



**ANNUAL REPORT**

December 31, 2018

T. ROWE PRICE

# Institutional Mid-Cap Equity Growth Fund

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## HIGHLIGHTS

- Mid-cap growth stocks recorded losses over a turbulent year but handily outperformed their value counterparts and small-cap shares.
- The Institutional Mid-Cap Equity Growth Fund outperformed its benchmark and built on its long-term record of strong relative returns.
- Our favorable stock selection in information technology benefited returns the most.
- While the fourth-quarter downturn briefly improved valuations, we are skeptical that it represented a cleansing of excesses that could set the stage for another prolonged rally.

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## Dear Investor

After a positive start to the year, but a tough one in terms of returns relative to our benchmark, our fund performed as we had hoped and suffered less in the fourth-quarter downturn that dragged stocks to their worst annual returns in a decade. As we describe below, we had long been expecting a pullback given the signs of excess on Wall Street, but we were surprised to see that what we view as the most overvalued stocks declined in line with the overall market. For this reason, we suspect that the market has not yet been cleansed of its excesses, which suggests that further challenges may lie ahead.

### PERFORMANCE COMPARISON

| Periods Ended 12/31/18                   | Total Return |           |
|--|--------------|-----------|
|  | 6 Months     | 12 Months |
| Institutional Mid-Cap Equity Growth Fund | -6.98%       | -2.23%    |
| Russell Midcap Growth Index              | -9.63        | -4.75     |
| Lipper Mid-Cap Growth Funds Index        | -10.50       | -3.53     |

The Institutional Mid-Cap Equity Growth Fund returned -2.23% in the 12 months ended December 31, 2018. The fund outperformed its benchmark and peer group index and remained favorably ranked relative to its competitors over longer time periods. It is also the top-ranked fund in its category since its inception in 1996. (Based on cumulative total return, Lipper ranked the Institutional Mid-Cap Equity Growth Fund 94 of 386, 77 of 351, 8 of 330, 2 of 228, and 1 of 50 funds in the mid-cap growth funds category for the 1-, 3-, 5-, and 10-year and since-inception periods ended December 31, 2018, respectively. *Past performance cannot guarantee future results.*)

### MARKET ENVIRONMENT

In recent years, we have described on occasion how a party seemed to be raging on Wall Street even as the gloom cast by the financial crisis seemed to linger over Main Street. In some sense, the situation was reversed in 2018, especially late in the year. Consumer sentiment reached multiyear highs as the unemployment rate touched multi-decade lows, and broad-based wage gains appeared to finally take hold after years of stagnation. The fiscal stimulus from the December 2017 tax cuts deserved part of the credit for an acceleration in growth, but a synchronized global expansion and healthy export markets also helped. Indeed, profit growth for multinationals was particularly strong, with overall profits for the S&P 500 Index rising by 25% (versus a year earlier) in the first three quarters of the year.

Strong earnings gains helped the major indexes reach record highs in early October, but cracks soon appeared in the rally's foundations. Signs of a pronounced slowdown in China and, to a lesser extent, Europe led to fears that the deepening U.S.-China trade conflict was taking a toll on the global economy. Rising bond yields and continued short-term rate hikes from the Federal Reserve also weighed on sentiment. A decline in business investment and manufacturing activity in the U.S. also worried investors, but consumer spending continued at a healthy clip, and initial signals on holiday spending were positive.

Disappointing economic data and market turmoil triggered an abrupt reversal in the generally rising trend of long-term interest rates in November, signaling that investors were less confident in the sustainability of economic growth. As equity markets continued to tumble and President Trump tweeted criticism of the Fed for raising short-term rates, Fed Chair Jerome Powell and other officials quickly began offering assurances that they would postpone further short-term interest rate hikes if they detected continuing weakness in the global financial system. Chair Powell forcefully reiterated this view in late December, and the "Powell put" was born. Equity markets began a steep recovery on December 26. In any case, the blame for the slowing economy probably lay less with Powell than with the general policy chaos in Washington where a government shutdown compounded the already considerable anxiety over trade.

### GROWTH VS. VALUE

| Periods Ended 12/31/18      | 6 Months | 12 Months | 3 Years | 5 Years |
|-----------------------------|----------|-----------|---------|---------|
| Russell Midcap Growth Index | -9.63%   | -4.75%    | 28.06%  | 43.02%  |
| Russell Midcap Value Index  | -12.15   | -12.29    | 19.30   | 30.35   |

Cumulative returns.

The fourth-quarter sell-off sent the Russell Midcap Growth Index and most of the other major benchmarks into bear market territory, down over 20% from their highs. However, mid-cap growth shares easily outperformed their value counterparts as well as small-caps. Within the Russell Midcap Growth Index, the materials and energy sectors fared worst, falling over 20% for the year, while the defensive utilities and consumer staples segments performed best. The heavily weighted technology sector managed a gain of over 4% in 2018.

## PORTFOLIO REVIEW

We discussed in our midyear letter how we had been positioning the fund more defensively in recent quarters, and this paid off for us late in the year as markets sank. Our technology holdings, in particular, performed better than many in the benchmark, providing a significant lift to our relative returns. Our top contributor was **Keysight Technologies**, a maker of electronic test and measurement equipment that proved surprisingly resilient in the wake of the destruction of much of its Santa Rosa, California, campus in wildfires late in 2016. The company is poised to enjoy robust demand as companies begin investing in 5G wireless infrastructure, and early sales in the area have been encouraging. (Please refer to the fund's portfolio of investments for a complete list of our holdings and the amount each represents in the portfolio.)

We also enjoyed good returns from several software holdings such as **Atlassian**, best known for its application development software Jira, which has become the standard workflow platform for app developers. The stock surged through October on solid gains in revenue and billings. Cloud-based human resources software firm **Workday** also grew rapidly as it continued to seize market share from traditional providers. It was with a tinge of nostalgia that we began to sell our significant position in **Red Hat**, the leading provider of Linux-based software services, which we have owned in the fund since 2003, but we benefited when IBM announced in late October that it was acquiring the company at a significant premium. A small position in **Tableau Software** also performed well in reaction to strong demand for its subscription-based data visualization products.

Performance was hurt by some of our semiconductor positions. **Microchip Technology** fell after guidance fell short of expectations due to tariff-related uncertainty and disappointing results from its recent acquisition of Microsemi, but we still think that the combination of the two firms will yield meaningful cost synergies over the long term. **Marvell Technology** shares also suffered from similar challenges integrating a recent acquisition.

We ended the year considerably underweight in the new communication services sector, but we recorded solid gains from **IAC/InterActiveCorp** an internet holding company that operates high-profile brands such as HomeAdvisor, Lending Tree, and Match.com. IAC has continued to see broad strength across its online operations, and the discount that investors apply to the sum of the company's parts has continued to narrow.

## SECTOR DIVERSIFICATION

|                                   | Percent of Net Assets |               |
|-----------------------------------|-----------------------|---------------|
|                                   | 6/30/18               | 12/31/18      |
| Information Technology            | 21.8%                 | 22.1%         |
| Industrials and Business Services | 22.0                  | 20.5          |
| Health Care                       | 16.5                  | 16.4          |
| Consumer Discretionary            | 16.3                  | 14.8          |
| Financials                        | 9.7                   | 8.9           |
| Materials                         | 5.3                   | 6.2           |
| Consumer Staples                  | 2.1                   | 3.1           |
| Energy                            | 1.6                   | 2.1           |
| Communication Services            | 1.7                   | 2.0           |
| Utilities                         | 1.0                   | 1.2           |
| Real Estate                       | 0.4                   | 0.5           |
| Other and Reserves                | 1.6                   | 2.2           |
| <b>Total</b>                      | <b>100.0%</b>         | <b>100.0%</b> |

Historical weightings reflect current industry/sector classifications.

Our consumer holdings were a mixed bag. Discount retailer **Dollar General** has continued to deliver slow but steady growth in the age of Amazon, thanks to its focus on lower-income consumers, cash and debit transactions, and the combination of convenience and value it offers its customers in over 15,000 stores across nearly every state. **Tapestry**, formerly known as Coach, has had difficulty integrating its small acquisition of luxury shoemaker Stuart Weitzman, and the stock also suffered from worries about reduced demand from Chinese consumers. Auto parts supplier **Aptiv** is well positioned due to its focus on electronic components, which represent an increasing share of the total value of a car, but the company has suffered from worries over a downturn in the European and Chinese auto markets.

Our health care holdings generally lagged. In our last letter, we discussed how shares in drugmaker **Alkermes** plunged in early April after the Food and Drug Administration (FDA) refused to consider its application for approval of a new antidepressant. While the FDA later reversed its decision, the stock remained weak as analysts lowered guidance and investors were underwhelmed by the company's new schizophrenia treatment. Smaller positions such as in-store brands purveyor **Perrigo** and physician-outsourcer **Mednax** also weighed on returns, but we benefited from strong results at contact lens maker **Cooper Companies**.

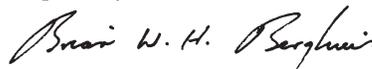
**INVESTMENT STRATEGY AND OUTLOOK**

Another theme of our past letters has been the Fed's neglect of its duty to take away the punch bowl when the party gets going on Wall Street, as Fed Chair William McChesney Martin once famously urged. The downbeat mood on Wall Street this year undoubtedly owed something to the Fed's overdue efforts in that direction. (LBJ's displeasure with Martin's rate hikes in 1965 prefigured President Trump's current dissatisfaction with Powell.) As the Fed reduces its balance sheet while slowly increasing interest rates, the liquidity that has artificially inflated asset prices has slowly begun to drain away. Over the coming years, we suspect that many companies that have relied on abundant, cheap capital to fund flawed business models will prove unable to adapt to a more normalized world.

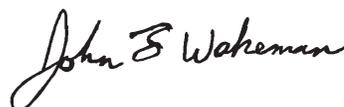
Whether this reality has yet to sink in with investors is another question. While we had long been expecting a market pullback, it is telling that the nonearning companies with the frothiest valuations performed no worse than the overall market in the fourth-quarter drawdown—and they have also rallied the most in the days since. Indeed, so-called momentum stocks, or those that have already experienced the largest price gains, are more expensive relative to the overall market today than they have been at any time in the current expansion, according to one measure. This is one reason we are skeptical that the recent sell-off represented the sort of periodic cleansing of excess that sets the stage for another prolonged bull market.

We are also keenly aware that we are among a dwindling group of investors who pay careful attention to valuation and company fundamentals. More individual investors than ever are investing in indexes rather than companies, and hedge funds and other institutional players are increasingly relying on algorithms and other short-term trading strategies. Standing apart from the crowd helped us during the waning days of the dot-com boom, however, and we are optimistic that our risk discipline and long-term focus will again reward our shareholders over the long term.

Respectfully submitted,



Brian W.H. Berghuis  
*President of the fund and chairman of its  
Investment Advisory Committee*



John F. Wakeman  
*Executive vice president of the fund*

January 17, 2019

*The committee chairman has day-to-day responsibility for managing the portfolio and works with committee members in developing and executing the fund's investment program.*

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**

As with all stock and bond mutual funds, the fund's share price can fall because of weakness in the stock or bond markets, a particular industry, or specific holdings. The financial 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. The stocks of mid-cap companies entail greater risk and are usually more volatile than the shares of larger companies. In addition, growth stocks can be volatile for several reasons. Since they usually reinvest a high proportion of earnings in their own businesses, they may lack the dividends usually associated with value stocks that can cushion their decline in a falling market. Also, since investors buy these stocks because of their expected superior earnings growth, earnings disappointments often result in sharp price declines.

**GLOSSARY**

**Lipper indexes:** Fund benchmarks that consist of a small number of the largest mutual funds in a particular category as defined by Lipper Inc.

**Russell Midcap Growth Index:** An unmanaged index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecast growth values.

**Russell Midcap Value Index:** An unmanaged index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecast growth values.

**S&P 500 Index:** An unmanaged index that tracks the stocks of 500 primarily large-cap U.S. companies.

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**TWENTY-FIVE LARGEST HOLDINGS**

|                                | <b>Percent of<br/>Net Assets<br/>12/31/18</b> |
|--------------------------------|---|
| Teleflex                       | 2.7%  |
| Cooper Companies               | 2.2   |
| Microchip Technology           | 2.1   |
| Keysight Technologies          | 2.0   |
| Hologic                        | 2.0   |
| Textron                        | 1.8   |
| Willis Towers Watson           | 1.8   |
| Agilent Technologies           | 1.8   |
| Harris                         | 1.7   |
| Ball                           | 1.6   |
| IAC/InterActiveCorp            | 1.6   |
| Sensata Technologies Holding   | 1.6   |
| Worldpay                       | 1.5   |
| TD Ameritrade Holding          | 1.5   |
| Workday                        | 1.5   |
| Tapestry                       | 1.5   |
| IDEX                           | 1.4   |
| Norwegian Cruise Line Holdings | 1.4   |
| Dollar General                 | 1.3   |
| Roper Technologies             | 1.3   |
| Verisk Analytics               | 1.2   |
| Air Products & Chemicals       | 1.2   |
| Corning                        | 1.1   |
| Fiserv                         | 1.1   |
| Fortive                        | 1.1   |
| <b>Total</b>                   | <b>40.0%</b>                                  |

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.

**CONTRIBUTIONS TO THE CHANGE IN NET ASSET VALUE**

Six Months Ended 12/31/18

**BEST CONTRIBUTORS**

|                        |      |
|------------------------|------|
| Ball                   | 22¢  |
| Workday                | 20   |
| Atlassian              | 18   |
| Red Hat                | 17   |
| Xilinx                 | 16   |
| IAC/InterActiveCorp    | 15   |
| Dollar General         | 12   |
| O'Reilly Automotive    | 10   |
| Cooper Companies       | 10   |
| Casey's General Stores | 9    |
| Total                  | 149¢ |

**WORST CONTRIBUTORS**

|                      |       |
|----------------------|-------|
| Textron              | -39¢  |
| Tapestry             | -28   |
| Microchip Technology | -24   |
| CoreLogic            | -21   |
| Aptiv                | -20   |
| Catalent             | -15   |
| Perrigo*             | -15   |
| Conagra Brands       | -14   |
| Alkermes             | -13   |
| BWX Technologies     | -13   |
| Total                | -202¢ |

12 Months Ended 12/31/18

**BEST CONTRIBUTORS**

|                       |      |
|-----------------------|------|
| Keysight Technologies | 46¢  |
| Red Hat               | 36   |
| Atlassian             | 32   |
| Workday               | 32   |
| IAC/InterActiveCorp   | 30   |
| Dollar General        | 26   |
| Ball                  | 23   |
| Cooper Companies      | 23   |
| Dexcom**              | 21   |
| Tableau Software      | 20   |
| Total                 | 289¢ |

**WORST CONTRIBUTORS**

|                         |       |
|-------------------------|-------|
| Alkermes                | -25¢  |
| Aptiv*                  | -22   |
| Coherent                | -19   |
| Colfax                  | -16   |
| Maxar Technologies      | -16   |
| Perrigo*                | -15   |
| Tapestry                | -15   |
| Gardner Denver Holdings | -14   |
| Alnylam Pharmaceuticals | -14   |
| Conagra Brands          | -13   |
| Total                   | -169¢ |

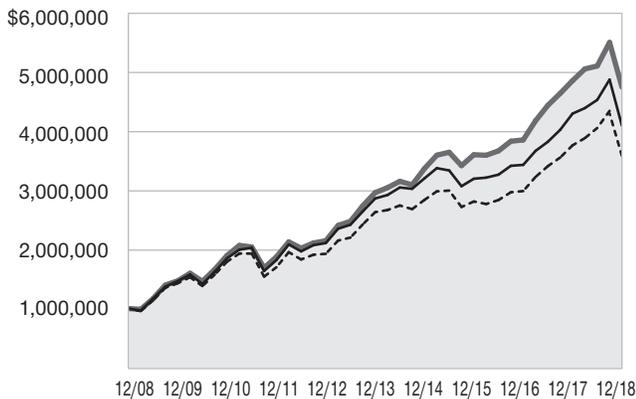
\* Position added.

\*\* Position eliminated.

**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.

**INSTITUTIONAL MID-CAP EQUITY GROWTH FUND**



As of 12/31/18

|  |             |
|--|-------------|
| — Institutional Mid-Cap Equity Growth Fund | \$4,740,541 |
| — Russell Midcap Growth Index              | 4,088,031   |
| --- Lipper Mid-Cap Growth Funds Index      | 3,623,955   |

**AVERAGE ANNUAL COMPOUND TOTAL RETURN**

| Periods Ended 12/31/18                   | 1 Year | 5 Years | 10 Years |
|--|--------|---------|----------|
| Institutional Mid-Cap Equity Growth Fund | -2.23% | 9.90%   | 16.84%   |

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 Mid-Cap Equity Growth Fund 0.61%

The expense ratio shown is as of the fund's fiscal year ended 12/31/17. 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 MID-CAP EQUITY GROWTH FUND**

|  | Beginning Account Value 7/1/18 | Ending Account Value 12/31/18 | Expenses Paid During Period* 7/1/18 to 12/31/18 |
|--|--------------------------------|-------------------------------|---|
| Actual   | \$1,000.00                     | \$930.20                      | \$2.97  |
| Hypothetical (assumes 5% return before expenses) | 1,000.00                       | 1,022.13                      | 3.11  |

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.61%), 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 (365) to reflect the half-year period.

## FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

|  | Year Ended |          |          |          |                  |
|--|------------|----------|----------|----------|------------------|
|  | 12/31/18   | 12/31/17 | 12/31/16 | 12/31/15 | 12/31/14         |
| <b>NET ASSET VALUE</b>                   |            |          |          |          |                  |
| Beginning of period                      | \$ 54.48   | \$ 45.94 | \$ 43.40 | \$ 43.11 | \$ 40.67         |
| Investment activities                    |            |          |          |          |                  |
| Net investment income <sup>(1) (2)</sup> | 0.14       | 0.06     | 0.07     | 0.04     | – <sup>(3)</sup> |
| Net realized and unrealized gain / loss  | (1.30)     | 11.91    | 2.95     | 2.93     | 5.53             |
| Total from investment activities         | (1.16)     | 11.97    | 3.02     | 2.97     | 5.53             |
| Distributions                            |            |          |          |          |                  |
| Net investment income                    | (0.13)     | (0.07)   | (0.09)   | –        | –                |
| Net realized gain                        | (4.90)     | (3.36)   | (0.39)   | (2.68)   | (3.09)           |
| Total distributions                      | (5.03)     | (3.43)   | (0.48)   | (2.68)   | (3.09)           |
| <b>NET ASSET VALUE</b>                   |            |          |          |          |                  |
| End of period                            | \$ 48.29   | \$ 54.48 | \$ 45.94 | \$ 43.40 | \$ 43.11         |

## Ratios/Supplemental Data

|  |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|
| Total return <sup>(2) (4)</sup>                            | (2.23)%  | 26.02%   | 6.94%    | 6.94%    | 13.79%   |
| Ratios to average net assets: <sup>(2)</sup>               |          |          |          |          |          |
| Gross expenses before waivers/payments by Price Associates | 0.61%    | 0.61%    | 0.61%    | 0.61%    | 0.61%    |
| Net expenses after waivers/payments by Price Associates    | 0.61%    | 0.61%    | 0.61%    | 0.61%    | 0.61%    |
| Net investment income                                      | 0.24%    | 0.11%    | 0.15%    | 0.08%    | 0.00%    |
| Portfolio turnover rate                                    | 35.9%    | 31.1%    | 35.9%    | 39.6%    | 29.9%    |
| Net assets, end of period (in millions)                    | \$ 6,466 | \$ 6,667 | \$ 5,639 | \$ 5,123 | \$ 5,465 |

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.

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

<sup>(3)</sup> Amounts round to less than \$0.01 per share.

<sup>(4)</sup> 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.

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

T. ROWE PRICE INSTITUTIONAL MID-CAP EQUITY GROWTH FUND

December 31, 2018

| PORTFOLIO OF INVESTMENTS†                     | Shares    | \$ Value |
|---|-----------|----------|
| (Cost and value in \$000s)                    |           |          |
| <b>COMMON STOCKS 97.1%</b>                    |           |          |
| <b>Communication Services 2.0%</b>            |           |          |
| <b>Entertainment 0.1%</b>                     |           |          |
| Electronic Arts (1)                           | 97,120    | 7,664    |
|   |           | 7,664    |
| <b>Interactive Media &amp; Services 1.9%</b>  |           |          |
| IAC/InterActiveCorp (1)                       | 561,789   | 102,830  |
| Zillow Group, Class A (1)                     | 123,641   | 3,886    |
| Zillow Group, Class C (1)                     | 386,600   | 12,208   |
|   |           | 118,924  |
| Total Communication Services                  |           | 126,588  |
| <b>Consumer Discretionary 14.6%</b>           |           |          |
| <b>Auto Components 1.1%</b>                   |           |          |
| Aptiv   | 913,100   | 56,220   |
| Visteon (1)                                   | 254,000   | 15,311   |
|   |           | 71,531   |
| <b>Automobiles 0.1%</b>                       |           |          |
| Ferrari                                       | 67,595    | 6,722    |
|   |           | 6,722    |
| <b>Diversified Consumer Services 0.6%</b>     |           |          |
| ServiceMaster Global Holdings (1)             | 969,557   | 35,621   |
|   |           | 35,621   |
| <b>Hotels, Restaurants &amp; Leisure 6.3%</b> |           |          |
| Aramark                                       | 1,207,770 | 34,989   |
| Darden Restaurants                            | 220,176   | 21,987   |
| Dunkin' Brands Group                          | 619,513   | 39,723   |
| Hilton Worldwide Holdings                     | 592,498   | 42,541   |
| Marriott International, Class A               | 498,364   | 54,103   |
| MGM Resorts International                     | 2,784,139 | 67,543   |
| Norwegian Cruise Line Holdings (1)            | 2,075,197 | 87,968   |
| Vail Resorts                                  | 270,890   | 57,109   |
|   |           | 405,963  |
| <b>Multiline Retail 2.2%</b>                  |           |          |
| Dollar General                                | 777,951   | 84,081   |

|   | Shares    | \$ Value |
|---|-----------|----------|
| (Cost and value in \$000s)  |           |          |
| Dollar Tree (1)   | 670,800   | 60,586   |
|   |           | 144,667  |
| <b>Specialty Retail 2.8%</b>  |           |          |
| Burlington Stores (1)   | 339,417   | 55,213   |
| CarMax (1)  | 694,930   | 43,593   |
| Michaels (1)  | 945,228   | 12,799   |
| O'Reilly Automotive (1)   | 121,457   | 41,821   |
| Ulta Beauty (1)   | 121,541   | 29,758   |
|   |           | 183,184  |
| <b>Textiles, Apparel &amp; Luxury Goods 1.5%</b>  |           |          |
| Tapestry  | 2,868,585 | 96,815   |
|   |           | 96,815   |
| Total Consumer Discretionary  |           | 944,503  |
| <b>Consumer Staples 3.1%</b>  |           |          |
| <b>Food &amp; Staples Retailing 2.0%</b>  |           |          |
| Casey's General Stores  | 458,256   | 58,721   |
| Kroger  | 1,407,000 | 38,693   |
| Sprouts Farmers Market (1)  | 1,464,751 | 34,436   |
|   |           | 131,850  |
| <b>Food Products 1.1%</b>   |           |          |
| Conagra Brands  | 1,188,387 | 25,384   |
| TreeHouse Foods (1)   | 858,965   | 43,558   |
|   |           | 68,942   |
| Total Consumer Staples  |           | 200,792  |
| <b>Energy 2.1%</b>  |           |          |
| <b>Oil, Gas &amp; Consumable Fuels 2.1%</b>   |           |          |
| Cabot Oil & Gas   | 1,717,000 | 38,375   |
| Centennial Resource Development, Class A (1)  | 1,238,110 | 13,644   |
| Concho Resources (1)  | 484,764   | 49,829   |
| Continental Resources (1)   | 601,000   | 24,154   |
| Venture Global LNG, Series B<br>Acquisition Date: 3/8/18, Cost \$912 (1)(2)(3)              | 302       | 1,570    |
| Venture Global LNG, Series C<br>Acquisition Date: 10/16/17 - 3/8/18, Cost \$7,718 (1)(2)(3) | 2,097     | 10,905   |
| Total Energy  |           | 138,477  |

|  | Shares    | \$ Value |
|--|-----------|----------|
| (Cost and value in \$000s)                       |           |          |
| <b>Financials 8.9%</b>                           |           |          |
| <b>Banks 1.0%</b>                                |           |          |
| Fifth Third Bancorp                              | 1,965,833 | 46,256   |
| Webster Financial                                | 426,927   | 21,043   |
|  |           | 67,299   |
| <b>Capital Markets 3.4%</b>                      |           |          |
| Cboe Global Markets                              | 604,005   | 59,090   |
| KKR, Class A                                     | 1,425,692 | 27,986   |
| MarketAxess Holdings                             | 125,039   | 26,422   |
| Oaktree Capital Partnership                      | 298,452   | 11,864   |
| TD Ameritrade Holding                            | 1,997,577 | 97,801   |
|  |           | 223,163  |
| <b>Consumer Finance 0.3%</b>                     |           |          |
| SLM (1)  | 2,142,939 | 17,808   |
|  |           | 17,808   |
| <b>Insurance 4.2%</b>                            |           |          |
| Assurant   | 386,607   | 34,578   |
| Axis Capital Holdings                            | 420,200   | 21,699   |
| Fidelity National Financial                      | 2,197,049 | 69,075   |
| Progressive                                      | 475,725   | 28,701   |
| Willis Towers Watson                             | 762,246   | 115,755  |
|  |           | 269,808  |
| Total Financials                                 |           | 578,078  |
| <b>Health Care 16.4%</b>                         |           |          |
| <b>Biotechnology 2.1%</b>                        |           |          |
| Alkermes (1)                                     | 1,486,592 | 43,869   |
| Alnylam Pharmaceuticals (1)                      | 306,906   | 22,377   |
| Incyte (1)                                       | 493,664   | 31,392   |
| Sage Therapeutics (1)                            | 107,927   | 10,338   |
| Seattle Genetics (1)                             | 439,161   | 24,883   |
|  |           | 132,859  |
| <b>Health Care Equipment &amp; Supplies 8.5%</b> |           |          |
| Cooper   | 546,585   | 139,106  |
| Exact Sciences (1)                               | 410,900   | 25,928   |
| Hologic (1)                                      | 3,099,018 | 127,369  |
| ICU Medical (1)                                  | 128,638   | 29,539   |

|  | Shares    | \$ Value  |
|--|-----------|-----------|
| (Cost and value in \$000s)                       |           |           |
| IDEXX Laboratories (1)                           | 92,414    | 17,191    |
| Teleflex   | 669,026   | 172,930   |
| West Pharmaceutical Services                     | 373,323   | 36,597    |
|  |           | 548,660   |
| <b>Health Care Providers &amp; Services 0.7%</b> |           |           |
| Acadia Healthcare (1)                            | 901,854   | 23,187    |
| MEDNAX (1)                                       | 718,832   | 23,721    |
|  |           | 46,908    |
| <b>Health Care Technology 0.1%</b>               |           |           |
| athenahealth (1)                                 | 56,679    | 7,478     |
|  |           | 7,478     |
| <b>Life Sciences Tools &amp; Services 3.3%</b>   |           |           |
| Agilent Technologies                             | 1,697,174 | 114,491   |
| Bruker   | 2,283,411 | 67,977    |
| IQVIA Holdings (1)                               | 243,944   | 28,339    |
|  |           | 210,807   |
| <b>Pharmaceuticals 1.7%</b>                      |           |           |
| Amneal Pharmaceuticals (1)                       | 1,746,100 | 23,625    |
| Catalent (1)                                     | 1,913,975 | 59,678    |
| Elanco Animal Health (1)                         | 205,964   | 6,494     |
| Perrigo  | 604,000   | 23,405    |
|  |           | 113,202   |
| Total Health Care                                |           | 1,059,914 |
| <b>Industrials &amp; Business Services 20.5%</b> |           |           |
| <b>Aerospace &amp; Defense 4.4%</b>              |           |           |
| BWX Technologies                                 | 785,280   | 30,021    |
| Harris   | 817,967   | 110,139   |
| L3 Technologies                                  | 133,540   | 23,191    |
| Maxar Technologies                               | 447,223   | 5,349     |
| Textron  | 2,536,362 | 116,647   |
|  |           | 285,347   |
| <b>Airlines 0.9%</b>                             |           |           |
| Alaska Air Group                                 | 302,300   | 18,395    |
| United Continental Holdings (1)                  | 488,205   | 40,878    |
|  |           | 59,273    |

|  | Shares    | \$ Value  |
|--|-----------|-----------|
| (Cost and value in \$000s)                       |           |           |
| <b>Building Products 0.8%</b>                    |           |           |
| Allegion   | 610,454   | 48,659    |
|  |           | 48,659    |
| <b>Commercial Services &amp; Supplies 1.7%</b>   |           |           |
| frontdoor (1)                                    | 613,978   | 16,338    |
| KAR Auction Services                             | 962,128   | 45,913    |
| Waste Connections                                | 670,606   | 49,792    |
|  |           | 112,043   |
| <b>Electrical Equipment 1.6%</b>                 |           |           |
| Sensata Technologies Holding (1)                 | 2,279,371 | 102,207   |
|  |           | 102,207   |
| <b>Industrial Conglomerates 1.3%</b>             |           |           |
| Roper Technologies                               | 309,959   | 82,610    |
|  |           | 82,610    |
| <b>Machinery 4.5%</b>                            |           |           |
| Colfax (1)                                       | 1,449,910 | 30,303    |
| Fortive  | 1,040,608 | 70,408    |
| Gardner Denver Holdings (1)                      | 2,067,099 | 42,272    |
| IDEX   | 707,684   | 89,352    |
| Xylem  | 915,505   | 61,083    |
|  |           | 293,418   |
| <b>Professional Services 4.0%</b>                |           |           |
| CoStar Group (1)                                 | 124,032   | 41,841    |
| Equifax  | 373,966   | 34,828    |
| IHS Markit (1)                                   | 937,808   | 44,987    |
| TransUnion                                       | 967,398   | 54,948    |
| Verisk Analytics (1)                             | 724,646   | 79,015    |
|  |           | 255,619   |
| <b>Road &amp; Rail 1.0%</b>                      |           |           |
| JB Hunt Transport Services                       | 206,841   | 19,244    |
| Kansas City Southern                             | 495,944   | 47,338    |
|  |           | 66,582    |
| <b>Trading Companies &amp; Distribution 0.3%</b> |           |           |
| HD Supply Holdings (1)                           | 488,674   | 18,335    |
|  |           | 18,335    |
| Total Industrials & Business Services            |           | 1,324,093 |

|  | Shares    | \$ Value |
|--|-----------|----------|
| (Cost and value in \$000s)                                     |           |          |
| <b>Information Technology 22.0%</b>                            |           |          |
| <b>Electronic Equipment, Instruments &amp; Components 3.7%</b> |           |          |
| Coherent (1)   | 143,910   | 15,213   |
| Corning  | 2,420,021 | 73,109   |
| Keysight Technologies (1)                                      | 2,064,708 | 128,177  |
| National Instruments   | 578,189   | 26,238   |
|  |           | 242,737  |
| <b>IT Services 7.0%</b>  |           |          |
| Black Knight (1)   | 1,117,769 | 50,367   |
| CoreLogic (1)  | 1,489,951 | 49,794   |
| Fidelity National Information Services                         | 474,244   | 48,634   |
| Fiserv (1)   | 963,110   | 70,779   |
| FleetCor Technologies (1)                                      | 304,798   | 56,607   |
| Gartner (1)  | 249,182   | 31,855   |
| Global Payments  | 312,256   | 32,203   |
| Shopify, Class A (1)   | 86,413    | 11,964   |
| Worldpay, Class A (1)  | 1,282,206 | 97,999   |
|  |           | 450,202  |
| <b>Semiconductors &amp; Semiconductor Equipment 4.8%</b>       |           |          |
| Marvell Technology Group                                       | 2,778,503 | 44,984   |
| Maxim Integrated Products                                      | 901,362   | 45,834   |
| Microchip Technology   | 1,847,258 | 132,855  |
| Skyworks Solutions   | 543,600   | 36,432   |
| Xilinx   | 601,949   | 51,268   |
|  |           | 311,373  |
| <b>Software 6.5%</b>   |           |          |
| Atlassian, Class A (1)   | 607,385   | 54,045   |
| CDK Global   | 457,500   | 21,905   |
| Ceridian HCM Holding (1)                                       | 193,780   | 6,683    |
| DocuSign (1)   | 309,379   | 12,400   |
| Guidewire Software (1)   | 163,882   | 13,148   |
| Red Hat (1)  | 304,615   | 53,502   |
| Splunk (1)   | 311,557   | 32,667   |
| SS&C Technologies Holdings                                     | 679,669   | 30,660   |
| Symantec   | 2,540,367 | 48,000   |
| Tableau Software, Class A (1)                                  | 415,048   | 49,806   |

|  | Shares    | \$ Value  |
|--|-----------|-----------|
| (Cost and value in \$000s)   |           |           |
| Workday, Class A (1)   | 609,905   | 97,390    |
|  |           | 420,206   |
| Total Information Technology   |           | 1,424,518 |
| <b>Materials 6.2%</b>  |           |           |
| <b>Chemicals 2.6%</b>  |           |           |
| Air Products & Chemicals   | 480,364   | 76,882    |
| RPM International  | 965,552   | 56,755    |
| Valvoline  | 1,650,593 | 31,939    |
|  |           | 165,576   |
| <b>Construction Materials 0.5%</b>   |           |           |
| Martin Marietta Materials  | 178,762   | 30,724    |
|  |           | 30,724    |
| <b>Containers &amp; Packaging 2.6%</b>   |           |           |
| Ardagh Group   | 128,600   | 1,425     |
| Avery Dennison   | 241,000   | 21,649    |
| Ball   | 2,256,580 | 103,758   |
| Sealed Air   | 1,195,900 | 41,665    |
|  |           | 168,497   |
| <b>Metals &amp; Mining 0.5%</b>  |           |           |
| Franco-Nevada  | 488,364   | 34,268    |
|  |           | 34,268    |
| Total Materials  |           | 399,065   |
| <b>Real Estate 0.1%</b>  |           |           |
| <b>Real Estate Management &amp; Development 0.1%</b>                               |           |           |
| WeWork, Class A, Acquisition<br>Date: 12/9/14 - 5/26/15, Cost<br>\$1,457 (1)(2)(3) | 100,420   | 5,203     |
| Total Real Estate  |           | 5,203     |
| <b>Utilities 1.2%</b>  |           |           |
| <b>Gas Utilities 0.4%</b>  |           |           |
| Atmos Energy   | 268,698   | 24,914    |
|  |           | 24,914    |
| <b>Multi-Utilities 0.8%</b>  |           |           |
| Sempra Energy  | 488,729   | 52,875    |
|  |           | 52,875    |
| Total Utilities  |           | 77,789    |

|  | Shares      | \$ Value         |
|--|-------------|------------------|
| (Cost and value in \$000s)   |             |                  |
| <b>Total Common Stocks<br/>(Cost \$5,044,744)</b>                                    |             | <b>6,279,020</b> |
| <b>CONVERTIBLE PREFERRED STOCKS 0.7%</b>   |             |                  |
| <b>Consumer Discretionary 0.2%</b>   |             |                  |
| <b>Internet &amp; Direct Marketing Retail 0.2%</b>                                   |             |                  |
| Roofoods, Series F, Acquisition<br>Date: 9/12/17, Cost \$9,756<br>(1)(2)(3)          | 27,594      | 14,071           |
| Total Consumer Discretionary   |             | 14,071           |
| <b>Information Technology 0.1%</b>   |             |                  |
| <b>Software 0.1%</b>   |             |                  |
| Slack Technologies, Series H<br>Acquisition Date: 8/17/18,<br>Cost \$4,917 (1)(2)(3) | 413,004     | 4,917            |
| Total Information Technology   |             | 4,917            |
| <b>Real Estate 0.4%</b>  |             |                  |
| <b>Real Estate Management &amp; Development 0.4%</b>                                 |             |                  |
| WeWork, Series D-1, Acquisition<br>Date: 12/9/14, Cost \$4,367<br>(1)(2)(3)          | 262,263     | 13,588           |
| WeWork, Series D-2, Acquisition<br>Date: 12/9/14, Cost \$3,431<br>(1)(2)(3)          | 206,064     | 10,676           |
| Total Real Estate  |             | 24,264           |
| <b>Total Convertible Preferred Stocks<br/>(Cost \$22,471)</b>                        |             | <b>43,252</b>    |
| <b>SHORT-TERM INVESTMENTS 1.7%</b>   |             |                  |
| <b>Short-Term Investments 1.7%</b>   |             |                  |
| <b>Money Market Funds 1.7%</b>   |             |                  |
| T. Rowe Price Treasury Reserve<br>Fund, 2.47% (4)(5)                                 | 108,542,750 | 108,543          |
| <b>Total Short-Term Investments<br/>(Cost \$108,543)</b>                             |             | <b>108,543</b>   |

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**\$ Value**

(Cost and value in \$000s)

**Total Investments in Securities****99.5% of Net Assets (Cost \$5,175,758)      \$ 6,430,815**

- ‡ Shares are denominated in U.S. dollars unless otherwise noted.
- (1) Non-income producing
- (2) 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 \$60,930 and represents 0.9% of net assets.
- (3) Level 3 in fair value hierarchy. See Note 2.
- (4) Seven-day yield
- (5) Affiliated Companies

**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 year ended December 31, 2018. 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.

| <b>Affiliate</b>                    | <b>Net Realized Gain<br/>(Loss)</b> | <b>Change in Net<br/>Unrealized<br/>Gain/Loss</b> | <b>Investment<br/>Income</b> |
|-------------------------------------|-------------------------------------|---|------------------------------|
| T. Rowe Price Short-Term Fund       | \$ —                                | \$ —  | \$ — <sup>++</sup>           |
| T. Rowe Price Treasury Reserve Fund | —                                   | —   | 2,589                        |
| Totals                              | \$ — <sup>#</sup>                   | \$ —  | \$ 2,589 <sup>+</sup>        |

**Supplementary Investment Schedule**

| <b>Affiliate</b>                    | <b>Value<br/>12/31/17</b> | <b>Purchase<br/>Cost</b> | <b>Sales<br/>Cost</b> | <b>Value<br/>12/31/18</b> |
|-------------------------------------|---------------------------|--------------------------|-----------------------|---------------------------|
| T. Rowe Price Short-Term Fund       | \$ —                      | □                        | □ \$                  | —                         |
| T. Rowe Price Treasury Reserve Fund | 105,395                   | □                        | □                     | 108,543                   |
|                                     |                           |                          | \$                    | 108,543 <sup>^</sup>      |

# 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 3.

+ Investment income comprised \$2,589 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 \$108,543.

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

December 31, 2018

**STATEMENT OF ASSETS AND LIABILITIES**

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

|   |                            |
|---|----------------------------|
| <b>Assets</b>   |                            |
| Investments in securities, at value (cost \$5,175,758)  | \$ 6,430,815               |
| Receivable for shares sold  | 116,245                    |
| Dividends receivable  | 3,407                      |
| Receivable for investment securities sold   | 338                        |
| Foreign currency (cost \$33)  | 33                         |
| Other assets  | 63                         |
| Total assets  | <u>6,550,901</u>           |
| <b>Liabilities</b>  |                            |
| Payable for investment securities purchased   | 78,419                     |
| Investment management fees payable  | 3,333                      |
| Payable for shares redeemed   | 2,774                      |
| Due to affiliates   | 9                          |
| Payable to directors  | 6                          |
| Other liabilities   | 90                         |
| Total liabilities   | <u>84,631</u>              |
| <b>NET ASSETS</b>   | <b><u>\$ 6,466,270</u></b> |
| <b>Net Assets Consist of:</b>   |                            |
| Undistributed net investment income   | \$ 1,480                   |
| Accumulated undistributed net realized gain   | 15,245                     |
| Net unrealized gain   | 1,255,057                  |
| Paid-in capital applicable to 133,893,998 shares of \$0.0001 par value capital stock<br>outstanding; 2,000,000,000 shares of the Corporation authorized | <u>5,194,488</u>           |
| <b>NET ASSETS</b>   | <b><u>\$ 6,466,270</u></b> |
| <b>NET ASSET VALUE PER SHARE</b>  | <b><u>\$ 48.29</u></b>     |

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

**STATEMENT OF OPERATIONS**

(\$000s)

|  | Year<br>Ended<br>12/31/18 |
|--|---------------------------|
| <b>Investment Income (Loss)</b>                  |                           |
| Income   |                           |
| Dividend   | \$ 60,067                 |
| Securities lending                               | 252                       |
| Other  | 1                         |
| Total income                                     | 60,320                    |
| Expenses   |                           |
| Investment management                            | 42,698                    |
| Shareholder servicing                            | 18                        |
| Prospectus and shareholder reports               | 84                        |
| Custody and accounting                           | 327                       |
| Proxy and annual meeting                         | 92                        |
| Registration                                     | 47                        |
| Legal and audit                                  | 41                        |
| Directors  | 24                        |
| Miscellaneous                                    | 27                        |
| Total expenses                                   | 43,358                    |
| Net investment income                            | 16,962                    |
| <b>Realized and Unrealized Gain / Loss</b>       |                           |
| Net realized gain (loss)                         |                           |
| Securities                                       | 698,240                   |
| Foreign currency transactions                    | (2)                       |
| Net realized gain                                | 698,238                   |
| Change in net unrealized gain/loss on securities | (839,333)                 |
| Net realized and unrealized gain / loss          | (141,095)                 |
| <b>DECREASE IN NET ASSETS FROM OPERATIONS</b>    | <b>\$ (124,133)</b>       |

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

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

|   | Year Ended          |                     |
|---|---------------------|---------------------|
|   | 12/31/18            | 12/31/17            |
| <b>Increase (Decrease) in Net Assets</b>                          |                     |                     |
| Operations  |                     |                     |
| Net investment income   | \$ 16,962           | \$ 7,406            |
| Net realized gain   | 698,238             | 675,796             |
| Change in net unrealized gain / loss                              | (839,333)           | 787,125             |
| Increase (decrease) in net assets from operations                 | (124,133)           | 1,470,327           |
| Distributions to shareholders                                     |                     |                     |
| Net investment income   | (15,576)            | (8,608)             |
| Net realized gain   | (587,105)           | (413,183)           |
| Decrease in net assets from distributions                         | (602,681)           | (421,791)           |
| Capital share transactions*                                       |                     |                     |
| Shares sold   | 1,276,995           | 722,717             |
| Distributions reinvested  | 596,475             | 418,224             |
| Shares redeemed   | (1,347,240)         | (1,161,547)         |
| Increase (decrease) in net assets from capital share transactions | 526,230             | (20,606)            |
| <b>Net Assets</b>   |                     |                     |
| Increase (decrease) during period                                 | (200,584)           | 1,027,930           |
| Beginning of period   | 6,666,854           | 5,638,924           |
| <b>End of period</b>  | <b>\$ 6,466,270</b> | <b>\$ 6,666,854</b> |
| Undistributed net investment income                               | 1,480               | 94                  |
| *Share information  |                     |                     |
| Shares sold   | 22,660              | 13,962              |
| Distributions reinvested  | 12,213              | 7,645               |
| Shares redeemed   | (23,357)            | (21,966)            |
| Increase (decrease) in shares outstanding                         | 11,516              | (359)               |

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 Mid-Cap Equity Growth Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks to provide long-term capital appreciation by investing in mid-cap stocks with potential for above-average earnings growth.

**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. Certain ratios in the accompanying Financial Highlights have been included to conform to the current year presentation.

**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. Earnings on investments recognized as partnerships for federal income tax purposes reflect the tax character of such earnings. 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 year ended December 31, 2018, the fund realized \$40,608,000 of net gain on \$88,542,000 of in-kind redemptions.

**In-Kind Subscriptions** Under certain circumstances, and when considered to be in the best interest of all shareholders, the fund may accept portfolio securities rather than cash as payment for the purchase of fund shares (in-kind subscription). For financial reporting and tax purposes, the cost basis of contributed securities is equal to the market value of the securities on the date of contribution. In-kind subscriptions result in no gain or loss and no tax consequences for the fund. During the year ended December 31, 2018, the fund accepted \$319,353,000 of in-kind subscriptions, including \$266,715,000 from other T. Rowe Price funds.

**New Accounting Guidance** In March 2017, the FASB issued amended guidance to shorten the amortization period for certain callable debt securities held at a premium. The guidance is effective for fiscal years and interim periods beginning after December 15, 2018. Adoption will have no effect on the fund's net assets or results of operations.

**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. Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. 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 December 31, 2018 (for further detail by category, please refer to the accompanying Portfolio of Investments):

| (\$000s)                     | Level 1      | Level 2 | Level 3   | Total Value  |
|------------------------------|--------------|---------|-----------|--------------|
| <b>Assets</b>                |              |         |           |              |
| Common Stocks                | \$ 6,261,342 | \$ —    | \$ 17,678 | \$ 6,279,020 |
| Convertible Preferred Stocks | —            | —       | 43,252    | 43,252       |
| Short-Term Investments       | 108,543      | —       | —         | 108,543      |
| Total                        | \$ 6,369,885 | \$ —    | \$ 60,930 | \$ 6,430,815 |

There were no material transfers between Levels 1 and 2 during the year ended December 31, 2018.

Following is a reconciliation of the fund's Level 3 holdings for the year ended December 31, 2018. Gain (loss) reflects both realized and change in unrealized gain/loss on Level 3 holdings during the period, if any, and is included on the accompanying Statement of Operations. The change in unrealized gain/loss on Level 3 instruments held at December 31, 2018, totaled \$11,549,000 for the year ended December 31, 2018. During the year, transfers out of Level 3 were because observable market data became available for the security.

| (\$000s)                        | Beginning Balance 1/1/18 | Gain (Loss) During Period | Total Purchases | Transfers Out of Level 3 | Ending Balance 12/31/18 |
|---------------------------------|--------------------------|---------------------------|-----------------|--------------------------|-------------------------|
| <b>Investment in Securities</b> |                          |                           |                 |                          |                         |
| Common Stocks                   | \$ 12,456                | \$ 4,443                  | \$ 1,673        | \$ (894)                 | \$ 17,678               |
| Convertible Preferred Stocks    | 37,802                   | 7,106                     | 4,917           | (6,573)                  | 43,252                  |
| Total                           | \$ 50,258                | \$ 11,549                 | \$ 6,590        | \$ (7,467)               | \$ 60,930               |

### 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 may invest 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 December 31, 2018, there were no securities on loan.

**Other** Purchases and sales of portfolio securities other than short-term securities aggregated \$2,487,654,000 and \$2,551,304,000, respectively, for the year ended December 31, 2018.

#### 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 fund files U.S. federal, state, and local tax returns as required. The fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Reclassifications to paid-in capital relate primarily to redemptions in kind and a tax practice that treats a portion of the proceeds from each redemption of capital shares as a distribution of taxable net investment income or realized capital gain. For the year ended December 31, 2018, the following reclassifications were recorded to reflect tax character (there was no impact on results of operations or net assets):

|   |              |
|---|--------------|
| (\$000s)                                    |              |
| Accumulated undistributed net realized gain | \$ (162,841) |
| Paid-in-capital                             | 162,841      |

Distributions during the years ended December 31, 2018 and December 31, 2017, were characterized for tax purposes as follows:

|                        |    |                    |             |
|------------------------|----|--------------------|-------------|
| (\$000s)               |    | <b>December 31</b> |             |
|                        |    | <b>2018</b>        | <b>2017</b> |
| Ordinary income        | \$ | 93,458             | \$ 66,404   |
| Long-term capital gain |    | 509,223            | 355,387     |
| Total distributions    | \$ | 602,681            | \$ 421,791  |

At December 31, 2018, the tax-basis cost of investments, and components of net assets were as follows:

| (\$000s)                                   |              |
|--|--------------|
| Cost of investments                        | \$ 5,201,545 |
| Unrealized appreciation                    | \$ 1,635,054 |
| Unrealized depreciation                    | (405,784)    |
| Net unrealized appreciation (depreciation) | 1,229,270    |
| Undistributed ordinary income              | 8,342        |
| Undistributed long-term capital gains      | 34,171       |
| Late-year ordinary loss deferrals          | (1)          |
| Paid-in capital                            | 5,194,488    |
| Net assets                                 | \$ 6,466,270 |

The difference between book-basis and tax-basis net unrealized appreciation (depreciation) is attributable to the deferral of losses from wash sales, and the realization of gains/losses on passive foreign investment companies for tax purposes. In accordance with federal tax laws applicable to investment companies, net specified losses realized between November 1 and December 31 are not recognized for tax purposes until the subsequent year (late-year ordinary loss deferrals); however, such losses are recognized for financial reporting purposes in the year realized.

#### 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 0.60% 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 year ended December 31, 2018, expenses incurred pursuant to these service agreements were \$79,000 for Price Associates and \$16,000 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 year ended December 31, 2018, the aggregate value of purchases and sales cross trades with other funds or accounts advised by Price Associates was less than 1% of the fund's net assets as of December 31, 2018.

**Report of Independent Registered Public Accounting Firm**

**To the Board of Directors of T. Rowe Price Institutional Equity Funds, Inc. and  
Shareholders of T. Rowe Price Institutional Mid-Cap Equity Growth Fund**

**Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of T. Rowe Price Institutional Mid-Cap Equity Growth Fund (one of the funds constituting T. Rowe Price Institutional Equity Funds, Inc., hereafter referred to as the “Fund”) as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2018 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2018 and the financial highlights for each of the five years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodians, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Baltimore, Maryland  
February 15, 2019

We have served as the auditor of one or more investment companies in the T. Rowe Price group of investment companies since 1973.

## **TAX INFORMATION (UNAUDITED) FOR THE TAX YEAR ENDED 12/31/18**

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

The fund's distributions to shareholders included:

- \$84,905,000 from short-term capital gains,
- \$626,570,000 from long-term capital gains, subject to a long-term capital gains tax of not greater than 20%.

For taxable non-corporate shareholders, \$57,405,000 of the fund's income represents qualified dividend income subject to a long-term capital gains tax rate of not greater than 20%.

For corporate shareholders, \$51,252,000 of the fund's income qualifies for the dividends-received deduction.

## **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](http://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://www3.troweprice.com/usis/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, 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. Prior to March 1, 2019, the 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. The fund's Forms N-PORT and N-Q are available electronically on the SEC's website ([sec.gov](http://sec.gov)).

**ABOUT THE FUND'S DIRECTORS AND OFFICERS**

Your fund is overseen by a Board of Directors (Board) that meets regularly to review a wide variety of matters affecting or potentially affecting the fund, including performance, investment programs, compliance matters, advisory fees and expenses, service providers, and business and regulatory affairs. The Board elects the fund's officers, who are listed in the final table. At least 75% of the Board's members are independent of the Boards of T. Rowe Price Associates, Inc. (T. Rowe Price), and its affiliates; "inside" or "interested" directors are employees or officers of T. Rowe Price. The business address of each director and officer is 100 East Pratt Street, Baltimore, Maryland 21202. The Statement of Additional Information includes additional information about the fund directors and is available without charge by calling a T. Rowe Price representative at 1-800-638-5660.

**INDEPENDENT DIRECTORS<sup>(a)</sup>**

| <b>Name (Year of Birth)<br/>Year Elected [Number of<br/>T. Rowe Price Portfolios<br/>Overseen]</b> | <b>Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies<br/>During the Past Five Years</b>  |
|--|---|
| Teresa Bryce Bazemore <sup>(b)</sup> (1959)<br>2018 [189]  | President, Radian Guaranty (2008 to 2017); Member, Bazemore Consulting LLC (2018 to present); Member, Chimera Investment Corporation (2017 to present); Member, Federal Home Loan Bank of Pittsburgh (2017 to present)  |
| Ronald J. Daniels <sup>(b)</sup> (1959)<br>2018 [189]  | President, The Johns Hopkins University <sup>(c)</sup> and Professor, Political Science Department, The Johns Hopkins University (2009 to present); Director, Lyndhurst Holdings (2015 to present)  |
| Bruce W. Duncan (1951)<br>2013 [189]   | Chief Executive Officer and Director (January 2009 to December 2016), Chairman of the Board (January 2016 to present), and President (January 2009 to September 2016), First Industrial Realty Trust, an owner and operator of industrial properties; Chairman of the Board (2005 to September 2016) and Director (1999 to September 2016), Starwood Hotels & Resorts, a hotel and leisure company; Director, Boston Properties (May 2016 to present); Director, Marriott International, Inc. (September 2016 to present)   |
| Robert J. Gerrard, Jr. (1952)<br>2012 [189]  | Advisory Board Member, Pipeline Crisis/Winning Strategies, a collaborative working to improve opportunities for young African Americans (1997 to present); Chairman of the Board, all funds (since July 2018)   |
| Paul F. McBride (1956)<br>2013 [189]   | Advisory Board Member, Vizzia Technologies (2015 to present); Board Member, Dunbar Armored (2012 to present)  |
| Cecilia E. Rouse, Ph.D. (1963)<br>2012 [189]   | Dean, Woodrow Wilson School (2012 to present); Professor and Researcher, Princeton University (1992 to present); Member of National Academy of Education (2010 to present); Director, MDRC, a nonprofit education and social policy research organization (2011 to present); Research Associate of Labor Studies Program at the National Bureau of Economic Research (2011 to 2015); Board Member of the National Bureau of Economic Research (2011 to present); Chair of Committee on the Status of Minority Groups in the Economic Profession of the American Economic Association (2012 to 2017); Vice President (2015 to 2016), American Economic Association |
| John G. Schreiber (1946)<br>2001 [189]   | Owner/President, Centaur Capital Partners, Inc., a real estate investment company (1991 to present); Co-founder, Partner, and Co-Chairman of the Investment Committee, Blackstone Real Estate Advisors, L.P. (1992 to 2015); Director, General Growth Properties, Inc. (2010 to 2013); Director, Blackstone Mortgage Trust, a real estate finance company (2012 to 2016); Director and Chairman of the Board, Brixmor Property Group, Inc. (2013 to present); Director, Hilton Worldwide (2013 to present); Director, Hudson Pacific Properties (2014 to 2016); Director, Invitation Homes (2014 to present)  |
| Mark R. Tercek (1957)<br>2009 [189]  | President and Chief Executive Officer, The Nature Conservancy (2008 to present)   |

<sup>(a)</sup>All information about the independent directors was current as of December 31, 2017, except for the information provided for Ms. Bazemore and Mr. Daniels, which is current as of January 1, 2018.

<sup>(b)</sup>Effective January 1, 2018, Ms. Bazemore and Mr. Daniels were elected as independent directors of the Price Funds.

<sup>(c)</sup>William J. Stromberg, president and chief executive officer of T. Rowe Price Group, Inc., the parent company of the Price Funds' investment advisor, has served on the Board of Trustees of Johns Hopkins University since 2014 and is a member of the Johns Hopkins University Board's Compensation Committee.

**INSIDE DIRECTORS**

| <b>Name (Year of Birth)<br/>Year Elected* [Number of<br/>T. Rowe Price Portfolios<br/>Overseen]</b> | <b>Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies<br/>During the Past Five Years</b>  |
|---|---|
| Edward C. Bernard** (1956)<br>2006 [0]  | Director and Vice President, T. Rowe Price; Vice Chairman of the Board, Director, and Vice President, T. Rowe Price Group, Inc.; Chairman of the Board, Director, and Vice President, T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.; Chairman of the Board and Director, T. Rowe Price Retirement Plan Services, Inc.; Chairman of the Board, Chief Executive Officer, Director, and President, T. Rowe Price International and T. Rowe Price Trust Company; Chairman of the Board, all funds (2006 to July 2018) |
| David Oestreicher (1967)<br>2018 [189]  | Chief Legal Officer, Vice President, and Secretary, T. Rowe Price Group, Inc.; Director, Vice President, and Secretary, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; Vice President and Secretary, T. Rowe Price, T. Rowe Price Hong Kong, and T. Rowe Price International; Vice President, T. Rowe Price Japan and T. Rowe Price Singapore; Principal Executive Officer and Executive Vice President, all funds                     |
| Robert W. Sharps, CFA, CPA (1971)<br>2017 [135]   | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; President, Institutional Equity Funds  |

\*Each inside director serves until retirement, resignation, or election of a successor.

\*\*Effective at the conclusion of a meeting of the Boards of the Price Funds held on July 25, 2018, Mr. Bernard resigned from his role as a director and chairman of the Boards of all the Price Funds.

**OFFICERS**

| <b>Name (Year of Birth)<br/>Position Held With Institutional Equity Funds</b> | <b>Principal Occupation(s)</b>   |
|---|--|
| Francisco M. Alonso (1978)<br>Executive Vice President                        | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| Brian W.H. Berghuis, CFA (1958)<br>Executive Vice President                   | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| Darrell N. Braman (1963)<br>Vice President and Secretary                      | Vice President, Price Hong Kong, Price Singapore, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc. |
| Mark S. Finn, CFA, CPA (1963)<br>Executive Vice President                     | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| John R. Gilner (1961)<br>Chief Compliance Officer                             | Chief Compliance Officer and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Investment Services, Inc.   |
| Gary J. Greb (1961)<br>Vice President   | Vice President, T. Rowe Price, T. Rowe Price International, and T. Rowe Price Trust Company  |
| Ann M. Holcomb, CFA (1972)<br>Executive Vice President                        | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| Paul J. Krug, CPA (1964)<br>Vice President                                    | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| John D. Linehan, CFA (1965)<br>Executive Vice President                       | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| Catherine D. Mathews (1963)<br>Treasurer and Vice President                   | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| Heather K. McPherson, CPA (1967)<br>Executive Vice President                  | Vice President, T. Rowe Price and T. Rowe Price Group, Inc.  |
| Curt J. Organt, CFA (1968)<br>Vice President                                  | Vice President, T. Rowe Price and T. Rowe Price Group, Inc.  |
| Jason B. Polun, CFA (1974)<br>Executive Vice President                        | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

**OFFICERS (CONTINUED)**

| <b>Name (Year of Birth)</b>      | <b>Position Held With Institutional Equity Funds</b> | <b>Principal Occupation(s)</b>   |
|----------------------------------|--|--|
| Larry J. Puglia, CFA, CPA (1960) | Executive Vice President                             | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| John W. Ratzesberger (1975)      | Vice President                                       | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; formerly, North American Head of Listed Derivatives Operation, Morgan Stanley (to 2013)   |
| Shannon H. Rauser (1987)         | Assistant Secretary                                  | Employee, T. Rowe Price  |
| Taymour R. Tamaddon, CFA (1976)  | Executive Vice President                             | Vice President, T. Rowe Price and T. Rowe Price Group, Inc.  |
| J. David Wagner, CFA (1974)      | Vice President                                       | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company  |
| John F. Wakeman (1962)           | Vice President                                       | Vice President, T. Rowe Price and T. Rowe Price Group, Inc.  |
| Megan Warren (1968)              | Vice President                                       | Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; formerly, Executive Director, JP Morgan Chase (to 2017) |
| Thomas H. Watson (1977)          | Executive Vice President                             | Director and Vice President, T. Rowe Price Trust Company; Vice President, T. Rowe Price and T. Rowe Price Group, Inc.  |

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