



PORTFOLIO UPDATE

# Growth Stock Fund - I Class

As of December 31, 2019



**Portfolio Manager:**

Joseph Fath

**Managed Fund Since:**

2014

**Joined Firm:**

2002

## INVESTMENT OBJECTIVE

The fund seeks long-term capital growth through investments in stocks.

## FUND INFORMATION

Symbol	PRUFX
CUSIP	741479406
Inception Date of Fund	August 28, 2015
Benchmark	S&P 500 Index
Expense Information (as of the most recent Prospectus)	0.52%
Fiscal Year End	December 31
12B-1 Fee	-

## MARKET COMMENTARY

U.S. stocks rose in December, capping a robust year, with most major indexes reaching new all-time highs. As measured by various Russell indexes, growth stocks outperformed value shares among large-cap stocks while the reverse was true for small- and mid-cap shares. Within the S&P 500 Index, energy and information technology shares were especially strong while the industrials and business services sector lagged.

The month began on a decidedly down note after President Donald Trump reinstated steel and aluminum tariffs on Brazil and Argentina and suggested that it might be better to wait until after the 2020 U.S. elections to strike a trade deal with China. However, on December 13, Chinese officials announced that a preliminary trade agreement had been reached, and the White House then confirmed that the U.S. would lower or cancel the scheduled tariff rate on various Chinese goods. The major indexes continued to drift higher over the next few weeks as both sides made assurances that the deal would soon be made official and its details released. While December's economic data offered mixed signals, fading recession fears seemed to provide another boost to sentiment. The Labor Department reported that employers added 266,000 jobs in November and the unemployment rate fell to 3.5%. However, data on the manufacturing sector remained considerably more downbeat.

In what may be a positive development for both markets and the efficient allocation of capital, market correlations appear to have diminished late in 2019. Over the past decade, individual stocks have often moved up and down in tandem, due in part to the rapid growth of index funds and other passive strategies. For much of the past year, the trade war and a general focus on macroeconomic events rather than company fundamentals have also been at work. In recent months, however, investors have proven more discriminatory by rewarding stocks that beat earnings and revenue expectations, while punishing those that miss a turnabout that may benefit active investors in the coming year.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized			
				Three Years	Five Years	Ten Years	Fifteen Years
Growth Stock Fund - I Class	2.36%	10.08%	30.98%	20.22%	14.38%	15.11%	10.60%
S&P 500 Index	3.02	9.07	31.49	15.27	11.70	13.56	9.00
Russell 1000 Growth Index	3.02	10.62	36.39	20.49	14.63	15.22	10.50

**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](http://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](http://troweprice.com). Read it carefully.** The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The T. Rowe Price Fund shares the portfolio of an existing fund (the original share class of the fund referred to as the "investor class"). The total return figures for the I Class shares have been calculated using the performance data of the investor class up to the inception date of the I Class (8/28/15) and the actual performance results of the I Class since that date. Because the I Classes are expected to have lower expenses than the Investor Classes, the I Class performance, had it existed over the periods shown, would have been higher.

The Fund is subject to the volatility inherent in common stock investing, and its share price may fluctuate more than a Fund investing in income-oriented stocks. The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

**RISK RETURN CHARACTERISTICS**

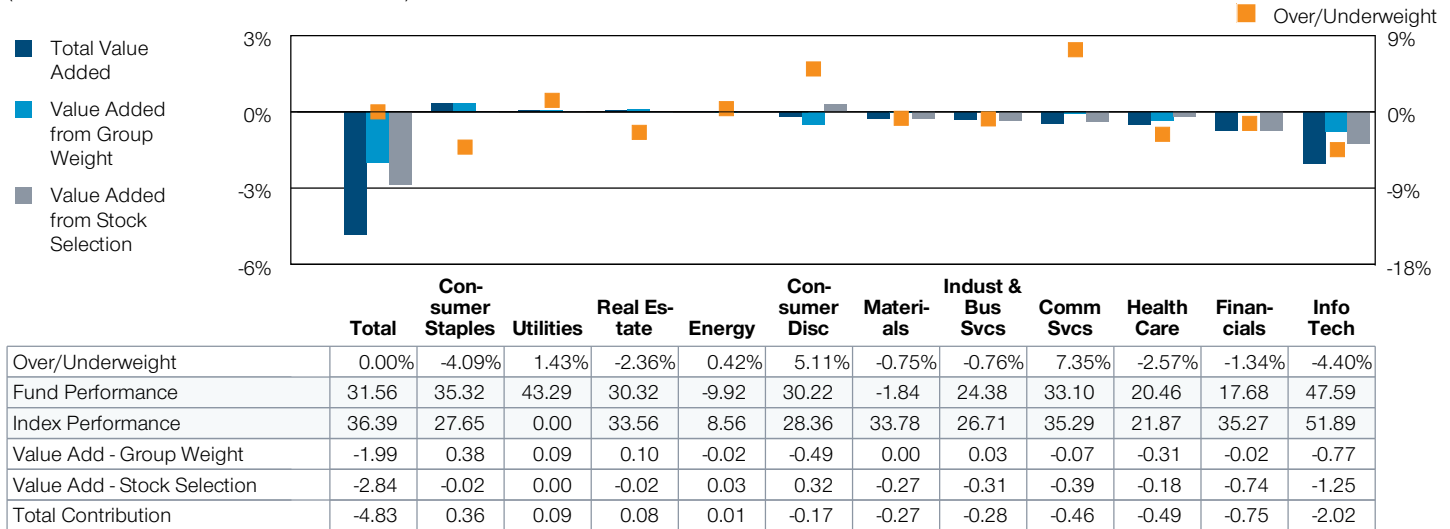
(Three Years ended December 31, 2019)

	Active Share* (as of 12/31/19)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Growth Stock Fund - I Class	68.8%	13.68%	3.70%	1.06	0.86	0.93	1.34	5.33%
S&P 500 Index	-	11.93	0.00	1.00	1.00	0.00	1.13	0.00
Growth Stock Fund - I Class	-	13.68	-0.38	1.01	0.93	-0.07	1.34	3.58
Russell 1000 Growth Index	-	13.07	0.00	1.00	1.00	0.00	1.42	0.00

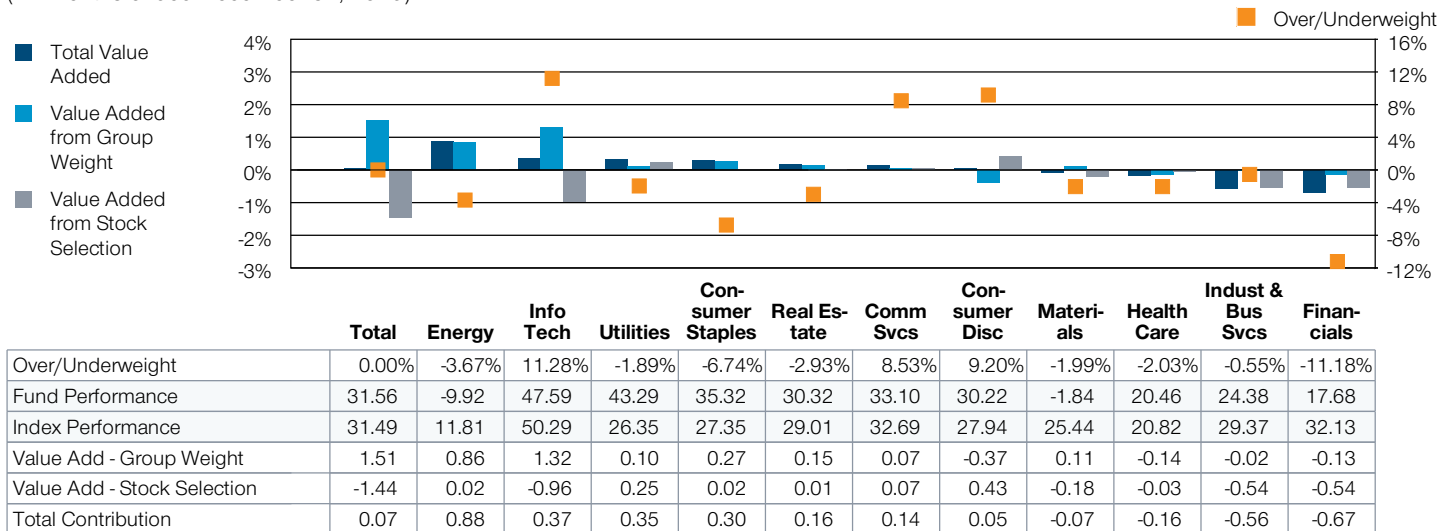
\* Active Share is a snapshot in time as of the indicated date.

**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. RUSSELL 1000 GROWTH INDEX**

(12 months ended December 31, 2019)

**SECTOR ATTRIBUTION DATA VS. S&P 500 INDEX**

(12 months ended December 31, 2019)



**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 total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets that will not receive a classification assignment in the detailed structure shown. 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 2020 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 44.4% of total net assets.

	<b>Industry</b>	<b>% of Fund</b>
Amazon.com	Internet & Direct Marketing Retail	6.5%
Alphabet	Interactive Media & Services	6.3
Microsoft	Software	6.1
Facebook	Interactive Media & Services	5.7
Apple	Technology Hardware, Storage & Peripherals	4.6
Visa	IT Services	3.8
MasterCard	IT Services	3.5
Alibaba Group Holding	Internet & Direct Marketing Retail	2.9
Boeing	Aerospace & Defense	2.7
Netflix	Entertainment	2.2

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

**PORTFOLIO CHARACTERISTICS**

	<b>Growth Stock Fund - I Class</b>	<b>S&amp;P 500 Index</b>	<b>Russell 1000 Growth Index</b>
Number of Issuers	96	500	523
Investment Weighted Median Market Cap (mm)	\$144,262	\$129,283	\$143,240
Price to Earnings (12 Months Forward)*° †	26.6X	21.6X	24.7X
Price to Book°	8.8X	5.1X	11.4X
Projected Earnings Growth Rate (3 - 5 Years)*° †	12.0%	9.6%	11.5%
Return on Equity (Last 12 Months excl. charges)°	24.4%	23.5%	31.8%
Top 20 Issuers as Percent of Total	59.9%	33.8%	47.7%
Total Assets (all share classes)	57,490,392,441	-	-
Percent of Portfolio in Cash	-0.2%	-	-

°Investment Weighted Median.

\*I/B/E/S © 2020 Refinitiv. All rights reserved

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

**SECTOR DIVERSIFICATION**

	<b>Info Tech</b>	<b>Cons Disc</b>	<b>Comm Svcs</b>	<b>Health Care</b>	<b>Indust &amp; Bus Svcs</b>	<b>Financials</b>	<b>Utilities</b>	<b>Energy</b>	<b>Materials</b>	<b>Cons Stpls</b>	<b>Real Estate</b>
Growth Stock Fund - I Class	35.2%	20.1%	19.2%	12.2%	8.5%	1.8%	1.4%	0.7%	0.6%	0.5%	0.0%
Russell 1000 Growth Index	38.9	13.9	11.6	14.7	9.2	3.1	0.0	0.3	1.3	4.6	2.4
<b>Over/Underweight</b>	<b>-3.7</b>	<b>6.2</b>	<b>7.6</b>	<b>-2.5</b>	<b>-0.7</b>	<b>-1.3</b>	<b>1.4</b>	<b>0.4</b>	<b>-0.7</b>	<b>-4.1</b>	<b>-2.3</b>
S&P 500 Index	23.2	9.8	10.4	14.2	9.1	13.0	3.3	4.3	2.6	7.3	2.9
<b>Over/Underweight</b>	<b>12.0</b>	<b>10.3</b>	<b>8.8</b>	<b>-2.0</b>	<b>-0.5</b>	<b>-11.2</b>	<b>-1.9</b>	<b>-3.7</b>	<b>-2.0</b>	<b>-6.8</b>	<b>-2.9</b>

## 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.

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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 current 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.

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.

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

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