



ANNUAL REPORT

December 31, 2018

RPBAX

T. ROWE PRICE

Balanced Fund

RBAIX

Balanced Fund—I Class

For more insights from T. Rowe Price investment professionals, go to troweprice.com.

Beginning on January 1, 2021, as permitted by SEC regulations, paper copies of the T. Rowe Price funds' annual and semiannual shareholder reports will no longer be mailed, unless you specifically request them. Instead, shareholder reports will be made available on the funds' website (troweprice.com/prospectus), and you will be notified by mail with a website link to access the reports each time a report is posted to the site.

If you already elected to receive reports electronically, you will not be affected by this change and need not take any action. At any time, shareholders who invest directly in T. Rowe Price funds may generally elect to receive reports or other communications electronically by enrolling at troweprice.com/paperless or, if you are a retirement plan sponsor or invest in the funds through a financial intermediary (such as an investment advisor, broker-dealer, insurance company, or bank), by contacting your representative or your financial intermediary.

You may elect to continue receiving paper copies of future shareholder reports free of charge. To do so, if you invest directly with T. Rowe Price, please call T. Rowe Price as follows: IRA, nonretirement account holders, and institutional investors, **1-800-225-5132**; small business retirement accounts, **1-800-492-7670**. If you are a retirement plan sponsor or invest in the T. Rowe Price funds through a financial intermediary, please contact your representative or financial intermediary or follow additional instructions if included with this document. Your election to receive paper copies of reports will apply to all funds held in your account with your financial intermediary or, if you invest directly in the T. Rowe Price funds, with T. Rowe Price. Your election can be changed at any time in the future.

HIGHLIGHTS

- The Balanced Fund declined in the 12 months ended December 31, 2018, and underperformed its combined index portfolio, as well as its Lipper and Morningstar benchmarks.
- Market volatility was elevated throughout 2018. Global equities pulled back as global trade tensions, slowing growth, and political uncertainty weighed on various markets, while rising interest rates tempered returns in U.S. fixed income markets.
- We took advantage of more attractive valuations following the equity market sell-off that began in early October to adjust our allocations in several segments. Near the end of our reporting period, we reduced our underweight to equities to neutral and moved to an overweight in U.S. growth stocks.
- We seek value in segments where we feel that market weakness has created attractive risk/reward opportunities. Near-term risks to global markets include repercussions from potential monetary policy missteps and an escalation in trade tensions.

Go Paperless

Sign up for e-delivery of your statements, confirmations, and prospectuses or shareholder reports.



TO ENROLL:

If you invest directly with T. Rowe Price, go to [troweprice.com/paperless](https://www.troweprice.com/paperless).

If you invest through an investment advisor, a bank, or a brokerage firm, please contact that organization and ask if it can provide electronic documentation.

It's fast—receive your statements and confirmations faster than U.S. mail.

It's convenient—access your important account documents whenever you need them.

It's secure—we protect your online accounts using “True Identity” to confirm new accounts and make verification faster and more secure.

It can save you money—where applicable, T. Rowe Price passes on the cost savings to fund holders.*

Log in to your account at [troweprice.com](https://www.troweprice.com) for more information.

*Certain mutual fund accounts that are assessed an annual account service fee can also save money by switching to e-delivery.

Dear Shareholder

The year 2018 was not one that investors will remember fondly. The major stock indexes recorded their worst declines in a decade, with most falling over 20% from recent peaks and bringing a technical end to the bull market that began in 2009. In direct contrast to 2017, financial assets performed poorly across asset classes and geographies. The broadest measure of domestic bond returns, the Bloomberg Barclays U.S. Aggregate Bond Index, returned exactly nothing (0.0%) for the year, and nearly all overseas bond and equity markets also performed poorly. “Cash was king,” in Wall Street parlance, which never makes for a happy reign.

Many issues were behind the market weakness, but we can point to four primary factors that weighed on sentiment:

Rising interest rates. Wage pressures appeared to be accelerating early in the year, sending longer-term bond yields to multiyear highs and sparking a sell-off in equities in early February. Wage gains soon moderated, but a continued decline in the unemployment rate—which reached a five-decade low of 3.7% in September—kept investors on the lookout for higher inflation ahead. In October, yields returned to their peaks on the back of good economic data and suggestions from Federal Reserve officials that they might keep hiking interest rates more quickly than expected. This was subsequently followed by a decline in long-term rates as investors sought safety late in the year and questioned the pace of future interest rate hikes.

Trade tensions. On March 1, President Donald Trump took markets by surprise in announcing a new series of metal tariffs. His administration quickly adopted a decidedly protectionist stance, with pro-trade advocates leaving and the announcement of plans for a range of new trade restrictions. Many threats never materialized, and the White House announced a renegotiated trade deal with Canada and Mexico. Trade tensions with China only appeared to deepen as the year progressed, however.

Slowing global growth. A global slowdown became apparent in the second half of 2018. Environmental and financial reforms put the brakes on the Chinese economy, as planned, but trade frictions caused growth to slow below official targets. Other emerging markets suffered from a stronger U.S. dollar and higher U.S. interest rates. In Europe, trade worries also hampered business spending, while unresolved Brexit fears and further threats to the eurozone from Italy and elsewhere also took a toll. Plummeting oil prices late in the year seemed to confirm a general weakening in global economic conditions.

Peaking fundamentals. The U.S. economy stood apart by accelerating in 2018, but a moderation in 2019 appears all but inevitable as the effects of fiscal stimulus moderate. Of specific concern to investors is the almost certain slowdown in corporate profits in the coming year. Overall profits for the S&P 500 grew by 25% versus the year before in the first three quarters of 2018—a pace sure to slow as the year-over-year impact of the tax cut fades, wage gains pressure margins, and the global economy cools.

The market's dramatic pullback in the final weeks of 2018—stocks suffered their worst December since the Great Depression—seemed to reflect fears that a recession might even be imminent. I think such concerns are overblown. The Fed has already completed most of its planned rate hikes, promising less of a headwind for the economy and markets. China and Europe are likely to respond to slowing growth with stimulus, and both will benefit from lower oil prices. As I write, some encouraging signs have also emerged on the trade front, although whether the U.S. and China can resolve their differences remains perhaps the largest uncertainty facing markets.

In terms of stock performance, the painful end to 2018 served to improve valuations, making gains in the coming year less of a hurdle. I would also note that a further stock market “bust” in 2019 seems unlikely given that we never experienced the concentrated “boom” that has preceded past bad bear markets. In the final stages of the dot-com boom of the late 1990s, for example, investors flooded in to telecom shares, and huge amounts of capital and risk flowed in to housing in the mid-2000s. Currently, I simply do not see those sorts of distortions in the financial system.

Of course, opinions about what 2019 holds vary among our investment professionals at T. Rowe Price, and we sharpen each other's thinking by constantly sharing opinions and insights. Please rest assured that your fund's manager is drawing on the insights and perspectives across our global organization as he or she charts the course ahead.

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed income securities.

FUND COMMENTARY

How did the fund perform in the past 12 months?

The Balanced Fund returned -4.92% in the 12 months ended December 31, 2018. The fund lagged its combined index portfolio, which is a custom benchmark comprising multiple indexes that represent the asset classes in which the fund invests, and its Lipper and Morningstar benchmarks.

(Returns for I Class shares varied slightly, reflecting a different fee structure. *Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Periods Ended 12/31/18	Total Return	
	6 Months	12 Months
Balanced Fund	-5.79%	-4.92%
Balanced Fund-I Class	-5.75	-4.85
Morningstar Moderate Target Risk Index	-4.46	-4.76
Combined Index Portfolio*	-4.66	-4.42
Lipper Balanced Funds Index	-4.81	-4.68

*For a definition of the combined index portfolio, please see the Benchmark Information section.

What factors influenced the fund's performance?

Security selection detracted the most for the period, most notably underperformance in our international and U.S. large-cap value equities. U.S. investment-grade bonds also trailed their benchmark and weighed on relative results as

returns were hampered by rising interest rates. In contrast, strong performance by stocks in the information technology sector helped the U.S. large-cap growth allocation outpace its benchmark and contribute to relative performance.

The allocation generated positive returns in a year where most equity indexes posted losses.

The inclusion of non-benchmark sectors hurt relative performance. Exposure to real assets stocks detracted, although a tactical underweight allocation to the sector partially offset the negative impact. Real assets equities underperformed global equities as slowing Chinese economic growth weighed on commodity prices. Further, crude oil prices rose to four-year highs in October then plunged

into bear market territory amid global oversupply fears. High yield bonds also struggled due, in part, to heightened risk aversion and weakness in the energy sector, which represents a considerable portion of the high yield universe.

The impact of tactical allocation decisions to overweight or underweight various asset classes versus the fund's combined index portfolio benchmark was neutral. In addition to an underweight to the challenged real assets sector, an overweight to fixed income securities during a period of volatile equity markets proved favorable. These positive contributions were, however, countered by an overweight allocation to international equities, which lagged U.S. equities. Escalating trade tensions, political uncertainty in several European countries, and slowing economic growth dragged down equities in developed non-U.S. markets. International markets fared better than U.S. markets during the bout of volatility late in the reporting period, but the positive impact was not enough to offset underperformance for most of the year.

How is the fund positioned?

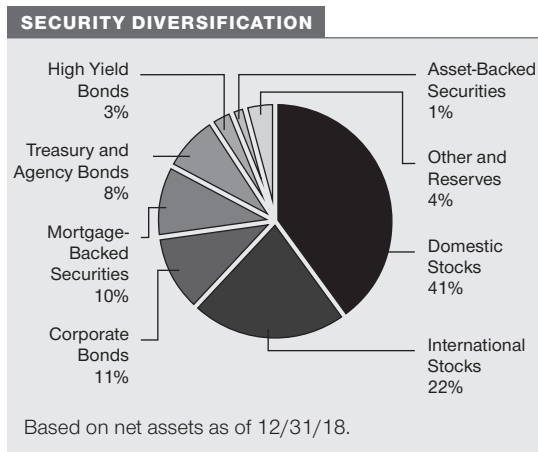
We reduced our underweight to equities and are now neutral relative to fixed income securities, as equity valuations now better reflect geopolitical risks and concerns over an aging economic cycle. Expected returns from bonds remain

modest, although yields have fallen from recent highs amid the equity market sell-off and speculation of a more dovish Federal Reserve.

Stocks

On a regional basis, we reduced our underweight to U.S. equities. Market weakness late in the period resulted in more attractive valuations, and while earnings growth in the U.S. has likely peaked, it is still constructive. We favor U.S.

growth stocks, which we believe are more reasonably priced after the recent downturn. Secular growth stocks tend to be more defensive in a low-growth environment, while value stocks in various sectors face headwinds from moderating growth, the late-stage credit cycle, a flattening Treasury yield curve, and low energy prices.



BOND PORTFOLIO PROFILE

Periods Ended	6/30/18	12/31/18
Weighted Average Effective Duration (years)	5.8	5.8
Weighted Average Maturity (years)	7.9	8.3
Quality Diversification*		
<i>U.S. Government Agencies**</i>	25.9%	27.1%
<i>U.S. Treasuries***</i>	22.6	17.6
AAA	6.0	5.9
AA	6.3	7.2
A	10.0	11.5
BBB	18.5	19.4
BB and Below	10.5	9.9
Not Rated	0.1	0.1
Reserves	0.1	1.3
Total	100.0%	100.0%

* Sources: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. T. Rowe Price does not evaluate these ratings but simply assigns them to the appropriate credit quality category as determined by the rating agency.

** U.S. government agency securities are issued or guaranteed by a U.S. government agency and may include conventional pass-through securities and collateralized mortgage obligations; unlike Treasuries, government agency securities are not issued directly by the U.S. government and are generally unrated but may have credit support from the U.S. Treasury (e.g., FHLMC and FNMA issues) or a direct government guarantee (e.g., GNMA issues). Therefore, this category may include rated and unrated securities.

*** U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

We trimmed our overweight to international stocks. Growth expectations have moderated, and rising trade tensions and political uncertainty—including Brexit—could pose significant risk to markets. Japanese equities remain supported by better relative valuations, although their dependence on global trade could be problematic as global growth momentum fades and trade tensions remain.

We continue to underweight inflation-sensitive real assets equities because we expect global growth to slow in the near term and that longer-term imbalances between energy supply and demand will persist.

Bonds

We are currently underweight to high yield bonds, although we added to our position after the late-year sell-off made their valuations more appealing. Despite the late stage of the credit cycle, we believe that high yield bonds present attractive opportunities supported by positive corporate fundamentals and low default expectations.

What is portfolio management's outlook?

After 2017's synchronized upswing in global economic activity, growth trajectories worldwide diverged in 2018. Fiscal stimulus and the late-2017 tax overhaul package benefited the U.S. economy, while growth began to waver in a few other markets despite support from long-standing accommodative monetary policies. We expect that the growth differential between the U.S. and the rest of the world will narrow as the tailwind from U.S. fiscal stimulus starts to fade. Growth in Europe moderated, but it will stabilize near potential growth levels. The stronger U.S. dollar and global trade strife have exacerbated economic imbalances in some emerging markets; however, many developing countries rely less on U.S. dollar funding than they have in the past, lessening the potential for systemic risk. Recent energy price declines should be supportive of more consumer-oriented emerging markets but may prove to be a headwind for their commodity export-dependent peers.

We seek investment opportunities, particularly in instances where fundamental value may not be fully reflected in market prices. Global central banks are in varying stages of winding down accommodative monetary policies, leading to a decrease in global liquidity and the potential for upward pressure on yields. Still, fundamentals for corporate earnings remain broadly supportive in our view, and we do not anticipate a U.S. recession over the next year. Near-term risks to global markets include repercussions from potential monetary policy missteps and an escalation in trade tensions.

With rising geopolitical and monetary policy risks, and higher volatility, we have a balanced view on risk-taking within our portfolios. We have, however, selectively added to our positions where we feel that market weakness has created attractive opportunities. Given the many crosscurrents that can influence global financial markets, we believe that over the long term, the Balanced Fund's broad diversification across asset classes, investment styles, and geography, combined with strengths in our strategic investing approach, will help us generate attractive risk-adjusted returns across market environments.

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 INVESTING IN STOCKS

As with all stock mutual funds, the fund's share price can fall because of weakness in the stock market, 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 fund may prove incorrect, resulting in losses or poor performance even in rising markets.

RISKS OF INTERNATIONAL INVESTING

Funds that invest overseas generally carry more risk than funds that invest strictly in U.S. assets. Risks can result from varying stages of economic and political development; differing regulatory environments, trading days, and accounting standards; currency fluctuations; and higher transaction costs of non-U.S. markets. Investments outside the United States could be subject to governmental actions such as capital or currency controls, nationalization of a company or industry, expropriation of assets, or imposition of high taxes.

RISKS OF INVESTING IN BONDS

Funds that invest in bonds are subject to interest rate risk, the decline in bond prices that usually accompanies a rise in interest rates. Longer-maturity bonds typically decline more than those with shorter maturities. Funds that invest in bonds are also subject to credit risk, the chance that any fund holding could have its credit rating downgraded or that a bond issuer will default (fail to make timely payments of interest or principal), potentially reducing the fund's income level and share price.

BENCHMARK INFORMATION

Combined index portfolio: An unmanaged portfolio of 45.5% domestic stocks (S&P 500 Index), 35.0% bonds (Bloomberg Barclays U.S. Aggregate Bond Index), and 19.5% international stocks (MSCI EAFE Index).

Note: Bloomberg Index Services Ltd. Copyright © 2018, Bloomberg Index Services Ltd. Used with permission.

Note: MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

PORTFOLIO HIGHLIGHTS

LARGEST HOLDINGS

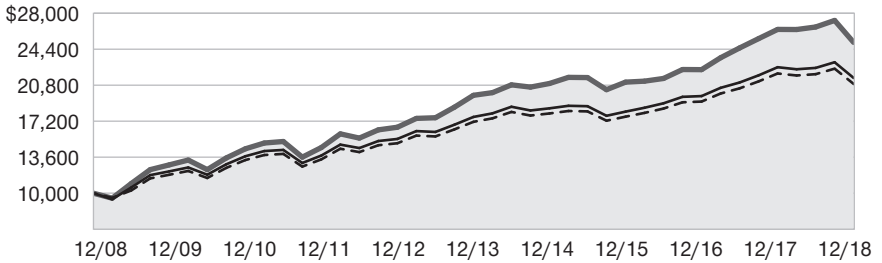
Stocks	Percent of Net Assets 12/31/18	Bonds	Percent of Net Assets 12/31/18
Microsoft	1.9%	U.S. Treasuries	6.0%
Amazon.com	1.9	Federal National Mortgage Association – Mortgages	5.3
T. Rowe Price Real Assets	1.4	T. Rowe Price Institutional High Yield Fund	3.2
Alphabet	1.3	Government National Mortgage Association	3.0
Boeing	1.0	Federal Home Loan Mortgage Corporation – Mortgages	1.3
Facebook	0.9	T. Rowe Price Inflation	0.4
Pfizer	0.9	Protected Bond Fund–I Class	0.3
Visa	0.7	JPMorgan Chase	0.3
UnitedHealth Group	0.7	Apple	0.2
Wells Fargo	0.7	Goldman Sachs	0.2
Total	11.4%	Citigroup	0.2
		Total	20.2%

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 fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with benchmarks, which include a broad-based market index and may also include a peer group average or index. Market indexes do not include expenses, which are deducted from fund returns as well as mutual fund averages and indexes.

BALANCED FUND



As of 12/31/18

—	Balanced Fund	\$25,081
—	Morningstar Moderate Target Risk Index	21,524
- - -	Linked Performance Benchmark*	20,926

Note: Performance for the I Class will vary due to its differing fee structure.

*The linked performance benchmark reflects the performance of the Merrill Lynch-Wilshire Capital Market Index through 6/30/09 and the performance of the Morningstar Moderate Target Risk Index from 7/1/09 through the end of the period.

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 12/31/18	1 Year	5 Years	10 Years	Since Inception	Inception Date
Balanced Fund	-4.92%	4.85%	9.63%	-	-
Balanced Fund-I Class	-4.85	-	-	6.06%	12/17/15

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 visit our website (troweprice.com) or contact a T. Rowe Price representative at 1-800-225-5132 or, for I Class shares, 1-800-638-8790.

This table shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. When assessing performance, investors should consider both short- and long-term returns.

EXPENSE RATIO

Balanced Fund	0.64%
Balanced Fund–I Class	0.49

The expense ratio shown is as of the fund's fiscal year ended 12/31/17. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, includes acquired fund fees and expenses but does not include fee or expense waivers.

FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

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

Actual Expenses

The first line of the following table (Actual) provides information about actual account values and expenses based on the fund's actual returns. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

FUND EXPENSE EXAMPLE (CONTINUED)

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

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

BALANCED FUND

	Beginning Account Value 7/1/18	Ending Account Value 12/31/18	Expenses Paid During Period* 7/1/18 to 12/31/18
Investor Class			
Actual	\$1,000.00	\$942.10	\$2.69
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.43	2.80
I Class			
Actual	1,000.00	942.50	2.11
Hypothetical (assumes 5% return before expenses)	1,000.00	1,023.04	2.19
*Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Investor Class was 0.55%, and the I Class was 0.43%.			

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

	Year				
	Ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
NET ASSET VALUE					
Beginning of period	\$ 24.33	\$ 21.98	\$ 21.46	\$ 22.89	\$ 23.22
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.51	0.41	0.43	0.45	0.47
Net realized and unrealized gain/loss	(1.65)	3.52	0.83	(0.31)	0.90
Total from investment activities	(1.14)	3.93	1.26	0.14	1.37
Distributions					
Net investment income	(0.50)	(0.44)	(0.44)	(0.47)	(0.48)
Net realized gain	(1.30)	(1.14)	(0.30)	(1.10)	(1.22)
Total distributions	(1.80)	(1.58)	(0.74)	(1.57)	(1.70)
NET ASSET VALUE					
End of period	\$ 21.39	\$ 24.33	\$ 21.98	\$ 21.46	\$ 22.89

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Year Ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Ratios/Supplemental Data					
Total return⁽²⁾⁽³⁾	(4.92)%	18.01%	5.92%	0.65%	5.97%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/payments by Price Associates	0.58%	0.61%	0.64%	0.64%	0.64%
Net expenses after waivers/payments by Price Associates	0.55%	0.57%	0.60%	0.60%	0.60%
Net investment income	2.10%	1.73%	1.96%	1.95%	1.96%
Portfolio turnover rate	68.2%	48.7%	58.4%	65.1%	52.9%
Net assets, end of period (in millions)	\$ 3,400	\$ 3,776	\$ 3,594	\$ 3,938	\$ 4,151

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

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

⁽³⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions.

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

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

	Year Ended 12/31/18	12/31/17	12/31/16	12/17/15 ⁽¹⁾ Through 12/31/15
NET ASSET VALUE				
Beginning of period	\$ 24.34	\$ 21.98	\$ 21.46	\$ 21.42
Investment activities				
Net investment income (loss) ⁽²⁾⁽³⁾	0.55	0.44	0.42	(0.01)
Net realized and unrealized gain/loss	(1.67)	3.53	0.88	0.05
Total from investment activities	(1.12)	3.97	1.30	0.04
Distributions				
Net investment income	(0.53)	(0.47)	(0.48)	-
Net realized gain	(1.30)	(1.14)	(0.30)	-
Total distributions	(1.83)	(1.61)	(0.78)	-
NET ASSET VALUE				
End of period	\$ 21.39	\$ 24.34	\$ 21.98	\$ 21.46

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Year Ended 12/31/18	12/31/17	12/31/16	12/17/15 ⁽¹⁾ Through 12/31/15
Ratios/Supplemental Data				
Total return⁽³⁾⁽⁴⁾	(4.85)%	18.20%	6.11%	0.19%
Ratios to average net assets: ⁽³⁾				
Gross expenses before waivers/payments by Price Associates	0.46%	0.46%	0.46%	0.68% ⁽⁵⁾
Net expenses after waivers/payments by Price Associates	0.43%	0.42%	0.42%	0.45% ⁽⁵⁾
Net investment income (loss)	2.26%	1.85%	1.95%	(3.10)% ⁽⁵⁾
Portfolio turnover rate	68.2%	48.7%	58.4%	65.1%
Net assets, end of period (in thousands)	\$ 413,411	\$ 278,883	\$ 168,569	\$ 815

⁽¹⁾ Inception date⁽²⁾ Per share amounts calculated using average shares outstanding method.⁽³⁾ See Note 6 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. Total return is not annualized for periods less than one year.⁽⁵⁾ Annualized

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

T. ROWE PRICE BALANCED FUND

December 31, 2018

PORTFOLIO OF INVESTMENTS [†]	Shares/Par	\$ Value
(Cost and value in \$000s)		
COMMON STOCKS 61.6%		
COMMUNICATION SERVICES 6.0%		
Diversified Telecommunication Services 1.4%		
AT&T	382,366	10,913
KT (KRW)(1)	99,015	2,846
Nippon Telegraph & Telephone (JPY)	325,100	13,264
Telecom Italia (EUR)	3,871,434	1,857
Telefonica (EUR)	453,810	3,820
Telefonica Deutschland Holding (EUR)	1,336,633	5,261
Telstra (AUD)	418,239	839
Verizon Communications	272,831	15,338
		54,138
Entertainment 0.6%		
Activision Blizzard	46,061	2,145
Electronic Arts (1)	33,539	2,647
Netflix (1)	40,567	10,858
Take-Two Interactive Software (1)	2,478	255
Twenty-First Century Fox, Class A	20,324	978
Twenty-First Century Fox, Class B	103,000	4,921
Walt Disney	22,971	2,519
		24,323
Interactive Media & Services 3.0%		
Alphabet, Class A (1)	15,180	15,863
Alphabet, Class C (1)	33,964	35,173
Baidu, ADR (1)	16,100	2,553
Facebook, Class A (1)	273,167	35,810
IAC/InteractiveCorp (1)	6,855	1,255
NAVER (KRW)	13,501	1,480
Tencent Holdings (HKD)	399,600	16,016
Yahoo Japan (JPY)	628,800	1,564
YY, ADR (1)	53,373	3,195
		112,909

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Media 0.7%		
Altice USA, Class A	18,900	312
Charter Communications, Class A (1)(16)	4,731	1,348
Comcast, Class A	316,797	10,787
CyberAgent (JPY)	62,200	2,405
Eutelsat Communications (EUR)	159,098	3,134
Liberty Broadband, Class C (1)	25,616	1,845
Stroeer (EUR)	46,731	2,265
WPP (GBP)	438,907	4,777
		26,873
Wireless Telecommunication Services 0.3%		
SoftBank Group (JPY)	42,200	2,764
Vodafone Group, ADR	388,963	7,499
		10,263
Total Communication Services		228,506
CONSUMER DISCRETIONARY 7.5%		
Auto Components 0.7%		
Aisin Seiki (JPY)	57,000	1,959
Aptiv	62,209	3,830
Autoliv, SDR (SEK)	45,252	3,209
Garrett Motion (1)	2,650	33
Knorr-Bremse (EUR)(1)	34,113	3,073
Magna International	196,911	8,950
Stanley Electric (JPY)	101,600	2,842
Sumitomo Rubber Industries (JPY)(16)	105,800	1,246
Veoneer, SDR (SEK)(1)(16)	53,459	1,367
		26,509
Automobiles 0.8%		
BMW (EUR)	45,378	3,680
Ferrari	5,086	506
Honda Motor (JPY)	90,800	2,392
Suzuki Motor (JPY)	98,500	4,966
Tesla (1)	20,764	6,910

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Toyota Motor (JPY)	182,400	10,559
		29,013
Hotels, Restaurants & Leisure 1.1%		
Compass Group (GBP)	220,729	4,645
Darden Restaurants	6,988	698
Domino's Pizza	2,724	676
Hilton Worldwide Holdings	44,793	3,216
Las Vegas Sands	61,589	3,206
Marriott International, Class A	42,725	4,638
McDonald's	72,438	12,863
MGM Resorts International	64,313	1,560
Norwegian Cruise Line Holdings (1)	11,707	496
Restaurant Brands International	40,161	2,100
Royal Caribbean Cruises	34,182	3,343
Starbucks	16,993	1,094
Wynn Resorts	684	68
Yum! Brands	41,317	3,798
		42,401
Household Durables 0.4%		
NVR (1)	499	1,216
Panasonic (JPY)	508,300	4,566
Persimmon (GBP)	167,635	4,128
Sony (JPY)	67,000	3,230
		13,140
Internet & Direct Marketing Retail 3.0%		
Alibaba Group Holding, ADR (1)	146,372	20,063
Altaba (1)(2)	32,302	1,872
Amazon.com (1)	47,451	71,270
Booking Holdings (1)	11,180	19,257
Ctrip.com International, ADR (1)	980	26
Zalando (EUR)(1)(3)	63,504	1,641
		114,129
Multiline Retail 0.4%		
Dollar General	61,844	6,684
Dollar Tree (1)	65,377	5,905

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Lojas Renner (BRL)	257,599	2,810
		15,399
Specialty Retail 0.6%		
AutoZone (1)	1,332	1,117
Home Depot	25,777	4,429
Kingfisher (GBP)	1,690,541	4,445
Lowe's	12,315	1,137
O'Reilly Automotive (1)	4,410	1,519
Ross Stores	106,640	8,872
TJX	37,370	1,672
Ulta Beauty (1)	4,602	1,127
		24,318
Textiles, Apparel & Luxury Goods 0.5%		
Burberry Group (GBP)	223,839	4,915
Kering (EUR)	10,082	4,723
Moncler (EUR)	127,654	4,248
NIKE, Class B	49,936	3,702
Samsonite International (HKD)(3)	739,800	2,102
Tapestry	20,273	684
		20,374
Total Consumer Discretionary		285,283
CONSUMER STAPLES 3.7%		
Beverages 0.5%		
Coca-Cola	64,101	3,035
Constellation Brands, Class A	4,858	781
Diageo (GBP)	201,323	7,194
Keurig Dr Pepper (16)	29,011	744
Kirin Holdings (JPY)	125,200	2,611
PepsiCo	33,467	3,698
		18,063
Food & Staples Retailing 0.5%		
Costco Wholesale	12,364	2,518
Kroger	114,500	3,149
Seven & i Holdings (JPY)	151,100	6,566

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Walmart	59,398	5,533
		17,766
Food Products 1.3%		
Bunge	11,174	597
Conagra Brands	196,959	4,207
Kraft Heinz	66,099	2,845
Mondelez International, Class A	47,878	1,917
Nestle (CHF)	282,681	22,943
Tyson Foods, Class A	295,578	15,784
Wilmar International (SGD)	1,533,500	3,512
		51,805
Household Products 0.4%		
Kimberly-Clark	74,011	8,433
Procter & Gamble	85,270	7,838
		16,271
Personal Products 0.7%		
Coty, Class A (16)	22,000	144
L'Oreal (EUR)	31,996	7,322
Pola Orbis Holdings (JPY)(16)	66,400	1,789
Unilever (GBP)	310,785	16,317
		25,572
Tobacco 0.3%		
Altria Group	62,990	3,111
Philip Morris International	139,648	9,323
		12,434
Total Consumer Staples		141,911
ENERGY 2.4%		
Energy Equipment & Services 0.1%		
Halliburton	45,200	1,201
Schlumberger	30,070	1,085
WorleyParsons (AUD)	349,454	2,807
		5,093

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Oil, Gas & Consumable Fuels 2.3%		
BP, ADR	89,043	3,376
Cabot Oil & Gas	123,267	2,755
Chevron	22,979	2,500
Concho Resources (1)	38,716	3,980
ConocoPhillips	35,400	2,207
Diamondback Energy	4,421	410
EOG Resources	68,690	5,990
Equinor (NOK)	195,971	4,157
Exxon Mobil	124,745	8,506
Hess	19,798	802
Marathon Petroleum	36,590	2,159
Occidental Petroleum	93,500	5,739
Royal Dutch Shell, Class B, ADR	146,300	8,769
TOTAL (EUR)	248,753	13,121
TOTAL, ADR	229,967	12,000
TransCanada	274,564	9,802
		86,273
Total Energy		91,366
FINANCIALS 10.0%		
Banks 4.6%		
ABN AMRO Group, GDR (EUR)(3)	182,333	4,291
Australia & New Zealand Banking Group (AUD)	363,717	6,285
Bank of America	151,520	3,733
Barclays, ADR	108,517	818
BNP Paribas (EUR)	165,623	7,480
Citigroup	102,446	5,333
Commerzbank (EUR)(1)	156,888	1,042
Danske Bank (DKK)	178,175	3,537
DBS Group Holdings (SGD)	390,500	6,791
DNB (NOK)	470,810	7,557
Erste Group Bank (EUR)	94,769	3,142
Fifth Third Bancorp	239,268	5,630
First Republic Bank	56,291	4,892
ING Groep (EUR)	639,140	6,875

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Intesa Sanpaolo (EUR)	1,587,527	3,535
JPMorgan Chase	239,069	23,338
KeyCorp	54,144	800
Lloyds Banking Group (GBP)	8,289,213	5,464
Mitsubishi UFJ Financial Group (JPY)	1,438,900	7,062
National Bank of Canada (CAD)(16)	134,400	5,518
Nordea Bank (SEK)	875,140	7,367
PNC Financial Services Group	92,811	10,850
Standard Chartered (GBP)	495,521	3,851
Sumitomo Mitsui Trust Holdings (JPY)	118,554	4,317
Svenska Handelsbanken, A Shares (SEK)	600,660	6,683
U.S. Bancorp	33,462	1,529
United Overseas Bank (SGD)	206,300	3,732
Wells Fargo	548,103	25,257
		176,709
Capital Markets 1.8%		
Ameriprise Financial	34,426	3,593
Brookfield Asset Management, Class A	6,503	249
Cboe Global Markets	11,272	1,103
Charles Schwab	321,793	13,364
Close Brothers Group (GBP)	50,732	931
CME Group	4,195	789
Franklin Resources (16)	15,857	470
GAM Holding (CHF)	155,087	612
Goldman Sachs Group	100	17
Intercontinental Exchange	155,805	11,737
KKR, Class A	18,671	367
Macquarie Group (AUD)	72,307	5,538
Morgan Stanley	286,769	11,370
Northern Trust	800	67
Raymond James Financial	29,492	2,194
S&P Global	17,181	2,920
State Street	31,798	2,006
TD Ameritrade Holding	202,264	9,903
		67,230

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Consumer Finance 0.1%		
Ally Financial	23,098	523
Capital One Financial	12,193	922
Synchrony Financial	36,081	847
		2,292
Diversified Financial Services 0.5%		
AXA Equitable Holdings	95,407	1,586
Berkshire Hathaway, Class B (1)	30,453	6,218
Challenger (AUD)	758,175	5,069
Element Fleet Management (CAD)(16)	729,033	3,690
Mitsubishi UFJ Lease & Finance (JPY)	493,800	2,367
Voya Financial	26,352	1,058
		19,988
Insurance 3.0%		
AIA Group (HKD)	621,800	5,165
American International Group	207,296	8,170
Aviva (GBP)	834,923	3,996
AXA (EUR)	352,330	7,604
BrightHouse Financial (1)	3,938	120
Chubb	77,671	10,034
CNA Financial	5,791	256
Direct Line Insurance Group (GBP)	1,357,796	5,519
Fidelity National Financial	8,899	280
Loews	4,637	211
Marsh & McLennan	92,718	7,394
MetLife	49,744	2,042
Munich Re (EUR)	39,150	8,539
Ping An Insurance Group, H Shares (HKD)	553,000	4,879
Progressive	27,874	1,682
Prudential (GBP)	409,291	7,308
Prudential Financial	27,900	2,275
RSA Insurance Group (GBP)	316,696	2,078
Storebrand (NOK)	667,855	4,764
Sun Life Financial (CAD)(16)	208,300	6,910
Tokio Marine Holdings (JPY)	158,800	7,544

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Willis Towers Watson	72,598	11,025
Zurich Insurance Group (CHF)	21,470	6,400
		114,195
Total Financials		380,414
HEALTH CARE 10.7%		
Biotechnology 0.9%		
AbbVie	24,817	2,288
Alexion Pharmaceuticals (1)	45,629	4,442
Amgen	11,096	2,160
Biogen (1)	4,756	1,431
BioMarin Pharmaceutical (1)	6,024	513
Celgene (1)	39,776	2,549
CSL (AUD)	17,998	2,351
Gilead Sciences	27,474	1,719
Incyte (1)	4,086	260
Regeneron Pharmaceuticals (1)	751	281
Shire, ADR	25,100	4,368
Vertex Pharmaceuticals (1)	68,307	11,319
		33,681
Health Care Equipment & Supplies 2.9%		
Abbott Laboratories	46,021	3,329
Align Technology (1)(16)	2,608	546
Becton Dickinson & Company	96,128	21,660
Boston Scientific (1)	93,800	3,315
Cooper	7,267	1,850
Danaher	120,879	12,465
Elekta, B Shares (SEK)	278,878	3,311
GN Store Nord (DKK)	99,884	3,743
Hologic (1)	56,769	2,333
Intuitive Surgical (1)	27,430	13,137
Koninklijke Philips (EUR)	310,427	10,883
Medtronic	138,558	12,603
Stryker	109,061	17,095
Zimmer Biomet Holdings	27,500	2,852
		109,122

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Health Care Providers & Services 2.4%		
Anthem	55,130	14,479
Centene (1)	35,335	4,074
Cigna	106,289	20,186
CVS Health	120,987	7,927
Fresenius (EUR)	126,529	6,116
HCA Healthcare	24,025	2,990
Humana	11,992	3,435
Miraca Holdings (JPY)	62,600	1,413
UnitedHealth Group	107,509	26,783
WellCare Health Plans (1)	14,985	3,538
		90,941
Health Care Technology 0.1%		
Siemens Healthineers (EUR)(1)(3)	67,812	2,834
		2,834
Life Sciences Tools & Services 0.5%		
Agilent Technologies	59,988	4,047
Illumina (1)	2,045	613
Thermo Fisher Scientific	71,939	16,099
		20,759
Pharmaceuticals 3.9%		
Allergan	10,345	1,383
Astellas Pharma (JPY)	656,400	8,387
Bayer (EUR)	146,179	10,166
Eli Lilly	97,107	11,237
GlaxoSmithKline, ADR	206,500	7,890
Johnson & Johnson	57,560	7,428
Merck	278,075	21,248
Novartis (CHF)	207,397	17,762
Novo Nordisk, B Shares (DKK)	67,193	3,086
Perrigo (16)	8,873	344
Pfizer	813,575	35,512
Roche Holding (CHF)	61,209	15,196
Sanofi (EUR)	99,631	8,643

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Zoetis	4,800	411
		148,693
Total Health Care		406,030
INDUSTRIALS & BUSINESS SERVICES 5.9%		
Aerospace & Defense 1.7%		
Boeing	119,776	38,628
Harris	30,947	4,167
L3 Technologies	6,111	1,061
Meggitt (GBP)	879,000	5,280
Northrop Grumman	56,898	13,934
Textron	24,742	1,138
		64,208
Air Freight & Logistics 0.1%		
FedEx	9,826	1,585
United Parcel Service, Class B	16,904	1,649
		3,234
Airlines 0.3%		
Alaska Air Group	47,678	2,901
American Airlines Group	23,053	740
Delta Air Lines	108,726	5,426
United Continental Holdings (1)	55,566	4,653
		13,720
Building Products 0.0%		
Fortune Brands Home & Security	19,622	745
Resideo Technologies (1)	4,450	92
		837
Commercial Services & Supplies 0.1%		
Cintas	3,065	515
Republic Services	28,812	2,077
Stericycle (1)(16)	26,728	981
Waste Connections	28,525	2,118
		5,691

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Electrical Equipment 0.6%		
ABB (CHF)	288,279	5,505
Hubbell	8,106	805
Legrand (EUR)	50,856	2,875
Melrose Industries (GBP)	1,186,285	2,479
Mitsubishi Electric (JPY)	721,100	7,952
Prysmian (EUR)	145,097	2,823
Sensata Technologies Holding (1)	11,755	527
		22,966
Industrial Conglomerates 1.4%		
CK Hutchison Holdings (HKD)	669,968	6,430
DCC (GBP)	60,031	4,579
General Electric	1,049,900	7,948
Honeywell International	83,159	10,987
Roper Technologies	33,456	8,917
Sembcorp Industries (SGD)	541,160	1,008
Siemens (EUR)	116,486	13,000
		52,869
Machinery 0.6%		
Caterpillar	6,278	798
Flowserve (16)	22,046	838
Fortive	104,904	7,098
Illinois Tool Works	30,300	3,839
PACCAR	67,300	3,845
SMC (JPY)	10,200	3,071
THK (JPY)(16)	208,400	3,893
Wabtec	7,700	541
Xylem	4,000	267
		24,190
Professional Services 0.3%		
CoStar Group (1)	1,014	342
Equifax	7,279	678
IHS Markit (1)(16)	2,482	119
Nielsen Holdings	194,769	4,544
Recruit Holdings (JPY)	163,700	3,955

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
TransUnion	5,343	303
		9,941
Road & Rail 0.4%		
Canadian Pacific Railway	8,219	1,460
Central Japan Railway (JPY)	25,300	5,338
CSX	35,817	2,225
Kansas City Southern	41,124	3,925
Norfolk Southern	2,300	344
Union Pacific	6,163	852
		14,144
Trading Companies & Distributors 0.4%		
HD Supply Holdings (1)	8,173	307
Mitsubishi (JPY)	211,700	5,804
Sumitomo (JPY)	607,900	8,625
		14,736
Total Industrials & Business Services		226,536
INFORMATION TECHNOLOGY 9.9%		
Communications Equipment 0.7%		
Cisco Systems	449,281	19,467
Juniper Networks	26,241	706
LM Ericsson, B Shares (SEK)	324,382	2,872
Motorola Solutions	15,435	1,776
		24,821
Electronic Equipment, Instruments & Components 0.7%		
Amphenol, Class A	24,423	1,979
Corning	230,300	6,957
Hamamatsu Photonics (JPY)	62,800	2,105
Keysight Technologies (1)	80,685	5,009
Largan Precision (TWD)	22,000	2,296
Murata Manufacturing (JPY)	22,000	2,964
Omron (JPY)	79,400	2,878
TE Connectivity	36,300	2,745
		26,933

	Shares/Par	\$ Value
(Cost and value in \$000s)		
IT Services 2.4%		
Accenture, Class A	25,148	3,546
ANT International, Class C, Acquisition Date: 6/7/18, Cost \$1,137 (1)(4)(5)	202,596	1,137
Automatic Data Processing	4,100	538
Black Knight (1)	16,715	753
Fidelity National Information Services	47,645	4,886
Fiserv (1)	52,589	3,865
FleetCor Technologies (1)	4,798	891
Gartner (1)(16)	8,653	1,106
Global Payments	57,384	5,918
Infosys, ADR	403,600	3,842
Mastercard, Class A	112,047	21,138
PayPal Holdings (1)	134,003	11,268
VeriSign (1)	4,500	667
Visa, Class A	204,759	27,016
Worldpay, Class A (1)	53,526	4,091
		90,662
Semiconductors & Semiconductor Equipment 2.0%		
Applied Materials	26,098	854
ASML Holding (EUR)	27,691	4,338
Broadcom	47,289	12,025
Intel	30,909	1,451
KLA-Tencor	13,398	1,199
Lam Research	10,548	1,436
Marvell Technology Group	2,412	39
Maxim Integrated Products	72,511	3,687
Microchip Technology	38,532	2,771
Micron Technology (1)	54,017	1,714
NVIDIA	37,771	5,042
NXP Semiconductors	99,549	7,295
QUALCOMM	112,488	6,402
Renesas Electronics (JPY)(1)	328,600	1,493
Taiwan Semiconductor Manufacturing (TWD)	1,465,969	10,645
Texas Instruments	123,778	11,697
Tokyo Electron (JPY)	33,000	3,715

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Xilinx	12,480	1,063
		76,866
Software 3.4%		
Intuit	52,053	10,247
Microsoft	719,079	73,037
Oracle	33,432	1,510
Red Hat (1)	17,890	3,142
salesforce.com (1)	98,087	13,435
ServiceNow (1)	50,565	9,003
Splunk (1)	23,798	2,495
Symantec	137,191	2,592
Synopsys (1)	66,528	5,604
VMware, Class A	28,131	3,858
Workday, Class A (1)	39,325	6,279
		131,202
Technology Hardware, Storage & Peripherals 0.7%		
Apple	122,950	19,394
Hewlett Packard Enterprise	14,752	195
Samsung Electronics (KRW)	259,635	9,038
		28,627
Total Information Technology		379,111
MATERIALS 2.2%		
Chemicals 1.3%		
Air Liquide (EUR)	40,101	4,980
Air Products & Chemicals	32,537	5,208
Asahi Kasei (JPY)	512,900	5,264
BASF (EUR)	77,850	5,422
CF Industries Holdings	13,067	569
Covestro (EUR)(3)	52,461	2,598
DowDuPont	189,218	10,119
Johnson Matthey (GBP)	128,431	4,586
PPG Industries	15,920	1,627
RPM International	7,547	444
Sherwin-Williams	6,474	2,547

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Tosoh (JPY)	61,000	791
Umicore (EUR)	98,476	3,930
Valvoline	11,068	214
		48,299
Containers & Packaging 0.3%		
Amtcor (AUD)	381,293	3,560
Ball	121,062	5,566
International Paper	83,935	3,388
Sealed Air (16)	20,779	724
		13,238
Metals & Mining 0.5%		
Antofagasta (GBP)	340,587	3,406
BHP Group (AUD)	54,734	1,323
BHP Group (GBP)	240,625	5,085
Independence Group (AUD)	1,036,549	2,789
Rio Tinto (AUD)	37,933	2,100
South32 (AUD)	1,135,946	2,702
Southern Copper	8,875	273
Sumitomo Metal Mining (JPY)	95,600	2,560
		20,238
Paper & Forest Products 0.1%		
Stora Enso, R Shares (EUR)	326,634	3,787
		3,787
Total Materials		85,562
REAL ESTATE 0.9%		
Equity Real Estate Investment Trusts 0.8%		
American Tower, REIT	9,790	1,549
AvalonBay Communities, REIT	4,914	855
Crown Castle International, REIT	34,064	3,700
Equity Residential, REIT	17,504	1,156
Great Portland Estates (GBP)	239,950	2,017
JBG SMITH Properties, REIT	7,419	258
Prologis, REIT	79,758	4,684
Public Storage, REIT	9,576	1,938

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Regency Centers, REIT	10,647	625
Scentre Group (AUD)	1,205,808	3,315
Simon Property Group, REIT	5,330	895
SL Green Realty, REIT	9,789	774
Unibail-Rodamco-Westfield (EUR)	19,776	3,060
Ventas, REIT	27,400	1,605
Vornado Realty Trust, REIT	12,254	760
Weyerhaeuser, REIT	77,661	1,698
		28,889
Real Estate Management & Development 0.1%		
Mitsui Fudosan (JPY)	186,100	4,134
		4,134
Total Real Estate		33,023
UTILITIES 2.4%		
Electric Utilities 1.3%		
Duke Energy	120,537	10,402
Entergy	83,952	7,226
Evergy	83,769	4,756
Eversource Energy	11,394	741
NextEra Energy	93,321	16,221
PG&E (1)	79,764	1,894
Southern	205,055	9,006
SSE (GBP)	86,445	1,194
		51,440
Gas Utilities 0.1%		
Atmos Energy	2,443	227
Beijing Enterprises Holdings (HKD)	472,500	2,505
		2,732
Independent Power & Renewable Electricity Producers 0.1%		
Electric Power Development (JPY)	169,700	4,027
		4,027
Multi-Utilities 0.9%		
E.ON (EUR)	193,154	1,907
Engie (EUR)	484,130	6,956

	Shares/Par	\$ Value
(Cost and value in \$000s)		
National Grid (GBP)	471,504	4,613
NiSource	217,529	5,514
Sempra Energy	124,157	13,432
		32,422
Water Utilities 0.0%		
American Water Works	19,223	1,745
		1,745
Total Utilities		92,366
Total Common Stocks (Cost \$1,647,707)		2,350,108
CONVERTIBLE PREFERRED STOCKS 0.2%		
HEALTH CARE 0.1%		
Health Care Equipment & Supplies 0.1%		
Becton Dickinson & Company, Series A, 6.125%, 5/1/20 (1)	18,563	1,068
Total Health Care		1,068
INDUSTRIALS & BUSINESS SERVICES 0.0%		
Machinery 0.0%		
Fortive, Series A, 5.00%, 7/1/21 (1)	824	748
Total Industrials & Business Services		748
UTILITIES 0.1%		
Electric Utilities 0.1%		
NextEra Energy, 6.123%, 9/1/19 (1)	37,309	2,145
		2,145
Multi-Utilities 0.0%		
Sempra Energy, Series A, 6.00%, 1/15/21 (1)	10,500	1,009
Sempra Energy, Series B, 6.75%, 7/15/21	5,577	528
		1,537
Total Utilities		3,682
Total Convertible Preferred Stocks (Cost \$5,196)		5,498
CORPORATE BONDS 11.7%		
21st Century Fox America, 3.70%, 10/15/25	525,000	529

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
21st Century Fox America, 4.50%, 2/15/21	475,000	484
Abbott Laboratories, 3.40%, 11/30/23	1,281,000	1,274
Abbott Laboratories, 4.75%, 11/30/36	2,460,000	2,571
AbbVie, 3.20%, 5/14/26	420,000	388
AbbVie, 3.60%, 5/14/25	1,630,000	1,566
AbbVie, 4.50%, 5/14/35	1,900,000	1,760
ABN AMRO Bank, 4.75%, 7/28/25 (3)	940,000	939
AerCap Ireland Capital, 3.50%, 5/26/22	560,000	543
AerCap Ireland Capital, 4.125%, 7/3/23	1,945,000	1,892
Agilent Technologies, 3.20%, 10/1/22	710,000	694
Agilent Technologies, 3.875%, 7/15/23	975,000	980
AHS Hospital, 5.024%, 7/1/45	1,600,000	1,773
AIA Group, 2.25%, 3/11/19 (3)	395,000	394
AIA Group, 3.20%, 3/11/25 (3)	1,020,000	982
AIG Global Funding, 2.15%, 7/2/20 (3)	615,000	604
AIG Global Funding, 3.35%, 6/25/21 (3)	1,600,000	1,594
Air Lease, 2.50%, 3/1/21	980,000	954
Air Lease, 3.625%, 4/1/27	1,025,000	908
Alabama Power, 3.75%, 3/1/45	1,065,000	973
Alexandria Real Estate Equities, 3.95%, 1/15/27	655,000	635
Alfa SAB de CV, 5.25%, 3/25/24 (3)	395,000	394
Alibaba Group Holding, 4.00%, 12/6/37	2,695,000	2,425
Allstate, 5.55%, 5/9/35	1,000,000	1,133
Altria Group, 4.75%, 5/5/21	535,000	546
Amazon.com, 2.80%, 8/22/24	1,055,000	1,026
Amazon.com, 3.875%, 8/22/37	1,645,000	1,596
Amazon.com, 5.20%, 12/3/25	1,850,000	2,029
America Movil SAB de CV, 6.375%, 3/1/35	300,000	354
American Airlines PTT, Series 2013-2, Class A, 4.95%, 1/15/23	683,059	694
American Airlines PTT, Series 2014-1, Class A, 3.70%, 10/1/26	1,003,292	969
American Airlines PTT, Series 2016-1, Class B, 5.25%, 1/15/24	2,041,149	2,074

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
American Campus Communities Operating Partnership, 3.35%, 10/1/20	585,000	583
American Campus Communities Operating Partnership, 3.625%, 11/15/27	1,860,000	1,743
American Express, 3.70%, 11/5/21	2,040,000	2,065
American Express Credit, 2.20%, 3/3/20	1,750,000	1,731
American International Group, 2.30%, 7/16/19	1,080,000	1,078
Amgen, 5.75%, 3/15/40	325,000	367
Analog Devices, 2.85%, 3/12/20	1,465,000	1,456
Anheuser-Busch, 3.65%, 2/1/26 (3)	2,305,000	2,178
Anthem, 2.50%, 11/21/20	695,000	684
Anthem, 4.65%, 1/15/43	915,000	890
ANZ New Zealand International, 2.20%, 7/17/20 (3)	930,000	914
ANZ New Zealand International, 2.75%, 1/22/21 (3)	1,965,000	1,940
Aon, 2.80%, 3/15/21	2,085,000	2,056
Appalachian Power, 4.45%, 6/1/45	2,450,000	2,420
Apple, 1.90%, 2/7/20	2,400,000	2,377
Apple, 3.20%, 5/11/27	7,495,000	7,235
APT Pipelines, 4.25%, 7/15/27 (3)	620,000	602
Aptiv, 3.15%, 11/19/20	1,825,000	1,815
Aptiv, 4.15%, 3/15/24	745,000	738
Atmos Energy, 4.15%, 1/15/43	1,500,000	1,464
Ausgrid Finance, 3.85%, 5/1/23 (3)	1,705,000	1,698
AutoZone, 3.125%, 4/21/26	650,000	603
AutoZone, 4.00%, 11/15/20	825,000	832
Avnet, 4.625%, 4/15/26	895,000	867
AXA Equitable Holdings, 3.90%, 4/20/23 (3)	735,000	728
Baidu, 2.75%, 6/9/19	1,240,000	1,238
Baidu, 3.875%, 9/29/23	2,000,000	1,994
Baltimore Gas & Electric, 3.35%, 7/1/23	1,750,000	1,744
Banco Santander, 3.125%, 2/23/23	1,000,000	948
Banco Santander, 3.848%, 4/12/23	2,000,000	1,943

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Bank of America, 4.20%, 8/26/24	600,000	595
Bank of America, 6.11%, 1/29/37	900,000	999
Bank of America, 6.75%, 6/1/28	700,000	820
Bank of America, FRN, 3M USD LIBOR + 0.65%, 3.472%, 6/25/22	2,575,000	2,542
Bank of Montreal, 2.375%, 1/25/19	1,600,000	1,600
Bank of Montreal, Series D, 3.10%, 4/13/21	2,835,000	2,834
Bank of Nova Scotia, 3.125%, 4/20/21	3,275,000	3,267
Barclays, 3.25%, 1/12/21	1,800,000	1,763
Barclays Bank, 2.65%, 1/11/21	1,515,000	1,486
BAT Capital, 2.764%, 8/15/22	2,205,000	2,084
Baxalta, 2.875%, 6/23/20	310,000	307
Baylor Scott & White Holdings, 3.967%, 11/15/46	1,850,000	1,781
BB&T, 2.25%, 2/1/19	1,200,000	1,200
Becton Dickinson & Company, 3.70%, 6/6/27	3,000,000	2,836
Berkshire Hathaway Energy, 5.15%, 11/15/43	1,350,000	1,439
Biogen, 3.625%, 9/15/22	1,095,000	1,097
BMW U.S. Capital, 3.40%, 8/13/21 (3)	2,835,000	2,828
Boardwalk Pipelines, 4.45%, 7/15/27	385,000	359
Boardwalk Pipelines, 4.95%, 12/15/24	780,000	776
Booking Holdings, 3.60%, 6/1/26	2,020,000	1,936
Booking Holdings, 3.65%, 3/15/25	1,515,000	1,465
Boral Finance Property, 3.00%, 11/1/22 (3)	220,000	212
Boston Properties, 3.125%, 9/1/23	625,000	605
Boston Properties, 3.65%, 2/1/26	1,165,000	1,128
Boston Properties, 4.125%, 5/15/21	375,000	379
BP Capital Markets, 1.768%, 9/19/19	680,000	673
BPCE, 3.00%, 5/22/22 (3)	425,000	411
BPCE, 4.00%, 9/12/23 (3)	1,350,000	1,326
BPCE, 4.50%, 3/15/25 (3)	1,000,000	968
BPCE, 5.70%, 10/22/23 (3)	1,700,000	1,765

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Braskem Netherlands Finance, 3.50%, 1/10/23 (3)	1,030,000	980
Brixmor Operating Partnership, 3.875%, 8/15/22	865,000	863
Brixmor Operating Partnership, 3.90%, 3/15/27	565,000	535
Brixmor Operating Partnership, 4.125%, 6/15/26	1,220,000	1,177
Broadcom, 3.00%, 1/15/22	2,675,000	2,570
Burlington Northern Santa Fe, 4.375%, 9/1/42	1,400,000	1,405
Burlington Northern Santa Fe, 6.15%, 5/1/37	650,000	800
Camden Property Trust, 2.95%, 12/15/22	565,000	554
Canadian Pacific Railway, 7.25%, 5/15/19	200,000	203
Capital One Financial, 3.45%, 4/30/21	2,730,000	2,730
Carpenter Technology, 4.45%, 3/1/23	790,000	770
Caterpillar Financial Services, 3.15%, 9/7/21	2,665,000	2,672
CC Holdings, 3.849%, 4/15/23	440,000	436
Celgene, 3.55%, 8/15/22	1,700,000	1,682
Celgene, 4.625%, 5/15/44	1,200,000	1,061
Celulosa Arauco y Constitucion, 3.875%, 11/2/27	1,030,000	946
Charter Communications Operating, 4.908%, 7/23/25	2,465,000	2,453
Chubb INA Holdings, 5.90%, 6/15/19	335,000	340
Cigna, 3.75%, 7/15/23 (3)	3,470,000	3,442
Citibank, 2.125%, 10/20/20	2,000,000	1,958
Citigroup, 2.35%, 8/2/21	1,460,000	1,417
Citigroup, VR, 3.887%, 1/10/28 (6)	3,335,000	3,209
Citigroup, VR, 4.075%, 4/23/29 (6)	2,000,000	1,953
Citizens Bank, 2.50%, 3/14/19	965,000	964
Citizens Bank, 2.55%, 5/13/21	1,085,000	1,063
Citizens Financial Group, 2.375%, 7/28/21	210,000	205
Citizens Financial Group, 4.30%, 12/3/25	990,000	977
CMS Energy, 4.70%, 3/31/43	840,000	854
CMS Energy, 4.875%, 3/1/44	1,200,000	1,258
CNA Financial, 5.875%, 8/15/20	800,000	829
Columbia Pipeline Group, 3.30%, 6/1/20	1,300,000	1,297

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Commonwealth Bank of Australia, 4.50%, 12/9/25 (3)	1,750,000	1,705
Concho Resources, 3.75%, 10/1/27	665,000	625
Continental Airlines PTT, Series 2010-1, Class A, 4.75%, 1/12/21	156,377	158
Cooperatieve Rabobank, 3.125%, 4/26/21	1,805,000	1,798
Credit Agricole, 3.75%, 4/24/23 (3)	2,125,000	2,075
Credit Suisse Group, VR, 2.997%, 12/14/23 (3)(6)	1,385,000	1,319
CRH America Finance, 3.95%, 4/4/28 (3)	2,600,000	2,474
Crown Castle International, 3.40%, 2/15/21	485,000	483
Crown Castle Towers, 3.222%, 5/15/22 (3)	45,000	44
Crown Castle Towers, 3.663%, 5/15/25 (3)	485,000	480
Crown Castle Towers, 3.72%, 7/15/23 (3)	490,000	488
CVS Health, 3.125%, 3/9/20	3,780,000	3,775
Danone, 2.947%, 11/2/26 (3)	1,925,000	1,756
Delta Air Lines, 2.875%, 3/13/20	2,200,000	2,193
Delta Air Lines, 3.80%, 4/19/23	765,000	752
Delta Air Lines PTT, Series 2009-1, Class A, 7.75%, 12/17/19	219,618	227
Delta Air Lines PTT, Series 2010-2, Class A, 4.95%, 5/23/19	31,667	32
Discover Financial Services, 3.75%, 3/4/25	590,000	565
Discover Financial Services, 10.25%, 7/15/19	400,000	414
Dominion Energy, 2.75%, 9/15/22	200,000	193
Dominion Energy, STEP, 2.579%, 7/1/20	640,000	630
Duke Energy, 2.65%, 9/1/26	640,000	583
Duke Energy, 3.75%, 9/1/46	500,000	434
DXC Technology, 2.875%, 3/27/20	920,000	916
Eaton Vance, 3.625%, 6/15/23	750,000	753
Elanco Animal Health, 3.912%, 8/27/21 (3)	370,000	372
Enbridge, 4.00%, 10/1/23	690,000	689
Enbridge, 4.25%, 12/1/26	590,000	582
Enbridge, Series 16-A, VR, 6.00%, 1/15/77 (6)	1,135,000	1,007
Enbridge Energy Partners, 5.50%, 9/15/40	245,000	252

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Enel Finance International, 2.75%, 4/6/23 (3)	1,665,000	1,534
Eni, 4.00%, 9/12/23 (3)	780,000	768
EnLink Midstream Partners, 2.70%, 4/1/19	370,000	368
EOG Resources, 2.625%, 3/15/23	500,000	481
ERAC USA Finance, 3.85%, 11/15/24 (3)	435,000	431
ERAC USA Finance, 4.50%, 2/15/45 (3)	505,000	471
Expedia Group, 5.00%, 2/15/26	1,810,000	1,855
Express Scripts Holding, 2.60%, 11/30/20	1,930,000	1,893
Express Scripts Holding, 3.00%, 7/15/23	810,000	778
Federal Realty Investment Trust, 2.75%, 6/1/23	1,500,000	1,448
Fidelity National Financial, 4.50%, 8/15/28 (3)	2,065,000	2,040
Fidelity National Information Services, 4.25%, 5/15/28	2,590,000	2,565
Fifth Third Bancorp, 3.50%, 3/15/22	340,000	341
Fifth Third Bank, 3.35%, 7/26/21	2,665,000	2,671
First American Financial, 4.60%, 11/15/24	415,000	419
FirstEnergy Transmission, 4.35%, 1/15/25 (3)	1,310,000	1,329
FMR, 4.95%, 2/1/33 (3)	740,000	808
Ford Motor Credit, 5.75%, 2/1/21	600,000	611
Fresnillo, 5.50%, 11/13/23 (3)(16)	805,000	821
GATX, 2.60%, 3/30/20	160,000	159
GATX, 4.35%, 2/15/24	2,105,000	2,138
GATX, 4.85%, 6/1/21	1,000,000	1,030
GE Capital International Funding, 2.342%, 11/15/20	877,000	846
General Electric, 5.30%, 2/11/21	232,000	233
General Electric, 5.50%, 1/8/20	72,000	73
General Motors, 4.00%, 4/1/25	1,120,000	1,046
General Motors Financial, 3.10%, 1/15/19	1,180,000	1,180
General Motors Financial, 4.20%, 11/6/21	1,335,000	1,328
George Washington University, 4.30%, 9/15/44	975,000	1,020
Gilead Sciences, 1.85%, 9/20/19	790,000	784
Gilead Sciences, 3.25%, 9/1/22	875,000	871

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Goldcorp, 3.625%, 6/9/21	1,260,000	1,257
Goldman Sachs Group, 2.75%, 9/15/20	1,300,000	1,286
Goldman Sachs Group, 3.00%, 4/26/22	3,935,000	3,806
Goldman Sachs Group, 4.25%, 10/21/25	1,865,000	1,786
Goldman Sachs Group, 5.75%, 1/24/22	380,000	398
Goldman Sachs Group, 6.75%, 10/1/37	700,000	795
Harris, 3.832%, 4/27/25	570,000	556
Healthcare Realty Trust, 3.625%, 1/15/28	1,075,000	1,010
Healthcare Realty Trust, 3.75%, 4/15/23	1,010,000	996
Heathrow Funding, 4.875%, 7/15/21 (3)	935,000	964
Hewlett Packard Enterprise, 2.10%, 10/4/19 (3)	1,010,000	999
High Street Funding Trust I, 4.111%, 2/15/28 (3)	1,800,000	1,798
HSBC Bank USA, 5.875%, 11/1/34	950,000	1,068
HSBC Holdings, VR, 3.262%, 3/13/23 (6)	1,800,000	1,764
Humana, 2.625%, 10/1/19	300,000	299
Hyatt Hotels, 3.375%, 7/15/23	275,000	268
Hyundai Capital America, 2.55%, 2/6/19 (3)	1,720,000	1,719
Hyundai Capital America, 3.45%, 3/12/21 (3)	3,145,000	3,121
Iberdrola International, 6.75%, 9/15/33	1,000,000	1,163
Illinois Tool Works, 3.90%, 9/1/42	1,200,000	1,186
ING Groep, 3.15%, 3/29/22	560,000	549
Intercontinental Exchange, 2.75%, 12/1/20	965,000	959
Intercontinental Exchange, 3.45%, 9/21/23	1,440,000	1,447
International Paper, 4.40%, 8/15/47	1,180,000	989
Interpublic Group, 4.00%, 3/15/22	450,000	450
Interpublic Group, 4.20%, 4/15/24	585,000	580
Intesa Sanpaolo, 3.125%, 7/14/22 (3)	1,875,000	1,724
Intesa Sanpaolo, 3.375%, 1/12/23 (3)	660,000	608
Invesco Finance, 3.125%, 11/30/22	480,000	470
JB Hunt Transport Services, 2.40%, 3/15/19	255,000	255
John Deere Capital, 2.35%, 1/8/21	1,255,000	1,236

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
JPMorgan Chase, 2.75%, 6/23/20	2,445,000	2,429
JPMorgan Chase, 3.375%, 5/1/23	1,080,000	1,059
JPMorgan Chase, 4.50%, 1/24/22	2,000,000	2,060
JPMorgan Chase, VR, 3.559%, 4/23/24 (6)	1,875,000	1,863
JPMorgan Chase, VR, 3.882%, 7/24/38 (6)	2,460,000	2,242
Kaiser Foundation Hospitals, 3.50%, 4/1/22	625,000	621
Kansas Gas & Electric, 6.70%, 6/15/19 (3)	280,000	284
Keurig Dr Pepper, 3.551%, 5/25/21 (3)	1,710,000	1,703
KeyBank, 3.35%, 6/15/21	2,675,000	2,695
Keysight Technologies, 3.30%, 10/30/19	1,870,000	1,871
Kilroy Realty, 3.45%, 12/15/24	1,350,000	1,303
Kilroy Realty, 4.375%, 10/1/25	480,000	480
Liberty Mutual Group, 4.25%, 6/15/23 (3)	410,000	413
Liberty Mutual Group, 4.85%, 8/1/44 (3)	1,700,000	1,648
Lockheed Martin, 3.80%, 3/1/45	650,000	594
M&T Bank, 3.55%, 7/26/23	2,740,000	2,762
Magellan Midstream Partners, 6.55%, 7/15/19	155,000	157
Manufacturers & Traders Trust, 3.40%, 8/17/27	250,000	244
Manufacturers & Traders Trust, VR, 3.721%, 12/28/20	834,000	834
Marsh & McLennan, 3.50%, 6/3/24	3,060,000	2,998
Marsh & McLennan, 4.35%, 1/30/47	235,000	221
MassMutual Global Funding II, 1.95%, 9/22/20 (3)	1,496,000	1,466
Mayo Clinic, 4.00%, 11/15/47	1,500,000	1,514
Mead Johnson Nutrition, 4.125%, 11/15/25	200,000	204
Metropolitan Life Global Funding I, 3.45%, 10/9/21 (3)	2,605,000	2,618
Microchip Technology, 3.922%, 6/1/21 (3)	650,000	640
Mid-Atlantic Interstate Transmission, 4.10%, 5/15/28 (3)	2,640,000	2,659
Mississippi Power, 3.95%, 3/30/28	1,435,000	1,408
Mitsubishi UFJ Financial Group, 3.535%, 7/26/21	3,420,000	3,433
Morgan Stanley, 4.30%, 1/27/45	1,150,000	1,083
Morgan Stanley, 6.25%, 8/9/26	755,000	834

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Morgan Stanley, VR, 3.971%, 7/22/38 (6)	1,445,000	1,328
Nabors Industries, 5.50%, 1/15/23	675,000	535
National Rural Utilities Cooperative Finance, 2.35%, 6/15/20	725,000	720
National Rural Utilities Cooperative Finance, 2.90%, 3/15/21	3,220,000	3,200
NBCUniversal Enterprise, 1.974%, 4/15/19 (3)	855,000	853
New York Life Global Funding, 1.50%, 10/24/19 (3)	2,960,000	2,931
New York Life Global Funding, 3.25%, 8/6/21 (3)	2,095,000	2,098
NiSource, 3.49%, 5/15/27	1,730,000	1,657
NiSource, 3.95%, 3/30/48	1,775,000	1,559
Nordea Bank, 2.125%, 5/29/20 (3)	1,500,000	1,477
Norfolk Southern, 3.00%, 4/1/22	1,085,000	1,078
NSTAR Electric, 2.375%, 10/15/22	565,000	546
Nucor, 3.95%, 5/1/28	2,140,000	2,134
Nutrien, 4.00%, 12/15/26	830,000	803
O'Reilly Automotive, 3.60%, 9/1/27	1,825,000	1,744
O'Reilly Automotive, 3.80%, 9/1/22	370,000	371
O'Reilly Automotive, 4.875%, 1/14/21	1,000,000	1,028
Occidental Petroleum, 3.00%, 2/15/27	2,320,000	2,211
Omnicom Group, 3.60%, 4/15/26	830,000	784
PACCAR Financial, 1.95%, 2/27/20	920,000	910
PACCAR Financial, 3.10%, 5/10/21	2,190,000	2,193
PacifiCorp, 3.85%, 6/15/21	900,000	914
Packaging Corp of America, 3.65%, 9/15/24	785,000	763
Packaging Corp of America, 4.50%, 11/1/23	395,000	404
Partners Healthcare System, 3.443%, 7/1/21	1,150,000	1,155
Penske Truck Leasing, 3.20%, 7/15/20 (3)	1,250,000	1,242
PNC Bank, 3.50%, 6/8/23	1,330,000	1,333
PNC Financial Services Group, 3.30%, 3/8/22	1,100,000	1,098
PNC Financial Services Group, 6.70%, 6/10/19	590,000	599
PPL Capital Funding, 3.10%, 5/15/26	2,200,000	2,063
Pricoa Global Funding I, 1.45%, 9/13/19 (3)	675,000	668

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Pricoa Global Funding I, 3.45%, 9/1/23 (3)	2,650,000	2,649
Principal Financial Group, 3.40%, 5/15/25	2,460,000	2,389
Progress Energy, 4.40%, 1/15/21	450,000	458
Providence Health & Services, 4.379%, 10/1/23	1,310,000	1,365
Public Service Co. of Colorado, 3.20%, 11/15/20	325,000	325
QUALCOMM, 3.00%, 5/20/22	1,595,000	1,569
QVC, 4.375%, 3/15/23	770,000	738
QVC, 4.45%, 2/15/25	140,000	130
QVC, 4.85%, 4/1/24	1,645,000	1,573
Raymond James Financial, 3.625%, 9/15/26	210,000	199
Reinsurance Group of America, 5.00%, 6/1/21	630,000	653
RELX Capital, 3.50%, 3/16/23	840,000	831
Republic Services, 3.375%, 11/15/27	1,045,000	1,001
Republic Services, 5.50%, 9/15/19	400,000	407
Rogers Communications, 3.625%, 12/15/25	610,000	595
Roper Technologies, 3.00%, 12/15/20	1,160,000	1,149
Roper Technologies, 3.80%, 12/15/26	1,085,000	1,046
Sabine Pass Liquefaction, 4.20%, 3/15/28	1,335,000	1,267
Santander, 2.35%, 9/10/19	1,375,000	1,367
Santander, 3.75%, 11/15/21	1,360,000	1,360
Sempra Energy, 2.40%, 2/1/20	2,485,000	2,456
Shire Acquisitions Investments Ireland, 2.875%, 9/23/23	2,870,000	2,722
Sky, 2.625%, 9/16/19 (3)	355,000	352
SMBC Aviation Capital Finance, 4.125%, 7/15/23 (3)	422,000	423
Solvay Finance America, 3.40%, 12/3/20 (3)	1,890,000	1,879
Southeast Supply Header, 4.25%, 6/15/24 (3)	905,000	904
Southern Power, 5.15%, 9/15/41	1,200,000	1,197
Spectra Energy Partners, 3.375%, 10/15/26	480,000	448
Spectra Energy Partners, 4.75%, 3/15/24	1,145,000	1,173
State Street, 3.10%, 5/15/23	265,000	260
Sumitomo Mitsui Financial Group, 3.748%, 7/19/23	2,045,000	2,063

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
SunTrust Bank, VR, 3.502%, 8/2/22 (6)	2,730,000	2,723
Svenska Handelsbanken, 3.35%, 5/24/21	1,825,000	1,825
Tampa Electric, 6.15%, 5/15/37	1,000,000	1,161
Teachers Insurance & Annuity Assn., 4.90%, 9/15/44 (3)	1,800,000	1,863
Tencent Holdings, 2.985%, 1/19/23 (3)	960,000	933
Tencent Holdings, 3.595%, 1/19/28 (3)	2,095,000	1,972
Teva Pharmaceutical Finance III, 1.70%, 7/19/19	3,750,000	3,694
Teva Pharmaceutical Finance IV, 3.65%, 11/10/21	1,465,000	1,376
Thomson Reuters, 3.35%, 5/15/26	405,000	377
Time Warner Cable, 4.00%, 9/1/21	200,000	199
Time Warner Cable, 5.00%, 2/1/20	485,000	492
Time Warner Cable, 6.55%, 5/1/37	450,000	464
Time Warner Cable, 6.75%, 6/15/39	530,000	537
Time Warner Cable, 8.25%, 4/1/19	595,000	602
Time Warner Cable, 8.75%, 2/14/19	105,000	106
Toronto-Dominion Bank, 3.25%, 6/11/21	1,595,000	1,599
Toronto-Dominion Bank, 3.50%, 7/19/23	1,235,000	1,241
Toronto-Dominion Bank, VR, 3.625%, 9/15/31 (6)	305,000	288
Toyota Motor, 3.183%, 7/20/21	1,505,000	1,513
Toyota Motor Credit, 2.95%, 4/13/21	2,690,000	2,689
Transcontinental Gas Pipe Line, 4.60%, 3/15/48	1,645,000	1,523
Transurban Finance, 3.375%, 3/22/27 (3)	395,000	361
Transurban Finance, 4.125%, 2/2/26 (3)	335,000	327
Travelers, 6.25%, 6/15/37	750,000	931
Trinity Health, 4.125%, 12/1/45	725,000	694
UBS Group Funding Switzerland, 3.491%, 5/23/23 (3)	1,040,000	1,015
UBS Group Funding Switzerland, 4.125%, 9/24/25 (3)	1,115,000	1,106
United Airlines PTT, Series 2014-1, Class B, ETC, 4.75%, 4/11/22	360,214	364
United Airlines PTT, Series 2014-2, Class B, 4.625%, 9/3/22	1,440,791	1,451
United Overseas Bank, 3.20%, 4/23/21 (3)(16)	3,300,000	3,299

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
United Technologies, 3.35%, 8/16/21	1,445,000	1,440
UnitedHealth Group, 3.75%, 7/15/25	645,000	651
UnitedHealth Group, 4.70%, 2/15/21	835,000	859
UnitedHealth Group, 4.75%, 7/15/45	1,235,000	1,312
Unum Group, 3.00%, 5/15/21	590,000	581
Unum Group, 5.625%, 9/15/20	200,000	205
VEREIT Operating Partnership, 3.95%, 8/15/27	1,490,000	1,382
Verizon Communications, 4.272%, 1/15/36	870,000	816
Verizon Communications, 5.25%, 3/16/37	2,475,000	2,584
Visa, 2.15%, 9/15/22	2,420,000	2,334
Volkswagen Group of America Finance, 4.00%, 11/12/21 (3)	2,595,000	2,595
Vulcan Materials, 4.50%, 6/15/47	590,000	502
WEA Finance, 3.25%, 10/5/20 (3)	720,000	719
Wells Fargo, 3.069%, 1/24/23	3,240,000	3,155
West Fraser Timber, 4.35%, 10/15/24 (3)	800,000	780
WestPac Banking, 2.15%, 3/6/20	1,200,000	1,187
Williams, 5.10%, 9/15/45	1,735,000	1,617
Williams, 5.25%, 3/15/20	775,000	790
Willis North America, 3.60%, 5/15/24	820,000	796
Willis North America, 4.50%, 9/15/28	1,370,000	1,336
Woodside Finance, 3.70%, 9/15/26 (3)	738,000	687
Woodside Finance, 3.70%, 3/15/28 (3)	1,187,000	1,084
WPP Finance 2010, 3.75%, 9/19/24	1,310,000	1,219
Total Corporate Bonds (Cost \$452,284)		446,355
BANK LOANS 0.0% (7)		
COMMUNICATIONS 0.0%		
Charter Communications Operating, FRN, 3M USD LIBOR + 2.00%, 9.02%, 4/30/25	1,569,150	1,501
Total Communications		1,501
Total Bank Loans (Cost \$1,567)		1,501

	Shares/Par	\$ Value
(Cost and value in \$000s)		
ASSET-BACKED SECURITIES 1.2%		
Arby's Funding Series 2015-1A, Class A2 4.969%, 10/30/45 (3)	3,128,250	3,191
Avis Budget Rental Car Funding Series 2014-1A, Class A 2.46%, 7/20/20 (3)	2,875,000	2,866
Barclays Dryrock Issuance Trust Series 2015-1, Class A 2.20%, 12/15/22	235,000	233
Betony 2 Series 2018-1A, Class A1, CLO, FRN 3M USD LIBOR + 1.08%, 3.60%, 4/30/31 (3)	1,860,000	1,831
BMW Vehicle Lease Trust Series 2017-2, Class A3 2.07%, 10/20/20	730,000	725
Capital Auto Receivables Asset Trust Series 2015-4, Class A4 2.01%, 7/20/20	243,958	244
CarMax Auto Owner Trust Series 2017-4, Class A3 2.11%, 10/17/22	515,000	510
CarMax Auto Owner Trust Series 2018-2, Class A3 2.98%, 1/17/23	1,185,000	1,192
CIFC Funding Series 2015-5A, Class A1R, CLO, FRN 3M USD LIBOR + 0.86%, 3.35%, 10/25/27 (3)	2,375,000	2,342
CNH Equipment Trust Series 2017-C, Class A3 2.08%, 2/15/23	995,000	982
DB Master Finance Series 2015-1A, Class A2II 3.98%, 2/20/45 (3)	2,271,500	2,303
Driven Brands Funding Series 2018-1A, Class A2 4.739%, 4/20/48 (3)	626,850	638
Elara HGV Timeshare Issuer Series 2017-A, Class A 2.69%, 3/25/30 (3)	658,017	650

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Enterprise Fleet Financing Series 2017-1, Class A2 2.13%, 7/20/22 (3)	143,363	142
Galaxy XXIX Series 2018-29A, Class A, CLO, FRN 3M USD LIBOR + 0.79%, 3.406%, 11/15/26 (3)	2,585,000	2,575
GM Financial Consumer Automobile Receivables Trust Series 2018-2, Class A3 2.81%, 12/16/22	1,855,000	1,848
GMF Floorplan Owner Revolving Trust Series 2017-1, Class A1 2.22%, 1/18/22 (3)	1,240,000	1,229
GreatAmerica Leasing Receivables Funding Series 2018-1, Class A3 2.60%, 6/15/21 (3)	490,000	487
Hardee's Funding Series 2018-1A, Class A2I 4.25%, 6/20/48 (3)	802,988	812
Hardee's Funding Series 2018-1A, Class A2II 4.959%, 6/20/48 (3)	1,980,038	2,016
Hyundai Auto Receivables Trust Series 2018-A, Class A3 2.79%, 7/15/22	930,000	929
Jimmy John's Funding Series 2017-1A, Class A2I 3.61%, 7/30/47 (3)	513,500	512
MMAF Equipment Finance Series 2017-B, Class A3 2.21%, 10/17/22 (3)	1,445,000	1,423
MVW Owner Trust Series 2013-1A, Class A 2.15%, 4/22/30 (3)	89,517	88
Octagon Investment Partners XXIII Series 2015-1A, Class A1R, CLO, FRN 3M USD LIBOR + 0.85%, 3.286%, 7/15/27 (3)	1,320,000	1,302
OZLM VIII Series 2014-8A, Class A1RR, CLO, FRN 3M USD LIBOR + 1.17%, 3.625%, 10/17/29 (3)	1,945,000	1,935
OZLM VIII Series 2014-8A, Class A2RR, CLO, FRN 3M USD LIBOR + 1.80%, 4.255%, 10/17/29 (3)	1,295,000	1,274

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Planet Fitness Master Issuer Series 2018-1A, Class A2I 4.262%, 9/5/48 (3)	3,117,188	3,130
Santander Drive Auto Receivables Trust Series 2018-2, Class B 3.03%, 9/15/22	1,270,000	1,269
Sierra Timeshare Receivables Funding Series 2014-3A, Class A 2.30%, 10/20/31 (3)	171,718	171
Sierra Timeshare Receivables Funding Series 2015-3A, Class A 2.58%, 9/20/32 (3)	140,673	139
SMB Private Education Loan Trust Series 2018-B, Class A2A 3.60%, 1/15/37 (3)	1,230,000	1,245
Sonic Capital Series 2018-1A, Class A2 4.026%, 2/20/48 (3)	254,788	252
Synchrony Credit Card Master Note Trust Series 2017-2, Class A 2.62%, 10/15/25	920,000	907
Wendy's Funding Series 2015-1A, Class A2II 4.08%, 6/15/45 (3)	2,902,500	2,901
World Omni Auto Receivables Trust Series 2016-A, Class A3 1.77%, 9/15/21	1,418,849	1,409
Total Asset-Backed Securities (Cost \$45,757)		45,702

**NON-U.S. GOVERNMENT MORTGAGE-BACKED
SECURITIES 1.5%**

Ashford Hospitality Trust Series 2018-ASHF, Class A, ARM 1M USD LIBOR + 0.90%, 3.355%, 4/15/35 (3)	2,786,446	2,765
Atrium Hotel Portfolio Trust Series 2017-ATRM, Class A, ARM 1M USD LIBOR + 0.93%, 3.385%, 12/15/36 (3)	2,530,000	2,508
BX Trust Series 2018-GW, Class A, ARM 1M USD LIBOR + 0.80%, 3.255%, 5/15/35 (3)	1,390,000	1,360

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Citigroup Commercial Mortgage Trust Series 2014-GC21, Class AS 4.026%, 5/10/47	235,000	237
Citigroup Commercial Mortgage Trust Series 2014-GC25, Class A1 1.485%, 10/10/47	34,341	34
COLT Mortgage Loan Trust Series 2017-1, Class A1, CMO, ARM 2.614%, 5/27/47 (3)	517,842	515
COLT Mortgage Loan Trust Series 2018-1, Class A1, CMO, ARM 2.93%, 2/25/48 (3)	683,846	676
Commercial Mortgage Trust Series 2014-LC15, Class B, ARM 4.599%, 4/10/47	2,495,000	2,553
Commercial Mortgage Trust Series 2015-LC21, Class A4 3.708%, 7/10/48	3,700,000	3,743
Commercial Mortgage Trust Series 2017-PANW, Class A 3.244%, 10/10/29 (3)	2,160,000	2,122
Connecticut Avenue Securities Series 2016-C04, Class 1M1, CMO, ARM 1M USD LIBOR + 1.45%, 3.956%, 1/25/29	312,112	313
Connecticut Avenue Securities Series 2016-C07, Class 2M1, CMO, ARM 1M USD LIBOR + 1.30%, 3.806%, 5/25/29	116,857	117
Connecticut Avenue Securities Series 2018-C03, Class 1M1, CMO, ARM 1M USD LIBOR + 0.68%, 3.186%, 10/25/30	1,152,048	1,149
Deephaven Residential Mortgage Trust Series 2018-1A, Class A1, CMO, ARM 2.976%, 12/25/57 (3)	986,107	977
Galton Funding Mortgage Trust Series 2018-1, Class A23, CMO, ARM 3.50%, 11/25/57 (3)	1,100,702	1,085
Goldman Sachs Mortgage Securities Trust Series 2014-GC24, Class A1 1.509%, 9/10/47	356,561	355
Goldman Sachs Mortgage Securities Trust Series 2015-GC32, Class A4 3.764%, 7/10/48	950,000	964

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Goldman Sachs Mortgage Securities Trust Series 2018-GS9, Class A4, ARM 3.992%, 3/10/51	1,250,000	1,274
Homeward Opportunities Fund I Trust Series 2018-1, Class A1, CMO, ARM 3.766%, 6/25/48 (3)	1,337,810	1,336
JPMorgan Barclays Bank Commercial Mortgage Securities Trust Series 2015-C31, Class A3 3.801%, 8/15/48	2,425,000	2,468
JPMorgan Barclays Bank Commercial Mortgage Securities Trust Series 2014-C22, Class A1 1.451%, 9/15/47	16,826	17
JPMorgan Chase Commercial Mortgage Securities Trust Series 2012-C8, Class A3 2.829%, 10/15/45	1,245,302	1,223
Mill City Mortgage Loan Trust Series 2016-1, Class A1, CMO, ARM 2.50%, 4/25/57 (3)	173,697	170
Mill City Mortgage Loan Trust Series 2018-1, Class A1, CMO, ARM 3.25%, 5/25/62 (3)	1,746,803	1,725
Morgan Stanley Bank of America Merrill Lynch Trust Series 2014-C17, Class B, ARM 4.464%, 8/15/47	1,670,000	1,696
Morgan Stanley Bank of America Merrill Lynch Trust Series 2015-C24, Class AS, ARM 4.036%, 5/15/48	1,375,000	1,396
Morgan Stanley Bank of America Merrill Lynch Trust Series 2015-C27, Class AS 4.068%, 12/15/47	2,775,000	2,844
Morgan Stanley Bank of America Merrill Lynch Trust Series 2016-C30, Class A5 2.86%, 9/15/49	495,000	470
Morgan Stanley Capital I Trust Series 2015-MS1, Class A4, ARM 3.779%, 5/15/48	1,440,000	1,462
Seasoned Credit Risk Transfer Trust Series 2016-1, Class M1, CMO, ARM 3.00%, 9/25/55 (3)	530,000	510

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Sequoia Mortgage Trust Series 2018-CH1, Class A11, CMO, ARM 3.50%, 2/25/48 (3)	1,582,048	1,577
Sequoia Mortgage Trust Series 2018-CH2, Class A3, CMO, ARM 4.00%, 6/25/48 (3)	2,766,110	2,789
Structured Agency Credit Risk Debt Notes Series 2015-DNA2, Class M2, CMO, ARM 1M USD LIBOR + 2.60%, 5.106%, 12/25/27	928,800	942
Structured Agency Credit Risk Debt Notes Series 2015-DNA3, Class M2, CMO, ARM 1M USD LIBOR + 2.85%, 5.356%, 4/25/28	983,593	1,010
Structured Agency Credit Risk Debt Notes Series 2016-HQA1, Class M2, CMO, ARM 1M USD LIBOR + 2.75%, 5.256%, 9/25/28	510,683	518
Structured Agency Credit Risk Debt Notes Series 2016-HQA3, Class M1, CMO, ARM 1M USD LIBOR + 0.80%, 3.306%, 3/25/29	69,322	69
Structured Agency Credit Risk Debt Notes Series 2018-SPI2, Class M1, CMO, ARM 3.819%, 5/25/48 (3)	1,559,563	1,553
Towd Point Mortgage Trust Series 2015-3, Class A1B, CMO, ARM 3.00%, 3/25/54 (3)	613,843	607
Towd Point Mortgage Trust Series 2015-4, Class A1B, CMO, ARM 2.75%, 4/25/55 (3)	738,787	729
Towd Point Mortgage Trust Series 2015-5, Class A1B, CMO, ARM 2.75%, 5/25/55 (3)	926,199	912
Towd Point Mortgage Trust Series 2016-1, Class A1B, CMO, ARM 2.75%, 2/25/55 (3)	707,858	698
Towd Point Mortgage Trust Series 2016-2, Class A1A, CMO, ARM 2.75%, 8/25/55 (3)	735,779	721
Towd Point Mortgage Trust Series 2016-3, Class A1, CMO, ARM 2.25%, 4/25/56 (3)	821,566	803
Towd Point Mortgage Trust Series 2017-1, Class A1, CMO, ARM 2.75%, 10/25/56 (3)	454,055	444

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Towd Point Mortgage Trust Series 2017-6, Class A1, CMO, ARM 2.75%, 10/25/57 (3)	1,301,296	1,271
Towd Point Mortgage Trust Series 2018-1, Class A1, CMO, ARM 3.00%, 1/25/58 (3)	707,830	695
Vendee Mortgage Trust Series 1996-3, Class 4, CMO, ARM 9.793%, 3/15/25	436	—
Verus Securitization Trust Series 2018-INV1, Class A1, CMO, ARM 3.626%, 3/25/58 (3)	1,330,882	1,329
WFRBS Commercial Mortgage Trust Series 2014-C19, Class B, ARM 4.723%, 3/15/47	610,000	630
Total Non-U.S. Government Mortgage-Backed Securities (Cost \$55,809)		55,361

**U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED
SECURITIES 9.9%**

U.S. Government Agency Obligations 6.9% (8)

Federal Home Loan Mortgage 1.749%, 2/25/22	2,330,120	2,290
1.785%, 9/25/22	1,126,711	1,107
1.875%, 4/25/22	2,638,594	2,596
2.206%, 6/25/25	1,714,703	1,667
2.413%, 1/25/21	462,337	460
2.50%, 4/23/20 - 3/1/43	7,771,664	7,652
2.777%, 4/25/23	498,406	497
2.952%, 2/25/27	1,313,506	1,315
3.00%, 1/1/29 - 8/1/43	8,189,382	8,062
3.50%, 3/1/42 - 3/1/46	14,923,309	15,021
4.00%, 9/1/40 - 6/1/42	5,162,986	5,313
4.50%, 6/1/39 - 5/1/42	3,235,188	3,384
5.00%, 12/1/35 - 8/1/40	1,397,211	1,481
5.50%, 1/1/38 - 12/1/39	371,997	399

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
6.00%, 2/1/28 - 8/1/38	32,157	35
6.50%, 8/1/32	15,940	18
7.00%, 6/1/32	15,598	16
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.743%, 3.618%, 2/1/37	73,036	77
12M USD LIBOR + 1.75%, 3.726%, 2/1/35	176,518	185
12M USD LIBOR + 1.588%, 4.338%, 10/1/36	23,072	24
12M USD LIBOR + 1.726%, 4.466%, 7/1/35	69,707	73
1Y CMT + 2.25%, 4.53%, 10/1/36	21,905	23
12M USD LIBOR + 1.979%, 4.847%, 11/1/36	37,345	40
12M USD LIBOR + 2.01%, 4.883%, 12/1/36	61,216	65
Federal National Mortgage Assn.		
2.50%, 10/1/31 - 8/1/46	5,938,679	5,738
3.00%, 1/1/27 - 11/1/47	54,251,394	53,245
3.50%, 11/1/26 - 3/1/48	58,094,885	58,375
4.00%, 11/1/40 - 7/1/48	45,252,418	46,316
4.50%, 5/1/19 - 9/1/48	17,777,363	18,545
5.00%, 5/1/19 - 9/1/48	5,839,866	6,183
5.50%, 4/1/19 - 5/1/44	5,639,947	6,079
6.00%, 3/1/21 - 1/1/41	3,880,188	4,228
6.50%, 3/1/24 - 8/1/38	567,993	635
7.00%, 9/1/25 - 4/1/32	39,567	44
7.50%, 9/1/26	348	—
8.00%, 8/1/24 - 7/1/26	899	1
Federal National Mortgage Assn., ARM		
12M USD LIBOR + 1.75%, 4.125%, 9/1/36	317	—
12M USD LIBOR + 1.595%, 4.346%, 7/1/35	48,449	51
12M USD LIBOR + 1.88%, 4.88%, 1/1/37	20,775	22
Federal National Mortgage Assn., CMO, 4.00%, 6/25/44	1,625,510	1,670
Federal National Mortgage Assn., TBA		
2.50%, 1/1/34 (15)	620,000	606

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
3.00%, 1/1/49 (15)	4,505,000	4,396
4.00%, 1/1/49 (15)	4,600,000	4,691
		262,625
U.S. Government Obligations 3.0%		
Government National Mortgage Assn.		
2.50%, 12/20/42 - 9/20/46	2,211,567	2,133
3.00%, 9/15/42 - 4/20/47	26,028,503	25,655
3.50%, 9/15/41 - 2/20/48	21,527,162	21,697
4.00%, 2/15/41 - 11/20/48	19,963,238	20,490
4.50%, 6/15/39 - 7/20/48	12,710,005	13,232
5.00%, 10/15/34 - 10/20/48	22,770,254	23,823
5.50%, 2/20/34 - 5/20/48	3,130,427	3,284
6.00%, 8/20/34 - 4/15/36	143,937	156
6.50%, 6/15/23 - 5/15/28	46,817	50
7.00%, 12/15/25 - 3/15/31	32,181	31
7.50%, 3/15/23 - 9/15/26	27,905	27
8.00%, 2/15/21 - 11/15/25	19,711	20
8.50%, 2/15/20 - 6/20/26	10,366	11
9.00%, 6/20/20	5,042	5
9.50%, 3/15/21	954	1
10.00%, 1/20/20	40	—
Government National Mortgage Assn., ARM, 1Y CMT + 1.50%, 3.75%, 8/20/23	954	1
Government National Mortgage Assn., CMO, 3.00%, 11/20/47- 12/20/47	2,129,179	2,124
Government National Mortgage Assn., TBA		
3.50%, 1/20/49 (15)	1,360,000	1,369
4.50%, 1/20/49 (15)	1,495,000	1,547
		115,656
Total U.S. Government & Agency Mortgage-Backed Securities (Cost \$381,011)		378,280

	Shares/Par	\$ Value
(Cost and value in \$000s)		
U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 6.0%		
U.S. Government Agency Obligations 0.1% (9)		
Federal Home Loan Banks, 1.375%, 5/28/19	2,265,000	2,253
		2,253
U.S. Treasury Obligations 5.9%		
U.S. Treasury Bonds, 2.25%, 8/15/46	8,700,000	7,455
U.S. Treasury Bonds, 2.50%, 2/15/46	2,975,000	2,693
U.S. Treasury Bonds, 2.75%, 11/15/42	3,000,000	2,873
U.S. Treasury Bonds, 2.75%, 8/15/47	17,710,000	16,827
U.S. Treasury Bonds, 2.875%, 8/15/45 (10)	4,185,000	4,086
U.S. Treasury Bonds, 3.00%, 11/15/44	2,990,000	2,989
U.S. Treasury Bonds, 3.00%, 5/15/45	10,640,000	10,643
U.S. Treasury Bonds, 3.00%, 11/15/45	11,185,000	11,187
U.S. Treasury Bonds, 3.00%, 2/15/47	1,150,000	1,150
U.S. Treasury Bonds, 3.00%, 2/15/48	2,000,000	1,996
U.S. Treasury Bonds, 3.00%, 8/15/48	3,900,000	3,896
U.S. Treasury Bonds, 3.125%, 11/15/41	10,495,000	10,757
U.S. Treasury Bonds, 3.125%, 2/15/43	3,715,000	3,797
U.S. Treasury Bonds, 3.50%, 2/15/39	820,000	898
U.S. Treasury Bonds, 3.625%, 8/15/43	11,460,000	12,701
U.S. Treasury Bonds, 4.50%, 5/15/38	2,500,000	3,116
U.S. Treasury Bonds, 4.75%, 2/15/41	1,350,000	1,746
U.S. Treasury Bonds, 5.375%, 2/15/31	1,440,000	1,830
U.S. Treasury Bonds, 6.50%, 11/15/26	5,425,000	6,913
U.S. Treasury Bonds, 7.25%, 8/15/22	100,000	116
U.S. Treasury Notes, 1.625%, 11/15/22	315,000	305
U.S. Treasury Notes, 2.00%, 11/15/26	31,170,000	29,772

	Shares/Par	\$ Value
(Cost and value in \$000s)		
U.S. Treasury Notes, 2.125%, 5/15/25	2,840,000	2,764
U.S. Treasury Notes, 2.25%, 11/15/24	17,385,000	17,092
U.S. Treasury Notes, 2.25%, 11/15/25	3,830,000	3,746
U.S. Treasury Notes, 2.25%, 2/15/27	12,695,000	12,330
U.S. Treasury Notes, 2.75%, 7/31/23	19,600,000	19,808
U.S. Treasury Notes, 2.75%, 8/31/23	21,055,000	21,292
U.S. Treasury Notes, 2.875%, 5/15/28	6,000,000	6,095
U.S. Treasury Notes, 2.875%, 8/15/28	7,200,000	7,314
		228,187
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost \$226,631)		230,440

FOREIGN GOVERNMENT OBLIGATIONS & MUNICIPALITIES 1.0%

Autoridad del Canal de Panama, 4.95%, 7/29/35 (3)	510,000	522
CNOOC Curtis Funding, 4.50%, 10/3/23 (3)	900,000	921
CNOOC Finance, 3.00%, 5/9/23	1,390,000	1,344
Government of Bermuda, 4.138%, 1/3/23 (3)	615,000	625
Government of Bermuda, 4.854%, 2/6/24 (3)	644,000	672
Hydro-Quebec, 8.40%, 1/15/22	200,000	230
Inter-American Development Bank, 3.875%, 9/17/19	700,000	705
KFW, 2.75%, 7/15/20	3,274,000	3,280
KFW, 4.875%, 6/17/19	1,000,000	1,010
Kingdom of Morocco, 4.25%, 12/11/22 (3)	1,400,000	1,407
Pertamina Persero, 4.30%, 5/20/23 (3)	1,250,000	1,234
Perusahaan Gas Negara Persero, 5.125%, 5/16/24 (3)	1,105,000	1,107
Petroleos Mexicanos, 3.50%, 1/30/23	460,000	418
Petroleos Mexicanos, 5.375%, 3/13/22	495,000	487
Petroleos Mexicanos, 5.50%, 6/27/44	675,000	514
Petroleos Mexicanos, 6.00%, 3/5/20	668,000	681
Petroleos Mexicanos, 6.50%, 1/23/29	465,000	434

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Province of Alberta, 2.20%, 7/26/22	3,050,000	2,980
Province of Ontario, 2.40%, 2/8/22	2,300,000	2,270
Province of Ontario, 2.55%, 2/12/21	1,980,000	1,972
Province of Quebec, 2.875%, 10/16/24	2,000,000	1,992
Province of Quebec, 3.50%, 7/29/20	750,000	760
Republic of Columbia, 4.00%, 2/26/24	275,000	273
Republic of Indonesia, 4.875%, 5/5/21	1,000,000	1,023
Republic of Poland, 3.25%, 4/6/26	1,030,000	1,010
Republic of South Africa, 5.50%, 3/9/20	1,405,000	1,427
Republic of South Africa, 5.875%, 9/16/25	495,000	502
State Grid Overseas Investment, 2.25%, 5/4/20 (3)	2,225,000	2,196
State Grid Overseas Investment, 3.75%, 5/2/23 (3)	1,175,000	1,187
Syngenta Finance, 3.698%, 4/24/20 (3)	1,830,000	1,818
United Mexican States, 4.125%, 1/21/26	1,760,000	1,726
Total Foreign Government Obligations & Municipalities (Cost \$36,917)		36,727
MUNICIPAL SECURITIES 0.9%		
California 0.2%		
California, Build America, GO, 7.625%, 3/1/40	2,200,000	3,132
Inland Valley Dev. Agency, Tax Allocation, Series B, 5.50%, 3/1/33 (11)	695,000	762
Los Angeles Airport, Build America, Series C, 7.053%, 5/15/40	1,000,000	1,409
Univ. of California Regents, Build America, 5.77%, 5/15/43	750,000	902
Univ. of California Regents, Series AJ, 4.601%, 5/15/31	1,625,000	1,745
Univ. of California Regents, Series J, 4.131%, 5/15/45	365,000	366
		8,316
Colorado 0.0%		
Denver City & County School District No. 1, Series B, COP, 4.242%, 12/15/37	760,000	784
		784

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Illinois 0.1%		
Chicago O'Hare International Airport, Build America, Series B, 6.395%, 1/1/40	755,000	964
Illinois Toll Highway Auth., Build America, Series A, 6.184%, 1/1/34	470,000	590
Metropolitan Water Reclamation Dist. Of Greater Chicago, Build America, GO, 5.72%, 12/1/38	500,000	601
		2,155
Maryland 0.1%		
Maryland HHEFA, Univ. of Maryland Medical, Series B, 4.665%, 7/1/36	1,800,000	1,895
Maryland Transportation Auth., Build America, 5.888%, 7/1/43	350,000	438
		2,333
Michigan 0.1%		
Detroit City School Dist., Qualified School Construction Bonds, GO, 6.645%, 5/1/29	2,000,000	2,432
		2,432
New Jersey 0.0%		
New Jersey Turnpike Auth., Build America, Series F, 7.414%, 1/1/40	415,000	585
		585
New York 0.2%		
Dormitory Auth. Of the State of New York, Personal Income Tax, Build America, Series F, 5.628%, 3/15/39	1,300,000	1,543
Metropolitan Transportation Auth., Build America, Series A-1, 5.871%, 11/15/39	700,000	831
Metropolitan Transportation Auth., Dedicated Tax Fund, Build America, 7.336%, 11/15/39	240,000	341
New York City Municipal Water & Sewer System, Build America, Series EE, 6.011%, 6/15/42	245,000	316

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
New York City Transitional Fin. Auth., Build America, 5.508%, 8/1/37	950,000	1,116
Port Auth. Of New York & New Jersey, Series 182, 5.31%, 8/1/46	1,400,000	1,511
		5,658
Ohio 0.0%		
JobsOhio Beverage System, Series B, 3.985%, 1/1/29	1,225,000	1,262
		1,262
Oregon 0.0%		
Oregon DOT, Build America, Series A, 5.834%, 11/15/34	375,000	466
		466
Pennsylvania 0.0%		
Philadelphia Auth. For IDA, GO, 3.964%, 4/15/26	805,000	806
		806
South Carolina 0.1%		
South Carolina Public Service Auth., Santee Cooper, Series C, 5.784%, 12/1/41	2,000,000	2,220
		2,220
Texas 0.1%		
Tarrant County Cultural Ed. Fac. Fin., Texas Health Resources, Series A, 4.366%, 11/15/47	1,200,000	1,253
Texas, Build America, Series A, GO, 5.517%, 4/1/39	1,300,000	1,614
		2,867
Utah 0.0%		
Utah Transit Auth., Build America, Series B, 5.937%, 6/15/39	900,000	1,134
		1,134

T. ROWE PRICE BALANCED FUND

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Virginia 0.0%		
Virginia Commonwealth Transportation Board, Build America, Series B, 5.35%, 5/15/35	690,000	785
Virginia Public Building Auth., Build America, Series B-2, 5.90%, 8/1/30	755,000	916
		1,701
Total Municipal Securities (Cost \$28,698)		32,719
BOND MUTUAL FUNDS 3.6%		
T. Rowe Price Inflation Protected Bond Fund – I Class, 2.92% (12)(13)	1,252,319	14,251
T. Rowe Price Institutional High Yield Fund, 6.99% (12)(13)	15,097,070	123,796
Total Bond Mutual Funds (Cost \$147,933)		138,047
EQUITY MUTUAL FUNDS 1.4%		
T. Rowe Price Real Assets Fund – I Class (13)	5,257,117	52,992
Total Equity Mutual Funds (Cost \$53,370)		52,992
SHORT-TERM INVESTMENTS 1.0%		
Money Market Funds 1.0%		
T. Rowe Price Treasury Reserve Fund, 2.47% (13)(14)	38,868,544	38,869
Total Short-Term Investments (Cost \$38,869)		38,869
SECURITIES LENDING COLLATERAL 0.5%		
Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank 0.4%		
Short-Term Funds 0.4%		
T. Rowe Price Short-Term Fund, 2.71% (13)(14)	1,358,620	13,586
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		13,586

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company 0.1%		
Short-Term Funds 0.1%		
T. Rowe Price Short-Term Fund, 2.71% (13)(14)	466,993	4,670
Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company		4,670
Total Securities Lending Collateral (Cost \$18,256)		18,256
Total Investments in Securities		
100.5% of Net Assets (Cost \$3,140,004)	\$	3,830,855

‡ Shares/Par and Notional Amount are denominated in U.S. dollars unless otherwise noted.

- (1) Non-income producing
- (2) Organized as a closed-end management investment company.
- (3) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers – total value of such securities at period-end amounts to \$188,881 and represents 5.0% of net assets.
- (4) Level 3 in fair value hierarchy. See Note 2.
- (5) 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 \$1,137 and represents 0.0% of net assets.
- (6) Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread is provided if the rate is currently floating.
- (7) Bank loan positions may involve multiple underlying tranches. In those instances, the position presented reflects the aggregate of those respective underlying tranches and the rate presented reflects their weighted average rate.
- (8) The issuer currently operates under a federal conservatorship; however, its securities are neither issued nor guaranteed by the U.S. government.
- (9) Issuer operates under a Congressional charter; its securities are neither issued nor guaranteed by the U.S. government.
- (10) At December 31, 2018, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
- (11) Insured by Assured Guaranty Municipal Corporation
- (12) SEC 30-day yield
- (13) Affiliated Companies

- (14) Seven-day yield
- (15) To-Be-Announced purchase commitment – total value of such securities at period-end amounts to \$12,609 and represents 0.3% of net assets. See Note 4.
- (16) All or a portion of this security is on loan at December 31, 2018. See Note 4.
- 12M USD LIBOR Twelve month USD LIBOR (London interbank offered rate)
- 1M USD LIBOR One month USD LIBOR (London interbank offered rate)
- 1Y CMT One year U.S. Treasury note constant maturity rate
- 3M USD LIBOR Three month USD LIBOR (London interbank offered rate)
- ADR American Depositary Receipts
- ARM Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula-based on the rates of the underlying loans
- AUD Australian Dollar
- BRL Brazilian Real
- CAD Canadian Dollar
- CHF Swiss Franc
- CLO Collateralized Loan Obligation
- CMO Collateralized Mortgage Obligation
- COP Certificate of Participation
- DKK Danish Krone
- DOT Department of Transportation
- ETC Equipment Trust Certificate
- EUR Euro
- FRN Floating Rate Note
- GBP British Pound
- GDR Global Depositary Receipts
- GO General Obligation
- HHEFA Health & Higher Educational Facility Authority
- HKD Hong Kong Dollar
- IDA Industrial Development Authority/Agency
- JPY Japanese Yen
- KRW South Korean Won
- NOK Norwegian Krone
- PTT Pass-Through Trust
- REIT A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder
- SDR Swedish Depositary Receipts
- SEK Swedish Krona
- SGD Singapore Dollar
- STEP Stepped coupon bond for which the coupon rate of interest adjusts on specified date(s); rate shown is effective rate at period-end.
- TBA To-Be-Announced
- TWD Taiwan Dollar
- USD U.S. Dollar
- VR Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

	Par	\$ Value
(Proceeds and value in \$000s)		
TBA SALES COMMITMENTS (0.2)%		
U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES (0.2)%		
U.S. Government Obligations (0.2)%		
Federal National Mortgage Assn., TBA, 3.50%, 1/1/49	(9,040,000)	(9,041)
Total U.S. Government & Agency Mortgage-Backed Securities		(9,041)
Total TBA Sales Commitments (Proceeds \$(8,984))		(9,041)

FUTURES CONTRACTS

(\$000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Long, 21 U.S. Treasury Long Bonds contracts	3/19	3,066	\$ 10
Short, 37 U.S. Treasury Notes five year contracts	3/19	(4,243)	(10)
Short, 79 U.S. Treasury Notes two year contracts	3/19	(16,773)	(45)
Net payments (receipts) of variation margin to date			34
Variation margin receivable (payable) on open futures contracts			\$ (11)

AFFILIATED COMPANIES

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the year ended December 31, 2018. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Inflation Protected Bond Fund - I Class	\$ 354	\$ (600)	\$ 89
T. Rowe Price Institutional High Yield Fund	(907)	(11,315)	8,270
T. Rowe Price Real Assets Fund - I Class	—	(8,226)	1,433
T. Rowe Price Treasury Reserve Fund	—	—	1,788
T. Rowe Price Short-Term Fund	—	—	— ⁺⁺
Affiliates Not Held at Period End	4,167	(4,680)	233
Totals	\$ 3,614 [#]	\$ (24,821)	\$ 11,813 ⁺

AFFILIATED COMPANIES (CONTINUED)

(\$000s)

Supplementary Investment Schedule

Affiliate	Value 12/31/17	Purchase Cost	Sales Cost	Value 12/31/18
T. Rowe Price Inflation Protected Bond Fund - I Class	\$ 13,358	\$ 1,493	\$ —	14,251
T. Rowe Price Institutional High Yield Fund	133,793	10,775	9,457	123,796
T. Rowe Price Institutional Large-Cap Core Growth Fund	6,529	305	4,664	—
T. Rowe Price Institutional U.S. Structured Research Fund	6,613	180	6,533	—
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class	7,908	—	8,002	—
T. Rowe Price Overseas Stock Fund - I Class	9,678	990	8,759	—
T. Rowe Price Real Assets Fund - I Class	59,760	1,458	—	52,992
T. Rowe Price U.S. Bond Enhanced Index Fund	14,754	2,611	17,519	—
T. Rowe Price Value Fund - I Class	6,610	150	6,171	—
T. Rowe Price Treasury Reserve Fund	110,409	□	□	38,869
T. Rowe Price Short-Term Fund	2,847	□	□	18,256
			\$	248,164 [^]

Capital gain distributions from mutual funds represented \$354 of the net realized gain (loss).

++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 4.

+ Investment income comprised \$11,813 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 \$258,428.

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

T. ROWE PRICE BALANCED FUND

December 31, 2018

STATEMENT OF ASSETS AND LIABILITIES

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

Assets

Investments in securities, at value (cost \$3,140,004)	\$ 3,830,855
Receivable for shares sold	36,628
Receivable for investment securities sold	27,709
Interest and dividends receivable	10,981
Foreign currency (cost \$706)	703
Cash	350
Other assets	2,405
Total assets	<u>3,909,631</u>

Liabilities

Payable for investment securities purchased	53,977
Obligation to return securities lending collateral	18,260
Payable for shares redeemed	13,313
TBA sales commitments (proceeds \$8,984)	9,041
Investment management fees payable	1,346
Due to affiliates	310
Variation margin payable on futures contracts	11
Payable to directors	4
Other liabilities	327
Total liabilities	<u>96,589</u>

NET ASSETS

\$ 3,813,042

Net Assets Consist of:

Undistributed net investment income	\$ 3,896
Accumulated undistributed net realized loss	(35,874)
Net unrealized gain	690,739
Paid-in capital applicable to 178,272,827 shares of \$0.01 par value capital stock outstanding; 1,000,000,000 shares authorized	<u>3,154,281</u>

NET ASSETS

\$ 3,813,042

T. ROWE PRICE BALANCED FUND

December 31, 2018

STATEMENT OF ASSETS AND LIABILITIES

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

NET ASSET VALUE PER SHARE

Investor Class

(\$3,399,631,392 / 158,949,040 shares outstanding) \$ 21.39

I Class

(\$413,410,792 / 19,323,787 shares outstanding) \$ 21.39

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

STATEMENT OF OPERATIONS

(\$000s)

	Year Ended 12/31/18
Investment Income (Loss)	
Income	
Dividend	\$ 68,385
Interest	39,891
Securities lending	331
Total income	<u>108,607</u>
Expenses	
Investment management	17,901
Shareholder servicing	
Investor Class	\$ 4,628
I Class	<u>12</u>
Prospectus and shareholder reports	
Investor Class	126
I Class	<u>2</u>
Custody and accounting	451
Registration	79
Legal and audit	63
Proxy and annual meeting	56
Directors	15
Miscellaneous	50
Waived / paid by Price Associates	<u>(1,263)</u>
Total expenses	<u>22,120</u>
Net investment income	<u>86,487</u>
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	199,157
Futures	45
Options written	131
Foreign currency transactions	(480)
Capital gain distributions from mutual funds	<u>354</u>
Net realized gain	<u>199,207</u>

STATEMENT OF OPERATIONS

(\$000s)

	Year Ended 12/31/18
Change in net unrealized gain / loss	
Securities	(482,221)
Futures	(189)
Options written	(196)
TBA sales commitments	(57)
Other assets and liabilities denominated in foreign currencies	(93)
Change in net unrealized gain / loss	<u>(482,756)</u>
Net realized and unrealized gain / loss	<u>(283,549)</u>
DECREASE IN NET ASSETS FROM OPERATIONS	<u>\$ (197,062)</u>

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

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year Ended	
	12/31/18	12/31/17
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 86,487	\$ 68,937
Net realized gain	199,207	264,064
Change in net unrealized gain / loss	(482,756)	319,126
Increase (decrease) in net assets from operations	(197,062)	652,127
Distributions to shareholders		
Net investment income		
Investor Class	(75,380)	(68,028)
I Class	(9,089)	(4,355)
Net realized gain		
Investor Class	(193,990)	(168,377)
I Class	(23,459)	(12,262)
Decrease in net assets from distributions	(301,918)	(253,022)
Capital share transactions*		
Shares sold		
Investor Class	563,429	542,714
I Class	233,723	98,036
Distributions reinvested		
Investor Class	261,153	230,053
I Class	31,682	16,406
Shares redeemed		
Investor Class	(756,862)	(970,732)
I Class	(75,819)	(23,015)
Increase (decrease) in net assets from capital share transactions	257,306	(106,538)

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year Ended 12/31/18	12/31/17
Net Assets		
Increase (decrease) during period	(241,674)	292,567
Beginning of period	4,054,716	3,762,149
End of period	\$ 3,813,042	\$ 4,054,716
Undistributed net investment income	3,896	265
*Share information		
Shares sold		
Investor Class	23,470	22,658
I Class	9,601	4,073
Distributions reinvested		
Investor Class	11,657	9,512
I Class	1,414	677
Shares redeemed		
Investor Class	(31,376)	(40,450)
I Class	(3,151)	(959)
Increase (decrease) in shares outstanding	11,615	(4,489)

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Balanced Fund, Inc. (the fund) is registered under the Investment Company Act of 1940 (the 1940 Act) as a diversified, open-end management investment company. The fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed-income securities. The fund has two classes of shares: the Balanced Fund (Investor Class) and the Balanced Fund–I Class (I Class). I Class shares generally are available only to investors meeting a \$1,000,000 minimum investment, although the minimum is generally waived for certain client accounts. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity. Certain ratios in the accompanying Financial Highlights have been included to conform to the current year presentation.

Investment Transactions, Investment Income, and Distributions Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Paydown gains and losses are recorded as an adjustment to interest income. 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 quarterly. 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 Shareholder servicing, prospectus, and shareholder report expenses incurred by each class are charged directly to the class to which they relate. Expenses common to both classes and investment income are allocated to the classes based upon the relative daily net assets of each class's settled shares; realized and unrealized gains and losses are allocated based upon the relative daily net assets of each class's outstanding shares. To the extent any expenses are waived or reimbursed in accordance with an expense limitation (see Note 6), the waiver or reimbursement is charged to the applicable class or allocated across the classes in the same manner as the related expense.

Rebates Subject to best execution, the fund may direct certain security trades to brokers who have agreed to rebate a portion of the related brokerage commission to the fund in cash. Commission rebates are reflected as realized gain on securities in the accompanying financial statements and totaled \$2,000 for the year ended December 31, 2018.

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.

Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by dealers who make markets in such securities or by an independent pricing service, which considers the yield or price of bonds of comparable

quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities. Generally, debt securities are categorized in Level 2 of the fair value hierarchy; however, to the extent the valuations include significant unobservable inputs, the securities would be categorized in Level 3.

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. Financial futures contracts are valued at closing settlement prices and are categorized in Level 1 of the fair value hierarchy. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

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

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

on a regular basis and updated as information becomes available, including actual purchase and sale transactions of the issue. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions, and fair value prices determined by the Valuation Committee could differ from those of other market participants. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on December 31, 2018 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Common Stocks	\$ 1,630,689	\$ 718,282	\$ 1,137	\$ 2,350,108
Convertible Preferred Stocks	—	5,498	—	5,498
Fixed Income Securities ¹	—	1,227,085	—	1,227,085
Bond Mutual Funds	138,047	—	—	138,047
Equity Mutual Funds	52,992	—	—	52,992
Short-Term Investments	38,869	—	—	38,869
Securities Lending Collateral	18,256	—	—	18,256
Total Securities	\$ 1,878,853	\$ 1,950,865	\$ 1,137	\$ 3,830,855
Liabilities				
Futures Contracts	\$ 11	\$ —	\$ —	\$ 11
TBA Sales Commitments	—	9,041	—	9,041
Total	\$ 11	\$ 9,041	\$ —	\$ 9,052

¹Includes Corporate Bonds, Bank Loans, Asset-Backed Securities, Non-U.S. Government Mortgage-Backed Securities, U.S. Government & Agency Mortgage-Backed Securities, U.S. Government Agency Obligations (Excluding Mortgage-Backed), Foreign Government Obligations & Municipalities, Municipal Securities.

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

Following is a reconciliation of the fund's Level 3 holdings for the year ended December 31, 2018. Gain (loss) reflects both realized and change in unrealized gain/loss on Level 3 holdings during the period, if any, and is included on the accompanying Statement of Operations. The change in unrealized gain/loss on Level 3 instruments held at December 31, 2018, totaled \$0 for the year ended December 31, 2018.

(\$000s)	Beginning Balance 1/1/18	Gain (Loss) During Period	Total Purchases	Ending Balance 12/31/18
Investment in Securities				
Common Stocks	\$ —	\$ —	\$ 1,137	\$ 1,137

NOTE 3 - DERIVATIVE INSTRUMENTS

During the year ended December 31, 2018, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes, such as seeking to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based. The fund at all times maintains sufficient cash reserves, liquid assets, or other SEC-permitted asset types to cover its settlement obligations under open derivative contracts.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral. As of December 31, 2018, the fund held interest rate futures with cumulative unrealized gain of \$10,000 and cumulative unrealized loss of \$55,000; the value reflected on the accompanying Statement of Assets and Liabilities is the related unsettled variation margin.

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the year ended December 31, 2018, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

(\$000s)	Location of Gain (Loss) on Statement of Operations			
	Securities [^]	Options Written	Futures	Total
Realized Gain (Loss)				
Interest rate derivatives	\$ (52)	\$ (205)	\$ 78	\$ (179)
Credit derivatives	(169)	336	—	167
Equity derivatives	—	—	(33)	(33)
Total	\$ (221)	\$ 131	\$ 45	\$ (45)
Change in Unrealized Gain (Loss)				
Interest rate derivatives	\$ —	\$ —	\$ (90)	\$ (90)
Credit derivatives	82	(196)	—	(114)
Equity derivatives	—	—	(99)	(99)
Total	\$ 82	\$ (196)	\$ (189)	\$ (303)

[^]Options purchased are reported as securities.

Counterparty Risk and Collateral The fund invests in exchange-traded or centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps. Counterparty risk on such derivatives is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by

the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were traded. This ability is subject to the liquidity of underlying positions. As of December 31, 2018, securities valued at \$72,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

Futures Contracts The fund is subject to interest rate risk and equity price risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risks. The fund may enter into futures contracts to manage exposure to interest rate and yield curve movements, security prices, foreign currencies, credit quality, and mortgage prepayments; as an efficient means of adjusting exposure to all or part of a target market; to enhance income; as a cash management tool; or to adjust portfolio duration and credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund's initial investment. During the year ended December 31, 2018, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 0% and 2% of net assets.

Options The fund is subject to interest rate risk and credit risk in the normal course of pursuing its investment objectives and uses options to help manage such risks. The fund may use options to manage exposure to security prices, interest rates, foreign currencies, and credit quality; as an efficient means of adjusting exposure to all or a part of a target market; to enhance income; as a cash management tool; or to adjust credit exposure. Options are included in net assets at fair value, options purchased are included in Investments in Securities, and Options written are separately reflected as a liability on the accompanying Statement of Assets and Liabilities. Premiums on unexercised,

expired options are recorded as realized gains or losses; premiums on exercised options are recorded as an adjustment to the proceeds from the sale or cost of the purchase. The difference between the premium and the amount received or paid in a closing transaction is also treated as realized gain or loss. In return for a premium paid, call and put options on futures give the holder the right, but not the obligation, to purchase or sell, respectively, a position in a particular futures contract at a specified exercise price. In return for a premium paid, options on swaps give the holder the right, but not the obligation, to enter a specified swap contract on predefined terms. The exercise price of an option on a credit default swap is stated in terms of a specified spread that represents the cost of credit protection on the reference asset, including both the upfront premium to open the position and future periodic payments. The exercise price of an interest rate swap is stated in terms of a fixed interest rate; generally, there is no upfront payment to open the position. Risks related to the use of options include possible illiquidity of the options markets; trading restrictions imposed by an exchange or counterparty; movements in the underlying asset values and interest rates and credit ratings; and, for Options written, potential losses in excess of the fund's initial investment. During the year ended December 31, 2018, the volume of the fund's activity in options, based on underlying notional amounts, was generally between 0% and 12% of net assets.

NOTE 4 - 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.

Collateralized Loan Obligations The fund may invest in collateralized loan obligations (CLOs) which are entities backed by a diversified pool of syndicated bank loans. The cash flows of the CLO can be split into multiple segments, called "tranches" or "classes", which will vary in risk profile and yield. The riskiest segments, which are the subordinate or "equity" tranches, bear the greatest risk of loss from defaults in the underlying assets of the CLO and serve to protect the other, more senior, tranches. Senior tranches will typically have higher credit ratings and lower yields than the securities underlying the CLO. Despite the protection from the more junior tranches, senior tranches can experience substantial losses.

TBA Purchase, Sale Commitments and Forward Settling Mortgage Obligations The fund may enter into to-be-announced (TBA) purchase or sale commitments (collectively, TBA transactions), pursuant to which it agrees to purchase or sell, respectively, mortgage-backed securities for a fixed unit price, with payment and delivery at a scheduled future date beyond the customary settlement period for such securities. With TBA transactions, the particular securities to be received or delivered by the fund are not identified at the trade date; however, the securities must meet specified terms, including issuer, rate, and mortgage term, and be within industry-accepted “good delivery” standards. The fund may enter into TBA transactions with the intention of taking possession of or relinquishing the underlying securities, may elect to extend the settlement by “rolling” the transaction, and/or may use TBA transactions to gain or reduce interim exposure to underlying securities. Until settlement, the fund maintains liquid assets sufficient to settle its commitment to purchase a TBA or, in the case of a sale commitment, the fund maintains an entitlement to the security to be sold.

To mitigate counterparty risk, the fund has entered into Master Securities Forward Transaction Agreements with counterparties that provide for collateral and the right to offset amounts due to or from those counterparties under specified conditions. Subject to minimum transfer amounts, collateral requirements are determined and transfers made based on the net aggregate unrealized gain or loss on all TBA commitments and other forward settling mortgage obligations with a particular counterparty (collectively, MSFTA Transactions). At any time, the fund’s risk of loss from a particular counterparty related to its MSFTA Transactions is the aggregate unrealized gain on appreciated MSFTA Transactions in excess of unrealized loss on depreciated MSFTA Transactions and collateral received, if any, from such counterparty. As of December 31, 2018, no collateral was pledged by the fund or counterparties for MSFTA Transactions.

Bank Loans The fund may invest in bank loans, which represent an interest in amounts owed by a borrower to a syndicate of lenders. Bank loans are generally noninvestment grade and often involve borrowers whose financial condition is highly leveraged. Bank loans may be in the form of either assignments or participations. A loan assignment transfers all legal, beneficial, and economic rights to the buyer, and transfer typically requires consent of both the borrower and agent. In contrast, a loan participation generally entitles the buyer to receive the cash flows from principal, interest, and any fee payments on a portion of a loan; however, the seller continues to hold legal title to that portion of the loan. As a result, the buyer of a loan participation generally has no direct recourse against the borrower and is exposed to credit risk of both the borrower and seller of the participation. Bank loans often have extended settlement periods, generally may be repaid at any time at the option of the borrower, and may require additional principal to be funded at the borrowers’ discretion at a later date (e.g. unfunded

commitments and revolving debt instruments). Until settlement, the fund maintains liquid assets sufficient to settle its unfunded loan commitments. The fund reflects both the funded portion of a bank loan as well as its unfunded commitment in the Portfolio of Investments. However, if a credit agreement provides no initial funding of a tranche and funding of the full commitment at a future date(s) is at the borrower's discretion and considered uncertain, a loan is reflected in the Portfolio of Investments only if, and only to the extent that, the fund has actually settled a funding commitment.

Securities Lending The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At December 31, 2018, the value of loaned securities was \$17,657,000; the value of cash collateral and related investments was \$18,260,000.

Mortgage-Backed Securities The fund may invest in mortgage-backed securities (MBS or pass-through certificates) that represent an interest in a pool of specific underlying mortgage loans and entitle the fund to the periodic payments of principal and interest from those mortgages. MBS may be issued by government agencies or corporations, or private issuers. Most MBS issued by government agencies are guaranteed; however, the degree of protection differs based on the issuer. MBS are sensitive to changes in economic conditions that affect the rate of prepayments and defaults on the underlying mortgages; accordingly, the value, income, and related cash flows from MBS may be more volatile than other debt instruments.

Other Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated \$1,673,786,000 and \$1,526,937,000, respectively, for the year ended December 31, 2018. Purchases and sales of U.S. government securities aggregated \$1,137,200,000 and \$1,203,748,000, respectively, for the year ended December 31, 2018.

NOTE 5 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences.

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

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

(\$000s)

Undistributed net investment income	\$	1,613
Undistributed net realized gain		(26,237)
Paid-in Capital		24,624

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

(\$000s)	December 31	
	2018	2017
Ordinary income	\$ 87,814	\$ 85,059
Long-term capital gain	214,104	167,963
Total distributions	\$ 301,918	\$ 253,022

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

(\$000s)	
Cost of investments	\$ 3,174,821
Unrealized appreciation	\$ 805,456
Unrealized depreciation	(158,519)
Net unrealized appreciation (depreciation)	646,937
Undistributed ordinary income	6,682
Undistributed long-term capital gain	5,556
Late-year ordinary loss deferrals	(414)
Paid-in capital	3,154,281
Net assets	\$ 3,813,042

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

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management agreement between the fund and Price Associates provides for an annual investment management fee, which is computed daily and paid monthly. The fee consists of an individual fund fee, equal to 0.15% of the fund's average daily net assets, and a group fee. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first \$1 billion of assets to 0.265% for assets in excess of \$650 billion. The fund's group fee is determined by applying the group fee rate to the fund's average daily net assets. At December 31, 2018, the effective annual group fee rate was 0.29%.

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

	Investor Class	I Class
Expense limitation/I Class limit	N/A	0.05%
Limitation date	N/A	April 30, 2020

In addition, the fund has entered into service agreements with Price Associates and two wholly owned subsidiaries of Price Associates, each an affiliate of the fund (collectively, Price). Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc., provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. T. Rowe Price Retirement Plan Services, Inc., provides subaccounting and recordkeeping services for certain retirement accounts invested in the Investor Class. For the year ended December 31, 2018, expenses incurred pursuant to these service agreements were \$79,000 for Price Associates; \$1,179,000 for T. Rowe Price Services, Inc.; and \$1,636,000 for T. Rowe Price Retirement Plan Services, Inc. All amounts due to and due from Price, exclusive of investment management fees payable, are presented net on the accompanying Statement of Assets and Liabilities.

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

The fund may also invest in certain other T. Rowe Price funds (Price Funds) as a means of gaining efficient and cost-effective exposure to certain markets. The fund does not invest for the purpose of exercising management or control; however, investments by the fund may represent a significant portion of an underlying Price Fund's net assets. Each underlying Price Fund is an open-end management investment company managed by Price Associates and is considered an affiliate of the fund. To ensure that the fund does not incur duplicate management fees (paid by the underlying Price Fund(s) and the fund), Price Associates has agreed to permanently waive a portion of its management fee charged to the fund in an amount sufficient to fully offset that portion of management

fees paid by each underlying Price Fund related to the fund's investment therein. Annual management fee rates and amounts waived related to investments in the underlying Price Fund(s) for the year ended December 31, 2018, are as follows:

(\$000s)	Effective Management Fee Rate	Management Fee Waived
T. Rowe Price Inflation Protected Bond Fund - I Class	0.17%	\$ 17
T. Rowe Price Institutional High Yield Fund	0.50	671
T. Rowe Price Institutional Large-Cap Core Growth Fund	0.55	34
T. Rowe Price Institutional U.S. Structured Research Fund	0.50	31
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class	0.25	3
T. Rowe Price Overseas Stock Fund - I Class	0.64	56
T. Rowe Price Real Assets Fund - I Class	0.64	370
T. Rowe Price U.S. Bond Enhanced Index Fund	0.30	43
T. Rowe Price Value Fund - I Class	0.63	38
Total Management Fees Waived		\$ 1,263

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the year ended December 31, 2018, the aggregate value of purchases and sales cross trades with other funds or accounts advised by Price Associates was less than 1% of the fund's net assets as of December 31, 2018.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Directors and Shareholders of
T. Rowe Price Balanced Fund, Inc.**

Opinion on the Financial Statements

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

Basis for Opinion

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

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

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(CONTINUED)**

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

PricewaterhouseCoopers LLP
Baltimore, Maryland
February 15, 2019

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

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

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

The fund's distributions to shareholders included:

- \$3,536,000 from short-term capital gains
- \$238,536,000 from long-term capital gains, (subject to a long-term capital gains tax rate of not greater than 20%)

For taxable non-corporate shareholders, \$51,796,000 of the fund's income represents qualified dividend income subject to a long-term capital gains tax rate of not greater than 20%.

For corporate shareholders, \$27,132,000 of the fund's income qualifies for the dividends-received deduction.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

<https://www3.troweprice.com/usis/corporate/en/utility/policies.html>

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

Effective for reporting periods on or after March 1, 2019, the fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. Prior to March 1, 2019, the fund filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The fund's Forms N-PORT and N-Q are available electronically on the SEC's website (sec.gov).

ABOUT THE FUND'S DIRECTORS AND OFFICERS

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

INDEPENDENT DIRECTORS^(a)

Name

(Year of Birth)

Year Elected

[Number of T. Rowe Price Portfolios Overseen]

Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years

Teresa Bryce Bazemore ^(b) (1959) 2018 [189]	President, Radian Guaranty (2008 to 2017); Member, Bazemore Consulting LLC (2018 to present); Member, Chimera Investment Corporation (2017 to present); Member, Federal Home Loan Bank of Pittsburgh (2017 to present)
Ronald J. Daniels ^(b) (1959) 2018 [189]	President, The Johns Hopkins University ^(c) and Professor, Political Science Department, The Johns Hopkins University (2009 to present); Director, Lyndhurst Holdings (2015 to present)
Bruce W. Duncan (1951) 2013 [189]	Chief Executive Officer and Director (January 2009 to December 2016), Chairman of the Board (January 2016 to present), and President (January 2009 to September 2016), First Industrial Realty Trust, an owner and operator of industrial properties; Chairman of the Board (2005 to September 2016) and Director (1999 to September 2016), Starwood Hotels & Resorts, a hotel and leisure company; Director, Boston Properties (May 2016 to present); Director, Marriott International, Inc. (September 2016 to present)
Robert J. Gerrard, Jr. (1952) 2012 [189]	Advisory Board Member, Pipeline Crisis/Winning Strategies, a collaborative working to improve opportunities for young African Americans (1997 to present); Chairman of the Board, all funds (since July 2018)
Paul F. McBride (1956) 2013 [189]	Advisory Board Member, Vizzia Technologies (2015 to present); Board Member, Dunbar Armored (2012 to present)

INDEPENDENT DIRECTORS^(a) (CONTINUED)**Name****(Year of Birth)****Year Elected****[Number of T. Rowe Price
Portfolios Overseen]****Principal Occupation(s) and Directorships of Public Companies and
Other Investment Companies During the Past Five Years**Cecilia E. Rouse, Ph.D.
(1965)
2012
[189]

Dean, Woodrow Wilson School (2012 to present); Professor and Researcher, Princeton University (1992 to present); Member of National Academy of Education (2010 to present); Director, MDRC, a nonprofit education and social policy research organization (2011 to present); Research Associate of Labor Studies Program at the National Bureau of Economic Research (2011 to 2015); Board Member of the National Bureau of Economic Research (2011 to present); Chair of Committee on the Status of Minority Groups in the Economic Profession of the American Economic Association (2012 to 2017); Vice President (2015 to 2016), American Economic Association

John G. Schreiber
(1946)
2001
[189]

Owner/President, Centaur Capital Partners, Inc., a real estate investment company (1991 to present); Cofounder, Partner, and Cochairman of the Investment Committee, Blackstone Real Estate Advisors, L.P. (1992 to 2015); Director, General Growth Properties, Inc. (2010 to 2013); Director, Blackstone Mortgage Trust, a real estate finance company (2012 to 2016); Director and Chairman of the Board, Brixmor Property Group, Inc. (2013 to present); Director, Hilton Worldwide (2013 to present); Director, Hudson Pacific Properties (2014 to 2016); Director, Invitation Homes (2014 to present)

Mark R. Tercek
(1957)
2009
[189]

President and Chief Executive Officer, The Nature Conservancy (2008 to present)

^(a)All information about the independent directors was current as of December 31, 2017, except for the information provided for Ms. Bazemore and Mr. Daniels, which is current as of January 1, 2018.^(b)Effective January 1, 2018, Ms. Bazemore and Mr. Daniels were elected as independent directors of the Price Funds.^(c)William J. Stromberg, president and chief executive officer of T. Rowe Price Group, Inc., the parent company of the Price Funds' investment advisor, has served on the Board of Trustees of Johns Hopkins University since 2014 and is a member of the Johns Hopkins University Board's Compensation Committee.

INSIDE DIRECTORS**Name****(Year of Birth)****Year Elected*****[Number of T. Rowe Price Portfolios Overseen]****Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years**

Edward C. Bernard** (1956) 2006 [0]	Director and Vice President, T. Rowe Price; Vice Chairman of the Board, Director, and Vice President, T. Rowe Price Group, Inc.; Chairman of the Board, Director, and Vice President, T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.; Chairman of the Board and Director, T. Rowe Price Retirement Plan Services, Inc.; Chairman of the Board, Chief Executive Officer, Director, and President, T. Rowe Price International and T. Rowe Price Trust Company; Chairman of the Board, all funds (2006 to July 2018)
--	---

David Oestreicher (1967) 2018 [189]	Chief Legal Officer, Vice President, and Secretary, T. Rowe Price Group, Inc.; Director, Vice President, and Secretary, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; Vice President and Secretary, T. Rowe Price, T. Rowe Price Hong Kong, and T. Rowe Price International; Vice President, T. Rowe Price Japan and T. Rowe Price Singapore; Principal Executive Officer and Executive Vice President, all funds
--	---

Robert W. Sharps, CFA, CPA (1971) 2017 [135]	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
---	---

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

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

OFFICERS**Name (Year of Birth)****Position Held With Balanced Fund****Principal Occupation(s)**

Darrell N. Braman (1963) Vice President and Secretary	Vice President, Price Hong Kong, Price Singapore, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.
--	--

Kimberly E. DeDominicis (1976) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price International
--	---

Anna A. Dreyer (1981) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
---	---

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

OFFICERS (CONTINUED)

Name (Year of Birth)	Position Held With Balanced Fund	Principal Occupation(s)
Mark S. Finn CFA, CPA (1963)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
John R. Gilner (1961)	Chief Compliance Officer	Chief Compliance Officer and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Investment Services, Inc.
Gary J. Greb (1961)	Vice President	Vice President, T. Rowe Price, T. Rowe Price International, and T. Rowe Price Trust Company
Paul J. Krug, CPA (1964)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Robert M. Larkins, CFA (1973)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Wyatt A. Lee, CFA (1971)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Catherine D. Mathews (1963)	Treasurer and Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Raymond A. Mills, Ph.D., CFA (1960)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, and T. Rowe Price Trust Company
Sebastien Page (1977)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Larry J. Puglia, CFA, CPA (1960)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
John W. Ratzesberger (1975)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; formerly, North American Head of Listed Derivatives Operation, Morgan Stanley (to 2013)
Shannon H. Rauser (1987)	Assistant Secretary	Employee, T. Rowe Price
Charles M. Shriver, CFA (1967)	President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, and T. Rowe Price Trust Company
Guido F. Stubenrauch, CFA (1970)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Toby M. Thompson, CFA, CAIA (1971)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.

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

OFFICERS (CONTINUED)

Name (Year of Birth)	Position Held With Balanced Fund	Principal Occupation(s)
Mark J. Vasselkiv (1958)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Megan Warren (1968)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; formerly, Executive Director, JP Morgan Chase (to 2017)

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

This page intentionally left blank.

This page intentionally left blank.

T. Rowe Price Mutual Funds

This page contains supplementary information that is not part of the shareholder report.

STOCK FUNDS

Domestic

Blue Chip Growth
Capital Appreciation[†]
Capital Opportunity
Communications & Technology
Diversified Mid-Cap Growth
Dividend Growth
Equity Income
Equity Index 500
Extended Equity Market Index
Financial Services
Growth & Income
Growth Stock
Health Sciences
Mid-Cap Growth[†]
Mid-Cap Value[†]
New America Growth
New Era
New Horizons[†]
QM U.S. Small & Mid-Cap
Core Equity
QM U.S. Small-Cap Growth Equity
QM U.S. Value Equity
Real Estate
Science & Technology
Small-Cap Stock[†]
Small-Cap Value
Tax-Efficient Equity
Total Equity Market Index
U.S. Large-Cap Core
Value

ASSET ALLOCATION FUNDS

Balanced
Global Allocation
Multi-Strategy Total Return
Personal Strategy Balanced
Personal Strategy Growth
Personal Strategy Income
Real Assets
Spectrum Growth
Spectrum Income
Spectrum International
Target Date Funds^{*}

BOND FUNDS

Domestic Taxable

Corporate Income
Credit Opportunities
Floating Rate
GNMA
High Yield[†]
Inflation Protected Bond
Limited Duration Inflation
Focused Bond
New Income
Short-Term Bond
Total Return
Ultra Short-Term Bond
U.S. Bond Enhanced Index
U.S. High Yield
U.S. Treasury Intermediate
U.S. Treasury Long-Term

Domestic Tax-Free

California Tax-Free Bond
Georgia Tax-Free Bond
Intermediate Tax-Free High Yield
Maryland Short-Term Tax-Free Bond
Maryland Tax-Free Bond
New Jersey Tax-Free Bond
New York Tax-Free Bond
Summit Municipal Income
Summit Municipal Intermediate
Tax-Free High Yield
Tax-Free Income
Tax-Free Short-Intermediate
Virginia Tax-Free Bond

MONEY MARKET FUNDS

Taxable

Cash Reserves¹
Government Money²
U.S. Treasury Money²

MONEY MARKET FUNDS (CONT.)

Tax-Free

California Tax-Free Money¹
Maryland Tax-Free Money¹
New York Tax-Free Money¹
Summit Municipal Money Market¹
Tax-Exempt Money¹

INTERNATIONAL/GLOBAL FUNDS

Stock

Africa & Middle East
Asia Opportunities
Emerging Europe
Emerging Markets Stock
Emerging Markets Value Stock
European Stock
Global Consumer
Global Growth Stock
Global Industrials
Global Real Estate
Global Stock
Global Technology[†]
International Concentrated Equity
International Discovery[†]
International Equity Index
International Stock
International Value Equity
Japan
Latin America
New Asia
Overseas Stock
QM Global Equity

Bond

Dynamic Credit
Dynamic Global Bond
Emerging Markets Bond
Emerging Markets Corporate Bond
Emerging Markets Local Currency
Bond
Global High Income Bond
Global Multi-Sector Bond
International Bond
International Bond (USD Hedged)

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.

[†] Subject to certain exceptions, the fund is currently closed to new investors and new accounts.

^{*} The Target Date Funds are inclusive of the Retirement Funds, the Target Funds, and the Retirement Balanced Fund.

¹ *Retail Funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Beginning October 14, 2016, the Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*

² *Government Funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*