



PORTFOLIO UPDATE

New Horizons Fund

As of August 31, 2024



Portfolio Manager:
Joshua Spencer

Managed Fund Since:
2019

Joined Firm:
2004

INVESTMENT OBJECTIVE

The fund seeks long-term capital growth by investing primarily in common stocks of small, rapidly growing companies.

FUND INFORMATION

Symbol	PRNHX
CUSIP	779562107
Inception Date of Fund	June 03, 1960
Benchmark	Russell 2000 Growth Index
Expense Information (as of the most recent Prospectus)	0.78%
Fiscal Year End	December 31
12B-1 Fee	-

MARKET COMMENTARY

Major U.S. stock indexes were mixed in August. As measured by various Russell indexes, large-cap equities performed best, followed by mid-caps and small-caps. Value outperformed growth in large-caps, while growth fared better than value in mid-caps and small-caps. Within the S&P 500, the consumer staples sector performed best, followed by real estate, health care, and utilities. The energy and consumer discretionary sectors fared worst and produced negative returns.

The month began with sharp losses stemming in part from weaker-than-expected U.S. labor market and manufacturing data and a belief that the Federal Reserve may have made a policy error by not reducing short-term interest rates at its late-July meeting. There were also concerns that stocks of companies associated with artificial intelligence had reached unsustainably high valuations, as well as volatility in the Japanese market stemming from a stronger yen and an unexpected increase in short-term interest rates at the end of July. However, U.S. stocks rebounded over the course of the month as the Fed's late-July meeting notes and, later, comments from Fed Chair Jerome Powell suggested a reduction in short-term rates was imminent.

Shifting market conditions-from a prolonged era of low interest rates and abundant liquidity to higher rates, greater divergence of returns, and increasingly volatile markets-create a challenging environment that we believe will require investors to take account of wider macroeconomic, social, and geopolitical factors along with company fundamentals. We believe this environment favors our active, long-term investing approach, which is rooted in rigorous research and experienced risk management.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			
					Three Years	Five Years	Ten Years	Fifteen Years
New Horizons Fund	0.14%	5.53%	1.89%	5.26%	-10.20%	7.21%	11.39%	15.31%
Russell 2000 Growth Index	-1.11	6.81	11.74	17.67	-2.07	8.35	8.21	11.47

The **1-, 5-, and 10-year** annualized returns as of **6/30/24** were **1.62%, 6.25% and 10.86%** for the fund. **Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit troweprice.com.** The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

Investing in small companies involves greater risk than is customarily associated with larger companies, since small companies often have limited product lines, markets, or financial resources.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

RISK RETURN CHARACTERISTICS

(Five Years ended August 31, 2024)

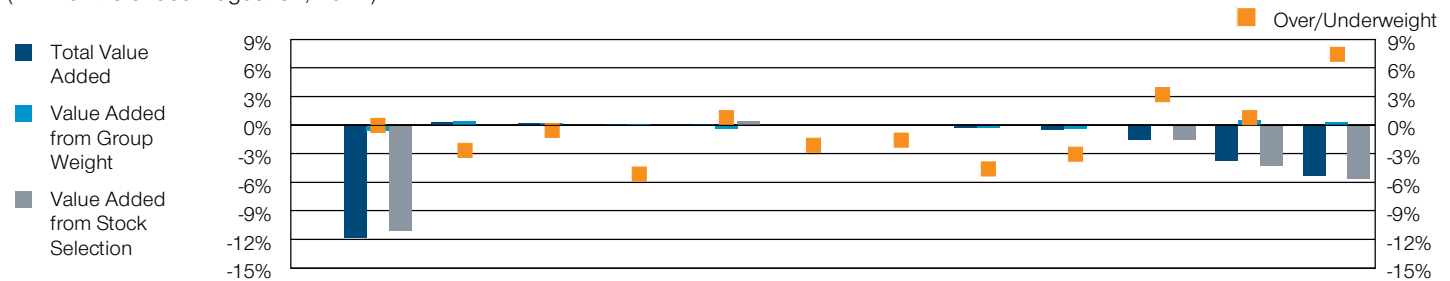
	Active Share* (as of 8/31/24)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
New Horizons Fund	93.4%	22.52%	-0.15%	0.86	0.82	-0.11	0.21	10.13%
Russell 2000 Growth Index	-	23.90	0.00	1.00	1.00	0.00	0.25	0.00

* Active Share is a snapshot in time as of the indicated date.

Past performance is not a reliable indicator of future performance. Figures are calculated using monthly data and are net of fees.

SECTOR ATTRIBUTION DATA VS. RUSSELL 2000 GROWTH INDEX

(12 months ended August 31, 2024)



	Total	Materials	Utilities	Consumer Disc	Energy	Comm Svcs	Real Estate	Financials	Consumer Staples	Health Care	Info Tech	Indust & Bus Svcs
Over/Underweight	0.00%	-2.57%	-0.49%	-5.06%	0.84%	-2.06%	-1.52%	-4.56%	-2.97%	3.26%	0.82%	7.46%
Fund Performance	5.97	7.27	0.00	8.74	9.88	18.00	0.00	13.13	3.95	10.87	7.18	0.82
Index Performance	17.67	5.45	-1.29	12.83	-2.35	13.42	15.72	21.22	27.99	17.82	21.92	19.44
Value Add - Group Weight	-0.61	0.40	0.30	0.18	-0.28	0.09	0.04	-0.23	-0.40	0.04	0.54	0.38
Value Add - Stock Selection	-11.10	-0.06	0.00	-0.03	0.41	0.00	0.00	-0.01	-0.03	-1.52	-4.22	-5.63
Total Contribution	-11.71	0.35	0.30	0.14	0.13	0.09	0.04	-0.25	-0.44	-1.48	-3.68	-5.25

Past performance is not a reliable indicator of future performance. All numbers are percentages. Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets. Non-equity positions are excluded from structure shown. Returns will not match official T. Rowe Price performance because FactSet uses different exchange rate sources and does not capture intra-day trading. Performance for each security is obtained in the local currency and, if necessary, is converted to USD using an exchange rate determined by an independent third party. Figures are shown with gross dividends reinvested. Sources: Financial data and analytics provider FactSet. Copyright 2024 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD.

TOP 10 ISSUERS

Comprising 24.7% of total net assets.

	Industry	% of Fund
Dayforce	Professional Services	2.8%
Paylocity Holding	Professional Services	2.8
Teledyne Technologies	Electronic Equip, Instr & Cmpts	2.7
Globant	IT Services	2.6
IDEX	Machinery	2.4
Toast	Financial Services	2.3
TechnipFMC	Energy Equipment & Services	2.3
HubSpot	Software	2.3
Booz Allen Hamilton	Professional Services	2.3
Veeva Systems	Health Care Technology	2.2

Issuers are as of the date indicated and are subject to change.

PORTFOLIO CHARACTERISTICS

	New Horizons Fund	Russell 2000 Growth Index
Number of Issuers	175	1,109
Investment Weighted Median Market Cap (mm)	\$11,498	\$3,566
Price to Earnings (12 Months Forward)* ° †	33.5X	27.4X
Price to Book (trailing)°	5.8X	4.7X
Projected Earnings Growth Rate (3 - 5 Years)* ° †	12.0%	14.8%
Return on Equity (Last 12 Months excl. charges)°	10.2%	13.3%
Top 20 Issuers as Percent of Total	43.6%	12.2%
Total Assets (all share classes)	21,683,017,804	-
Percent of Portfolio in Cash	2.0%	-

°Statistics are based on investment-weighted median.

*I/B/E/S © 2024 Refinitiv. All rights reserved.

†These statistics are based on the Fund's underlying holdings and are not a projection of future portfolio performance. Actual results may vary.

SECTOR DIVERSIFICATION

	Indust &										
	Health Care	Bus Svcs	Info Tech	Cons Disc	Energy	Financials	Materials	Cons Stpls	Comm Svcs	Utilities	Real Estate
New Horizons Fund	30.5%	29.3%	22.6%	5.7%	4.4%	3.8%	1.3%	0.3%	0.1%	0.0%	0.0%
Russell 2000 Growth Index	25.9	21.6	19.5	10.0	3.6	8.3	3.9	3.2	2.1	0.5	1.5
Over/Underweight	4.7	7.8	3.2	-4.4	0.8	-4.5	-2.6	-3.0	-2.0	-0.5	-1.5

Definitions

Active Share is a holdings based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

Additional Disclosures

Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit [troweprice.com](https://www.troweprice.com). Read it carefully.

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Unless otherwise noted, index returns are shown with gross dividends reinvested.

Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.

T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates. Actual market and investment results may differ materially from expectations.

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