QUARTERLY REVIEW

Capital Appreciation Fund (PRWCX)

As of March 31, 2026

Portfolio Highlights

Relative Equity Performance Drivers

- An overweight and stock choices in utilities added value.
- The consumer discretionary sector also contributed due to stock choices.
- An underweight in energy detracted from relative results.
- Consumer staples also weighed due to an underweight allocation.

Portfolio Positioning and Activity and Outlook Summaries

- While the recent sell-off has improved valuations, they remain elevated, and particularly so in some market segments, in the wake of a protracted rally in 2025 that favored many names we view as the most volatile, highest risk, and lowest quality.
- Our focus remains on identifying companies and industries that have the potential for meaningful appreciation over the next five years, and we think speculative leadership has left many of the higher-quality names we favor behind.

Fund Information

CUSIP	77954M105
Inception Date of Fund	June 30, 1986
Benchmark	S&P 500 Index
Expense Information (as of the most recent Prospectus)[1]	0.74%(Gross) 0.71%(Net)
Total Assets (all share classes)	$66,218,876,513
Percent of Portfolio in Cash	2.6%

[1]The fund operates under a contractual expense limitation that expires on February 28, 2027.

Performance (%) (NAV, total return performance > 1 year is annualized)

	3m	1yr	3yrs	5yrs	10yrs	15yrs
Capital Appreciation Fund	-3.22	8.91	11.07	7.89	10.68	10.73
S&P 500 Index	-4.33	17.80	18.32	12.06	14.16	13.29

Calendar Year Performance (%) (NAV, total return)

	Inception Date	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Capital Appreciation Fund	Jun 30 1986	8.22	15.38	0.62	24.61	18.16	18.53	-11.94	18.83	12.69	12.50
S&P 500 Index		11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	25.02	17.88

Past performance is not a guarantee or a reliable indicator of future results. 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.
The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.
Risks: Value investing: The fund's value approach to investing could cause it to underperform other stock funds that employ a different investment style. **Interest rates:** A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. See the prospectus for more detail on the fund's principal risks.

Performance Review

U.S. stocks fell during the first quarter given investor concerns over the scale and duration of the conflict in Iran and the associated impacts on global macroeconomic conditions. Even so, markets climbed at the start of the year, with mostly favorable economic data and corporate earnings reports pushing stocks higher. In February, however, performance was more mixed as investors navigated a crosscurrent of encouraging economic data, tariff-related legal decisions, and artificial intelligence (AI) spending scrutiny. On February 28, Israel and the U.S. launched joint military air strikes on Iran, with subsequent retaliation by Iran impacting other countries across the region. As the month progressed, impacts on energy infrastructure and supply lines, primarily related to egress through the Strait of Hormuz, caused oil prices to spike. The resulting uncertainty, combined with hawkish Federal Reserve commentary around interest rates, caused equities to finish the month and quarter lower.

Relative Contributors

Utilities (overweight and stock selection)

- **Overweight:** Utilities stocks benefited from a number of tailwinds during the period, experiencing strong absolute returns and outperforming the broader benchmark. Elevated volatility and rising geopolitical threats contributed to a risk-off environment that favored the traditionally defensive segment. At the same time, the sector's exposure to growing electricity demand fueled by AI data centers also made utilities attractive to investors seeking growth opportunities with strong underlying fundamentals and attractive dividends.
- **CenterPoint Energy:** CenterPoint Energy is an energy delivery company with electric transmission and delivery, power generation and natural gas distribution operations that serve customers across several states, with most in Texas and Indiana. In addition to broad sector tailwinds, the company's quarterly earnings were highlighted by expanding electric load growth, with growing demand driving expectations for a significant ramp-up in peak load by 2029. We think CenterPoint Energy will benefit over the long term from its above-average rate base and customer growth.

Consumer Discretionary (stock selection)

- **Starbucks:** Strong same-store sales growth was a clear focus in better-than-expected earnings reported in late January, and shares rose amid hopes that Starbucks's turnaround was gathering momentum. A sharp increase in international sales, particularly in China, contributed to optimism after years of sluggish international sales amid heightened competition. We have a favorable view of Starbucks's new, Brian Niccol, who has a strong track record in previous turns as CEO at Chipotle and Taco Bell. We believe strong new management can deliver enhanced operations and menu efficiency to grow same-store sales and better leverage the company's scale and global reach.
- **Yum! Brands:** Yum! Brands is the parent company of Taco Bell, KFC, and Pizza Hut. Same-store sales growth for Taco Bell and KFC bolstered investor sentiment despite declining sales from the Pizza Hut brand. Management detailed a strategic review of its Pizza Hut assets, and positive market sentiment appeared to coalesce around the sustainable growth profiles of the company's remaining brands following a potential divestiture of Pizza Hut. We like the company for its high franchise mix, as well as brand and geographic diversification, and we believe the company is well positioned, particularly in a weaker economic environment.

Relative Detractors

Energy (underweight)

- **Underweight:** The portfolio's underweight exposure to the energy sector, which significantly outperformed the broader benchmark during the quarter, hurt relative performance. Sector outperformance was largely driven by an investor rotation into value-oriented market segments, alongside spikes in the price of oil and natural gas. Geopolitical instability and U.S. military action on multiple fronts drove energy prices higher, particularly in Iran where shipping disruptions in the Strait of Hormuz pushed the price of oil above USD 110 per barrel in March.

Consumer staples (underweight)

- **Underweight:** Our underweight position in the consumer staples sector, one of the best-performing groups in the benchmark, weighed on relative returns. Names across the segment benefited from sharp sector rotations during the quarter as heightened macroeconomic risks, including geopolitical volatility and concerns around rising energy prices and inflation, led investors to favor more defensive-oriented segments of the market.

Portfolio Positioning And Activity

As a result of our bottom-up stock selection process, sector positioning shifted within the equity portion of the portfolio. We bought shares in the communication services and consumer staples sectors. The communication services sector comprises a wide range of media, entertainment, and telecommunication services companies. Our sector holdings are concentrated in the interactive media and services industry, where we favor companies that we believe have favorable exposure to secular tailwinds and diversified revenue models. We typically focus our efforts in the consumer staples sector on companies that have strong brands, stable earnings, and solid dividend yields and that are also trading at attractive valuations relative to their history. We are mindful of several structural challenges facing consumer staples names, including consumers' shifting preferences toward healthier, more natural food and beverages.

We sold shares in the financials and utilities sectors. Within the financials sector, we continue to seek attractively valued idiosyncratic investments that we expect to be solid performers in most economic scenarios. Our largest industry position is in insurance. Within utilities, we favor names with strong management teams, exposure to longer-term trends, such as the growing energy demand from data centers and the shift toward renewable energy, and names that trade at a discount to their peers due to near-term uncertainty despite attractive long-term fundamentals.

Our overall fixed income weight increased compared with last quarter. Within fixed income, we continue to favor high-quality bank loans and high yield bonds, which offer attractive risk-adjusted return profiles. We also have a large allocation to U.S. Treasuries, which we believe can help provide ballast and generate income and are highly liquid should we decide to add to riskier assets if further market stress arises.

Significant Purchases

Meta Platforms: Shares of Meta turned lower following the company's late January earnings release, despite strong top-line results. Substantial revenue growth from advertising served as an early proof point for the company's recent investments, but aggressive forward guidance for AI-driven capital expenditures appeared to raise concerns that sent shares lower. We believe that the company is well positioned to utilize AI capabilities to improve and monetize its products and help restore digital advertising revenue, and we bought shares during the period.

Amazon.com: Shares of Amazon.com declined after the e-commerce giant's quarterly earnings. While the company reported solid results overall, investors responded negatively to Amazon's substantial increase to its 2026 capital expenditure guidance largely in support of AI infrastructure investments, which raised some concerns around near-term profitability and free cash flow pressure. We continue to hold a favorable view of Amazon, which we believe is undervalued as a whole company relative to the sum of its parts.

Ascendis Pharma: Ascendis Pharma is a Denmark-based biotech company that manufactures drugs to treat hormone-related conditions using its TransCon technology platform, which offers a differentiated approach to long-lasting drug delivery. With its growth hormone deficiency treatment, Skytrofa, and its hypoparathyroidism drug, Yorvipath, already in the market, and its achondroplasia treatment, TransCon CNP in late-stage clinical trials, the company has a robust pipeline and a strong track record of using its technology to bring treatments to the market. We initiated a position during the period.

Waters: Waters provides scientific instruments, software, and services used to analyze chemicals and biological samples, helping industries like pharmaceuticals ensure product quality and safety. The company posted a slight earnings beat for fourth quarter earnings in February, but shares pulled back on concerns over weak revenue in biosciences and diagnostic solutions businesses that Waters acquired from Becton, Dickinson and Company. We think headwinds facing these businesses have been overstated, and with shares trading at reasonable valuations, we initiated a position during the period.

Significant Sales

Abbott Laboratories: Abbott Laboratories is a diversified mega-cap company with revenue across medical devices, diagnostics, established pharmaceuticals, and nutrition, with roughly one-third of revenue derived from U.S. end markets, and the rest internationally. Over the long term, we think the company's defensive characteristics will be supportive, particularly in down markets. While we pared our position during the period, we continue to like the company for its clean balance sheet and strong free cash flow conversion, which we think can create capital deployment optionality.

Alphabet: We trimmed our position in Alphabet, the market share leader in global search. We continue to like Alphabet for its strong management team and its disciplined capital allocation program as well as its diverse portfolio of market-leading internet properties. We think the company has made solid progress on monetizing AI in its search business and will continue to benefit from entrenched consumer habits as AI adoption accelerates.

NVIDIA: NVIDIA is the leading designer of graphics processing units in its industry. We believe NVIDIA is a high-quality company with increasing leverage to several up-and-coming secular growth markets. We sold shares and increased our underweight relative to the benchmark, reflecting our expectation for broadening competition in AI. That said, NVIDIA continued to be one of our largest absolute positions within the portfolio's equity holdings.

Arthur J. Gallagher: Arthur J. Gallagher is the third-largest insurance broker in the world. Shares of the company came under pressure during the period when earnings came in below guidance, attributed in part to a softening property and casualty insurance market as well as unrealized synergies following the company's 2025 acquisition of AssuredPartners. These headwinds contribute to an increasingly wide range of outcomes for the company, and we exited our position during the period.

Manager's Outlook

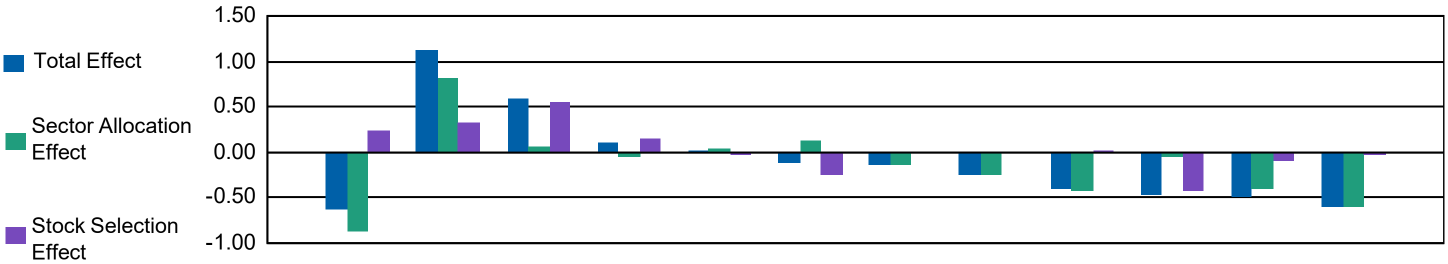
March's sell-off led to U.S. equities delivering their worst quarter in over three years amid a brewing energy crisis, inflation concerns, and diminished expectations for Fed rate cuts. The impacts of the effective closure of the Strait of Hormuz began to ripple through the global economy as the period drew to a close, and uncertainty around the duration and extent of the conflict is likely to contribute to bouts of near-term volatility. However, cracks in the equity market were evident prior to the conflict, as investors had been rotating out of heavily cyclical sectors and into more traditionally defensive market segments early in the quarter.

While the recent sell-off has improved valuations, they remain elevated, and particularly so in some market segments, in the wake of a protracted rally in 2025 that favored many names we view as the most volatile, highest risk, and lowest quality. Against this backdrop, we have a relatively balanced multiyear view of markets and have positioned the portfolio accordingly. Although the market in recent periods has been a clear mismatch with our investment process, rising risks and a renewed focus on valuations could contribute to a compelling opportunity for our valuation discipline and style. We have an underweight position in heavily cyclical names that we think are richly valued, while favoring areas of the market with strong underlying fundamentals, reasonable valuations, and favorable exposure to secular tailwinds, including life sciences tools, small- and medium-sized biotechnology names, and utilities. Within AI, our positioning reflects a more selective stance, where we are overweight beneficiaries with diversified revenue streams and where we expect broadening competition. If markets begin to reanchor around fundamentals, rewarding quality and earnings durability, we believe we have positioned the portfolio to benefit.

Our focus remains on identifying companies and industries that have the potential for meaningful appreciation over the next five years, and we think speculative leadership has left many of the higher-quality names we favor behind. As a result, we have been able to identify attractive idiosyncratic opportunities to build positions during the quarter. We remain focused on corporate fundamentals and identifying opportunities to invest that we think can add value over the long term, while also paring positions where valuations appear extended. As always, we remain committed to finding the best risk-adjusted opportunities across the asset class spectrum to help balance our goals of preserving invested capital and generating equity-like returns over the long term with less risk than the broader equity market.

Quarterly Attribution

Sector Attribution Data: Fund vs S&P 500 Index (Equity Only) (3 months ended March 31, 2026) (%)



	Total	Utilities	Cons-umer Disc	Health Care	Comm Svcs	Finan-cials	Real Estate	Mater-ials	Indust & Bus Svcs	Info Tech	Cons-umer Staples	Energy
Over/Under Weight	N/A	6.84	1.63	11.02	0.46	-5.13	-1.95	-2.09	-6.92	0.85	-2.66	-2.05
Fund Performance	-4.96	11.97	-4.38	-4.24	-7.07	-10.37	0.00	0.00	4.63	-10.23	-0.09	37.28
Index Performance	-4.33	8.26	-9.19	-4.88	-6.94	-9.35	2.76	9.73	4.61	-9.13	7.68	38.25
Sector Allocation Effect	-0.87	0.81	0.05	-0.05	0.04	0.13	-0.13	-0.25	-0.43	-0.04	-0.40	-0.60
Stock Selection Effect	0.24	0.32	0.54	0.15	-0.02	-0.24	0.00	0.00	0.02	-0.43	-0.09	-0.01
Total Effect	-0.63	1.14	0.59	0.10	0.02	-0.11	-0.13	-0.25	-0.41	-0.47	-0.49	-0.61

Top 5 Absolute Contributors - Equity Only (3 Months ended March 31, 2026)

Issuer	% of Fund
CenterPoint Energy	2.3
NiSource	2.1
Starbucks	1.1
Canadian Natural Resources	0.5
Arcellx	0.2

Top 5 Absolute Detractors - Equity Only (3 Months ended March 31, 2026)

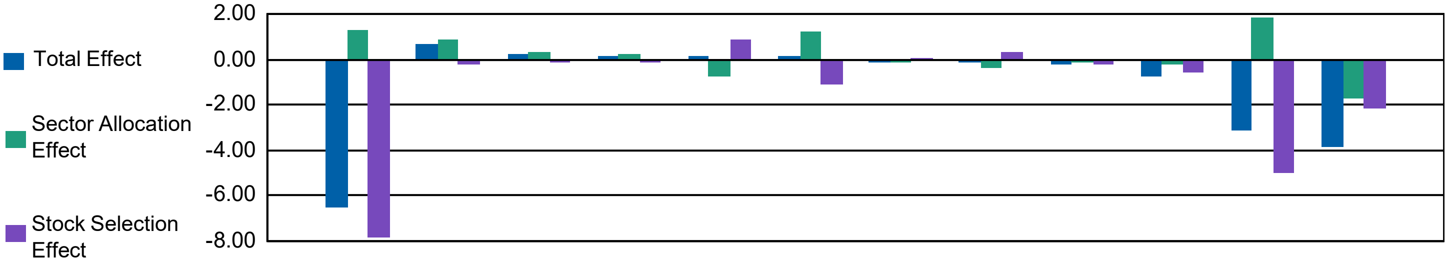
Issuer	% of Fund
Microsoft	4.3
Meta Platforms	3.7
PTC	1.7
Keurig Dr Pepper	1.6
Workday	0.2

Past performance is not a guarantee or a reliable indicator of future results. Numbers may not total due to rounding; all numbers are percentages. Analysis represents the equity only performance of the portfolio as calculated by the FactSet attribution model and is exclusive of non-equity positions and equity options. 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 2026 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD.

12-Month Attribution

Sector Attribution Data: Fund vs S&P 500 Index (Equity Only) (12 months ended March 31, 2026) (%)



	Total	Consumer Staples	Real Estate	Utilities	Comm Svcs	Financials	Materials	Energy	Consumer Disc	Indust & Bus Svcs	Info Tech	Health Care
Over/Under Weight	N/A	-2.66	-1.95	6.84	0.46	-5.13	-2.09	-2.05	1.63	-6.92	0.85	11.02
Fund Performance	11.29	-14.78	-9.31	16.59	49.85	-6.56	21.95	56.79	9.55	15.83	16.16	-6.36
Index Performance	17.80	6.31	2.34	19.71	32.51	0.72	17.98	36.32	11.72	25.17	29.05	2.31
Sector Allocation Effect	1.30	0.84	0.30	0.25	-0.71	1.21	-0.12	-0.41	-0.02	-0.19	1.85	-1.70
Stock Selection Effect	-7.82	-0.16	-0.01	-0.07	0.85	-1.07	0.11	0.32	-0.19	-0.52	-4.96	-2.12
Total Effect	-6.51	0.68	0.29	0.18	0.14	0.14	-0.01	-0.09	-0.21	-0.71	-3.10	-3.82

Top 5 Absolute Contributors - Equity Only (12 Months ended March 31, 2026)

Issuer	% of Fund
Amazon.com	4.8
NVIDIA	3.0
Alphabet	2.2
Advanced Micro Devices	1.3
Amphenol	0.0

Top 5 Absolute Detractors - Equity Only (12 Months ended March 31, 2026)

Issuer	% of Fund
Revvity	1.9
Aurora Innovation	1.0
UnitedHealth Group	0.8
Workday	0.2
Roper Technologies	0.0

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Sources: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD.

Portfolio Positioning

Sector Diversification - Changes Over Time vs. S&P 500 Index - Equity Only (%)

Sector	Fund 3/31/25	Fund 12/31/25	Fund 3/31/26	Benchmark 3/31/26
Info Tech	34.3	35.0	33.7	32.9
Health Care	25.2	19.4	20.4	9.5
Cons Disc	6.9	9.5	11.5	9.9
Comm Svcs	4.0	8.3	10.8	10.3
Utilities	7.3	9.9	9.4	2.5
Financials	4.3	12.7	7.5	12.6
Cons Stpls	0.4	1.5	2.6	5.3
Indust & Bus Svcs	14.9	2.2	2.1	9.0
Energy	2.2	1.6	2.0	4.0
Real Estate	0.3	0.0	0.0	2.0
Materials	0.1	0.0	0.0	2.1

Largest Purchases

Issuer	Sector	% of Fund 03/31/26	% of Fund 12/31/25
Meta Platforms	Comm Svcs	3.7	1.6
Amazon.com	Consumer Discretionary	4.8	3.5
Keurig Dr Pepper	Consumer Staples	1.6	1.3
Ascendis Pharma (N)	Health Care	0.9	0.0
Waters (N)	Health Care	1.2	0.0
DoorDash (NE)	Consumer Discretionary	0.0	0.0
Microsoft	Info Tech	4.2	4.5
JPMorgan Chase (N)	Financials	0.7	0.0
Netflix (N)	Comm Svcs	0.7	0.0
Danaher	Health Care	0.7	0.2

Largest Sales

Issuer	Sector	% of Fund 03/31/26	% of Fund 12/31/25
Abbott Laboratories	Health Care	0.2	2.0
Alphabet	Comm Svcs	2.3	3.7
NVIDIA	Info Tech	3.0	4.2
Arthur J. Gallagher (NE)	Financials	0.0	0.0
KKR (E)	Financials	0.0	1.0
Willis Towers Watson (E)	Financials	0.0	0.9
Ameren	Utilities	0.7	1.4
Canadian Natural Resources	Energy	0.5	1.0
Amphenol (E)	Info Tech	0.0	0.7
Yum! Brands	Consumer Discretionary	1.2	1.8

(N) New Position
(E) Eliminated
(NE) New Position Eliminated
A purchase or sale that occurred as a result of a corporate action where the Portfolio Manager had no discretion, if any, will not be displayed.
Securities are shown in order by their total net cost and proceed values. Net is defined as total cost of purchases less total proceeds of sales.

Holdings

Top 10 Issuers

Issuer	Industry	% of Fund	% of S&P 500 Index
U.S. Treasuries	Sovereign	17.6	0.0
Amazon.com	Broadline Retail	4.8	3.6
Microsoft	Software	4.2	4.9
Meta Platforms	Interactive Media & Services	3.7	2.2
Apple	Tech. Hard., Stor. & Periph.	3.6	6.7
NVIDIA	Semicons & Semicon Equip	3.0	7.6
Hub International	Insurance	2.8	0.0
CenterPoint Energy	Multi-Utilities	2.3	0.1
Alphabet	Interactive Media & Services	2.3	5.4
NiSource	Multi-Utilities	2.1	0.0

Top 5 Over/Underweight Positions vs. S&P 500 Index

Issuer	Industry	% of Fund	% of Benchmark	Over/ Underweight (%)
CenterPoint Energy	Multi-Utilities	2.3	0.1	2.3
NiSource	Multi-Utilities	2.1	0.0	2.1
Revvity	Life Sciences Tools & Services	1.9	0.0	1.9
PTC	Software	1.7	0.0	1.6
Keurig Dr Pepper	Beverages	1.6	0.1	1.6
NVIDIA	Semicons & Semicon Equip	3.0	7.6	-4.6
Alphabet	Interactive Media & Services	2.3	5.4	-3.1
Apple	Tech. Hard., Stor. & Periph.	3.6	6.7	-3.1
Tesla	Automobiles	0.0	1.9	-1.9
Berkshire Hathaway CL A	Financial Services	0.0	1.6	-1.6

Portfolio Management

	Managed Since	Joined Firm
David Giroux	2006	1998
Vivek Rajeswaran	2025	2012
Mike Signore	2025	2017
Brian Solomon	2025	2015

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. Read it carefully.

Visit Troweprice.com/glossary for a glossary of financial terminology.

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Portfolio holdings in this report are presented gross of any non-reclaimable withholding tax. Any non-reclaimable withholding tax is included in position market values. Portfolio diversification data is calculated net of any non-reclaimable withholding tax. Any non-reclaimable tax withheld is not reflected in category market values.

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.

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

Equities include common stocks as well as convertible securities.

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

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

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that investments in the securities identified and discussed were or will be profitable.

Closed to new investors. Open to subsequent investments.

The manager’s views and portfolio holdings are historical and subject to change. This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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