



PORTFOLIO UPDATE

New Horizons Fund

As of September 30, 2020



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)	0.76%
Fiscal Year End	December 31
12B-1 Fee	-

MARKET COMMENTARY

U.S. equities endured their first monthly losses since March. As measured by various Russell indexes, growth stocks outperformed value stocks among small- and mid-caps, while value did better than growth among large-caps. Within the S&P 500 Index, the energy, communication services, and information technology sectors underperformed, while materials and utilities were the only sectors to display positive returns, albeit modest ones.

Equities declined during the month as the continued gridlock in Washington over another potential round of stimulus and the controversy over replacing Supreme Court Justice Ruth Bader Ginsburg weighed on the market. Investors appeared particularly concerned about the lack of additional aid for fiscally strained states and municipalities, while news on potential coronavirus vaccines as well as fears over a second wave of the virus in Europe were also important drivers of sentiment. The month's economic data generally pointed to a continuing, but slowing, recovery. Declines in weekly jobless claims stalled, although gauges of consumer confidence rose sharply. Manufacturing data largely came in better than expected, but the service sector continued to struggle with cautious consumers. Housing remained the bright spot in the economy, with new home sales reaching their highest level since September 2006.

Investors face an exceptionally uncertain environment in the final months of 2020. While the economic recovery is continuing, its pace appears to be slowing considerably, and most observers agree that some additional stimulus will be needed to speed the recovery. However, not all "risks" are to the downside. Firms and individuals continue to benefit from record-low interest rates, and many consumers appear to have the wherewithal to increase spending as they grow more confident. The biggest boost to confidence, of course, would come from a successful coronavirus vaccine, as well as effective and widely available treatment options. The timing of a commercial rollout of a vaccine and what proportion of the population will choose to take it remain open questions for investors.

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	1.10%	12.60%	35.79%	47.98%	26.74%	23.73%	20.88%	14.72%
Russell 2000 Growth Index	-2.14	7.16	3.88	15.71	8.18	11.42	12.34	8.90

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. Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit troweprice.com. Read it carefully. The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any. **Investors should note that the Fund's short-term performance is highly unusual and unlikely to be sustained.**

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. For Sourcing Information, please see Additional Disclosures.

RISK RETURN CHARACTERISTICS

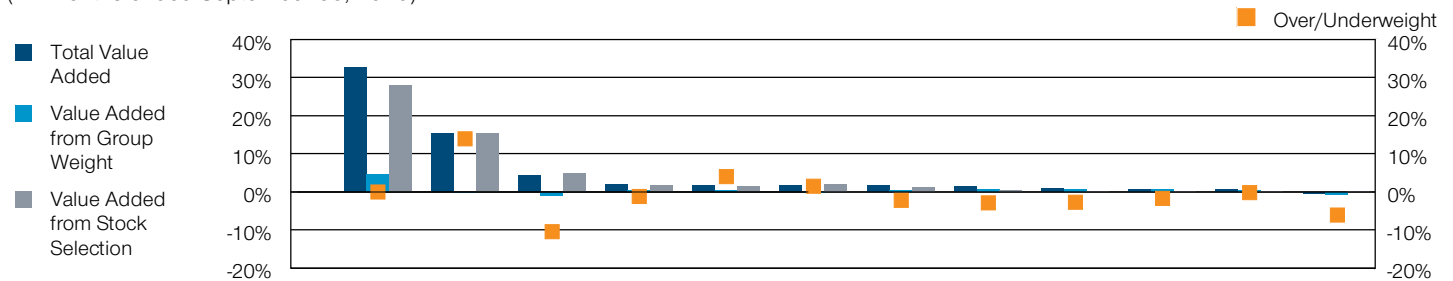
(Five Years ended September 30, 2020)

	Active Share* (as of 9/30/20)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
New Horizons Fund	93.7%	17.44%	12.92%	0.82	0.88	1.73	1.28	7.12%
Russell 2000 Growth Index	-	19.96	0.00	1.00	1.00	0.00	0.51	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 September 30, 2020)



	Total	Info Tech	Health Care	Financials	Indust & Bus Svcs	Comm Svcs	Consumer Staples	Real Estate	Materials	Utilities	Energy	Consumer Disc
Over/Underweight	0.00%	14.11%	-10.28%	-1.11%	4.14%	1.52%	-2.13%	-2.69%	-2.57%	-1.64%	-0.05%	-5.99%
Fund Performance	48.38	71.32	65.69	36.85	19.37	41.21	141.06	33.65	-28.05	0.00	-26.00	21.40
Index Performance	15.71	13.71	38.46	2.60	10.42	-3.33	6.34	-7.50	-5.04	-13.55	-49.45	16.77
Value Add - Group Weight	4.62	-0.17	-0.72	0.38	0.44	-0.16	0.44	0.82	0.82	0.82	0.47	-0.54
Value Add - Stock Selection	28.04	15.56	4.93	1.68	1.39	1.93	1.30	0.57	0.21	0.00	0.25	0.21
Total Contribution	32.67	15.40	4.22	2.07	1.84	1.76	1.74	1.39	1.03	0.82	0.71	-0.33

Past performance is not a reliable indicator of future performance. Numbers may not total due to rounding; all other numbers are percentages. Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets that will not receive a classification assignment in the detailed 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 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 2020 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all updates to GICS for prospective 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. For Sourcing Information, please see Additional Disclosures.

TOP 10 ISSUERS

Comprising 21.8% of total net assets.

	Industry	% of Fund
Paylocity Holding	Software	2.6%
Veeva Systems	Health Care Technology	2.4
Coupa Software	Software	2.3
Eurofins Scientific	Life Sciences Tools & Services	2.2
Waste Connections	Commercial Services & Supplies	2.1
CoStar Group	Professional Services	2.1
MSCI	Capital Markets	2.1
Cable One	Media	2.1
Booz Allen Hamilton	IT Services	2.0
Dexcom	Health Care Equip & Supplies	2.0

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

PORTFOLIO CHARACTERISTICS

	New Horizons Fund	Russell 2000 Growth Index
Number of Issuers	220	1,096
Investment Weighted Median Market Cap (mm)	\$12,416	\$2,753
Price to Earnings (12 Months Forward)* ° †	133.8X	41.0X
Price to Book°	12.0X	5.3X
Projected Earnings Growth Rate (3 - 5 Years)* ° †	18.2%	15.0%
Return on Equity (Last 12 Months excl. charges)°	5.6%	5.2%
Top 20 Issuers as Percent of Total	39.6%	11.6%
Total Assets (all share classes)	34,191,467,026	-
Percent of Portfolio in Cash	2.9%	-

°Investment Weighted Median.

*I/B/E/S © 2020 Refinitiv. All rights reserved

†Based on the fund's underlying holdings and is not a projection of future portfolio performance.

SECTOR DIVERSIFICATION

	Indust &										
	Info Tech	Health Care	Bus Svcs	Cons Disc	Comm Svcs	Financials	Cons Stpls	Real Estate	Energy	Utilities	Materials
New Horizons Fund	35.6%	25.0%	18.2%	8.7%	3.9%	3.3%	1.2%	1.1%	0.1%	0.0%	0.0%
Russell 2000 Growth Index	20.3	34.5	13.6	13.7	2.3	4.3	3.2	3.7	0.1	1.7	2.6
Over/Underweight	15.3	-9.5	4.6	-5.0	1.6	-1.0	-2.0	-2.7	-0.1	-1.7	-2.6

For Sourcing Information, please see Additional Disclosures.

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.

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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.

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