New York City Deferred Compensation Plan

Small-Cap Growth Portfolio Highlights | **As of 30 June 2016** | **Figures shown in U.S. Dollars**

INVESTMENT OBJECTIVE

- To provide long-term growth of capital by investing primarily in common stocks of small, rapidly growing companies.

INVESTMENT APPROACH

- Invest primarily in a diversified portfolio of small, emerging growth companies, preferably before these companies become widely recognized by the investment community.
- Focus on companies in the fastest growing sectors of the economy with solid market positions, outstanding management, and strong financial characteristics.
- Identify investment candidates through intensive fundamental research, including face-to-face meetings with company management, and financial analysis by a team of in-house analysts.
- Sell decisions are principally driven by deteriorating fundamentals or a change in the company's business strategy.
- Seek to reduce risk through diversification and avoidance of extreme valuations.

PORTFOLIO CONSTRUCTION

- Initiate positions in companies with market capitalization generally between 250 million USD and 2.0 billion USD and a minimum 15% expected annual earnings growth.
- 225–275 stock portfolio

BENCHMARK

- Russell 2000 Growth Index

PORTFOLIO MANAGEMENT TEAM

Henry M. Ellenbogen (Lead Portfolio Manager)
20 years of investment experience;
15 years with T. Rowe Price.

- M.B.A., Harvard Business School
- J.D., Harvard Law School

Barry Henderson (Associate Portfolio Manager)[1]
13 years of investment experience;
9 years with T. Rowe Price.

- B.A., Pomona College
- M.A., University of Missouri
- M.B.A., Columbia Business School

Joshua K. Spencer (Sector Portfolio Manager)
17 years of investment experience;
11 years with T. Rowe Price.

- B.A., Johns Hopkins University
- M.A., University of Chicago

Brian C. Dausch, CFA (Portfolio Specialist)
18 years of investment experience;
17 years with T. Rowe Price.

- B.S., University of Delaware

The Portfolio Management Team draws on the resources of the Small-Cap Growth Investment Team and over 150 T. Rowe Price equity research professionals worldwide.

2015-US-16407

[1] On 17 July 2015, it was announced that Barry Henderson would begin transitioning into the Associate Portfolio Manager role for the US Small-Cap Growth Equity Strategy.

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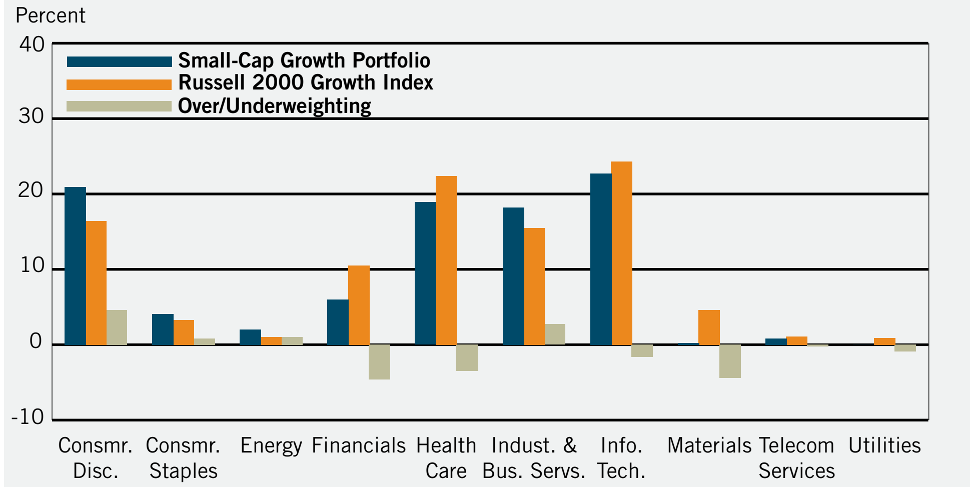
Small-Cap Growth Portfolio Highlights | **Periods Ended 30 June 2016** | **Figures shown in U.S. Dollars**

Top 10 Issuers

	% of Portfolio
O'Reilly Automotive	2.6%
Vail Resorts	2.2
SS&C Technologies Holdings	2.0
Liberty Ventures	2.0
Zillow	2.0
PriceSmart	1.8
Waste Connections	1.8
Burlington Stores	1.8
Roper Technologies	1.6
Lennox International	1.5
Total	**19.3%**

Numbers may not add due to rounding.

Sector Diversification



Portfolio Characteristics

	Small-Cap Growth Portfolio	Russell 2000 Growth Index
Earnings Growth Rate		
Projected Growth Rate[1]	17.2%	15.0%
Past 3 Years (Least Squares)	9.6	8.7
Price to Earnings (Estimated 12 Months Forward)[1]		
Weighted	28.3X	22.4X
Unweighted[2]	31.1	N/A
Long-Term Debt to Capitalization	34.2%	30.3%
Return on Equity (Last 12 Months)	11.8%	13.2%
Investment Weighted Median Market Capitalization (Millions USD)	4,771	1,791
Number of Holdings	221	1,174
20 Largest Holdings	31.2%	7.9%
Turnover (1 Year)	41.2%	N/A

Performance

				Annualized			
	Three Months	Year-to-Date	One Year	Three Years	Five Years	Seven Years	Ten Years
Small-Cap Growth Portfolio (Gross of Fees)	5.17%	1.00%	-2.06%	11.64%	13.33%	19.99%	11.24%
Russell 2000 Growth Index	3.24	-1.59	-10.75	7.74	8.51	14.29	7.14

Source: T. Rowe Price Modified Dietz Rate of Return.
Total return includes all realized and unrealized gains and losses plus income. Performance figures are shown gross of advisory fees. Total returns would be lower as a result of the deduction of fees.
Past performance cannot guarantee future results.
Risk/Reward – While investing in small companies involves greater risk of loss than investments in more established companies, it may offer greater capital appreciation potential.
Suitability – Investors seeking substantial long-term rewards who can accept the volatility inherent in common stock investing, especially the potentially greater price fluctuations of emerging growth companies.

[1] Source: IBES.
[2] Unweighted Price to Earnings Ratio of a similarly managed product.
T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Each year, MSCI and S&P review the GICS structure. The last change occurred on 28 February 2014. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

Portfolio Total Expenses (2nd Qtr. 2016): 744,085.50 USD