,100
Model N (1)	234,700	6,321
Socure, Acquisition Date: 12/22/21, Cost \$1,200 (1)(2)(3)	74,692	467
Workiva (1)	273,951	27,814
		205,368
Total Information Technology		552,488
<b>MATERIALS 3.5%</b>		
<b>Chemicals 2.0%</b>		
Element Solutions	2,179,967	50,445
HB Fuller	147,341	11,995
Quaker Chemical	112,249	23,956
		86,396
<b>Metals &amp; Mining 1.3%</b>		
Constellium (1)	1,556,315	31,064
ERO Copper (CAD) (1)	666,872	10,544
Haynes International	311,405	17,765
		59,373
<b>Paper &amp; Forest Products 0.2%</b>		
West Fraser Timber (CAD)	117,932	10,089
		10,089
Total Materials		155,858
<b>REAL ESTATE 5.2%</b>		
<b>Health Care Real Estate Investment Trusts 0.2%</b>		
Community Healthcare Trust, REIT	13,156	351
Healthcare Realty Trust, REIT	503,800	8,680
		9,031

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>Industrial Real Estate Investment Trusts 1.9%</b>		
EastGroup Properties, REIT	253,209	46,474
Rexford Industrial Realty, REIT	464,844	26,078
Terreno Realty, REIT	196,050	12,286
		84,838
<b>Real Estate Management &amp; Development 2.0%</b>		
Colliers International Group	130,500	16,511
DigitalBridge Group	697,164	12,228
FirstService	266,780	43,242
Tricon Residential	1,698,112	15,453
		87,434
<b>Residential Real Estate Investment Trusts 0.5%</b>		
Flagship Communities REIT	371,437	5,925
Independence Realty Trust, REIT	1,027,016	15,713
		21,638
<b>Specialized Real Estate Investment Trusts 0.6%</b>		
CubeSmart, REIT	594,873	27,572
		27,572
Total Real Estate		230,513
<b>UTILITIES 2.8%</b>		
<b>Electric Utilities 1.1%</b>		
IDACORP	250,149	24,595
MGE Energy	144,787	10,469
OGE Energy	411,200	14,363
		49,427
<b>Gas Utilities 1.3%</b>		
Chesapeake Utilities	303,301	32,038
ONE Gas	124,673	7,944
Southwest Gas Holdings	284,366	18,014
		57,996
<b>Water Utilities 0.4%</b>		
California Water Service Group	331,070	17,173
		17,173
Total Utilities		124,596
Total Miscellaneous Common Stocks 2.1% (5)		91,349
<b>Total Common Stocks (Cost \$2,875,477)</b>		<b>4,258,329</b>
<b>CONVERTIBLE BONDS 0.0%</b>		
Convoy, 15.00%, 9/30/26, Acquisition Date: 3/24/23, Cost \$356 (1)(2)(3)	355,569	—
<b>Total Convertible Bonds (Cost \$356)</b>		<b>—</b>

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>CONVERTIBLE PREFERRED STOCKS 2.2%</b>		
<b>CONSUMER DISCRETIONARY 0.0%</b>		
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
Torchys Holdings, Acquisition Date: 11/13/20, Cost \$3,632 (1)(2)(3)(4)	404,324	2,191
		2,191
<b>Specialty Retail 0.0%</b>		
1661, Series F, Acquisition Date: 5/28/21, Cost \$6,391 (1)(2)(3)	1,098,082	1,098
		1,098
Total Consumer Discretionary		3,289
<b>CONSUMER STAPLES 0.0%</b>		
<b>Food Products 0.0%</b>		
Farmers Business Network, Series D, Acquisition Date: 11/3/17, Cost \$17 (1)(2)(3)	919	5
Total Consumer Staples		5
<b>FINANCIALS 0.1%</b>		
<b>Banks 0.1%</b>		
CRB Group, Series D, Acquisition Date: 1/28/22, Cost \$4,795 (1)(2)(3)	45,609	3,330
Total Financials		3,330
<b>HEALTH CARE 0.9%</b>		
<b>Biotechnology 0.1%</b>		
Caris Life Sciences, Series C, Acquisition Date: 8/14/20, Cost \$2,356 (1)(2)(3)	853,615	3,107
Caris Life Sciences, Series D, Acquisition Date: 5/11/21, Cost \$4,729 (1)(2)(3)	583,832	2,125
		5,232
<b>Health Care Equipment &amp; Supplies 0.1%</b>		
Kardium, Series D-6, Acquisition Date: 1/8/21, Cost \$2,939 (1)(2)(3)	2,892,844	2,459
		2,459
<b>Health Care Providers &amp; Services 0.1%</b>		
Honor Technology, Series D, Acquisition Date: 10/16/20, Cost \$5,009 (1)(2)(3)	2,080,305	2,434
		2,434
<b>Life Sciences Tools &amp; Services 0.6%</b>		
Cleerly, Series C, Acquisition Date: 7/8/22, Cost \$2,524 (1)(2)(3)	214,212	1,921
Inscripta, Series E, Acquisition Date: 3/30/21, Cost \$3,365 (1)(2)(3)	381,143	1,109
National Resilience, Series B, Acquisition Date: 10/23/20, Cost \$3,621 (1)(2)(3)	265,089	16,099

	Shares/Par	\$ Value
(Cost and value in \$000s)		
National Resilience, Series C, Acquisition Date: 6/9/21, Cost \$6,907 (1)(2)(3)	155,519	9,445
		28,574
Total Health Care		38,699
<b>INDUSTRIALS &amp; BUSINESS SERVICES 0.3%</b>		
<b>Aerospace &amp; Defense 0.2%</b>		
ABL Space Systems, Series B, Acquisition Date: 3/24/21, Cost \$3,410 (1)(2)(3)	75,721	2,655
Epirus, Series C-2, Acquisition Date: 1/28/22, Cost \$6,074 (1)(2)(3)	1,087,799	5,298
		7,953
<b>Air Freight &amp; Logistics 0.0%</b>		
FLEXE, Series C, Acquisition Date: 11/18/20, Cost \$2,725 (1)(2)(3)	223,990	1,720
FLEXE, Series D, Acquisition Date: 4/7/22, Cost \$1,607 (1)(2)(3)	78,800	605
		2,325
<b>Electrical Equipment 0.0%</b>		
CELLINK, Series D, Acquisition Date: 1/20/22, Cost \$2,969 (1)(2)(3)	142,571	404
		404
<b>Ground Transportation 0.0%</b>		
Convoy, Series C, Acquisition Date: 9/14/18, Cost \$3,999 (1)(2)(3)	563,190	—
Convoy, Series D, Acquisition Date: 10/30/19, Cost \$5,376 (1)(2)(3)	397,082	—
		—
<b>Professional Services 0.1%</b>		
Checkr, Series C, Acquisition Date: 4/10/18, Cost \$1,791 (1)(2)(3)	393,660	2,126
Checkr, Series D, Acquisition Date: 9/6/19, Cost \$6,330 (1)(2)(3)	627,795	3,390
		5,516
Total Industrials & Business Services		16,198
<b>INFORMATION TECHNOLOGY 0.6%</b>		
<b>IT Services 0.3%</b>		
Haul Hub, Series B, Acquisition Date: 2/14/20 - 3/3/21, Cost \$2,376 (1)(2)(3)	162,965	1,152
Haul Hub, Series C, Acquisition Date: 4/14/22, Cost \$959 (1)(2)(3)	50,834	359
ServiceTitan, Series A-1, Acquisition Date: 11/9/18, Cost \$5 (1)(2)(3)	185	14
ServiceTitan, Series D, Acquisition Date: 11/9/18, Cost \$2,387 (1)(2)(3)	90,775	6,619
ServiceTitan, Series F, Acquisition Date: 3/25/21, Cost \$577 (1)(2)(3)	5,381	392
Themis Solutions, Series AA, Acquisition Date: 4/14/21, Cost \$361 (1)(2)(3)	16,080	315
Themis Solutions, Series AB, Acquisition Date: 4/14/21, Cost \$36 (1)(2)(3)	1,600	31



	Shares/Par	\$ Value
(Cost and value in \$000s)		
Themis Solutions, Series B, Acquisition Date: 4/14/21, Cost \$39 (1)(2)(3)	1,750	34
Themis Solutions, Series E, Acquisition Date: 4/14/21, Cost \$4,568 (1)(2)(3)	203,440	3,981
		12,897
<b>Software 0.3%</b>		
Nuro, Series C, Acquisition Date: 10/30/20 - 3/2/21, Cost \$6,214 (1) (2)(3)	475,993	1,947
Nuro, Series D, Acquisition Date: 10/29/21, Cost \$3,216 (1)(2)(3)	154,275	631
SecurityScorecard, Series E, Acquisition Date: 3/5/21, Cost \$3,099 (1)(2)(3)	613,641	3,130
Seismic Software, Series E, Acquisition Date: 12/13/18, Cost \$3,462 (1)(2)(3)	549,145	3,948
Seismic Software, Series F, Acquisition Date: 9/25/20, Cost \$374 (1)(2)(3)	42,590	306
Socure, Series A, Acquisition Date: 12/22/21, Cost \$1,459 (1)(2)(3)	90,776	567
Socure, Series A-1, Acquisition Date: 12/22/21, Cost \$1,197 (1)(2)(3)	74,504	466
Socure, Series B, Acquisition Date: 12/22/21, Cost \$22 (1)(2)(3)	1,348	9
Socure, Series E, Acquisition Date: 10/27/21, Cost \$2,775 (1)(2)(3)	172,687	1,079
		12,083
Total Information Technology		24,980
<b>MATERIALS 0.3%</b>		
<b>Chemicals 0.2%</b>		
Redwood Materials, Series C, Acquisition Date: 5/28/21, Cost \$4,206 (1)(2)(3)	88,718	4,235
Sila Nano, Series F, Acquisition Date: 1/7/21, Cost \$5,284 (1)(2)(3)	128,029	2,597
		6,832
<b>Metals &amp; Mining 0.1%</b>		
Kobold Metals, Series B-1, Acquisition Date: 1/10/22, Cost \$3,092 (1)(2)(3)	112,792	4,825
		4,825
Total Materials		11,657
<b>Total Convertible Preferred Stocks (Cost \$126,274)</b>		<b>98,158</b>

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>SHORT-TERM INVESTMENTS 1.0%</b>		
<b>Money Market Funds 1.0%</b>		
T. Rowe Price Government Reserve Fund, 5.42% (6)(7)	42,076,065	42,076
<b>Total Short-Term Investments (Cost \$42,076)</b>		<b>42,076</b>
<b>Total Investments in Securities 100.0% of Net Assets (Cost \$3,044,183)</b>		<b>\$ 4,398,563</b>

‡ Shares/Par 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 \$122,650 and represents 2.8% of net assets.
- (4) Investment in a partnership held indirectly through a limited liability company that is owned by the fund and treated as a corporation for U.S. tax purposes.
- (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

CAD Canadian Dollar

GBP British Pound

ISK Iceland Krona

REIT A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder

**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, 2023. 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.

Affiliate	Change in Net		Investment Income
	Net Realized Gain (Loss)	Unrealized Gain/Loss	
T. Rowe Price Government Reserve Fund, 5.42%	\$ —#	\$ —	\$ 5,586+

**Supplementary Investment Schedule**

Affiliate	Value 12/31/22	Purchase Cost	Sales Cost	Value 12/31/23
T. Rowe Price Government Reserve Fund, 5.42%	\$ 134,889	□	□ \$	\$ 42,076^

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

+ Investment income comprised \$5,586 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 \$42,076.

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

T. ROWE PRICE INSTITUTIONAL SMALL-CAP STOCK FUND

December 31, 2023

**STATEMENT OF ASSETS AND LIABILITIES**

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

**Assets**

Investments in securities, at value (cost \$3,044,183)	\$	4,398,563
Receivable for investment securities sold		3,517
Receivable for shares sold		2,346
Dividends receivable		2,314
Cash		23
Other assets		36
Total assets		<u>4,406,799</u>

**Liabilities**

Payable for shares redeemed		2,739
Investment management fees payable		2,351
Payable for investment securities purchased		994
Due to affiliates		11
Payable to directors		3
Other liabilities		96
Total liabilities		<u>6,194</u>

**NET ASSETS**

**\$ 4,400,605**

**Net Assets Consist of:**

Total distributable earnings (loss)	\$	1,383,687
Paid-in capital applicable to 165,274,057 shares of \$0.0001 par value capital stock outstanding; 2,000,000,000 shares of the Corporation authorized		<u>3,016,918</u>

**NET ASSETS**

**\$ 4,400,605**

**NET ASSET VALUE PER SHARE**

**\$ 26.63**

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

**STATEMENT OF OPERATIONS**

(\$000s)

	Year Ended 12/31/23
<b>Investment Income (Loss)</b>	
Income	
Dividend (net of foreign taxes of \$262)	\$ 44,207
Interest	6
Total income	44,213
Expenses	
Investment management	27,842
Shareholder servicing	4
Prospectus and shareholder reports	46
Custody and accounting	257
Legal and audit	52
Registration	40
Proxy and annual meeting	20
Directors	15
Miscellaneous	57
Total expenses	28,333
Net investment income	15,880
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Securities	207,960
Foreign currency transactions	(10)
Net realized gain	207,950
Change in net unrealized gain on securities	477,613
Net realized and unrealized gain / loss	685,563
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 701,443</b>

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

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	Year Ended 12/31/23	12/31/22
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income	\$ 15,880	\$ 10,152
Net realized gain	207,950	218,707
Change in net unrealized gain / loss	477,613	(1,654,215)
Increase (decrease) in net assets from operations	701,443	(1,425,356)
Distributions to shareholders		
Net earnings	(228,171)	(228,755)
Capital share transactions*		
Shares sold	387,492	310,831
Distributions reinvested	228,108	228,673
Shares redeemed	(1,167,122)	(564,639)
Decrease in net assets from capital share transactions	(551,522)	(25,135)
<b>Net Assets</b>		
Decrease during period	(78,250)	(1,679,246)
Beginning of period	4,478,855	6,158,101
<b>End of period</b>	<b>\$ 4,400,605</b>	<b>\$ 4,478,855</b>
*Share information (000s)		
Shares sold	15,509	11,255
Distributions reinvested	8,647	9,637
Shares redeemed	(46,312)	(20,905)
Decrease in shares outstanding	(22,156)	(13)

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

## NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Equity Funds, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Institutional Small-Cap Stock Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks to provide long-term capital growth by investing primarily in stocks of small companies.

## 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. Premiums and discounts on debt securities are amortized for financial reporting purposes. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Distributions from REITs are initially recorded as dividend income and, to the extent such represent a return of capital or capital gain for tax purposes, are reclassified when such information becomes available. 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 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.

**In-Kind Subscriptions** Under certain circumstances, and when considered to be in the best interest of all shareholders, the fund may accept portfolio securities rather than cash as payment for the purchase of fund shares (in-kind subscription). For financial reporting and tax purposes, the cost basis of contributed securities is equal to the market value of the securities on the date of contribution. In-kind subscriptions result in no gain or loss and no tax consequences for the fund. During the year ended December 31, 2023, the fund accepted \$134,315,000 of in-kind subscriptions.

**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.

The FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of

contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered based reference rates, through December 31, 2022. In December 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to 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.

Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider factors such as, but not limited to, the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

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, 2023 (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	\$ 4,158,764	\$ 75,699	\$ 23,866	\$ 4,258,329
Convertible Bonds	—	—	—	—
Convertible Preferred Stocks	—	—	98,158	98,158
Short-Term Investments	42,076	—	—	42,076
Total	\$ 4,200,840	\$ 75,699	\$ 122,024	\$ 4,398,563

Following is a reconciliation of the fund's Level 3 holdings for the year ended December 31, 2023. 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, 2023, totaled \$(50,195,000) for the year ended December 31, 2023. During the year, transfers into Level 3 resulted from a lack of observable market data for the security.

(\$000s)	Beginning Balance 12/31/22	Gain (Loss) During Period	Total Purchases	Total Sales	Transfer Into Level 3	Ending Balance 12/31/23
<b>Investment in Securities</b>						
Common Stocks	\$ 58,637	\$ 5,749	\$ 6,257	\$ (46,784)	\$ 7	\$ 23,866
Convertible Bonds	—	(356)	356	—	—	—
Convertible Preferred Stocks	169,897	(48,326)	—	(23,413)	—	98,158
Total	\$ 228,534	\$ (42,933)	\$ 6,613	\$ (70,197)	\$ 7	\$ 122,024

**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.

**Other** Purchases and sales of portfolio securities other than in-kind transactions, if any, and short-term securities aggregated \$1,097,619,000 and \$1,902,479,000, respectively, for the year ended December 31, 2023.

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

(\$000s)	December 31, 2023	December 31, 2022
Ordinary income (including short-term capital gains, if any)	\$ 18,312	\$ 13,171
Long-term capital gain	209,859	215,584
Total distributions	<u>\$ 228,171</u>	<u>\$ 228,755</u>

At December 31, 2023, the tax-basis cost of investments (including derivatives, if any) and gross unrealized appreciation and depreciation were as follows:

(\$000s)	
Cost of investments	\$ 3,059,735
Unrealized appreciation	\$ 1,580,198
Unrealized depreciation	(241,370)
Net unrealized appreciation (depreciation)	<u>\$ 1,338,828</u>

At December 31, 2023, the tax-basis components of accumulated net earnings (loss) were as follows:

(\$000s)	
Undistributed ordinary income	\$ 3,095
Undistributed long-term capital gain	41,764
Net unrealized appreciation (depreciation)	1,338,828
Total distributable earnings (loss)	\$ 1,383,687

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.

## 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). Price Associates has entered into a sub-advisory agreement(s) with one or more of its wholly owned subsidiaries, to provide investment advisory services to the fund. The investment management agreement between the fund and Price Associates provides for an annual investment management fee equal to 0.65% of the fund's average daily net assets. The fee is computed daily and paid monthly.

Effective November 1, 2023, the fund is subject to an operating expense limitation pursuant to which Price Associates is contractually required to pay all operating expenses of the fund, excluding management fees; interest; expenses related to borrowings, taxes, and brokerage; nonrecurring, extraordinary expenses; and acquired fund fees and expenses, to the extent such operating expenses, on an annualized basis, exceed the limit. This agreement will continue through the expense limitation date indicated in the table below, and may be renewed, revised, or revoked only with approval of the fund's Board. Prior to November 1, 2023, the fund was not subject to an operating expense limitation. The fund is required to repay Price Associates for expenses previously paid to the extent the fund's net assets grow or expenses decline sufficiently to allow repayment without causing the fund's operating expenses (after the repayment is taken into account) to exceed the lesser of: (1) the limit in place at the time such amounts were paid; or (2) the current limit. However, no repayment will be made more than three years after the date of a payment or waiver.

Expense limitation	0.05%
Expense limitation date	09/30/25
(Waived)/repaid during the period (\$000s)	\$—

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 fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. For the year ended December 31, 2023, expenses incurred pursuant to these service agreements were \$112,000.

for Price Associates and \$3,000 for T. Rowe Price Services, Inc. All amounts due to and due from Price, exclusive of investment management fees payable, are presented net on the accompanying Statement of Assets and Liabilities.

T. Rowe Price Investment Services, Inc. (Investment Services) serves as distributor to the fund. Pursuant to an underwriting agreement, no compensation for any distribution services provided is paid to Investment Services by the fund (except for 12b-1 fees under a Board-approved Rule 12b-1 plan).

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, 2023, 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 and for the cost of brokerage commissions embedded in the cost of the fund's foreign currency transactions. These agreements may be rescinded at any time. For the year ended December 31, 2023, these reimbursements amounted to \$323,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

#### **NOTE 7 - INTERFUND LENDING PROGRAM**

Price Associates has developed and manages an interfund lending program that provides temporary liquidity to the T. Rowe Price-sponsored mutual funds. The program permits the borrowing and lending of cash between the fund and other T. Rowe Price-sponsored mutual funds at rates beneficial to both the borrowing and lending funds. Pursuant to program guidelines, the fund may lend up to 15% of its net assets, and no more than 5% of its net assets may be lent to any one borrower. Loans totaling 10% or more of a borrowing fund's total assets require collateralization at 102% of the value of the loan; loans of less than 10% are unsecured. During the year ended December 31, 2023, the fund earned \$6,000 in interest income related to loans made to other funds on two days in the average amount of \$16,100,000 and at an average annual rate of 6.76%. At December 31, 2023, there were no loans outstanding.

#### **NOTE 8 - OTHER MATTERS**

Unpredictable events such as environmental or natural disasters, war and conflict, terrorism, geopolitical events, and public health epidemics 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.

The global outbreak of COVID-19 and the related governmental and public responses have led and may continue to lead to increased market volatility and the potential for illiquidity in certain classes of securities and sectors of the market either in specific countries or worldwide.

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

In March 2023, the banking industry experienced heightened volatility, which sparked concerns of potential broader adverse market conditions. The extent of impact of these events on the US and global markets is highly uncertain.

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 Funds, Inc. and  
Shareholders of T. Rowe Price Institutional Small-Cap Stock Fund****Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of T. Rowe Price Institutional Small-Cap Stock Fund (one of the funds constituting T. Rowe Price Equity Funds, Inc., referred to hereafter as the "Fund") as of December 31, 2023, the related statement of operations for the year ended December 31, 2023, the statement of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2023 (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, 2023, 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, 2023 and the financial highlights for each of the five years in the period ended December 31, 2023 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, 2023 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.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland  
February 16, 2024

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 12/31/23**

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 \$209,859,000 from long-term capital gains, subject to a long-term capital gains tax rate of not greater than 20%.

For taxable non-corporate shareholders, \$34,715,000 of the fund's income represents qualified dividend income subject to a long-term capital gains tax rate of not greater than 20%.

For corporate shareholders, \$31,516,000 of the fund's income qualifies for the dividends-received deduction.

## **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.

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). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on **troweprice.com**.

## **TAILORED SHAREHOLDER REPORTS FOR MUTUAL FUNDS AND EXCHANGE TRADED FUNDS**

In October 2022, the Securities and Exchange Commission (SEC) adopted rule and form amendments requiring Mutual Funds and Exchange-Traded Funds to transmit concise and visually engaging streamlined annual and semiannual reports that highlight key information to shareholders. Other information, including financial statements, will no longer appear in the funds' shareholder reports but will be available online, delivered free of charge upon request, and filed on a semiannual basis on Form N-CSR. The rule and form amendments have a compliance date of July 24, 2024.

**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 24, 2023, the Board was presented with an annual assessment that was prepared by the LRC on behalf of the Adviser and 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, 2022, through March 31, 2023. 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 Associates, Inc. (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 [209]	President and Chief Executive Officer, Federal Home Loan Bank of San Francisco (2021 to present); 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)
Melody Bianchetto (1966) 2023 [209]	Vice President for Finance, University of Virginia (2015 to 2023)
Bruce W. Duncan (1951) 2013 [209]	President, Chief Executive Officer, and Director, CyrusOne, Inc. (2020 to 2021); Chair of the Board (2016 to 2020) and President (2009 to 2016), First Industrial Realty Trust, owner and operator of industrial properties; Member, Investment Company Institute Board of Governors (2017 to 2019); Member, Independent Directors Council Governing Board (2017 to 2019); Senior Advisor, KKR (2018 to 2022); Director, Boston Properties (2016 to present); Director, Marriott International, Inc. (2016 to 2020)
Robert J. Gerrard, Jr. (1952) 2012 [209]	Chair of the Board, all funds (July 2018 to present)
Paul F. McBride (1956) 2013 [209]	Advisory Board Member, Vizzia Technologies (2015 to present); Board Member, Dunbar Armored (2012 to 2018)
Mark J. Parrell (1966) 2023 [209]	Board of Trustees Member and Chief Executive Officer (2019 to present), President (2018 to present), Executive Vice President and Chief Financial Officer (2007 to 2018), and Senior Vice President and Treasurer (2005 to 2007), EQR; Member, Nareit Dividends Through Diversity, Equity & Inclusion CEO Council and Chair, Nareit 2021 Audit and Investment Committee (2021); Advisory Board, Ross Business School at University of Michigan (2015 to 2016); Member, National Multifamily Housing Council and served as Chair of the Finance Committee (2015 to 2016); Member, Economic Club of Chicago; Director, Brookdale Senior Living, Inc. (2015 to 2017); Director, Aviv REIT, Inc. (2013 to 2015); Director, Real Estate Roundtable and the 2022 Executive Board Nareit; Board of Directors and Chair of the Finance Committee, Greater Chicago Food Depository
Kellye L. Walker (1966) 2021 [209]	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, 2022, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

## 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 [209]	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

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

<b>Name (Year of Birth)</b>	<b>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>
Eric L. Veiel, CFA (1972)	2022 [209]	Director and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; Vice President, Global Funds

<sup>(a)</sup> All information about the interested directors was current as of December 31, 2022, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

**OFFICERS**

<b>Name (Year of Birth)</b>	<b>Position Held With Equity Funds</b>	<b>Principal Occupation(s)</b>
Francisco Alonso (1978)	Executive Vice President	Vice President, Price Investment Management, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
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 and Vice President	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)
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
Cheryl Emory (1963)	Assistant Secretary	Assistant Vice President and Assistant Secretary, T. Rowe Price; Assistant Secretary, T. Rowe Price Group, Inc., Price Investment Management, Price International, Price Hong Kong, Price Singapore, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., 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, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; formerly, Tax Director, Invesco Ltd. (to 2021); Vice President, Oppenheimer Funds, Inc. (to 2019)
Stephon Jackson, CFA (1962)	Co-president	Director and President, Price Investment Management; Vice President, T. Rowe Price Group, Inc.
Benjamin Kersse, CPA (1989)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Trust Company
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
Robert P. McDavid (1972)	Vice President	Vice President, T. Rowe Price, Price Investment Management, T. Rowe Price Investment Services, Inc., and T. Rowe Price Trust Company
Sean P. McWilliams (1988)	Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
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., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company

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

**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b> <b>Position Held With Equity Funds</b>	<b>Principal Occupation(s)</b>
Alexander P. Roik, CFA (1991) Executive Vice President	Vice President, Price Investment Management and T. Rowe Price Group, Inc.
Richard Sennett, CPA (1970) Assistant Treasurer	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Gabriel Solomon (1977) Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Taymour R. Tamaddon, CFA (1976) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
John F. Wakeman (1962) Vice President	Vice President, Price Investment Management and T. Rowe Price Group, Inc.
Ellen York (1988) Vice President	Vice President, Price Investment Management and T. Rowe Price

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

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# T.RowePrice

100 East Pratt Street  
Baltimore, MD 21202

*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.*