



SEMIANNUAL REPORT

August 31, 2023

PREFX

T. ROWE PRICE

Tax-Efficient Equity Fund

TEEFX

**Tax-Efficient Equity Fund–
I Class**

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Dear Shareholder

Most major global stock and bond indexes produced positive returns during the first half of your fund's fiscal year, the six-month period ended August 31, 2023. Despite turmoil in the banking sector and a protracted debt ceiling standoff, markets in the U.S. were resilient as economic growth remained positive and corporate earnings results came in stronger than expected.

Technology companies benefited from investor enthusiasm for artificial intelligence developments and helped drive the momentum in the equity market. Growth stocks outperformed value shares, and developed market stocks generally outpaced their emerging market counterparts. Currency movements were mixed over the period, although a weaker dollar versus major European currencies was beneficial for U.S. investors in European securities.

Within the S&P 500 Index, the communication services, information technology, and consumer discretionary sectors were all lifted by the rally in tech-related companies and recorded significant gains. The financials sector partly recovered from the failure of three large regional banks during the period but still finished in negative territory.

In terms of economic news, inflation remained a primary concern for both investors and policymakers. Price increases moderated during the period but remained well above the Federal Reserve's 2% target. In response, the Fed continued to raise its short-term lending benchmark rate, lifting it to a target range of 5.25% to 5.50% by period-end, the highest level since March 2001.

In the fixed income market, U.S. Treasury yields increased as the Fed tightened monetary policy and investors priced in the possibility that the central bank may have to keep rates higher for longer than previously anticipated. In addition, Treasuries were pressured by Fitch Ratings' decision to downgrade the credit rating of U.S. government debt from the highest level, AAA, to AA+ along with expectations for higher levels of borrowing by the Treasury Department. The yield on the benchmark 10-year note climbed to 4.36% in mid-August, its highest intraday level since late 2007, before falling back to 4.09% by month-end.

Despite rising yields, returns were positive across most fixed income sectors as investors benefited from the higher coupons that have become available over the past year as well as increasing hopes that the economy might be able to avoid a recession. Tax-exempt municipal bonds were supported by limited issuance in the sector as well as generally strong balance sheets at the state and local level.

Global economies and markets have shown surprising resilience in 2023, but considerable uncertainty remains as the impact of the Fed's rate hikes has yet to be fully felt in the economy. We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

You may notice that this report no longer contains the commentary on your fund's performance and positioning that we previously included in the semiannual shareholder letters. The Securities and Exchange Commission (SEC) adopted new rules in January that will require fund reports to transition to a new format known as a Tailored Shareholder Report. This change will require a much more concise summary of performance rather than the level of detail we have provided historically while also aiming to be more visually engaging. As we prepare to make changes to the annual reports to meet the new report regulatory requirements by mid-2024, we felt the time was right to discontinue the optional six-month semiannual fund letter to focus on the changes to come.

While semiannual fund letters will no longer be produced, you may continue to access current fund information as well as insights and perspectives from our investment team on our personal investing website.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Sharps". The signature is fluid and cursive, with a large, stylized "S" at the end.

Robert Sharps
CEO and President

T. ROWE PRICE TAX-EFFICIENT EQUITY FUND

Portfolio Summary

SECTOR DIVERSIFICATION		
Percent of Net Assets as of 8/31/23	Tax-Efficient Equity Fund	Russell 3000 Growth Index
Information Technology	43.0%	41.7%
Consumer Discretionary	13.6	15.8
Communication Services	10.4	10.9
Health Care	10.4	11.5
Financials	9.5	6.4
Industrials and Business Services	7.5	6.7
Consumer Staples	2.9	4.3
Materials	1.1	0.9
Energy	0.9	0.8
Real Estate	0.6	0.9
Utilities	0.0	0.1
Other and Reserves	0.1	0.0
Total	100.0%	100.0%

PORTFOLIO HIGHLIGHTS

TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 8/31/23
Apple	10.1%
Microsoft	9.7
Alphabet	6.1
NVIDIA	5.6
Amazon.com	4.6
Visa	3.2
Meta Platforms	2.6
Mastercard	2.1
Eli Lilly	2.0
UnitedHealth Group	1.6
Tesla	1.3
KLA	1.2
Home Depot	1.0
Synopsys	1.0
Intuit	0.9
Accenture	0.9
Adobe	0.8
PepsiCo	0.8
O'Reilly Automotive	0.8
S&P Global	0.7
McKesson	0.7
Hilton Worldwide Holdings	0.6
ServiceNow	0.6
Monolithic Power Systems	0.6
Amphenol	0.6
Total	60.1%

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.

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.

Please note that the fund has two share classes: The original share class (Investor Class) charges no distribution and service (12b-1) fee, and the I Class shares are also available to institutionally oriented clients and impose no 12b-1 or administrative fee payment. Each share class is presented separately in the table.

Actual Expenses

The first line of the following table (Actual) provides information about actual account values and expenses based on the fund's actual returns. 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.

Note: T. Rowe Price charges an annual account service fee of \$20, generally for accounts with less than \$10,000. The fee is waived for any investor whose T. Rowe Price mutual fund accounts total \$50,000 or more; accounts electing to receive electronic delivery of account statements, transaction confirmations, prospectuses, and shareholder reports; or accounts of an investor who is a T. Rowe Price Personal Services or Enhanced Personal Services client (enrollment in these programs generally requires T. Rowe Price assets of at least \$250,000). This fee is not included in the accompanying table. If you are subject to the fee, keep it in mind when you are estimating the ongoing expenses of investing in the fund and when comparing the expenses of this fund with other funds.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

FUND EXPENSE EXAMPLE (CONTINUED)

TAX-EFFICIENT EQUITY FUND			
	Beginning Account Value 3/1/23	Ending Account Value 8/31/23	Expenses Paid During Period* 3/1/23 to 8/31/23
Investor Class			
Actual	\$1,000.00	\$1,201.70	\$4.59
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.96	4.22
I Class			
Actual	1,000.00	1,202.30	3.82
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.67	3.51
<p>* Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184), and divided by the days in the year (366) to reflect the half-year period. The annualized expense ratio of the Investor Class was 0.83%, and the I Class was 0.69%.</p>			

T. ROWE PRICE TAX-EFFICIENT EQUITY FUND

(Unaudited)

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

	6 Months Ended 8/31/23	Year Ended 2/28/23	2/28/22	2/28/21	2/29/20	2/28/19
NET ASSET VALUE						
Beginning of period	\$ 44.43	\$ 52.30	\$ 51.35	\$ 36.51	\$ 32.86	\$ 30.34
Investment activities						
Net investment income (loss) ⁽¹⁾⁽²⁾	— ⁽³⁾	0.01	(0.14)	(0.06)	0.06	0.07
Net realized and unrealized gain/loss	8.96	(7.51)	2.36	15.91	3.80	2.83
Total from investment activities	8.96	(7.50)	2.22	15.85	3.86	2.90
Distributions						
Net investment income	—	—	—	(0.02)	(0.06)	(0.05)
Net realized gain	—	(0.37)	(1.27)	(0.99)	(0.15)	(0.34)
Total distributions	—	(0.37)	(1.27)	(1.01)	(0.21)	(0.39)
Redemption fees added to paid-in capital ⁽¹⁾⁽⁴⁾	—	—	—	—	— ⁽³⁾	0.01
NET ASSET VALUE						
End of period	\$ 53.39	\$ 44.43	\$ 52.30	\$ 51.35	\$ 36.51	\$ 32.86

T. ROWE PRICE TAX-EFFICIENT EQUITY FUND

(Unaudited)

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

6 Months Ended 8/31/23	Year Ended 2/28/23	2/28/22	2/28/21	2/29/20	2/28/19
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Ratios/Supplemental Data

Total return⁽²⁾⁽⁵⁾	20.17%	(14.32)%	4.01%	43.53%	11.73%	9.70%
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Ratios to average net assets:⁽²⁾

Gross expenses before waivers/ payments by Price Associates	0.83% ⁽⁶⁾	0.85%	0.76%	0.78%	0.79%	0.81%
Net expenses after waivers/payments by Price Associates	0.83% ⁽⁶⁾	0.85%	0.76%	0.78%	0.78%	0.77%
Net investment income (loss)	(0.01)% ⁽⁶⁾	0.03%	(0.25)%	(0.14)%	0.17%	0.21%
Portfolio turnover rate	11.4%	21.2%	9.6%	25.7%	22.9%	12.1%
Net assets, end of period (in thousands)	\$300,542	\$250,733	\$412,425	\$628,056	\$540,648	\$356,635

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

⁽²⁾ See Note 6 for details of expense-related arrangements with Price Associates.

⁽³⁾ Amounts round to less than \$0.01 per share.

⁽⁴⁾ The fund charged redemption fees through March 31, 2019.

⁽⁵⁾ 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.

⁽⁶⁾ Annualized

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

T. ROWE PRICE TAX-EFFICIENT EQUITY FUND

(Unaudited)

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

	6 Months Ended 8/31/23	Year Ended 2/28/23	2/28/22	2/28/21	2/29/20	2/28/19
NET ASSET VALUE						
Beginning of period	\$ 44.53	\$ 52.39	\$ 51.40	\$ 36.50	\$ 32.85	\$ 30.35
Investment activities						
Net investment income (loss) ⁽¹⁾⁽²⁾	0.03	0.09	(0.07)	(0.02)	0.09	0.10
Net realized and unrealized gain/loss	8.98	(7.53)	2.33	15.93	3.80	2.81
Total from investment activities	9.01	(7.44)	2.26	15.91	3.89	2.91
Distributions						
Net investment income	—	(0.05)	—	(0.02)	(0.09)	(0.07)
Net realized gain	—	(0.37)	(1.27)	(0.99)	(0.15)	(0.34)
Total distributions	—	(0.42)	(1.27)	(1.01)	(0.24)	(0.41)
NET ASSET VALUE						
End of period	\$ 53.54	\$ 44.53	\$ 52.39	\$ 51.40	\$ 36.50	\$ 32.85

T. ROWE PRICE TAX-EFFICIENT EQUITY FUND

(Unaudited)

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

	6 Months Ended 8/31/23	Year Ended 2/28/23	2/28/22	2/28/21	2/29/20	2/28/19
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Ratios/Supplemental Data

Total return⁽²⁾⁽³⁾	20.23%	(14.18)%	4.08%	43.71%	11.82%	9.70%
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Ratios to average net assets:⁽²⁾

Gross expenses before waivers/ payments by Price Associates	0.70% ⁽⁴⁾	0.70%	0.68%	0.69%	0.70%	0.73%
Net expenses after waivers/payments by Price Associates	0.69% ⁽⁴⁾	0.69%	0.68%	0.69%	0.69%	0.69%
Net investment income (loss)	0.14% ⁽⁴⁾	0.19%	(0.12)%	(0.05)%	0.26%	0.31%
Portfolio turnover rate	11.4%	21.2%	9.6%	25.7%	22.9%	12.1%
Net assets, end of period (in thousands)	\$551,990	\$454,269	\$429,930	\$144,127	\$78,366	\$58,744

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

⁽²⁾ See Note 6 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 TAX-EFFICIENT EQUITY FUND

August 31, 2023 (Unaudited)

PORTFOLIO OF INVESTMENTS†

Shares

\$ Value

(Cost and value in \$000s)

COMMON STOCKS 99.5%

COMMUNICATION SERVICES 10.4%

Entertainment 0.9%

Electronic Arts	8,500	1,020
Endeavor Group Holdings, Class A (1)	6,100	134
Netflix (1)	10,400	4,510
ROBLOX, Class A (1)	11,500	325
Spotify Technology (1)	9,856	1,517
Take-Two Interactive Software (1)	1,152	164
		7,670

Interactive Media & Services 8.8%

Alphabet, Class C (1)	376,080	51,654
Match Group (1)	14,012	657
Meta Platforms, Class A (1)	74,200	21,955
Pinterest, Class A (1)	12,000	330
		74,596

Media 0.6%

Omnicom Group	10,300	834
Trade Desk, Class A (1)	52,300	4,186
		5,020

Wireless Telecommunication Services 0.1%

T-Mobile U.S. (1)	6,773	923
		923
Total Communication Services		88,209

CONSUMER DISCRETIONARY 13.6%

Automobile Components 0.0%

Aptiv (1)	1,410	143
Mobileye Global, Class A (1)(2)	3,000	107
		250

Automobiles 1.4%

Ferrari	2,240	712
Tesla (1)	44,175	11,400
		12,112

Broadline Retail 4.9%

Amazon.com (1)	281,860	38,899
Coupang (1)	29,500	560
Etsy (1)	500	37
Globale Online (1)(2)	1,800	71
MercadoLibre (1)	1,600	2,196
Ollie's Bargain Outlet Holdings (1)	1,192	92
		41,855

	Shares	\$ Value
(Cost and value in \$000s)		
Distributors 0.1%		
Genuine Parts	500	77
Pool	2,281	834
		911
Diversified Consumer Services 0.1%		
Bright Horizons Family Solutions (1)	700	66
Duolingo (1)	500	74
Service Corp. International	12,880	813
		953
Hotels, Restaurants & Leisure 2.9%		
Airbnb, Class A (1)	13,472	1,772
Booking Holdings (1)	1,007	3,127
Caesars Entertainment (1)	800	44
Chipotle Mexican Grill (1)	2,600	5,009
Churchill Downs	1,700	213
Darden Restaurants	2,100	326
Domino's Pizza	3,337	1,293
DoorDash, Class A (1)	6,000	505
DraftKings, Class A (1)	11,500	341
Hilton Worldwide Holdings	36,500	5,426
Hyatt Hotels, Class A (2)	500	56
MGM Resorts International	40,400	1,777
Restaurant Brands International (2)	15,802	1,097
Royal Caribbean Cruises (1)	1,300	129
Starbucks	20,275	1,976
Vail Resorts	300	68
Wingstop	900	145
Wynn Resorts	1,300	132
Yum! Brands	12,500	1,617
		25,053
Household Durables 0.1%		
NVR (1)	150	957
		957
Specialty Retail 3.4%		
AutoZone (1)	1,204	3,048
Burlington Stores (1)	900	146
Chewy, Class A (1)(2)	4,000	96
Five Below (1)	5,300	911
Floor & Decor Holdings, Class A (1)(2)	1,000	100
Home Depot	25,840	8,535
O'Reilly Automotive (1)	7,053	6,628
RH (1)	200	73
Ross Stores	11,200	1,364

	Shares	\$ Value
(Cost and value in \$000s)		
TJX	32,077	2,967
Tractor Supply (2)	12,252	2,677
Ulta Beauty (1)	5,400	2,241
Williams-Sonoma (2)	900	127
		28,913
Textiles, Apparel & Luxury Goods 0.7%		
Lululemon Athletica (1)	8,960	3,416
NIKE, Class B	24,749	2,517
Skechers USA, Class A (1)	3,500	176
		6,109
Total Consumer Discretionary		117,113
CONSUMER STAPLES 2.9%		
Beverages 2.0%		
Brown-Forman, Class B	4,712	312
Celsius Holdings (1)	2,500	490
Constellation Brands, Class A	8,000	2,084
Diageo, ADR (2)	28,100	4,655
Keurig Dr Pepper	24,615	828
Monster Beverage (1)	33,456	1,921
PepsiCo	38,800	6,903
		17,193
Consumer Staples Distribution & Retail 0.6%		
BJ's Wholesale Club Holdings (1)	14,500	977
Casey's General Stores	500	122
Dollar General	16,248	2,250
Dollar Tree (1)	1,000	123
Performance Food Group (1)	22,500	1,398
		4,870
Food Products 0.2%		
Hershey	9,583	2,059
		2,059
Household Products 0.0%		
Church & Dwight	919	89
		89
Personal Care Products 0.1%		
elf Beauty (1)	1,800	250
Estee Lauder, Class A	4,400	706
Kenvue	5,431	125
		1,081
Total Consumer Staples		25,292

	Shares	\$ Value
(Cost and value in \$000s)		
ENERGY 0.9%		
Energy Equipment & Services 0.1%		
Halliburton	27,000	1,043
Noble	1,500	79
		1,122
Oil, Gas & Consumable Fuels 0.8%		
APA	6,000	263
Cheniere Energy	9,100	1,485
Coterra Energy	15,000	423
Devon Energy	29,100	1,487
Diamondback Energy	2,100	319
Hess	3,200	494
Magnolia Oil & Gas, Class A	3,000	68
Matador Resources	1,000	64
Pioneer Natural Resources	8,200	1,951
		6,554
Total Energy		7,676
FINANCIALS 9.5%		
Banks 0.0%		
NU Holdings, Class A (1)	25,000	171
		171
Capital Markets 2.6%		
Ares Management, Class A	4,600	476
BlackRock	2,100	1,471
Blue Owl Capital	43,479	519
Cboe Global Markets	6,679	1,000
Charles Schwab	15,583	922
CME Group	7,310	1,482
FactSet Research Systems	1,100	480
LPL Financial Holdings	4,600	1,061
MarketAxess Holdings	3,760	906
Moody's	4,961	1,671
Morningstar	200	46
MSCI	6,100	3,316
S&P Global	15,437	6,034
Tradeweb Markets, Class A	28,140	2,432
		21,816
Financial Services 6.2%		
Apollo Global Management	31,000	2,708
Block, Class A (1)	10,500	605
Euronet Worldwide (1)	700	61
Fiserv (1)	22,000	2,671
FleetCor Technologies (1)	6,100	1,658

	Shares	\$ Value
(Cost and value in \$000s)		
Mastercard, Class A	43,700	18,032
Toast, Class A (1)	3,000	66
Visa, Class A	110,800	27,221
WEX (1)	667	131
		53,153
Insurance 0.7%		
Arthur J Gallagher	6,500	1,498
Assurant	800	112
Globe Life	1,400	156
Hartford Financial Services Group	19,800	1,422
Marsh & McLennan	12,500	2,437
Ryan Specialty Group Holdings (1)	3,700	181
		5,806
Total Financials		80,946
HEALTH CARE 10.4%		
Biotechnology 1.5%		
Alnylam Pharmaceuticals (1)	2,301	455
Apellis Pharmaceuticals (1)(2)	2,100	89
Argenx, ADR (1)	433	218
Ascendis Pharma, ADR (1)	200	20
BioMarin Pharmaceutical (1)	1,513	138
BioNTech, ADR (1)	7,528	910
Blueprint Medicines (1)	19	1
Exact Sciences (1)	2,300	192
Genmab, ADR (1)	24,588	941
Incyte (1)	1,359	88
Karuna Therapeutics (1)	1,000	188
Legend Biotech, ADR (1)	2,500	173
Moderna (1)	1,000	113
Neurocrine Biosciences (1)	1,945	212
Regeneron Pharmaceuticals (1)	4,200	3,471
Sarepta Therapeutics (1)	1,700	206
Vertex Pharmaceuticals (1)	14,199	4,946
		12,361
Health Care Equipment & Supplies 1.3%		
Align Technology (1)	2,800	1,036
Dexcom (1)	32,360	3,268
Globus Medical, Class A (1)	2,400	130
IDEXX Laboratories (1)	2,262	1,157
Inspire Medical Systems (1)	700	159
Insulet (1)	1,700	326
Intuitive Surgical (1)	8,991	2,811
Lantheus Holdings (1)	1,600	110
Masimo (1)	1,500	171

	Shares	\$ Value
(Cost and value in \$000s)		
Penumbra (1)	1,300	344
ResMed	2,900	463
Shockwave Medical (1)	3,700	815
STERIS	865	199
Teleflex	400	85
		11,074
Health Care Providers & Services 3.3%		
Acadia Healthcare (1)	1,300	100
agilon health (1)(2)	4,000	71
Cencora	600	106
Elevance Health	7,747	3,424
HCA Healthcare	4,100	1,137
Humana	3,053	1,410
McKesson	13,500	5,566
Molina Healthcare (1)	7,514	2,330
Tenet Healthcare (1)	1,500	116
UnitedHealth Group	28,600	13,630
		27,890
Health Care Technology 0.2%		
Veeva Systems, Class A (1)	7,692	1,605
		1,605
Life Sciences Tools & Services 1.7%		
Agilent Technologies	12,508	1,514
Bio-Rad Laboratories, Class A (1)	100	40
Bio-Techne	5,500	431
Bruker	3,600	236
Charles River Laboratories International (1)	1,000	207
Danaher	6,400	1,696
Illumina (1)	500	83
IQVIA Holdings (1)	4,000	891
Mettler-Toledo International (1)	2,013	2,443
Repligen (1)	3,200	556
Thermo Fisher Scientific	8,019	4,467
West Pharmaceutical Services	4,900	1,994
		14,558
Pharmaceuticals 2.4%		
Eli Lilly	30,100	16,682
Zoetis	18,568	3,537
		20,219
Total Health Care		87,707
INDUSTRIALS & BUSINESS SERVICES 7.5%		
Aerospace & Defense 0.9%		
Axon Enterprise (1)	5,500	1,171

	Shares	\$ Value
(Cost and value in \$000s)		
BWX Technologies	1,400	103
HEICO (2)	1,800	304
Hexcel	1,300	95
Howmet Aerospace	4,000	198
L3Harris Technologies	3,617	644
Northrop Grumman	3,700	1,603
TransDigm Group (1)	3,428	3,098
		7,216
Air Freight & Logistics 0.1%		
Expeditors International of Washington	1,000	117
United Parcel Service, Class B	4,500	762
		879
Building Products 0.3%		
A.O. Smith	1,400	102
Advanced Drainage Systems	1,000	128
Allegion	1,700	193
Carrier Global	1,600	92
Fortune Brands Innovations	1,800	124
Trane Technologies	8,400	1,724
Trex (1)	2,700	193
		2,556
Commercial Services & Supplies 1.6%		
Cintas	8,300	4,185
Clean Harbors (1)	3,100	525
Copart (1)	74,800	3,353
RB Global	2,000	123
Republic Services	6,500	937
Rollins	21,000	831
Waste Connections	24,210	3,317
		13,271
Construction & Engineering 0.2%		
Quanta Services	8,300	1,742
Valmont Industries	700	177
WillScot Mobile Mini Holdings (1)	3,400	140
		2,059
Electrical Equipment 0.5%		
AMETEK	1,687	269
Eaton	10,500	2,419
Hubbell	3,100	1,011
Rockwell Automation	2,972	927
		4,626
Ground Transportation 1.3%		
Canadian Pacific Kansas City	21,188	1,682

	Shares	\$ Value
(Cost and value in \$000s)		
JB Hunt Transport Services	400	75
Landstar System	600	114
Old Dominion Freight Line	4,867	2,080
Uber Technologies (1)	68,000	3,212
Union Pacific	16,200	3,573
		10,736
Industrial Conglomerates 0.1%		
Roper Technologies	1,842	919
		919
Machinery 0.6%		
Cummins	3,663	843
Deere	9,347	3,841
Graco	1,200	95
IDEX	425	96
Middleby (1)	700	102
Otis Worldwide	1,000	85
Toro	1,800	184
Westinghouse Air Brake Technologies	800	90
		5,336
Passenger Airlines 0.0%		
Alaska Air Group (1)	1,300	54
United Airlines Holdings (1)	1,300	65
		119
Professional Services 1.2%		
Automatic Data Processing	9,500	2,419
Booz Allen Hamilton Holding	1,626	184
Broadridge Financial Solutions	7,461	1,389
Ceridian HCM Holding (1)(2)	2,063	150
Equifax	4,714	974
FTI Consulting (1)	500	93
KBR	2,900	178
Paychex	5,300	648
Paycom Software	5,148	1,518
Paycor HCM (1)(2)	487	11
Paylocity Holding (1)	2,000	401
SS&C Technologies Holdings	1,700	98
TransUnion	2,600	211
Verisk Analytics	7,681	1,861
		10,135
Trading Companies & Distributors 0.7%		
Fastenal	27,600	1,589
Ferguson	10,600	1,713
SiteOne Landscape Supply (1)	1,200	206

	Shares	\$ Value
(Cost and value in \$000s)		
United Rentals	2,800	1,334
Watsco (2)	3,268	1,191
		6,033
Total Industrials & Business Services		63,885
INFORMATION TECHNOLOGY 42.6%		
Communications Equipment 0.6%		
Arista Networks (1)	17,400	3,397
Motorola Solutions	6,500	1,843
		5,240
Electronic Equipment, Instruments & Components 0.9%		
Amphenol, Class A	57,386	5,072
CDW	11,015	2,326
Keysight Technologies (1)	2,418	322
Littelfuse	393	105
TE Connectivity	700	93
Zebra Technologies, Class A (1)	246	67
		7,985
IT Services 1.8%		
Accenture, Class A	23,836	7,717
Cloudflare, Class A (1)	6,100	397
EPAM Systems (1)	400	104
Gartner (1)	7,600	2,658
Globant (1)	100	20
MongoDB (1)	4,100	1,563
Shopify, Class A (1)	35,000	2,327
Snowflake, Class A (1)	3,546	556
VeriSign (1)	192	40
		15,382
Semiconductors & Semiconductor Equipment 11.2%		
Advanced Micro Devices (1)	37,051	3,917
Analog Devices	18,575	3,376
Enphase Energy (1)	7,600	962
Entegris	21,860	2,214
First Solar (1)	700	132
KLA	21,100	10,589
Lam Research	4,260	2,992
Lattice Semiconductor (1)	24,354	2,369
Marvell Technology	41,300	2,406
Microchip Technology	58,822	4,814
MKS Instruments	500	50
Monolithic Power Systems	9,912	5,166
NVIDIA	96,000	47,381
ON Semiconductor (1)	29,500	2,905

	Shares	\$ Value
(Cost and value in \$000s)		
Onto Innovation (1)	600	83
QUALCOMM	34,575	3,960
Silicon Laboratories (1)	400	54
Skyworks Solutions	1,007	109
Taiwan Semiconductor Manufacturing, ADR	21,800	2,040
Teradyne	3,000	324
		95,843
Software 18.0%		
Adobe (1)	12,500	6,992
ANSYS (1)	2,000	638
AppLovin, Class A (1)	500	22
Atlassian, Class A (1)	5,391	1,100
Autodesk (1)	7,791	1,729
Bentley Systems, Class B	5,949	297
BILL Holdings (1)	4,592	529
Cadence Design Systems (1)	18,789	4,518
Canva, Acquisition Date: 8/16/21 - 11/4/21, Cost \$719 (1)(3)(4)	422	450
Confluent, Class A (1)	6,000	199
CrowdStrike Holdings, Class A (1)	14,054	2,291
Databricks, Class A, Acquisition Date: 7/24/20 - 8/28/20, Cost \$82 (1)(3)(4)	5,133	376
Datadog, Class A (1)	12,663	1,222
Descartes Systems Group (1)	1,700	127
DoubleVerify Holdings (1)	1,900	64
Dynatrace (1)	6,448	311
Fair Isaac (1)	700	633
Fortinet (1)	83,000	4,997
HubSpot (1)	1,600	874
Informatica, Class A (1)	1,000	21
Intuit	14,500	7,856
Manhattan Associates (1)	6,900	1,398
Microsoft	252,125	82,637
Monday.com (1)	1,000	177
nCino (1)	500	16
Palo Alto Networks (1)	18,800	4,574
Procore Technologies (1)	1,200	81
PTC (1)	8,100	1,192
Salesforce (1)	22,595	5,004
Samsara, Class A (1)	32,000	876
ServiceNow (1)	8,800	5,182
Snyk, Acquisition Date: 9/3/21, Cost \$144 (1)(3)(4)	10,031	102
Secure, Acquisition Date: 12/22/21, Cost \$159 (1)(3)(4)	9,912	54
Synopsys (1)	17,828	8,181
Tanium, Class B, Acquisition Date: 9/24/20, Cost \$52 (1)(3)(4)	4,598	20
Tyler Technologies (1)	6,294	2,508

	Shares	\$ Value
(Cost and value in \$000s)		
Workday, Class A (1)	14,500	3,545
Workiva (1)(2)	487	55
Zscaler (1)	15,000	2,341
		153,189
Technology Hardware, Storage & Peripherals 10.1%		
Apple	457,000	85,857
Pure Storage, Class A (1)	3,000	110
Super Micro Computer (1)	800	220
		86,187
Total Information Technology		363,826
MATERIALS 1.1%		
Chemicals 0.7%		
Air Products & Chemicals	2,400	709
Albemarle	500	99
CF Industries Holdings	2,000	154
Linde	4,600	1,780
PPG Industries	2,600	369
RPM International	1,300	130
Sherwin-Williams	9,314	2,531
		5,772
Construction Materials 0.2%		
Vulcan Materials	9,000	1,964
		1,964
Containers & Packaging 0.1%		
Avery Dennison	1,082	204
Ball	1,500	82
Sealed Air	2,200	81
		367
Metals & Mining 0.1%		
BHP Group, ADR (2)	12,000	690
Steel Dynamics	2,000	213
		903
Total Materials		9,006
REAL ESTATE 0.6%		
Industrial Real Estate Investment Trusts 0.0%		
Rexford Industrial Realty, REIT	500	27
		27
Real Estate Management & Development 0.2%		
CoStar Group (1)	16,380	1,343
		1,343

	Shares	\$ Value
(Cost and value in \$000s)		
Residential Real Estate Investment Trusts 0.1%		
Equity LifeStyle Properties, REIT	10,900	730
		730
Retail Real Estate Investment Trusts 0.0%		
Simon Property Group, REIT	2,000	227
		227
Specialized Real Estate Investment Trusts 0.3%		
CubeSmart, REIT	19,600	818
Lamar Advertising, Class A, REIT	10,200	930
SBA Communications, REIT	2,900	651
		2,399
Total Real Estate		4,726
UTILITIES 0.0%		
Independent Power & Renewable Electricity Producer 0.0%		
Vistra	2,000	63
Total Utilities		63
Total Common Stocks (Cost \$391,768)		848,449
CONVERTIBLE PREFERRED STOCKS 0.4%		
HEALTH CARE 0.0%		
Biotechnology 0.0%		
Caris Life Sciences, Series D, Acquisition Date: 5/11/21, Cost \$137 (1)(3)(4)	16,937	90
Total Health Care		90
INFORMATION TECHNOLOGY 0.4%		
Software 0.4%		
Canva, Series A, Acquisition Date: 11/4/21, Cost \$43 (1)(3)(4)	25	27
Databricks, Series F, Acquisition Date: 10/22/19, Cost \$223 (1)(3)(4)	15,573	1,139
Databricks, Series G, Acquisition Date: 2/1/21, Cost \$252 (1)(3)(4)	4,257	312
Databricks, Series H, Acquisition Date: 8/31/21, Cost \$818 (1)(3)(4)	11,136	815
DataRobot, Series G, Acquisition Date: 6/11/21, Cost \$186 (1)(3)(4)	6,806	26
Rappi, Series E, Acquisition Date: 9/8/20, Cost \$523 (1)(3)(4)	8,757	315
Snyk, Series F, Acquisition Date: 9/3/21, Cost \$240 (1)(3)(4)	16,810	171
Socure, Series A, Acquisition Date: 12/22/21, Cost \$194 (1)(3)(4)	12,046	66
Socure, Series A-1, Acquisition Date: 12/22/21, Cost \$159 (1)(3)(4)	9,887	54
Socure, Series B, Acquisition Date: 12/22/21, Cost \$3 (1)(3)(4)	178	1
Socure, Series E, Acquisition Date: 10/27/21, Cost \$368 (1)(3)(4)	22,915	126

	Shares	\$ Value
(Cost and value in \$000s)		
Tanium, Series G, Acquisition Date: 8/26/15, Cost \$141 (1)(3)(4)	28,431	125
Total Information Technology		3,177
Total Convertible Preferred Stocks (Cost \$3,287)		3,267
SHORT-TERM INVESTMENTS 0.0%		
Money Market Funds 0.0%		
T. Rowe Price Government Reserve Fund, 5.40% (5)(6)	337,744	338
Total Short-Term Investments (Cost \$338)		338
SECURITIES LENDING COLLATERAL 1.2%		
INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH STATE STREET BANK AND TRUST COMPANY 1.2%		
Money Market Funds 1.2%		
T. Rowe Price Government Reserve Fund, 5.40% (5)(6)	10,111,747	10,112
Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company		10,112
Total Securities Lending Collateral (Cost \$10,112)		10,112
Total Investments in Securities		
101.1% of Net Assets		
(Cost \$405,505)	\$	862,166

‡ 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 August 31, 2023.

(3) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund may have registration rights for certain restricted securities. Any costs related to such registration are generally borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period end amounts to \$4,269 and represents 0.5% of net assets.

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

(5) Seven-day yield

(6) Affiliated Companies

ADR American Depositary Receipts

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 August 31, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Change in Net		Investment
	Net Realized Gain (Loss)	Unrealized Gain/Loss	
T. Rowe Price Government Reserve Fund, 5.40%	\$ —	\$ —	\$ 15++
Totals	\$ —#	\$ —	\$ 15+

Supplementary Investment Schedule

Affiliate	Value 02/28/23	Purchase Cost	Sales Cost	Value 08/31/23
T. Rowe Price Government Reserve Fund, 5.40%	\$ 7,761	□	□	\$ 10,450
Total			\$	10,450^

- # Capital gain distributions from underlying Price 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 3.
- + Investment income comprised \$15 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 \$10,450.

T. ROWE PRICE TAX-EFFICIENT EQUITY FUND

August 31, 2023 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets

Investments in securities, at value (cost \$405,505)	\$ 862,166
Receivable for investment securities sold	1,409
Dividends receivable	697
Receivable for shares sold	395
Other assets	45
Total assets	<u>864,712</u>

Liabilities

Obligation to return securities lending collateral	10,112
Payable for investment securities purchased	1,205
Investment management fees payable	447
Payable for shares redeemed	313
Due to affiliates	34
Other liabilities	69
Total liabilities	<u>12,180</u>

NET ASSETS

\$ 852,532

Net Assets Consist of:

Total distributable earnings (loss)	\$ 458,377
Paid-in capital applicable to 15,939,420 shares of \$0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized	394,155

NET ASSETS

\$ 852,532

NET ASSET VALUE PER SHARE

Investor Class

(Net assets: \$300,542; Shares outstanding: 5,629,561) **\$ 53.39**

I Class

(Net assets: \$551,990; Shares outstanding: 10,309,859) **\$ 53.54**

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

T. ROWE PRICE TAX-EFFICIENT EQUITY FUND

(Unaudited)

STATEMENT OF OPERATIONS

(\$000s)

		6 Months Ended 8/31/23
Investment Income (Loss)		
Income		
Dividend (net of foreign taxes of \$9)	\$	3,242
Securities lending		9
Total income		3,251
Expenses		
Investment management		2,506
Shareholder servicing		
Investor Class	\$	195
I Class		39
Prospectus and shareholder reports		234
Investor Class		16
I Class		7
Custody and accounting		100
Registration		31
Legal and audit		15
Proxy and annual meeting		14
Directors		1
Miscellaneous		9
Waived / paid by Price Associates		(29)
Total expenses		2,904
Net investment income		347
Realized and Unrealized Gain / Loss		
Net realized gain on securities		11,558
Change in net unrealized gain / loss on securities		130,493
Net realized and unrealized gain / loss		142,051
INCREASE IN NET ASSETS FROM OPERATIONS	\$	142,398

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

(Unaudited)

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	6 Months Ended 8/31/23	Year Ended 2/28/23
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 347	\$ 956
Net realized gain (loss)	11,558	(7,401)
Change in net unrealized gain / loss	130,493	(113,384)
Increase (decrease) in net assets from operations	142,398	(119,829)
Distributions to shareholders		
Net earnings		
Investor Class	-	(2,148)
I Class	-	(4,239)
Decrease in net assets from distributions	-	(6,387)
Capital share transactions*		
Shares sold		
Investor Class	17,688	40,068
I Class	29,807	148,920
Distributions reinvested		
Investor Class	-	2,003
I Class	-	3,657
Shares redeemed		
Investor Class	(18,059)	(148,653)
I Class	(24,304)	(57,132)
Increase (decrease) in net assets from capital share transactions	5,132	(11,137)

T. ROWE PRICE TAX-EFFICIENT EQUITY FUND

(Unaudited)

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	6 Months Ended 8/31/23	Year Ended 2/28/23
Net Assets		
Increase (decrease) during period	147,530	(137,353)
Beginning of period	705,002	842,355
End of period	\$ 852,532	\$ 705,002
*Share information (000s)		
Shares sold		
Investor Class	355	883
I Class	605	3,178
Distributions reinvested		
Investor Class	-	47
I Class	-	85
Shares redeemed		
Investor Class	(368)	(3,172)
I Class	(497)	(1,268)
Increase (decrease) in shares outstanding	95	(247)

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Tax-Efficient Funds, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Tax-Efficient Equity Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks to maximize after-tax growth of capital through investments primarily in common stocks. The fund has two classes of shares: the Tax-Efficient Equity Fund (Investor Class) and the Tax-Efficient Equity Fund-I Class (I Class). I Class shares require a \$500,000 initial investment minimum, although the minimum generally is waived or reduced for financial intermediaries, eligible retirement plans, and certain other accounts. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

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 other investment companies 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. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from

securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class annually. A capital gain distribution, if any, may also be declared and paid by the fund annually.

Class Accounting Shareholder servicing, prospectus, and shareholder report expenses incurred by each class are charged directly to the class to which they relate. Expenses common to all classes, investment income, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class.

Capital Transactions Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

New Accounting Guidance In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, the fund opted to early adopt, as permitted, effective December 1, 2022. Adoption of the guidance did not have a material impact on the fund's financial statements.

Indemnification In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

NOTE 2 - VALUATION

Fair Value The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following

functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date
- Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)
- Level 3 – unobservable inputs (including the Valuation Designee’s assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

Valuation Techniques Equity securities, including exchange-traded funds, listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than

one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on August 31, 2023 (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	\$ 847,447	\$ —	\$ 1,002	\$ 848,449
Convertible Preferred Stocks	—	—	3,267	3,267
Short-Term Investments	338	—	—	338
Securities Lending Collateral	10,112	—	—	10,112
Total	\$ 857,897	\$ —	\$ 4,269	\$ 862,166

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 August 31, 2023, the value of loaned securities was \$9,719,000; the value of cash collateral and related investments was \$10,112,000.

Other Purchases and sales of portfolio securities other than short-term securities aggregated \$95,363,000 and \$90,086,000, respectively, for the six months ended August 31, 2023.

NOTE 4 - FEDERAL INCOME TAXES

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. 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.

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains. As of February 28, 2023, the fund had \$9,951,000 of available capital loss carryforwards.

At August 31, 2023, the cost of investments (including derivatives, if any) for federal income tax purposes was \$405,875,000. Net unrealized gain aggregated \$456,291,000 at period-end, of which \$459,660,000 related to appreciated investments and \$3,369,000 related to depreciated investments.

NOTE 5 - FOREIGN TAXES

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the

extent permitted, capital losses are used to offset capital gains. Taxes attributable to income are accrued by the fund as a reduction of income. Current and deferred tax expense attributable to capital gains is reflected as a component of realized or change in unrealized gain/loss on securities in the accompanying financial statements. To the extent that the fund has country specific capital loss carryforwards, such carryforwards are applied against net unrealized gains when determining the deferred tax liability. Any deferred tax liability incurred by the fund is included in either Other liabilities or Deferred tax liability on the accompanying Statement of Assets and Liabilities.

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management agreement between the fund and Price Associates provides for an annual investment management fee, which is computed daily and paid monthly. The fee consists of an individual fund fee, equal to 0.35% of the fund's average daily net assets, and a group fee. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first \$1 billion of assets to 0.260% for assets in excess of \$845 billion. The fund's group fee is determined by applying the group fee rate to the fund's average daily net assets. At August 31, 2023, the effective annual group fee rate was 0.29%.

The I Class is subject to an operating expense limitation (I Class Limit) pursuant to which Price Associates is contractually required to pay all operating expenses of the I Class, excluding management fees; interest; expenses related to borrowings, taxes, and brokerage; non-recurring, extraordinary expenses; and acquired fund fees and expenses, to the extent such operating expenses, on an annualized basis, exceed the I Class Limit. This agreement will continue through the expense limitation date indicated in the table below, and may be renewed, revised, or revoked only with approval of the fund's Board. The I Class is required to repay Price Associates for expenses previously paid to the extent the class's net assets grow or expenses decline sufficiently to allow repayment without causing the class's operating expenses (after the repayment is taken into account) to exceed the lesser of: (1) the I Class Limit in place at the time such amounts were paid; or (2) the current I Class Limit. However, no repayment will be made more than three years after the date of a payment or waiver.

Pursuant to this agreement, expenses were waived/paid by and/or repaid to Price Associates during the six months ended August 31, 2023 as indicated in the table below and remain subject to repayment by the fund. Including this amount, expenses

previously waived/paid by Price Associates in the amount of \$95,000 remain subject to repayment by the fund at August 31, 2023. Any repayment of expenses previously waived/paid by Price Associates during the period would be included in the net investment income and expense ratios presented on the accompanying Financial Highlights.

	I Class
Expense limitation/I Class Limit	0.05%
Expense limitation date	06/30/25
(Waived)/repaid during the period (\$000s)	\$(29)

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 August 31, 2023, expenses incurred pursuant to these service agreements were \$60,000 for Price Associates and \$96,000 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 (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended August 31, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended August 31, 2023, this reimbursement amounted to \$6,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 7 - 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 the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, 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.

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

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

RESULTS OF PROXY VOTING

A Special Meeting of Shareholders was held on July 24, 2023 for shareholders of record on April 7, 2023, to elect the following director-nominees to serve on the Board of all Price Funds. The newly elected Directors took office effective July 24, 2023.

The results of the voting were as follows:

	Votes For	Votes Withheld
Melody Bianchetto	5,945,735	80,214
Mark J. Parrell	5,877,278	136,739
Kellye L. Walker	5,930,310	94,901
Eric L. Veiel	5,904,174	122,855

Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., Paul F. McBride and David Oestreicher continue to serve as Directors on the Board of all Price Funds.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on **[troweprice.com](https://www.troweprice.com)**.

TAILORED SHAREHOLDER REPORTS FOR MUTUAL FUNDS AND EXCHANGE TRADED FUNDS

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

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 adviser, T. Rowe Price Associates, Inc. (Adviser). In that regard, at a meeting held on March 6–7, 2023 (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 Adviser 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 Adviser 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 continuation of 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 Adviser 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 Adviser

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser. 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 Adviser's senior management team and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract.

Investment Performance of the Fund

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

various periods through December 31, 2022. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2022, which ranked the returns of the fund's Investor Class for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data. In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract.

Costs, Benefits, Profits, and Economies of Scale

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Adviser bears 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 Adviser 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 Adviser'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 or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays a fee to the Adviser for investment management services composed of two components—a group fee rate based on the combined average net assets of most of the T. Rowe Price funds (including the fund) that declines at certain asset levels and an individual fund fee rate based on the fund's average daily net assets—and the fund pays its own expenses of operations. The group fee rate decreases as total T. Rowe Price fund assets grow, which reduces the management fee rate for any fund that has a group fee component to its management fee, and reflects that certain resources utilized to operate the fund are shared with other T. Rowe Price funds thus allowing shareholders of those funds to share potential economies of scale. The fund's shareholders also benefit from potential economies of scale through a decline in certain operating expenses as the fund grows in size.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's ongoing investments in its business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

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, actual management fees, nonmanagement expenses, and total expenses of the Investor Class of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) actual management fees, nonmanagement expenses, and total expenses of the Investor Class 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 Adviser 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 second quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the second quintile (Expense Group) and first quintile (Expense Universe).

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser 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 Adviser'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 proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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 Adviser'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 Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser 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, including subadvised funds.

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 adviser, T. Rowe Price Associates, Inc. (Adviser), as the administrator of the Liquidity Program. As administrator, the Adviser is responsible for overseeing the day-to-day operations of the Liquidity Program and, among other things, is responsible for assessing, managing, and reviewing with the Board at least annually the liquidity risk of each T. Rowe Price fund. The Adviser has delegated oversight of the Liquidity Program to a Liquidity Risk Committee (LRC), which is a cross-functional committee composed of personnel from multiple departments within the Adviser.

The Liquidity Program's principal objectives include supporting the T. Rowe Price funds' compliance with limits on investments in illiquid assets and mitigating the risk that the fund will be unable to timely meet its redemption obligations. The Liquidity Program also includes a number of elements that support the management and assessment of liquidity risk, including an annual assessment of factors that influence the fund's liquidity and the periodic classification and reclassification of a fund's investments into categories that reflect the LRC's assessment of their relative liquidity under current market conditions. Under the Liquidity Program, every investment held by the fund is classified at least monthly into one of four liquidity categories based on estimations of the investment's ability to be sold during designated time frames in current market conditions without significantly changing the investment's market value.

As required by the Liquidity Rule, at a meeting held on July 24, 2023, the Board was presented with an annual assessment prepared by the LRC, on behalf of the Adviser, 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.

LIQUIDITY RISK MANAGEMENT PROGRAM (CONTINUED)

For the fund and other T. Rowe Price funds, the annual assessment incorporated a report related to a fund's holdings, shareholder and portfolio concentration, any borrowings during the period, cash flow projections, and other relevant data for the period of April 1, 2022, through March 31, 2023. The report described the methodology for classifying a fund's investments (including any derivative transactions) into one of four liquidity categories, as well as the percentage of a fund's investments assigned to each category. It also explained the methodology for establishing a fund's HLIM and noted that the LRC reviews the HLIM assigned to each fund no less frequently than annually.

During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program continues to operate adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

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.