



SEMIANNUAL REPORT

June 30, 2020

T. ROWE PRICE

Institutional Large-Cap Core Growth Fund

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HIGHLIGHTS

- The Institutional Large-Cap Core Growth Fund returned 11.03% in the six months ended June 30, 2020. The fund significantly outperformed its benchmark, the S&P 500 Index, which declined more than 3% over the same period.
- The leading contributing sectors were communication services, consumer discretionary, and information technology. Relative performance was positive in all sectors.
- The fund's top sector allocations are in information technology, consumer discretionary, communication services, and health care—areas that we believe offer the most fertile ground for innovation and growth.
- Overall, we continue to emphasize “all season” growth companies that we believe can continue to generate strong earnings and free cash flow growth in most economic and regulatory environments.

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Dear Investor

Financial markets recorded widely mixed results during the first half of 2020 as the spread of the coronavirus disrupted global economies. Although stocks and bonds experienced extraordinary volatility, historic levels of fiscal and monetary stimulus helped mitigate the losses.

Market sentiment was positive as we entered the year, and the S&P 500 Index advanced to a record high on February 19. However, stocks began falling as the coronavirus spread in Italy and other countries outside China. The major indexes continued their slide as cases mounted in the U.S. and New York City became the epicenter of the pandemic. Governments throughout the world issued stay-at-home orders to contain the virus, and some sectors, such as travel, restaurants, and shopping malls, nearly came to a halt.

According to the National Bureau of Economic Research, a recession officially began in February, ending the longest expansion in U.S. history. Over 22 million Americans lost their jobs in March and April, and many measures of economic activity, including retail sales and industrial production, experienced record-setting declines. By March 23, the S&P 500 Index had fallen by about a third from the start of the year.

In response to the rapid economic contraction, global central banks took bold accommodative steps, and many governments around the world passed emergency spending packages. The Federal Reserve cut its short-term lending rate to near zero and began massive purchases of government and corporate bonds to stimulate the economy and supply liquidity in the fixed income market.

The federal government also provided trillions of dollars in fiscal help in the form of direct payments to many Americans, expanded unemployment insurance, and subsidies to sectors such as transportation and health care that had been directly impacted by the pandemic. As lockdowns eased late in the period, there were signs of economic recovery, especially in stronger-than-expected payroll data, but surges in new virus cases in some states remained a concern.

Boosted by the stimulus and indications that the economy was mending faster than many expected, nearly all sectors recouped some of their losses by the end of June, and some segments were back in positive territory. For the six-month period, the tech-heavy Nasdaq Composite Index reached record highs and easily outperformed other benchmarks as the pandemic appeared to accelerate trends in retail, social media, and content streaming that benefited the large technology platforms. Large- and mid-cap growth stocks also produced positive returns and outperformed small-caps and value shares, which lost ground.

The S&P 500 Index finished the period with modest losses overall. Within the benchmark, tech and consumer discretionary stocks rallied, but energy shares were down more than 35% (including dividends) amid tumbling oil prices, and the financials sector struggled in a low-yield environment. Non-U.S. equity markets were generally negative and lagged the U.S. benchmarks.

In the fixed income universe, Treasuries were the top performers as yields dropped to record lows during the period, and other U.S. investment-grade bonds were also generally positive. High yield and emerging markets bonds were particularly hard hit during the market sell-off in March, but the sectors staged a strong recovery as investors sought out higher-yielding securities. Emerging markets debt denominated in U.S. dollars outperformed local currency issues, as weakness in certain currencies weighed on local bond performance in U.S. dollar terms.

As we enter the second half of the year, we expect markets to remain volatile. The scale of the stimulus and the potential for medical breakthroughs create the potential for stocks to move higher, but much depends on the course of the virus. Rising tensions between the U.S. and China, social unrest, and the U.S. elections in November could also drive market performance.

Our investment teams will be carefully monitoring these developments, and I believe that our disciplined fundamental research and strategic investing approach will continue to serve our shareholders well in this uncertain environment.

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks to provide long-term capital growth through investments in the common stocks of large-cap growth companies.

COMMENTARY

How did the fund perform in the past six months?

The Institutional Large-Cap Core Growth Fund returned 11.03% in the six-month period ended June 30, 2020, significantly outperforming its benchmark, the S&P 500 Index, which generated a loss over the same period. The fund also outperformed the style-specific Russell 1000 Growth Index and its peer group, the Lipper Large-Cap Growth Funds Index. *(Past performance cannot guarantee future results.)*

PERFORMANCE COMPARISON	
Six-Month Period Ended 6/30/20	Total Return
Institutional Large-Cap Core Growth Fund	11.03%
S&P 500 Index	-3.08
Russell 1000 Growth Index	9.81
Lipper Large-Cap Growth Funds Index	10.92

What factors influenced the fund's performance?

The fund's strong absolute and relative performance in the first half of 2020 was driven by a combination of positive stock selection and favorable allocation decisions. The communication services, consumer discretionary, and information technology (IT) sectors were the leading relative contributors. While there weren't any relative detractors at the sector level, there were a few challenging industries in which we underperformed, including specialty retail, aerospace and defense, and health care providers and services.

In the communication services sector, our large positions in the leading social media, content streaming, and online advertising platforms generated strong contributions. **Facebook** has continued to perform well, thanks in part to better-than-feared digital advertising results. The company's social commerce strategy, including the recent launch of Facebook Shops, represents another promising lever for growth, in addition to its core high-margin digital advertising business. **Netflix**, which we added to early in the year, has benefited from increased viewership in the stay-at-home environment. Moreover, while other streaming services lag in terms of release volume and traditional studios shut down production, Netflix remains well positioned with its extensive library and a healthy slate of new originals in the pipeline ready to be released. **Spotify**, the leading audio streaming platform, was another exceptional performer, with subscription growth accelerating and the company making a

concerted push into the burgeoning podcasting industry. Our non-U.S. holdings in the sector saw similar pandemic-related tailwinds in their respective markets and were also strong contributors. Examples include **Tencent Holdings**, China's leader in social and gaming platforms, and our recently initiated position in **Sea**, a company we believe is well positioned in Southeast Asia with its strong businesses in gaming, e-commerce, and payments. (Please refer to our portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

In the consumer discretionary sector, **Amazon.com**, our largest holding and another standout with so many consumers stuck at home, was once again the portfolio's top contributor in both absolute and relative terms. The company's dominant e-commerce business has seen a surge in growth driven by a combination of late adopters who may be trying the service for the first time and existing users who are expanding into new categories, such as consumables. We feel this bodes well for long-term growth on both counts, as many of these customers are likely to stick around postcrisis and continue expanding Amazon's share of consumers' wallets. Results in physical retail were more mixed. **Dollar General** performed well and remains relatively well positioned. **Ross Stores**, on the other hand, has been hurt by the closure of nonessential retail, and its shares have traded sharply lower. While the near term could remain challenging, we expect off-price retailers such as Ross to benefit from broader coronavirus-related supply chain disruptions that cause inventories to pile up, allowing them to source better products at lower prices. **Booking Holdings** was also among the top detractors as the global pandemic caused demand for travel to all but grind to a halt. We have gradually reduced our position over the past couple of years as the company's growth profile has matured, and we continued to trim in the first half of 2020.

In the IT sector, relative performance benefited from our positioning in cloud software providers. **ServiceNow** has done an excellent job building on its expertise in IT service management and extending its reach more broadly across the enterprise. **PayPal Holdings** has executed well and, in our view, remains extremely well positioned to continue benefiting from the accelerating adoption of e-commerce and contactless payment options. **DocuSign** generated outstanding performance in the first half of 2020 as the pandemic has helped accelerate the adoption of its e-signature products across new industries, extending the technology to a broader set of use cases. **Apple** outperformed due in part to better-than-expected iPhone results, anticipation for the next-generation 5G launch, and encouraging growth in the company's services business. While our portfolio remains underweight, we have been gradually narrowing that gap by opportunistically adding to our position in the leading smartphone manufacturer over the last several quarters.

There were some bright spots in our health care holdings, including longtime holding **Vertex Pharmaceuticals**, which has maintained its dominance in the treatment of cystic fibrosis. However, there were a few challenging spots as well, including in the managed care industry, where holdings, including **Cigna** and **Anthem**, lagged amid growing speculation for a Democratic sweep in the upcoming U.S. elections. Furthermore, the deferment of high-margin elective procedures to free up capacity for coronavirus admissions has weighed on profitability for hospital operators, such as **HCA Healthcare**. Strained hospital balance sheets also created a challenging environment for many medical equipment and supplies companies. **Stryker**, for example, has experienced sharp declines in its orthopedics business. We also reduced the portfolio's position in **Becton, Dickinson & Company**, which struggled with ongoing issues surrounding its Alaris infusion pump system.

The portfolio's underweight allocation to industrials and business services helped more than offset our unfavorable stock selection within the sector, which was driven by **Boeing**. We began trimming our exposure last year on concerns related to ongoing challenges in the 737 Max recertification process. Those issues, combined with the devastating effect of the coronavirus outbreak on the airline industry, jeopardized our growth thesis and prompted us to essentially eliminate our remaining holdings. Over the first half of the year, the heaviest-selling activity in your portfolio occurred in the aerospace and defense industry, as we also significantly reduced our exposure to **Northrop Grumman**.

How is the fund positioned?

The fund continues to emphasize secular growth companies with strong competitive positions in large addressable markets that support multiyear growth horizons. Prominent sectors in the portfolio—including IT, consumer discretionary, communication services, and health care—are areas that we continue to believe offer fertile ground for innovative companies to achieve above-average growth prospects.

IT remains our largest sector allocation. Within the sector, however, it is important to note that our exposure is skewed heavily toward software and IT services, whereas legacy technology industries, including hardware and semi-conductors, are among our largest underweights. This key distinction reflects our focus on secular—as opposed to cyclical—growth.

Consumer discretionary is our second-largest sector weighting. E-commerce behemoths Amazon.com and **Alibaba Group Holding** are two of the fund's top five holdings and represent the bulk of our exposure in the sector. Internet retail is the largest industry overweight across all sectors, whereas physical retail is among the deepest underweights.

The third-largest sector weight is communication services, which was essentially carved out of the IT sector in 2018. Leaders in the secular shift toward digital advertising, including Facebook, **Alphabet**, and Tencent, make up the majority of our exposure in the group. Overall, we were net buyers in the sector during the first half, including new positions in Sea and **Snap**.

Our allocation to the health care sector is largely composed of high-quality managed care organizations and medical device companies. During the first half of the year, we made modest additions to managed care names, reinitiating a small stake in **Humana** and adding to our holdings in **Centene**, **Cigna**, and **UnitedHealth Group**. While we moderated our exposure to medical device and equipment companies in favor of other ideas, we remain overweight based on our constructive long-term view. On the other hand, pharmaceuticals represent our portfolio's largest industry underweight, reflecting our concerns regarding relatively limited pipelines for blockbuster drugs as well as ongoing pressure on drug prices.

SECTOR DIVERSIFICATION

	Percent of Net Assets	
	12/31/19	6/30/20
Information Technology	33.4%	37.3%
Consumer Discretionary	20.8	20.4
Communication Services	17.9	20.0
Health Care	15.4	14.4
Financials	4.5	3.7
Industrials and Business Services	6.2	3.0
Materials	0.7	0.4
Consumer Staples	0.0	0.1
Utilities	0.3	0.1
Real Estate	0.0	0.1
Energy	0.3	0.0
Other and Reserves	0.5	0.5
Total	100.0%	100.0%

Historical weightings reflect current industry/sector classifications.

What is portfolio management's outlook?

In our view, the two principal risks going forward are the extent of economic damage caused by the pandemic, including how much it impedes growth, and how the upcoming U.S. elections play out.

After trending positively on hopes for a potential vaccine and/or more effective treatments, sentiment appears to have shifted in the other direction recently. For example, the escalation in cases in several U.S. states will probably cause the deferral of vacations and other forms of travel, which

could crimp growth. Regarding the elections, the possibility of a Democratic sweep as well as various other outcomes create significant uncertainty for investors trying to determine potential tax and regulatory policy.

We recognize that it is difficult to forecast the pandemic, elections, and many economic factors with any degree of conviction. With this in mind, we think it is prudent to avoid companies that we feel require a robust economic backdrop or a meaningful increase in interest rates in order to justify ownership, as well as those we believe are prohibitively expensive with relative valuations that are difficult to justify. Instead, we will continue to emphasize high-quality growth companies that we believe can continue to generate durable earnings and free cash flow growth in most economic and regulatory environments.

As always, we maintain a disciplined adherence to our rigorous investment process, which is rooted in bottom-up, fundamental research. We appreciate your support in this endeavor.

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 STOCK INVESTING

The fund's share price can fall because of weakness in the stock markets, a particular industry, or specific holdings. Stock markets can decline for many reasons, including adverse political or economic developments, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, the investment manager's assessment of companies held in a fund may prove incorrect, resulting in losses or poor performance even in rising markets.

RISKS OF GROWTH INVESTING

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

BENCHMARK INFORMATION

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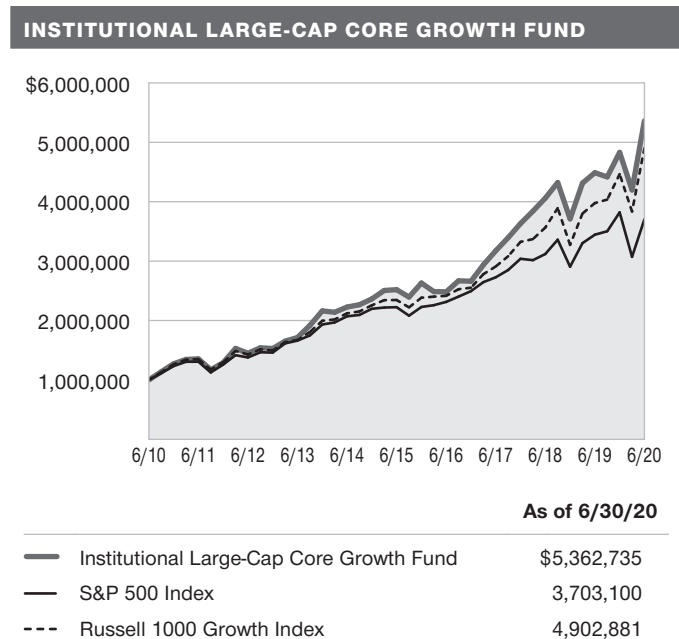
TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 6/30/20
Amazon.com	11.7%
Facebook	6.4
Alphabet	6.4
Microsoft	5.7
Alibaba Group Holding	4.0
Apple	3.9
Visa	3.3
Tencent Holdings	2.8
MasterCard	2.7
PayPal Holdings	2.5
ServiceNow	2.4
Netflix	2.4
UnitedHealth Group	2.0
Intuit	1.9
Salesforce.com	1.9
Vertex Pharmaceuticals	1.8
Global Payments	1.7
Cigna	1.6
Fidelity National Information Services	1.5
Stryker	1.3
Danaher	1.3
Intuitive Surgical	1.3
Dollar General	1.2
Fiserv	1.2
NVIDIA	1.2
Total	74.1%

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 table 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.



AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/20	1 Year	5 Years	10 Years
Institutional Large-Cap Core Growth Fund	19.48%	16.31%	18.29%

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 Large-Cap Core Growth Fund	0.56%
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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.

INSTITUTIONAL LARGE-CAP CORE GROWTH FUND

	Beginning Account Value 1/1/20	Ending Account Value 6/30/20	Expenses Paid During Period* 1/1/20 to 6/30/20
Actual	\$1,000.00	\$1,110.30	\$2.94
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.08	2.82

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.56%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (182), and divided by the days in the year (366) to reflect the half-year period.

T. ROWE PRICE INSTITUTIONAL LARGE-CAP CORE GROWTH FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	\$ 48.68	\$ 37.63	\$ 37.43	\$ 27.80	\$ 27.56	\$ 24.86
Investment activities						
Net investment income (loss) ⁽¹⁾⁽²⁾	(0.01)	0.09	0.09	0.08	0.07	0.04
Net realized and unrealized gain/loss	5.38	11.25	0.73	10.07	0.24	2.78
Total from investment activities	5.37	11.34	0.82	10.15	0.31	2.82
Distributions						
Net investment income	-	(0.09)	(0.06)	(0.07)	(0.07)	(0.03)
Net realized gain	-	(0.20)	(0.56)	(0.45)	-	(0.09)
Total distributions	-	(0.29)	(0.62)	(0.52)	(0.07)	(0.12)
NET ASSET VALUE						
End of period	\$ 54.05	\$ 48.68	\$ 37.63	\$ 37.43	\$ 27.80	\$ 27.56

Ratios/Supplemental Data

Total return⁽²⁾⁽³⁾	11.03%	30.15%	2.17%	36.50%	1.12%	11.34%
Ratios to average net assets: ⁽²⁾						
Gross expenses before waivers/payments by Price Associates	0.56% ⁽⁴⁾	0.56%	0.56%	0.57%	0.57%	0.57%
Net expenses after waivers/payments by Price Associates	0.56% ⁽⁴⁾	0.56%	0.56%	0.57%	0.57%	0.57%
Net investment income (loss)	(0.04)% ⁽⁴⁾	0.20%	0.22%	0.23%	0.26%	0.15%
Portfolio turnover rate	15.5%	37.1%	27.4%	41.1%	40.2%	32.7%
Net assets, end of period (in millions)	\$ 4,813	\$ 4,419	\$ 3,461	\$ 3,094	\$ 2,322	\$ 2,086

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 5 for details of expense-related arrangements with Price Associates.

⁽³⁾ 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. Total return is not annualized for periods less than one year.

⁽⁴⁾ Annualized

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

T. ROWE PRICE INSTITUTIONAL LARGE-CAP CORE GROWTH FUND

June 30, 2020 (Unaudited)

PORTFOLIO OF INVESTMENTS†	Shares	\$ Value
(Cost and value in \$000s)		
COMMON STOCKS 99.5%		
Communication Services 20.0%		
Entertainment 3.4%		
Electronic Arts (1)	10,620	1,402
Netflix (1)	250,784	114,117
Sea, ADR (1)(2)	249,800	26,789
Spotify Technology (1)	91,526	23,631
		165,939
Interactive Media & Services 16.6%		
Alphabet, Class A (1)	39,242	55,647
Alphabet, Class C (1)	177,194	250,483
Facebook, Class A (1)	1,357,418	308,229
Match Group (1)	108,353	35,041
Match Group, Class A (1)(2)	4,407	472
Snap, Class A (1)	571,500	13,425
Tencent Holdings (HKD)	2,090,800	133,974
		797,271
Total Communication Services		963,210
Consumer Discretionary 20.4%		
Auto Components 0.0%		
Aptiv	12,606	982
		982
Hotels, Restaurants & Leisure 1.0%		
Chipotle Mexican Grill (1)	17,414	18,326
Hilton Worldwide Holdings	60,357	4,433
Marriott International, Class A	133,808	11,472
McDonald's	13,580	2,505
Restaurant Brands International (2)	15,854	866
Wynn Resorts	8,487	632
Yum! Brands	119,596	10,394
		48,628
Internet & Direct Marketing Retail 16.6%		
Alibaba Group Holding, ADR (1)	889,238	191,809
Amazon.com (1)	203,959	562,686
Booking Holdings (1)	24,324	38,732

	Shares	\$ Value
(Cost and value in \$000s)		
Etsy (1)	54,900	5,832
Trip.com Group, ADR (1)	20,640	535
		799,594
Multiline Retail 1.3%		
Dollar General	309,037	58,875
Dollar Tree (1)	27,797	2,576
		61,451
Specialty Retail 0.7%		
Ross Stores	334,346	28,500
TJX	115,714	5,850
		34,350
Textiles, Apparel & Luxury Goods 0.8%		
Lululemon Athletica (1)	106,589	33,257
NIKE, Class B	34,185	3,352
		36,609
Total Consumer Discretionary		981,614
Consumer Staples 0.1%		
Beverages 0.1%		
Constellation Brands, Class A	24,483	4,283
Total Consumer Staples		4,283
Energy 0.0%		
Oil, Gas & Consumable Fuels 0.0%		
Pioneer Natural Resources	11,523	1,126
Total Energy		1,126
Financials 3.7%		
Capital Markets 2.3%		
Charles Schwab	181,454	6,122
Goldman Sachs Group	98,213	19,409
Intercontinental Exchange	241,453	22,117
Morgan Stanley	429,012	20,721
MSCI	15,900	5,308
S&P Global	107,531	35,429
State Street	34,500	2,193
		111,299

T. ROWE PRICE INSTITUTIONAL LARGE-CAP CORE GROWTH FUND

	Shares	\$ Value
(Cost and value in \$000s)		
Insurance 1.4%		
American International Group	218,312	6,807
Chubb	51,482	6,518
Marsh & McLennan	160,172	17,198
Willis Towers Watson	204,829	40,341
		70,864
Total Financials		182,163
Health Care 14.4%		
Biotechnology 2.7%		
AbbVie	7,554	741
Alexion Pharmaceuticals (1)	92,252	10,354
Incyte (1)	206,836	21,505
Regeneron Pharmaceuticals (1)	6,800	4,241
Seattle Genetics (1)	26,494	4,502
Vertex Pharmaceuticals (1)	304,615	88,433
		129,776
Health Care Equipment & Supplies 4.6%		
Becton Dickinson & Company	111,209	26,609
Danaher	349,051	61,723
Exact Sciences (1)(2)	100,131	8,705
Intuitive Surgical (1)	106,925	60,929
Stryker	346,367	62,412
Teleflex	1,400	510
		220,888
Health Care Providers & Services 5.4%		
Anthem	144,255	37,936
Centene (1)	546,775	34,748
Cigna	422,542	79,290
HCA Healthcare	52,405	5,086
Humana	29,613	11,483
UnitedHealth Group	318,252	93,868
		262,411
Health Care Technology 0.3%		
Veeva Systems, Class A (1)	54,315	12,733
		12,733
Life Sciences Tools & Services 1.1%		
Agilent Technologies	8,301	733

	Shares	\$ Value
(Cost and value in \$000s)		
Thermo Fisher Scientific	145,697	52,792
		53,525
Pharmaceuticals 0.3%		
Zoetis	95,332	13,064
		13,064
Total Health Care		692,397
Industrials & Business Services 3.0%		
Aerospace & Defense 0.1%		
Boeing	2,144	393
L3Harris Technologies	17,578	2,983
Northrop Grumman	1,982	609
		3,985
Airlines 0.0%		
United Airlines Holdings (1)	3,193	110
		110
Commercial Services & Supplies 0.2%		
Cintas	43,214	11,510
		11,510
Industrial Conglomerates 0.6%		
General Electric	78,200	534
Honeywell International	2,110	305
Roper Technologies	74,642	28,981
		29,820
Machinery 0.2%		
Fortive	111,051	7,514
		7,514
Professional Services 1.1%		
CoStar Group (1)	42,563	30,248
Equifax	127,966	21,995
IHS Markit	15,238	1,150
		53,393
Road & Rail 0.8%		
Canadian Pacific Railway	37,612	9,604
Kansas City Southern	61,800	9,226
Norfolk Southern	27,529	4,833

	Shares	\$ Value
(Cost and value in \$000s)		
Union Pacific	84,057	14,212
		37,875
Total Industrials & Business Services		144,207
Information Technology 37.3%		
Communications Equipment 0.0%		
Motorola Solutions	1,815	254
		254
IT Services 13.8%		
ANT International, Class C, Acquisition Date: 6/7/18, Cost: \$6,963 (1)(3)(4)	1,241,204	8,713
Automatic Data Processing	3,555	529
Fidelity National Information Services	552,585	74,096
Fiserv (1)	584,777	57,086
FleetCor Technologies (1)	38,460	9,674
Global Payments	492,823	83,593
Mastercard, Class A	441,752	130,626
PayPal Holdings (1)	682,310	118,879
Twilio, Class A (1)(2)	9,900	2,172
Visa, Class A	823,179	159,014
Wix.com (1)	87,530	22,427
		666,809
Semiconductors & Semiconductor Equipment 3.5%		
Advanced Micro Devices (1)	385,600	20,286
Applied Materials	311,780	18,847
KLA	11,818	2,298
Lam Research	44,716	14,464
Marvell Technology Group	871,990	30,572
Maxim Integrated Products	80,168	4,859
NVIDIA	147,261	55,946
QUALCOMM	163,667	14,928
Texas Instruments	57,098	7,250
		169,450
Software 16.1%		
Atlassian, Class A (1)	85,906	15,486
Citrix Systems	43,500	6,434
Coupa Software (1)(2)	10,300	2,854

	Shares	\$ Value
(Cost and value in \$000s)		
DocuSign (1)	141,212	24,318
Intuit	315,523	93,455
Microsoft	1,353,645	275,480
Paycom Software (1)	31,716	9,823
salesforce.com (1)	497,737	93,241
ServiceNow (1)	287,541	116,471
Splunk (1)	223,855	44,480
Synopsys (1)	165,665	32,305
VMware, Class A (1)	60,692	9,399
Workday, Class A (1)	223,908	41,952
Zoom Video Communications, Class A (1)	31,900	8,088
		773,786
Technology Hardware, Storage & Peripherals 3.9%		
Apple	511,379	186,551
		186,551
Total Information Technology		1,796,850
Materials 0.4%		
Chemicals 0.4%		
Air Products & Chemicals	2,082	503
Linde	68,430	14,514
Sherwin-Williams	8,410	4,860
Total Materials		19,877
Real Estate 0.1%		
Equity Real Estate Investment Trusts 0.1%		
American Tower, REIT	10,771	2,785
Total Real Estate		2,785
Utilities 0.1%		
Multi-Utilities 0.1%		
Sempra Energy	24,838	2,912
Total Utilities		2,912
Total Common Stocks (Cost \$2,460,415)		4,791,424

	Shares	\$ Value
(Cost and value in \$000s)		
SHORT-TERM INVESTMENTS 0.3%		
Money Market Funds 0.3%		
T. Rowe Price Government Reserve Fund,		
0.14% (5)(6)	13,191,977	13,192
Total Short-Term Investments (Cost \$13,192)		13,192

	Shares	\$ Value
(Cost and value in \$000s)		
SECURITIES LENDING COLLATERAL 0.4%		
Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company 0.4%		
Short-Term Funds 0.4%		
T. Rowe Price Short-Term Fund,		
0.22% (5)(6)	1,938,074	19,381
Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company		19,381
Total Securities Lending Collateral (Cost \$19,381)		19,381
Total Investments in Securities		
100.2% of Net Assets (Cost \$2,492,988)		\$ 4,823,997

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

(1) Non-income producing

(2) See Note 3. All or a portion of this security is on loan at June 30, 2020.

(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 has registration rights for certain restricted securities. Any costs related to such registration are borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period-end amounts to \$8,713 and represents 0.2% of net assets.

(4) See Note 2. Level 3 in fair value hierarchy.

(5) Seven-day yield

(6) Affiliated Companies

ADR American Depositary Receipts

HKD Hong Kong Dollar

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 six months ended June 30, 2020. 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	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund	\$ —	\$ —	\$ 99
T. Rowe Price Short-Term Fund	—	—	— ⁺⁺
Totals	\$ — [#]	\$ —	\$ 99 ⁺

Supplementary Investment Schedule

Affiliate	Value 12/31/19	Purchase Cost	Sales Cost	Value 6/30/20
T. Rowe Price Government Reserve Fund	\$ 19,532	□	□ \$	13,192
T. Rowe Price Short-Term Fund	6,529	□	□	19,381
Total	\$ 26,061	□	□	\$ 32,573 [^]

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

++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note X.

+ Investment income comprised \$99 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 \$32,573.

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

T. ROWE PRICE INSTITUTIONAL LARGE-CAP CORE GROWTH FUND

June 30, 2020 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets	
Investments in securities, at value (cost \$2,492,988)	\$ 4,823,997
Receivable for investment securities sold	14,336
Receivable for shares sold	1,987
Dividends receivable	678
Foreign currency (cost \$2)	2
Other assets	39
Total assets	<u>4,841,039</u>
Liabilities	
Obligation to return securities lending collateral	19,381
Payable for investment securities purchased	4,482
Payable for shares redeemed	2,376
Investment management fees payable	2,136
Due to affiliates	14
Payable to directors	4
Other liabilities	86
Total liabilities	<u>28,479</u>
NET ASSETS	<u>\$ 4,812,560</u>
Net Assets Consist of:	
Total distributable earnings (loss)	\$ 2,395,161
Paid-in capital applicable to 89,043,178 shares of \$0.0001 par value capital stock outstanding; 2,000,000,000 shares of the Corporation authorized	<u>2,417,399</u>
NET ASSETS	<u>\$ 4,812,560</u>
NET ASSET VALUE PER SHARE	<u>\$ 54.05</u>

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

STATEMENT OF OPERATIONS

(\$000s)

	6 Months Ended 6/30/20
Investment Income (Loss)	
Income	
Dividend	\$ 11,330
Securities lending	85
Total income	<u>11,415</u>
Expenses	
Investment management	12,006
Shareholder servicing	11
Prospectus and shareholder reports	37
Custody and accounting	129
Registration	18
Legal and audit	13
Directors	7
Miscellaneous	16
Total expenses	<u>12,237</u>
Net investment loss	<u>(822)</u>
Realized and Unrealized Gain / Loss	
Net realized gain on securities	50,104
Change in net unrealized gain/loss on securities	<u>406,130</u>
Net realized and unrealized gain / loss	<u>456,234</u>
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 455,412

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	6 Months Ended 6/30/20	Year Ended 12/31/19
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (822)	\$ 8,170
Net realized gain	50,104	246,327
Change in net unrealized gain / loss	406,130	795,168
Increase in net assets from operations	455,412	1,049,665
Distributions to shareholders		
Net earnings	-	(26,161)
Capital share transactions*		
Shares sold	531,631	745,724
Distributions reinvested	-	24,372
Shares redeemed	(593,403)	(836,138)
Decrease in net assets from capital share transactions	(61,772)	(66,042)
Net Assets		
Increase during period	393,640	957,462
Beginning of period	4,418,920	3,461,458
End of period	\$ 4,812,560	\$ 4,418,920
*Share information		
Shares sold	11,108	17,115
Distributions reinvested	-	507
Shares redeemed	(12,839)	(18,830)
Decrease in shares outstanding	(1,731)	(1,208)

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Institutional Equity Funds, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Institutional Large-Cap Core Growth Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks to provide long-term capital growth through investments in the common stocks of large-cap growth 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. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from mutual fund investments are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. 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. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid annually. A capital gain distribution 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 quoted by a major bank. 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 Redemptions In accordance with guidelines described in the fund's prospectus, and when considered to be in the best interest of all shareholders, the fund may distribute portfolio securities rather than cash as payment for a redemption of fund shares (in-kind redemption). Gains and losses realized on in-kind redemptions are not recognized for tax purposes and are reclassified from undistributed realized gain (loss) to paid-in capital. During the six months ended June 30, 2020, the fund realized \$54,928,000 of net gain on \$94,200,000 of in-kind redemptions.

New Accounting Guidance In March 2020, 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, which provides 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 as of the end of 2021. The guidance is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of the ASU 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

The fund's financial instruments are valued and its 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.

Fair Value The fund's financial instruments 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 T. Rowe Price Valuation Committee (the Valuation Committee) is an internal committee that has been delegated certain responsibilities by the fund's Board of Directors (the Board) to ensure that financial instruments are appropriately priced at fair value in accordance with GAAP and the 1940 Act. Subject to oversight by the Board, the Valuation Committee develops and oversees pricing-related policies and procedures and approves all fair value determinations. Specifically, the Valuation Committee establishes procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

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

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 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.

For valuation purposes, 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 fund 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 its portfolio securities, the fund will adjust the previous quoted prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust quoted prices to reflect fair value, the fund reviews 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 fund may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. The fund uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The fund 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. As a means of evaluating its security valuation process, the fund routinely compares quoted prices, the next day's opening prices in the same markets, and adjusted prices.

Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. Non-U.S. equity securities generally are categorized in Level 2 of the fair value hierarchy despite the availability of quoted prices because, as described above, the fund evaluates and determines whether those quoted prices reflect fair value at the close of the NYSE or require adjustment. OTC Bulletin Board securities, certain preferred securities, and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. 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.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. The objective of any fair value pricing determination is to arrive at a price that could reasonably be expected from a current sale. Financial instruments fair valued by the Valuation Committee are primarily private placements, restricted securities, warrants, rights, and other securities that are not publicly traded.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of an equity investment with limited market activity, such as a private placement or a thinly traded public company stock, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, new rounds of financing, negotiated transactions of significant size between other investors in the company, relevant market valuations of peer companies, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. The Valuation Committee 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 Committee 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; or some combination. Fair value determinations are reviewed on a regular basis and updated as information becomes available, including actual purchase and sale transactions of the issue. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions, and fair value prices determined by the Valuation Committee could differ from those of other market participants. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2020 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Common Stocks	\$ 4,648,737	\$ 133,974	\$ 8,713	\$ 4,791,424
Short-Term Investments	13,192	—	—	13,192
Securities Lending Collateral	19,381	—	—	19,381
Total	\$ 4,681,310	\$ 133,974	\$ 8,713	\$ 4,823,997

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.

Securities Lending The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At June 30, 2020, the value of loaned securities was \$18,864,000; the value of cash collateral and related investments was \$19,381,000.

Other Purchases and sales of portfolio securities other than short-term securities aggregated \$680,800,000 and \$740,216,000, respectively, for the six months ended June 30, 2020.

NOTE 4 - FEDERAL INCOME TAXES

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. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

At June 30, 2020, the cost of investments for federal income tax purposes was \$2,513,712,000. Net unrealized gain aggregated \$2,310,285,000 at period-end, of which \$2,338,094,000 related to appreciated investments and \$27,809,000 related to depreciated investments.

NOTE 5 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management agreement between the fund and Price Associates provides for an annual investment management fee equal to 0.55% of the fund's average daily net assets. The fee is computed daily and paid monthly.

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 six months ended June 30, 2020, expenses incurred pursuant to these service agreements were \$34,000 for Price Associates and \$10,000 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.

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, or the T. Rowe Price Short-Term Fund, a short-term bond fund (collectively, 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 is invested in the T. Rowe Price Short-Term 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 six months ended June 30, 2020, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Effective January 1, 2020, Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended June 30, 2020, this reimbursement amounted to \$33,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 6 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a 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.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; exchange trading suspensions and closures, and overall reduced liquidity of securities, derivatives, and commodities trading markets; reductions in consumer demand and economic output; and significant challenges in healthcare service preparation and delivery. The funds could be negatively impacted if the value of a portfolio holding were harmed by such political or economic conditions or events. In addition, the operations of the funds, their investment advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

Governmental and quasi-governmental authorities and regulators have in the past responded to major economic disruptions with a variety of significant fiscal and monetary policy changes, including but not limited to, direct capital infusions into companies, new monetary programs, and dramatically lower interest rates. An unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could negatively impact overall investor sentiment and further increase volatility in securities markets.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds and portfolios 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/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Policies." Click on the Proxy Voting Policies link 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

Effective for reporting periods on or after March 1, 2019, a fund, except a money market 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. Prior to March 1, 2019, a fund, including a money market fund, filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A money market fund files detailed month-end portfolio holdings information on Form N-MFP with the SEC each month and posts a complete schedule of portfolio holdings on its website (troweprice.com) as of each month-end for the previous six months. A fund's Forms N-PORT, N-MFP, and N-Q are available electronically on the SEC's website (sec.gov).

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment advisor, T. Rowe Price Associates, Inc. (Advisor), on behalf of the fund. In that regard, at a meeting held on March 9–10, 2020 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Advisor and the approval of the Advisory Contract. The independent directors were assisted in their evaluation of the Advisory Contract by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Advisor was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the Advisory Contract, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting but also the knowledge gained over time through interaction with the Advisor about various topics. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders.

Services Provided by the Advisor

The Board considered the nature, quality, and extent of the services provided to the fund by the Advisor. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. The Board also reviewed the background and experience of the Advisor's senior management team and investment personnel involved in the management of the fund, as well as the Advisor's compliance record. The Board concluded that it was satisfied with the nature, quality, and extent of the services provided by the Advisor.

Investment Performance of the Fund

The Board took into account discussions with the Advisor and reports that it receives throughout the year relating to fund performance. In connection with the Meeting, the Board reviewed the fund's net annualized total returns for the 1-, 2-, 3-, 4-, 5-, and 10-year periods as of September 30, 2019, and compared these returns with the performance of a peer group of funds with similar investment programs and a wide variety of other previously agreed-upon comparable performance measures and market data, including those supplied by Broadridge, which is an independent provider of mutual fund data.

On the basis of this evaluation and the Board's ongoing review of investment results, and factoring in the relative market conditions during certain of the performance periods, the Board concluded that the fund's performance was satisfactory.

Costs, Benefits, Profits, and Economies of Scale

The Board reviewed detailed information regarding the revenues received by the Advisor under the Advisory Contract and other benefits that the Advisor (and its affiliates) may have realized from its relationship with the fund, including any research received under "soft dollar" agreements and commission-sharing arrangements with broker-dealers. The Board considered that the Advisor may have received some benefit from soft-dollar arrangements pursuant to which research is received from broker-dealers that execute the fund's portfolio transactions. However, the Board also considered that, effective January 2020, the Advisor began bearing the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Advisor from managing the T. Rowe Price funds. The Board also reviewed estimates of the profits realized from managing the fund in particular, and the Board concluded that the Advisor's profits were reasonable in light of the services provided to the fund.

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract from any economies of scale realized by the Advisor. Under the Advisory Contract, the fund pays a fee to the Advisor for investment management services based on the fund's average daily net assets and the fund pays its own expenses of operations. Assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many other T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because the primary investment resources utilized to manage the fund are shared with other actively managed funds. The fund's shareholders also benefit from potential economies of scale through a decline in certain operating expenses as the fund grows in size. The Board concluded that the advisory fee structure for the fund provided for a reasonable sharing of benefits from any economies of scale and that the advisory fee structure continued to be appropriate.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)**Fees and Expenses**

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, total expenses, actual management fees, and nonmanagement expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) total expenses, actual management fees, and nonmanagement expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the management fees actually received from the fund by the Advisor after any applicable waivers, reductions, or reimbursements), operating expenses, and total expenses (which reflect the net total expense ratio of the fund after any waivers, reductions, or reimbursements) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the first quintile (Expense Group), the fund's actual management fee rate ranked in the first quintile (Expense Group) and second quintile (Expense Universe), and the fund's total expenses ranked in the first quintile (Expense Group and Expense Universe).

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Advisor and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Advisor's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the mutual fund business. The Board considered information showing that the Advisor's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Advisor's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Advisor to manage its mutual fund business versus managing a discrete pool of assets as a subadvisor to another institution's mutual fund or for an institutional account and that the Advisor generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

Approval of the Advisory Contract

As noted, the Board approved the continuation of the Advisory Contract. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract (including the fees to be charged for services thereunder).

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 advisor, T. Rowe Price Associates, Inc. (Price Associates), as the administrator of the Liquidity Program. As administrator, Price Associates 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. Price Associates 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 Price Associates.

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 May 4, 2020, the Board was presented with an annual assessment prepared by the LRC, on behalf of Price Associates, that addressed the operation of the Liquidity Program and assessed its adequacy and effectiveness of implementation, including any material changes to the Liquidity Program and the determination of each fund's Highly Liquid Investment Minimum (HLIM). The annual assessment included consideration of the following factors, as applicable: the fund's investment strategy and liquidity of portfolio investments during normal and reasonably foreseeable stressed conditions, including whether the investment strategy is appropriate for an open-end fund, the extent to which the strategy involves a relatively concentrated portfolio or large positions in particular issuers, and the use of borrowings for investment purposes and derivatives; short-term and long-term cash flow projections covering both normal and reasonably foreseeable stressed conditions; and holdings of cash and cash equivalents, as well as available borrowing arrangements.

For the fund and other T. Rowe Price funds, the annual assessment incorporated a report related to a fund's holdings, shareholder and portfolio concentration, any borrowings during the period, cash flow projections, and other relevant data for the period of June 1, 2019, through March 31, 2020. The report described the methodology for classifying a fund's investments (including 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.

Certain provisions of the Liquidity Program initially became effective on December 1, 2018, and the full Liquidity Program was formally approved by the Board in April 2019. During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program since its implementation has operated adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

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T.RowePrice®

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