



PORTFOLIO UPDATE

Capital Appreciation Fund

As of August 31, 2019



Portfolio Manager:

David Giroux

Managed Fund Since:

2006

Joined Firm:

1998

INVESTMENT OBJECTIVE

The fund seeks long-term capital appreciation by investing primarily in common stocks. It may also hold fixed income and other securities to help preserve principal value.

FUND INFORMATION

Symbol	PRWCX
CUSIP	77954M105
Inception Date of Fund	June 30, 1986
Benchmark	S&P 500 Index
Expense Information (as of the most recent Prospectus)*	0.72% (Gross) 0.71% (Net)
Fiscal Year End	December 31
12B-1 Fee	-

*The Fund operates under a contractual expense limitation that expires on April 30, 2020.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			
					Three Years	Five Years	Ten Years	Fifteen Years
Capital Appreciation Fund	-0.35%	4.94%	17.72%	10.22%	11.13%	10.05%	12.07%	9.60%
S&P 500 Index	-1.58	6.87	18.34	2.92	12.70	10.11	13.45	8.95

The 1-, 5-, and 10-year annualized returns as of 6/30/19 were 15.20%, 10.29% and 12.90% for the fund. Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit troweprice.com. Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit troweprice.com. Read it carefully. The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

All funds are subject to market risk, including possible loss of principal.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

MARKET COMMENTARY

Major U.S. stock indexes declined in August as the deepening trade conflict with China and global growth concerns weighed on sentiment during the month. As measured by various Russell indexes, growth stocks outperformed value shares across all market capitalizations. Within the S&P 500 Index, the typically defensive and rate-sensitive utilities and real estate sectors performed best. Energy stocks fared worst as investors worried about stubbornly high U.S. oil inventories and slowing global demand. Financials shares were also weak as longer-term bond yields fell to three-year lows, threatening banks' lending margins.

On August 1, stocks suffered their biggest intraday plunge since May after President Trump announced that the U.S. would impose a new 10% tariff on the roughly USD\$300 billion in Chinese imports. Stocks plunged again several days later after Chinese officials allowed the yuan to fall below 7.0 to the U.S. dollar, a threshold that they had avoided breaching over the past decade. The move added to growing concerns that the trade war could devolve into a currency war. Trade tensions cooled somewhat by late-August, helping stocks regain some of their losses over the final week of the month. Especially encouraging may have been signs that both sides were preparing to resume negotiations in September.

Despite persistent volatility, U.S. equity markets have weathered concerns over diminishing expectations for global economic growth and rising geopolitical uncertainty and may be buttressed by the Federal Reserve's recent rate cut, which markets have received positively as a signal that the Fed will act as needed to support sustained growth. Heightened trade tensions between the U.S. and China, however, have tempered our expectations for a significant tailwind from accommodative policy. Given our cautious view, we continue to position the portfolio conservatively. We believe the U.S. is in the latter stages of the current economic cycle, facing headwinds from trade risks and diminishing earnings expectations. We remain focused on identifying high-quality businesses with strong fundamentals that we believe can deliver solid earnings and the potential for growth across a variety of market environments.

RISK RETURN CHARACTERISTICS

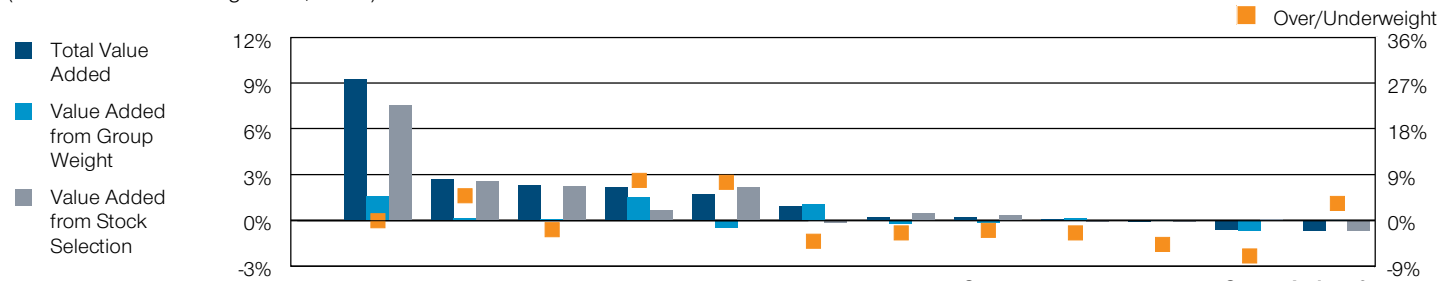
(Five Years ended August 31, 2019)

	Active Share* (as of 8/31/19)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Capital Appreciation Fund	78.2%	7.55%	3.30%	0.61	0.91	-0.01	1.20	5.24%
S&P 500 Index	-	11.86	0.00	1.00	1.00	0.00	0.77	0.00

* Active Share is a snapshot in time as of the indicated date.

Past performance is not a reliable indicator of future performance. Figures are calculated using monthly data and are net of fees.**SECTOR ATTRIBUTION DATA VS. S&P 500 INDEX (EQUITY ONLY)**

(12 months ended August 31, 2019)



	Total	Info Tech	Financials	Utilities	Health Care	Energy	Real Estate	Consumer Disc	Materials	Comm Svcs	Consumer Staples	Indust & Bus Svcs
Over/Underweight	0.00%	4.95%	-1.79%	7.97%	7.56%	-4.02%	-2.35%	-1.88%	-2.33%	-4.66%	-6.88%	3.41%
Fund Performance	12.20	19.22	17.06	28.69	9.07	-38.66	57.43	5.18	-26.01	-0.90	25.11	-5.31
Index Performance	2.92	7.60	-2.90	21.18	-0.57	-20.13	20.30	2.39	-2.11	4.60	15.91	0.57
Value Add - Group Weight	1.66	0.16	0.09	1.53	-0.45	1.09	-0.18	-0.12	0.19	0.04	-0.68	-0.01
Value Add - Stock Selection	7.62	2.58	2.26	0.67	2.17	-0.13	0.45	0.37	-0.09	-0.09	0.11	-0.67
Total Contribution	9.28	2.73	2.35	2.20	1.72	0.95	0.26	0.25	0.10	-0.05	-0.56	-0.68

Past performance is not a reliable indicator of future performance. Numbers may not total due to rounding; all other numbers are percentages. Analysis represents the equity only performance of the portfolio as calculated by the FactSet attribution model and is exclusive of non-equity positions. Returns will not match official T. Rowe Price performance because FactSet uses different exchange rate sources and does not capture intra-day trading. Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown with gross dividends reinvested. Sources: Financial data and analytics provider FactSet. Copyright 2019 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all updates to GICS for prospective reporting. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD.

TOP 10 ISSUERS

Comprising 30.1% of total net assets.

	Industry	% of Fund
Microsoft	Software	3.8%
Becton, Dickinson & Company	Health Care Equip & Supplies	3.7
Fiserv	IT Services	3.3
Marsh & McLennan	Insurance	3.0
GE	Industrial Conglomerates	2.9
Danaher	Health Care Equip & Supplies	2.9
Visa	IT Services	2.7
Netflix	Entertainment	2.7
PerkinElmer	Life Sciences Tools & Services	2.7
Alphabet	Interactive Media & Services	2.4

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

PORTFOLIO CHARACTERISTICS

	Capital Appreciation Fund	S&P 500 Index
Number of Holdings	237	500
Investment Weighted Median Market Cap (mm)	\$68,547	\$114,961
Price to Earnings (12 Months Forward) (IBES) [°] †	23.0X	19.4X
Price to Book [°]	4.0X	5.1X
Projected Earnings Growth Rate (IBES) [°] †	10.4%	9.3%
Return on Equity (Last 12 Months excl. charges) [°]	13.4%	24.6%
Top 20 Holdings as Percent of Total	44.6%	32.0%
Total Assets (all share classes)	35,520,942,356	-
Percent of Portfolio in Cash	11.7%	-

[°]Investment Weighted Median.

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

SECTOR DIVERSIFICATION – EQUITY ONLY

	Info Tech	Health Care	Indust & Bus Svcs	Financials	Utilities	Cons Disc	Comm Svcs	Real Estate	Cons Stpls	Energy	Materials
Capital Appreciation Fund	25.7%	22.9%	12.4%	12.3%	11.1%	7.9%	5.5%	0.9%	0.8%	0.4%	0.3%
S&P 500 Index	22.1	13.9	9.2	12.8	3.5	10.2	10.5	3.3	7.7	4.4	2.6
Over/Underweight	3.7	9.0	3.2	-0.5	7.6	-2.3	-5.0	-2.4	-6.9	-4.0	-2.3

Definitions

Active Share is a holdings based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

Additional Disclosures

Source for S&P data: S&P. "Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500", and "500" are trademarks of Standard & Poor's, and have been licensed for use by T. Rowe Price. The fund is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the fund.

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

The information shown does not reflect any Exchange Traded Funds (ETFs) that may be held in the portfolio.

Source for Sector Diversification: T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

Equities include common stocks as well as convertible securities.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

Closed to new investors. Open to subsequent investments.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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