T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2019

T. ROWE PRICE

Blue Chip Growth Portfolio

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HIGHLIGHTS

- The Blue Chip Growth Portfolio returned 20.85% in the six months ended June 30, 2019. The portfolio outperformed its benchmark, the S&P 500 Index, but trailed its Lipper peer group.
- Stock selection in the information technology and communication services sectors contributed to relative performance, while stock selection in financials detracted.
- The portfolio continues to emphasize secular growth companies with strong competitive positions in large addressable markets.
- We believe the long-term prospects for the high-quality growth stocks in your portfolio appear favorable.

Dear Investor

Markets overcame a bout of volatility in May and recorded exceptional returns in the six months ended June 30, 2019. The large-cap S&P 500 Index reached record highs and notched its best start to a year in over two decades. Overseas equity markets were also strong, while bond prices rose as longer-term interest rates fell to their lowest levels since late 2016.

Markets rebounded to start the year, as many of the worries behind the sell-off in late 2018 receded. Investors seemed most relieved by a dovish pivot in monetary policy. The S&P 500 scored its best daily gain for the period on January 4, after Federal Reserve Chair Jerome Powell pledged that the central bank would respond with all the tools at its disposal to counteract an economic downturn or financial turmoil. The Fed soon paused and kept rates steady following a series of quarterly hikes stretching back to late 2017.

Investors also seemed comforted by progress in U.S.-China trade relations. In March, President Donald Trump postponed a threatened tariff increase on Chinese goods and remarked that the two sides were "getting very close" to a deal. Encouraging statements continued to flow from the White House, and speculation grew that Chinese President Xi Jinping would soon visit Washington to sign an agreement.

Hopes for a deal were dashed in early May, however, sending stocks sharply lower. With negotiations at a standstill, on May 10, the administration increased the tariff rate to 25% from 10% on $200 billion in Chinese goods, as the president had long threatened. China soon retaliated with its own tariffs. A technological "cold war" also seemed to be developing, with both sides taking measures to cut off the other's access to key components and raw materials. Stocks fell sharply in response, and the small- and mid-cap indexes moved back into correction territory, or down more than 10% from the highs they established late in the previous summer.

Another turn in trade policy in June helped stocks recover their losses. The White House abandoned an earlier threat to put tariffs on Mexican imports in response to immigration issues, and President Trump again softened his stance on China. Markets were closed on the final weekend of the month, when the president announced that he and President Xi had agreed to resume trade negotiations and arranged a truce that would at least temporarily prevent the imposition of further tariffs.

An even bigger factor in the June rebound appeared to be growing confidence that the Fed would cut interest rates rather than merely keep them steady. Fed Chair Powell pledged that policymakers were paying close attention to the impact of trade tensions on the economy and would "act as appropriate to sustain the expansion." Policymakers also dropped references to being "patient" in adjusting monetary policy. By the end of the month, futures markets were pricing in 75 basis points (0.75 percentage point) of cuts in the second half of the year, with a reasonable chance of more to come in 2020.

The dovish shift in Fed policy has been driven by accumulating evidence of slowing global growth. Rising trade barriers have taken a heavy toll on the global manufacturing sector, and business investment has pulled back as managers confront additional sources of uncertainty, such as the possibility of a disorderly Brexit this October. As a result, corporate earnings growth has stalled in the U.S. and turned negative in other major markets. On the positive side, consumers remain in much better shape, particularly domestically.

We see little evidence to suggest a recession is on the horizon. Indeed, with markets at all-time highs, investors seem willing to bet that this decade-long economic recovery still has legs. We will keep a close eye on developments and rely on our careful fundamental research to avoid pitfalls; I am confident our strategic investing approach will continue to serve our shareholders well.

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

Sincerely,

Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks to provide long-term capital growth. Income is a secondary objective.

FUND COMMENTARY

How did the fund perform in the past six months?

The Blue Chip Growth Portfolio returned 20.85% in the six-month period ended June 30, 2019. The portfolio outperformed its benchmark, the S&P 500 Index, but slightly lagged the style-specific Russell 1000 Growth Index and its peer group, the Lipper Variable Annuity Underlying Large-Cap Growth Funds Average. (Returns for II Class shares varied slightly, reflecting their different fee structures. *Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/19	Total Return
Blue Chip Growth Portfolio	20.85%
Blue Chip Growth Portfolio–II	20.70
S&P 500 Index	18.54
Lipper Variable Annuity Underlying Large-Cap Growth Funds Average	21.36
Russell 1000 Growth Index	21.49

What factors influenced the fund's performance?

Two of the more prominent themes in the fund over the past few years—payment processing and cloud computing—continued to work in our favor through the first half of 2019. Political rhetoric from the campaign trail rattled the health care sector in March and April. Regulators increased their scrutiny of the major internet platform companies as the year progressed. Mounting uncertainty from the trade dispute between the U.S. and China and the Federal Reserve's interest rate pivot also influenced performance. Despite the sharp negative shift in sentiment in health care and surrounding some of the large internet companies and various challenges, your portfolio generated substantial returns.

The global shift to electronic payments is a powerful secular trend that continues to benefit our portfolio. The major credit card processors, **MasterCard** and **Visa**, have been compounding value for your fund for more than a decade and were once again among the top contributors in the reporting period. **PayPal Holdings**, a leading online and digital payments services provider, was also among the portfolio's best contributors. We believed that the financial technology and payments segments were ripe for disruption, and we were well positioned to capitalize on a flurry of merger activity. **Fidelity National Information Services** received approval to acquire **Worldpay**, and **Fiserv** announced plans to acquire **First Data** in an attractive deal that we think should be accretive to earnings. Fiserv, a company we've owned for more than a decade, has quietly generated 34 consecutive years of double-digit operating earnings growth. We think this merger will help it to extend that streak. Finally, **Global Payments** announced it would buy **Total System Services**, sending both stocks higher. (Please refer to our portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

As corporations migrate more of their information technology (IT) assets and workloads to the cloud, we have identified several growth opportunities in high-quality software-as-a-service providers. **Microsoft** continued to perform well with its successful transition toward a subscription-based revenue model. **ServiceNow**, another cloud-based software firm, also generated good results. The company is a leader in IT service management with attractive growth opportunities as it broadens its product offerings and influence. **Salesforce.com** is executing well in its core business, where a robust enterprise IT spending environment has helped strengthen the company's advantageous positioning as a strategic cloud vendor. **Intuit**, the leading software-as-a-service provider for small to medium-sized businesses, appears to have a long growth runway with a core addressable market that remains underpenetrated, especially outside the U.S. The company, with key products including QuickBooks and TurboTax, has excelled in its efforts to transition online and align its platform for increasing mobile adoption.

Health care stocks coming under pressure in an election year is par for the course. However, the current volatility started much earlier than it has historically in a presidential election campaign cycle. Managed care was at the epicenter of the debate around the structure of the U.S. health care system. **Cigna**, **Humana**, and **UnitedHealth Group** were among the largest detractors in the reporting period. Importantly, the fundamental underpinnings within the group appear solid. For example, UnitedHealth beat its earnings and revenue forecast in the latest quarter and raised full-year guidance. In our view, a single-payer system is an unlikely scenario. That said, it could be choppy for the group until the 2020 election. While investing in the health care sector has been challenging, we mitigated the drag with good stock picking, led by our holdings in medical device makers and health care equipment manufacturers such as steady compounders **Danaher**, **Thermo Fisher Scientific**, and **Stryker**.

We are significantly overweight in the consumer discretionary sector. The portfolio's largest holding, **Amazon.com**, was the top absolute and relative performance contributor. It is dominant in online retail and cloud computing, and we believe both businesses still have room to grow. Amazon is successfully expanding into advertising, home devices, and video streaming, areas we think offer good long-term prospects. Various government entities will continue to scrutinize and possibly regulate the large internet companies more stringently. We are monitoring the situation closely given the potential implications for four of the portfolio's five largest holdings—Amazon, Microsoft, **Facebook**, and **Alphabet**. It's worth noting that despite the recent scrutiny, all four were solid first-half contributors.

How is the fund positioned?

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

SECTOR DIVERSIFICATION

	Percent of Net Assets 12/31/18	6/30/19
Information Technology	26.8%	30.1%
Consumer Discretionary	22.4	21.3
Health Care	20.3	16.8
Communication Services	13.9	15.6
Industrials and Business Services	9.0	9.1
Financials	6.4	5.3
Materials	0.5	0.6
Energy	0.0	0.4
Utilities	0.1	0.4
Consumer Staples	0.0	0.0
Real Estate	0.1	0.0
Other and Reserves	0.5	0.4
Total	**100.0%**	**100.0%**

Historical weightings reflect current industry/sector classifications.

The information technology sector remains our largest allocation, but it's important to keep in mind that the sector represents a very diverse group of companies. Our exposure in the sector is skewed heavily toward software and IT services. On the other hand, the hardware and semiconductor industries are among our largest underweights. This important distinction reflects our focus on secular—as opposed to cyclical—growth. It's also worth noting that the hardware and semiconductor industries are among the most directly impacted by the U.S.-China trade conflict. However, the reality is that trade relations with China could have far-reaching implications across the entire market.

Our allocation to the health care sector is largely composed of select therapeutics and medical device companies that we believe have limited exposure to potential regulatory pressures. We are also emphasizing managed care companies positioned to benefit from industry consolidation as well as the increasing focus on providing cost-effective solutions. We trimmed our managed care exposure but also added to several positions, including **Anthem** and Cigna. We believe that they can generate strong earnings growth based on their positioning, especially in certain specialty care areas including behavioral and pharmaceutical benefit management.

We're taking a measured approach in the financials sector following the Fed's dovish pivot. We believe the sharp and largely unexpected reversal in the trend of interest rates will lead to negative earnings revisions for rate-sensitive names, including **Charles Schwab** and **TD Ameritrade Holding**. We've pared both holdings in favor of investments where performance is less predicated on the level of interest rates or the shape of the yield curve.

What is portfolio management's outlook?

The risks in the market today are, perhaps, more challenging than those that existed at the end of 2018. We would put the unsettled trade negotiations with China at the top of our concerns, but slowing global economic growth is also noteworthy. Moreover, we're evaluating the unsettled political environment, including Brexit uncertainties in Europe and the possibility of greater regulation in the U.S.

We recognize that it is difficult to forecast how these macroeconomic factors will develop and how much they will affect stock prices. Therefore, our investment approach continues to emphasize companies that we believe can perform reasonably well in most economic and regulatory environments. Over longer time horizons, we believe that our focus on quality companies and those with above-average growth prospects can provide favorable relative returns.

Despite the near- to intermediate-term uncertainties, there are reasons to be optimistic about the performance of high-quality, large-cap growth stocks. The U.S. economy is on solid footing, and the basic building blocks for good stock performance remain. Low inflation and accommodative monetary policies should be supportive for asset prices in the back half of 2019. More importantly, corporate earnings have shown pockets of strength, and the revenue growth underlying earnings remains resilient.

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

The views expressed reflect the opinions of T. Rowe Price as of the date of this report and are subject to change based on changes in market, economic, or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

RISKS OF STOCK INVESTING

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

RISKS OF GROWTH INVESTING

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

BENCHMARK INFORMATION

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TWENTY-FIVE LARGEST HOLDINGS

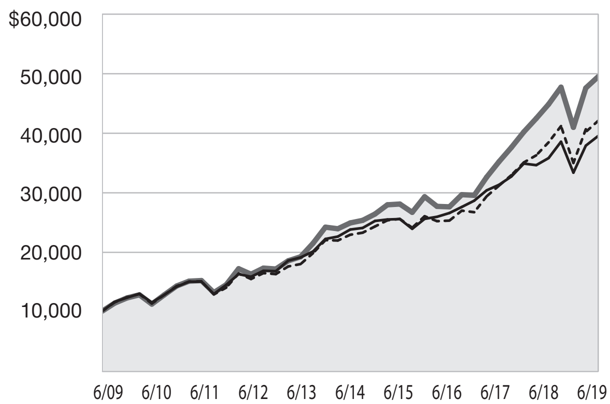
	Percent of Net Assets 6/30/19
Amazon.com	9.7%
Microsoft	5.9
Facebook	5.8
Alphabet	4.8
Visa	3.7
Boeing	3.4
Alibaba Group Holding	3.3
MasterCard	3.1
UnitedHealth Group	2.4
Tencent Holdings	2.2
Stryker	2.1
ServiceNow	2.0
Intuit	1.9
Booking Holdings	1.9
PayPal Holdings	1.8
Becton, Dickinson & Company	1.8
Salesforce.com	1.7
Netflix	1.6
Global Payments	1.6
Anthem	1.5
Vertex Pharmaceuticals	1.5
Intuitive Surgical	1.4
Cigna	1.4
Danaher	1.3
Thermo Fisher Scientific	1.2
Total	**69.0%**

Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.

GROWTH OF $10,000

This chart shows the value of a hypothetical $10,000 investment in the portfolio over the past 10 fiscal year periods or since inception (for portfolios 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 portfolio returns as well as mutual fund averages and indexes.

BLUE CHIP GROWTH PORTFOLIO



	As of 6/30/19
Blue Chip Growth Portfolio	$49,380
S&P 500 Index	39,416
Lipper Variable Annuity Underlying Large-Cap Growth Funds Average	42,409

Note: Performance for the II Class will vary due to its differing fee structure. See the Average Annual Compound Total Return table.

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/19	1 Year	5 Years	10 Years
Blue Chip Growth Portfolio	10.37%	14.76%	17.32%
Blue Chip Growth Portfolio–II	10.08	14.47	17.03

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 1-800-469-6587 (financial advisors, or customers who have an advisor, should call 1-800-638-8790). Returns do not reflect taxes that the shareholder may pay on distributions or the redemption of shares. Total returns do not include charges imposed by your insurance company's separate account. If these had been included, performance would have been lower.

This table shows how the portfolio 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. When assessing performance, investors should consider both short- and long-term returns.

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.

Shares of the fund are currently offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. Please note that the fund has two classes of shares: the original share class and II Class. II Class shares are sold through financial intermediaries, which are compensated for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan.

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.

FUND EXPENSE EXAMPLE (CONTINUED)

BLUE CHIP GROWTH PORTFOLIO

	Beginning Account Value 1/1/19	Ending Account Value 6/30/19	Expenses Paid During Period* 1/1/19 to 6/30/19
Blue Chip Growth Portfolio			
Actual	$1,000.00	$1,208.50	$4.11
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.08	3.76
Blue Chip Growth Portfolio–II			
Actual	1,000.00	1,207.00	5.47
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.84	5.01

*Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Blue Chip Growth Portfolio was 0.75%, and the Blue Chip Growth Portfolio–II was 1.00%.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Blue Chip Growth Class

	6 Months Ended 6/30/19	Year Ended 12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
NET ASSET VALUE						
Beginning of period	$ 30.79	$ 31.22	$ 23.19	$ 23.01	$ 20.72	$ 18.98
Investment activities						
Net investment loss [1] [3]	–[2]	–[2]	(0.02)	–[2]	(0.03)	(0.03)
Net realized and unrealized gain/loss	6.42	0.61	8.41	0.18	2.32	1.77
Total from investment activities	6.42	0.61	8.39	0.18	2.29	1.74
Distributions						
Net realized gain	–	(1.04)	(0.36)	–	–	–
NET ASSET VALUE						
End of period	**$ 37.21**	**$ 30.79**	**$ 31.22**	**$ 23.19**	**$ 23.01**	**$ 20.72**
Ratios/Supplemental Data						
Total return[3] [4]	**20.85%**	**1.92%**	**36.17%**	**0.78%**	**11.05%**	**9.17%**
Ratios to average net assets: [3]						
Gross expenses before waivers/payments by Price Associates	0.75% [5]	0.80%	0.85%	0.85%	0.85%	0.85%
Net expenses after waivers/payments by Price Associates	0.75% [5]	0.80%	0.85%	0.85%	0.85%	0.85%
Net investment loss	(0.00)%[5]	(0.01)%	(0.06)%	(0.02)%	(0.12)%	(0.15)%
Portfolio turnover rate	14.2%	30.1%	31.8%	35.1%	31.4%	33.6%
Net assets, end of period (in thousands)	$ 1,137,446	$ 950,220	$ 816,602	$ 505,252	$ 531,415	$ 362,959

(1) Per share amounts calculated using average shares outstanding method.
(2) Amounts round to less than $0.01 per share.
(3) See Note 5 for details of expense-related arrangements with Price Associates.
(4) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.
(5) Annualized

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

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Blue Chip Growth – II Class

	6 Months Ended 6/30/19	Year Ended 12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
NET ASSET VALUE						
Beginning of period	$ 29.66	$ 30.19	$ 22.49	$ 22.37	$ 20.19	$ 18.55
Investment activities						
Net investment loss[1] [2]	(0.04)	(0.09)	(0.08)	(0.06)	(0.08)	(0.08)
Net realized and unrealized gain / loss	6.18	0.60	8.14	0.18	2.26	1.72
Total from investment activities	6.14	0.51	8.06	0.12	2.18	1.64
Distributions						
Net realized gain	–	(1.04)	(0.36)	–	–	–
NET ASSET VALUE						
End of period	**$ 35.80**	**$ 29.66**	**$ 30.19**	**$ 22.49**	**$ 22.37**	**$ 20.19**
Ratios/Supplemental Data						
Total return[2] [3]	**20.70%**	**1.65%**	**35.83%**	**0.54%**	**10.80%**	**8.84%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates	1.00% [4]	1.05%	1.10%	1.10%	1.10%	1.10%
Net expenses after waivers/payments by Price Associates	1.00% [4]	1.05%	1.10%	1.10%	1.10%	1.10%
Net investment loss	(0.25)% [4]	(0.27)%	(0.31)%	(0.27)%	(0.37)%	(0.40)%
Portfolio turnover rate	14.2%	30.1%	31.8%	35.1%	31.4%	33.6%
Net assets, end of period (in thousands)	$ 524,206	$ 425,060	$ 457,215	$ 331,907	$ 293,023	$ 216,261

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 5 for details of expense-related arrangements with Price Associates.
(3) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.
(4) Annualized

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

PORTFOLIO OF INVESTMENTS‡

(Cost and value in $000s)

	Shares	$ Value
COMMON STOCKS 99.6%		
Communication Services 15.6%		
Entertainment 2.2%		
Electronic Arts (1)	98,700	9,995
Netflix (1)	73,378	26,953
		36,948
Interactive Media & Services 13.4%		
Alphabet, Class A (1)	16,850	18,245
Alphabet, Class C (1)	57,379	62,022
Facebook, Class A (1)	501,468	96,783
IAC/InterActiveCorp (1)	36,348	7,907
Tencent Holdings (HKD)	824,600	37,304
		222,261
Total Communication Services		259,209
Consumer Discretionary 21.3%		
Auto Components 0.7%		
Aptiv	133,232	10,769
		10,769
Automobiles 0.1%		
Ferrari	13,271	2,142
		2,142
Hotels, Restaurants & Leisure 3.2%		
Domino's Pizza (2)	6,079	1,692
Hilton Worldwide Holdings	87,824	8,584
Marriott International, Class A	76,804	10,775
McDonald's	48,717	10,117
Norwegian Cruise Line Holdings (1)	21,533	1,155
Restaurant Brands International	55,090	3,831
Royal Caribbean Cruises	63,496	7,696
Wynn Resorts	11,656	1,445
Yum! Brands	63,721	7,052
		52,347
Internet & Direct Marketing Retail 15.1%		
Alibaba Group Holding, ADR (1)	326,200	55,275
Amazon.com (1)	85,449	161,809
Booking Holdings (1)	16,434	30,809
Ctrip.com International, ADR (1)	74,599	2,753
		250,646
Multiline Retail 1.1%		
Dollar General	126,296	17,070
Dollar Tree (1)	18,000	1,933
		19,003
Specialty Retail 1.0%		
Ross Stores	137,386	13,618
Ulta Beauty (1)	7,900	2,740
		16,358
Textiles, Apparel & Luxury Goods 0.1%		
VF	26,755	2,337
		2,337
Total Consumer Discretionary		353,602
Consumer Staples 0.0%		
Beverages 0.0%		
Constellation Brands, Class A	1,000	197
		197
Tobacco 0.0%		
Philip Morris International	6,022	473
		473
Total Consumer Staples		670
Energy 0.4%		
Oil, Gas & Consumable Fuels 0.4%		
Concho Resources	35,100	3,621
Pioneer Natural Resources	23,800	3,662
Total Energy		7,283
Financials 5.3%		
Banks 0.1%		
Citigroup	18,077	1,266
JPMorgan Chase	2,900	324
		1,590
Capital Markets 3.4%		
Ameriprise Financial	2,196	319

(Cost and value in $000s)

	Shares	$ Value
Charles Schwab	223,750	8,992
Goldman Sachs Group	900	184
Intercontinental Exchange	146,088	12,555
Moody's	1,800	352
Morgan Stanley	162,342	7,112
Raymond James Financial	9,206	778
S&P Global	28,998	6,605
TD Ameritrade Holding	387,234	19,331
		56,228
Insurance 1.8%		
American International Group	145,224	7,738
Chubb	9,100	1,340
Marsh & McLennan	44,060	4,395
Progressive	14,027	1,121
Willis Towers Watson	77,335	14,813
		29,407
Total Financials		87,225
Health Care 16.8%		
Biotechnology 2.1%		
Alexion Pharmaceuticals (1)	78,234	10,247
Vertex Pharmaceuticals (1)	134,085	24,589
		34,836
Health Care Equipment & Supplies 6.8%		
Abbott Laboratories	46,821	3,938
Becton Dickinson & Company	116,814	29,438
Boston Scientific (1)	4,000	172
Danaher	146,077	20,877
Intuitive Surgical (1)	44,048	23,105
Stryker	168,468	34,634
		112,164
Health Care Providers & Services 6.4%		
Anthem	90,447	25,525
Centene (1)	105,636	5,540
Cigna	143,741	22,646
HCA Healthcare	22,842	3,088
Humana	5,207	1,381
UnitedHealth Group	162,179	39,573

(Cost and value in $000s)

	Shares	$ Value
WellCare Health Plans (1)	32,741	9,334
		107,087
Life Sciences Tools & Services 1.3%		
Agilent Technologies	15,585	1,164
Illumina (1)	1,081	398
Thermo Fisher Scientific	68,778	20,198
		21,760
Pharmaceuticals 0.2%		
Elanco Animal Health (1)	53,380	1,804
Eli Lilly	4,119	456
Merck	3,100	260
Pfizer	10,484	454
Zoetis	9,700	1,101
		4,075
Total Health Care		279,922
Industrials & Business Services 9.1%		
Aerospace & Defense 5.0%		
Boeing	156,602	57,005
Harris (2)	52,687	9,965
Northrop Grumman	49,103	15,865
		82,835
Airlines 0.6%		
Delta Air Lines	35,100	1,992
United Continental Holdings (1)	96,398	8,440
		10,432
Commercial Services & Supplies 0.1%		
Cintas (2)	9,010	2,138
		2,138
Industrial Conglomerates 1.7%		
Honeywell International	65,750	11,479
Roper Technologies	43,639	15,983
		27,462
Machinery 0.4%		
Fortive	80,918	6,597
Xylem	1,400	117
		6,714

(Cost and value in $000s)

	Shares	$ Value
Professional Services 0.2%		
CoStar Group (1)	2,847	1,577
IHS Markit (1)	12,407	791
		2,368
Road & Rail 1.1%		
Canadian Pacific Railway	28,761	6,766
CSX	87,499	6,770
JB Hunt Transport Services	5,000	457
Kansas City Southern	6,493	791
Norfolk Southern	7,056	1,406
Union Pacific	13,955	2,360
		18,550
Total Industrials & Business Services		150,499
Information Technology 30.1%		
Communications Equipment 0.2%		
Motorola Solutions	10,499	1,751
QUALCOMM	28,500	2,168
		3,919
Electronic Equipment, Instruments & Components 0.0%		
Corning	4,462	148
		148
IT Services 13.7%		
ANT International, Class C, Acquisition Date: 6/7/18, Cost $2,803 (1)(3)(4)	499,643	2,803
Automatic Data Processing	10,000	1,653
Fidelity National Information Services	129,584	15,897
Fiserv (1)(2)	215,038	19,603
FleetCor Technologies (1)	23,122	6,494
Global Payments (2)	160,987	25,779
Mastercard, Class A	196,299	51,927
PayPal Holdings (1)	267,087	30,571
Visa, Class A	350,328	60,799
Worldpay, Class A (1)	98,137	12,027
		227,553
Semiconductors & Semiconductor Equipment 1.7%		
Analog Devices	33,100	3,736
Applied Materials	13,100	588
Broadcom	6,178	1,778
KLA-Tencor	18,000	2,128
Lam Research	2,379	447
Marvell Technology Group (2)	177,600	4,239
Maxim Integrated Products	99,874	5,974
Microchip Technology (2)	8,512	738
NVIDIA	7,220	1,186
Texas Instruments	49,083	5,633
Xilinx	17,906	2,112
		28,559
Software 14.3%		
Atlassian, Class A (1)	9,179	1,201
Intuit	120,304	31,439
Microsoft	733,700	98,287
Salesforce.com (1)	191,638	29,077
ServiceNow (1)	118,372	32,501
Splunk (1)	93,773	11,792
VMware, Class A	72,570	12,134
Workday, Class A (1)	97,972	20,141
Zoom Video Communications, Class A (1)(2)	4,254	378
		236,950
Technology Hardware, Storage & Peripherals 0.2%		
Apple	16,481	3,262
		3,262
Total Information Technology		500,391
Materials 0.6%		
Chemicals 0.5%		
Air Products & Chemicals	12,276	2,779
Linde	19,800	3,976
Sherwin-Williams	4,857	2,226
		8,981
Containers & Packaging 0.1%		
Ball	14,144	990
		990
Total Materials		9,971

	Shares	$ Value
(Cost and value in $000s)		
Real Estate 0.0%		
Equity Real Estate Investment Trusts 0.0%		
American Tower, REIT	1,255	257
Total Real Estate		257
Utilities 0.4%		
Electric Utilities 0.0%		
NextEra Energy	728	149
		149
Multi-Utilities 0.4%		
Sempra Energy	42,789	5,881
		5,881
Total Utilities		6,030
Total Common Stocks (Cost $872,677)		**1,655,059**

	Shares	$ Value
(Cost and value in $000s)		
SHORT-TERM INVESTMENTS 0.3%		
Money Market Funds 0.3%		
T. Rowe Price Government Reserve Fund, 2.46% (5)(6)	5,536,034	5,536
Total Short-Term Investments (Cost $5,536)		**5,536**
SECURITIES LENDING COLLATERAL 1.6%		
Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company 1.6%		
Short-Term Funds 1.6%		
T. Rowe Price Short-Term Fund, 2.50% (5)(6)	2,619,514	26,195
Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company		26,195
Total Securities Lending Collateral (Cost $26,195)		**26,195**
Total Investments in Securities		
101.5% of Net Assets (Cost $904,408)		**$ 1,686,790**

‡ Shares are denominated in U.S. dollars unless otherwise noted.
(1) Non-income producing
(2) All or a portion of this security is on loan at June 30, 2019. See Note 3.
(3) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund has registration rights for certain restricted securities. Any costs related to such registration are borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period-end amounts to $2,803 and represents 0.2% of net assets.
(4) Level 3 in fair value hierarchy. See Note 2.
(5) Seven-day yield
(6) Affiliated Companies
ADR American Depositary Receipts
HKD Hong Kong Dollar
REIT A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder

Affiliated Companies

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2019. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund	$ —	$ —	$ 85
T. Rowe Price Short-Term Fund	—	—	—++
Totals	$ —#	$ —	$ 85+

Supplementary Investment Schedule

Affiliate	Value 12/31/18	Purchase Cost	Sales Cost	Value 6/30/19
T. Rowe Price Government Reserve Fund	$ 9,010	¤	¤	$ 5,536
T. Rowe Price Short-Term Fund	847	¤	¤	26,195
				$ 31,731^

\# 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 $85 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 $31,731.

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

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $904,408)	$	1,686,790
Receivable for investment securities sold		2,681
Receivable for shares sold		1,801
Dividends receivable		347
Cash		1
Other assets		5
Total assets		1,691,625
Liabilities		
Obligation to return securities lending collateral		26,195
Payable for investment securities purchased		2,293
Investment management and administrative fees payable		1,185
Payable for shares redeemed		300
Total liabilities		29,973
NET ASSETS	**$**	**1,661,652**
Net Assets Consist of:		
Total distributable earnings (loss)	$	801,229
Paid-in capital applicable to 45,212,101 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		860,423
NET ASSETS	**$**	**1,661,652**
NET ASSET VALUE PER SHARE		
Blue Chip Growth Class ($1,137,445,374 / 30,569,092 shares outstanding)	**$**	**37.21**
Blue Chip Growth – II Class ($524,206,304 / 14,643,009 shares outstanding)	**$**	**35.80**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

		6 Months Ended 6/30/19
Investment Income (Loss)		
Income		
Dividend	$	5,852
Securities lending		35
Total income		5,887
Expenses		
Investment management and administrative expense		5,893
Rule 12b-1 fees – Blue Chip Growth – II Class		615
Total expenses		6,508
Net investment loss		(621)
Realized and Unrealized Gain / Loss		
Net realized gain (loss)		
Securities		24,712
Foreign currency transactions		1
Net realized gain		24,713
Change in net unrealized gain/loss on securities		262,186
Net realized and unrealized gain / loss		286,899
INCREASE IN NET ASSETS FROM OPERATIONS	**$**	**286,278**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/19	Year Ended 12/31/18 [1]
Increase (Decrease) in Net Assets		
Operations		
Net investment loss	$ (621)	$ (1,426)
Net realized gain	24,713	39,494
Change in net unrealized gain / loss	262,186	(26,177)
Increase in net assets from operations	286,278	11,891
Distributions to shareholders		
Net earnings		
Blue Chip Growth Class	–	(31,045)
Blue Chip Growth-II Class	–	(14,436)
Decrease in net assets from distributions	–	(45,481)
Capital share transactions*		
Shares sold		
Blue Chip Growth Class	90,488	329,597
Blue Chip Growth-II Class	49,297	120,515
Distributions reinvested		
Blue Chip Growth Class	–	31,045
Blue Chip Growth-II Class	–	14,436
Shares redeemed		
Blue Chip Growth Class	(100,644)	(200,904)
Blue Chip Growth-II Class	(39,047)	(159,636)
Increase in net assets from capital share transactions	94	135,053
Net Assets		
Increase during period	286,372	101,463
Beginning of period	1,375,280	1,273,817
End of period	**$ 1,661,652**	**$ 1,375,280**

*Share information		
Shares sold		
Blue Chip Growth Class	2,582	9,567
Blue Chip Growth-II Class	1,459	3,637
Distributions reinvested		
Blue Chip Growth Class	–	997
Blue Chip Growth-II Class	–	481
Shares redeemed		
Blue Chip Growth Class	(2,869)	(5,862)
Blue Chip Growth-II Class	(1,145)	(4,934)
Increase in shares outstanding	27	3,886

(1) Pursuant to the SEC's Disclosure Update and Simplification rule, certain prior year amounts have been reclassified to conform to current year presentation.

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Equity Series, Inc. (the corporation), is registered under the Investment Company Act of 1940 (the 1940 Act). The Blue Chip Growth Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. Shares of the fund currently are offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. The fund seeks to provide long-term capital growth. Income is a secondary objective. The fund has two classes of shares: the Blue Chip Growth Portfolio (Blue Chip Growth Portfolio Class) and the Blue Chip Growth Portfolio–II (Blue Chip Growth Portfolio–II Class). Blue Chip Growth Portfolio–II Class shares are sold through financial intermediaries, which it compensates for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity. Certain prior year amounts in the accompanying financial statements and financial highlights have been restated to conform to 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. Distributions from REITs are initially recorded as dividend income and, to the extent such represent a return of capital or capital gain for tax purposes, are reclassified when such information becomes available. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class annually. A capital gain distribution 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.

Class Accounting Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. Blue Chip Growth Portfolio–II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

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 each class's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC.

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs

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

Valuation Techniques Equity securities listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities and the last quoted sale or closing price for international securities.

For valuation purposes, the last quoted prices of non-U.S. equity securities may be adjusted to reflect the fair value of such securities at the close of the NYSE. If the fund determines that developments between the close of a foreign market and the close of the NYSE will affect the value of some or all of its portfolio securities, the fund will adjust the previous quoted prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust quoted prices to reflect fair value, the fund reviews a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The fund may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. The fund uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The fund cannot predict how often it will use quoted prices and how often it will determine it necessary to adjust those prices to reflect fair value. As a means of evaluating its security valuation process, the fund routinely compares quoted prices, the next day's opening prices in the same markets, and adjusted prices.

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

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

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

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

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2019 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Common Stocks	$ 1,614,952	$ 37,304	$ 2,803	$ 1,655,059
Short-Term Investments	5,536	–	–	5,536
Securities Lending Collateral	26,195	–	–	26,195
Total	$ 1,646,683	$ 37,304	$ 2,803	$ 1,686,790

Following is a reconciliation of the fund's Level 3 holdings for the six months ended June 30, 2019. 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 June 30, 2019, totaled $0 for the six months ended June 30, 2019.

($000s)	Beginning Balance 1/1/19	Gain (Loss) During Period	Ending Balance 6/30/19
Investment in Securities			
Common Stocks	$ 2,803	$ –	$ 2,803

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 June 30, 2019, the value of loaned securities was $25,004,000; the value of cash collateral and related investments was $26,195,000.

Other Purchases and sales of portfolio securities other than short-term securities aggregated $222,845,000 and $223,403,000, respectively, for the six months ended June 30, 2019.

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

At June 30, 2019, the cost of investments for federal income tax purposes was $911,881,000. Net unrealized gain aggregated $774,909,000 at period-end, of which $786,856,000 related to appreciated investments and $11,947,000 related to depreciated investments.

NOTE 5 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.85% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management, shareholder servicing, transfer agency, accounting, and custody services provided to the fund, as well as fund directors' fees and expenses. Interest; expenses related to borrowing, taxes, and brokerage and other transaction costs; and other non-recurring expenses permitted by the investment management agreement are paid directly by the fund. Effective July 1, 2018, T. Rowe Price has contractually agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's overall management fee rate to 0.75% of the fund's average daily net assets, through at least April 30, 2020. This contractual arrangement will renew automatically for one-year terms thereafter and may be terminated only with approval of the fund's Board. The fund has no obligation to repay fees reduced under this arrangement.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds, or the T. Rowe Price Short-Term Fund, a short-term bond fund (collectively, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending is invested in the T. Rowe Price Short-Term Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2019, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment advisor, T. Rowe Price Associates, Inc. (Advisor), on behalf of the fund. In that regard, at an in-person meeting held on March 11–12, 2019 (Meeting), the Board, including a majority of the fund's independent directors, approved the continuation of the fund's Advisory Contract. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Advisor and the approval of the Advisory Contract. The independent directors were assisted in their evaluation of the Advisory Contract by independent legal counsel from whom they received separate legal advice and with whom they met separately.

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

Services Provided by the Advisor

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

Investment Performance of the Fund

The Board took into account discussions with the Advisor and reports that it receives throughout the year relating to fund performance. In connection with the Meeting, the Board reviewed the fund's net annualized total returns for the 1-, 2-, 3-, 4-, 5-, and 10-year periods as of September 30, 2018, and compared these returns with the performance of a peer group of funds with similar investment programs and a wide variety of other previously agreed-upon comparable performance measures and market data, including those supplied by Broadridge, which is an independent provider of mutual fund data.

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

Costs, Benefits, Profits, and Economies of Scale

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

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract from any economies of scale realized by the Advisor. Under the Advisory Contract, the fund pays the Advisor a single fee, or all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Advisor to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Advisor has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's management fee rate to 0.75% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Advisor by the fund. The Advisor has generally implemented an all-inclusive management fee structure in situations

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the investors in these funds and has historically sought to set the initial all-inclusive fee rate at levels below the expense ratios of comparable funds to take into account the potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create certainty for the annuity providers' overall pricing decisions and disclosures. Assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because the primary investment resources utilized to manage the fund are shared with other actively managed funds. The Board concluded that, based on the profitability data it reviewed and consistent with this all-inclusive management fee structure, the advisory fee structure for the fund continued to be appropriate.

Fees and Expenses

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, total expenses, actual management fees, and nonmanagement expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) total expenses, actual management fees, and nonmanagement expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate, and total expenses (all of which generally reflect the all-inclusive management fee rate and do not deduct the operating expenses paid by the Advisor as part of the overall management fee) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group) and fourth quintile (Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group) and third quintile (Expense Universe).

The Board requested additional information from management with respect to the fund's relative management fees and total expenses ranking in the fourth and fifth quintiles and reviewed and considered the information provided relating to the fund, other funds in the peer groups, and other factors that the Board determined to be relevant.

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

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

Approval of the Advisory Contract

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

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T. Rowe Price®

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

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