

SECURITIES AND EXCHANGE COMMISSION

FORM 497K1

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FILER

PRICE T ROWE TAX EFFICIENT BALANCED FUND INC

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Mailing Address
*100 E PRATT ST
100 E PRATT ST
BALTIMORE MD 21202*

Business Address
*100 E PRATT ST
BALTIMORE MD 21202
3015472000*

_____, 1999

FUND PROFILE

T. ROWE PRICE

Tax-EfficientGrowth Fund

A fund seeking long-term capital appreciation while minimizing taxable distributions to shareholders.

This profile summarizes key information about the fund that is included in the fund's prospectus. The fund's prospectus includes additional information about the fund, including a more detailed description of the risks associated with investing in the fund that you may want to consider before you invest. You may obtain the prospectus and other information about the fund at no cost by calling 1-800-638-5660, or by visiting our Web site at www.troweprice.com.

T. ROWE PRICE RAM LOGO

FUND PROFILE

What is the fund's objective?

The fund seeks attractive long-term capital appreciation on an after-tax basis.

What is the fund's principal investment strategy?

We will invest primarily in large-capitalization stocks selected mainly from the 1,000 largest U.S. companies.

Stock selection is based on fundamental, bottom-up analysis that seeks to identify companies with superior long-term appreciation prospects. Generally we use a growth approach to stock selection, looking for companies with a demonstrated ability to increase revenues, earnings, and cash flow consistently; capable management; attractive business niches; and a sustainable competitive advantage. Valuation measures, such as a company's price/earnings ratio relative to the market and its own growth rate, and its dividend yield relative to the market are also considered.

Generally, the fund will limit exposure to high-yielding stocks. However, the payment of dividends - even higher-than-average dividends - does not disqualify a stock from consideration for the fund's portfolio.

To accomplish the fund's goal of minimizing taxable distributions, we will strive to avoid realizing capital gains. However, gains may be realized when it is believed that the risk of holding a security outweighs tax considerations. When gains are taken, we will attempt to offset them with losses from other securities. This may be accomplished by selling certain securities at a loss and investing the proceeds in similar securities.

While most assets will be invested in U.S. common stocks, other securities may also be purchased, including foreign stocks, futures, and options, in keeping with fund objectives.

Further information about the fund's investments, including a review of market conditions and fund strategies and their impact on performance, is available in the annual and semiannual shareholder reports. To obtain free copies of any of these documents, call 1-800-638-5660.

What are the main risks of investing in the fund?

As with all equity funds, this fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, 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, our assessment of companies held in the fund may prove incorrect, resulting in losses or poor performance even

FUND PROFILE

in a rising market. Finally, the fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other types of stock funds.

Growth stocks can be volatile for several reasons. Since they usually reinvest a high proportion of their earnings in their own businesses, they may lack the dividends often associated with value stocks that could cushion their decline in a falling market. Also, since investors buy growth stocks because of their expected superior earnings growth, earnings disappointments often result in sharp price declines.

Investments in stocks that appear undervalued carry the risk that the market will not recognize a security's intrinsic value for a long time, or that a stock judged to be undervalued may actually be appropriately priced.

There is no guarantee the fund's attempts to manage its portfolio in a tax-efficient manner will be successful.

To the extent that the fund invests in foreign stocks, it is also subject to the risk that some holdings may lose value because of declining foreign currencies or adverse political or economic events overseas. If the fund uses futures and options, it is exposed to additional volatility and potential losses.

As with any mutual fund, there can be no guarantee the fund will achieve its objective.

- . The fund's share price may decline, so when you sell your shares, you may lose money. An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

How can I tell if the fund is appropriate for me?

Consider your investment goals, your time horizon for achieving them, and your tolerance for risk. If you can accept the possibility of share price declines in an effort to achieve long-term capital appreciation, the fund could be appropriate for you. This fund should not represent your complete investment program or be used for short-term trading purposes.

The fund can be used in both regular and tax-deferred accounts, such as IRAs.

- . Investors should have a long-term investment horizon and be willing to wait out bear markets.

How has the fund performed in the past?

Because the fund commenced operations in 1999, there is no historical performance information shown here. Performance history will be available after the fund has been in operation for one calendar year.

FUND PROFILE

What fees or expenses will I pay?

The fund is 100% no load. The fund charges a 1% redemption fee, payable to the fund, on shares held less than two years. The fee applies to exchanges as well. There are no other fees or charges to buy or sell fund shares, reinvest dividends, or exchange into other T. Rowe Price funds. There are no 12b-1 fees.

<TABLE>

Table 1 Fees and Expenses of the Fund

<CAPTION>

Shareholder fees (fees paid directly from your investment)	
Redemption fee (for shares held less than two years)	1%
Annual fund operating expenses (expenses that are deducted from fund assets)	

<S>

<C>

Management fee	0.62%/a/
Other expenses	0.61%
Total annual fund operating expenses	1.23%/a/
Fee waiver/reimbursement	0.13%
Net expenses	1.10%

</TABLE>

/a/

To limit the fund's expenses during its initial period of operations, T. Rowe Price contractually obligated itself to waive fees and bear any expenses through February 28, 2001, that would cause the ratio of expenses to average net assets to exceed 1.10%. Fees waived or expenses paid or assumed under this agreement are subject to reimbursement to T. Rowe Price by the fund whenever the fund's expense ratio is below 1.10%; however, no reimbursement will be made after February 28, 2003, or if it would result in the expense ratio exceeding 1.10%.

Example. The following table gives you a rough idea of how expense ratios may translate into dollars and helps you to compare the cost of investing in this fund with that of other funds. Although your actual costs may be higher or lower, the table shows how much you would pay if operating expenses remain the same, the expense limitation currently in place is not renewed, you invest \$10,000, you earn a 5% annual return, and you hold the investment for the following periods:

<TABLE>

<CAPTION>

1 year	3 years	5 years	10 years
\$112	\$363	\$648	\$1,460

</TABLE>

Who manages the fund?

The fund is managed by T. Rowe Price Associates, Inc. Founded in 1937, T. Rowe Price and its affiliates manage investments for individual and institutional accounts. The company offers a comprehensive array of stock, bond, and money market funds directly to the investing public.

Donald J. Peters manages the fund day-to-day and was appointed chairman of its Investment Advisory Committee at its inception in 1999. He has been managing investments since joining T. Rowe Price in 1993.

Note: The following questions and answers about buying and selling shares and services do not apply to employer-sponsored retirement plans. If you are a participant in one of these plans, please call your plan's toll-free number for additional information.

How can I purchase shares?

Fill out the New Account Form and return it with your check in the postpaid envelope. The minimum initial purchase is \$2,500 (\$1,000 for IRAs and gifts or transfers to minors). The minimum subsequent investment is \$100 (\$50 for IRAs, gifts or transfers to minors, or Automatic Asset Builder). You can also open an account by bank wire, by exchanging from another T. Rowe Price fund, or by transferring assets from another financial institution.

How can I sell shares?

You may redeem or sell any portion of your account on any business day. Simply write to us or call. You can also access your account at any time via Tele*Access / (R) / or our Web site. We offer convenient exchange among our entire family of domestic and international funds. Restrictions may apply in special circumstances, and some redemption requests need a signature guarantee. A \$5 fee is charged for wire redemptions under \$5,000.

When will I receive income and capital gain distributions?

The fund distributes income and net capital gains, if any, at year-end. For regular accounts, income and short-term gains are taxable at ordinary income rates, and long-term gains are taxable at the capital gains rate. Distributions are reinvested automatically in additional shares unless you choose another option, such as receiving a check. Distributions paid to IRAs and employer-sponsored retirement plans are automatically reinvested.

What services are available?

A wide range, including but not limited to:

- . retirement plans for individuals and large and small businesses;
- . automated information and transaction services by telephone or computer;
- . electronic transfers between fund and bank accounts;
- . automatic investing and automatic exchange;
- . brokerage services; and

. asset manager accounts.

FUND PROFILE

NEW ACCOUNT FORM (LOGO)

You may purchase shares of a T. Rowe Price fund after reviewing the information in the profile or after requesting and reviewing the fund's prospectus (and other information).

Please note: an IRA will not be established using this form. If you want to open an IRA, call 1-800-638-5660 to request an IRA New Account Form.

Mail this form to: T. Rowe Price
P.O. Box 17300, Baltimore, MD 21298-9353

For help with this form, call toll free 1-800-638-5660.

Please do not remove the mailing label from this form.

1 PROVIDE YOUR TAX IDENTIFICATION NUMBER

Owner's or Minor's Social Security or Tax ID Number
(Use Minor's Social Security Number for Custodial Account)

Joint Owner's or Custodian's Social Security or Tax ID Number

2 DESIGNATE TYPE OF ACCOUNT AND OWNER NAME(S)

Please print in CAPITAL LETTERS. Choose one:

___ Individual or Joint Account.*

*Joint tenancy with right of survivorship unless you instruct otherwise.

Owner's Name (First, Middle Initial, Last)

Title: Mr. Ms. Mrs. Dr.

Joint Owner's Name (First, Middle Initial, Last)

Title: Mr. Ms. Mrs. Dr.

___ Custodial Account.

Uniform Gift or Transfer to Minors Act (UGMA or UTMA)

Custodian's Name (First, Middle Initial, Last)

Minor's Name (First, Middle Initial, Last)

State of Residence (Minor's or Custodian's)

Trust, Corporation, Business, or Other Entity Account.*

*Please attach the first and last pages of the trust agreement or a copy of the corporate resolution.
Name of Trust, Corporation, or Other Entity

Trustee Names or Type of Entity

Name of Trust Beneficiary (Optional)

Date of Trust Agreement

month day year

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FUND PROFILE

T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
www.troweprice.com
LOGO
RPS F128-035
T. Rowe Price Investment Services, Inc., Distributor

FUND PROFILE

Check this box if your organization is incorporated or tax-exempt under Section 501(a) of the Internal Revenue Code, a qualified retirement plan under Section 401(a), or a custodial account under Section 403(b) (7), and you DO NOT want us to file information returns on your behalf.

3 PROVIDE YOUR ADDRESS

Street Address or P.O. Box

City State

ZIP Code

4 PROVIDE OTHER ACCOUNT DATA

Daytime Phone

Ext.

Evening Phone

Ext.

Date of Birth (Owner/Minor)

Date of Birth (Joint Owner/Custodian)

month day year

month day year

U.S. Citizen

Resident Alien

Nonresident Alien. My permanent foreign address for tax purposes is:

Owner's Occupation / Employer Name (Optional)

Employer Address (Optional)

5 SELECT YOUR FUND(S)

Please print the fund name(s) exactly as listed inside the Investment Kit you received with this form. Fill in the amount of your investment for each fund. The minimum initial investment is \$2,500 per fund (\$1,000 for UGMAs/UTMAs) but is waived if you use Automatic Asset Builder (see Sections 6 and 7E).

Fund Name Amount \$

Fund Name Amount \$

Fund Name Amount \$

Fund Name Amount \$

Total Investment \$

FUND PROFILE

6 CHOOSE YOUR INVESTMENT METHOD

A. By check. Make payable to T. Rowe Price Funds. (Otherwise it may be returned.)

B. By Automatic Asset Builder.

See Section 7E for instructions.

C. By wire.

Please call 1-800-225-5132 for the following information and wiring instructions:

Account Number

Date of Wire

__ - - - - -

month day year

(over, please)

7 SELECT YOUR ACCOUNT SERVICE OPTIONS

A. TO RECEIVE YOUR DISTRIBUTIONS

Your dividends and capital gains will be reinvested unless you indicate

otherwise.

Pay dividends and capital gains to me by check.

Transfer dividends and capital gains to my bank account.

(Please complete Section 7C if you elect this option.)

Pay dividends to me by check and reinvest capital gains.

B. TO EXCHANGE AND REDEEM FUND SHARES

You can use the telephone or your personal computer to check your account balance, redeem shares, or make exchanges among any identically registered accounts unless you check the boxes below.

I do NOT want telephone/computer exchange.

I do NOT want telephone/computer redemption.

C. TO MAKE TRANSFERS BETWEEN YOUR BANK AND T. ROWE PRICE

This service makes purchasing or redeeming fund shares even more convenient. Simply call a T. Rowe Price representative or Tele*Access (R) and your transaction

will be processed by electronically moving money between your bank account and your mutual fund accounts.

Transfers occur only when you initiate them (\$100 minimum) and are made through the Automated Clearing House (ACH) network or by wire.* This service becomes available approximately 20 days after your application is processed. Since you initiate transfers by phone or computer, be sure that you did not decline the phone/computer redemption service above.

Check this box to set up this service. YOU MUST ALSO ATTACH A BLANK, VOIDED CHECK (other than your investment check) from your bank account to this form.

Any co-owner of your bank account who is not a co-owner of

your mutual fund account must sign below.

T. Rowe Price Associates, Inc.

100 East Pratt Street

Baltimore, MD 21202

www.troweprice.com

LOGO

RPS F128-035

T. Rowe Price Investment Services, Inc., Distributor

FUND PROFILE

X

Bank Account Co-owner's Signature

*There is a \$5 fee for wire redemptions under \$5,000 but no fee for ACH transactions.

ATTACH VOIDED CHECK HERE

D. TO SET UP CHECKWRITING

You can write checks for \$500 or more on all T. Rowe Price money market and bond fund accounts (except the High Yield and Emerging Markets Bond funds). Those authorized to write checks should read the checking agreement and sign below.

By signing this form, I agree to all of State Street Bank's checking account rules, and to any conditions and limitations on redeeming checks from the T. Rowe Price Funds. I also agree that:

(1) This form applies to any other identically registered T. Rowe Price fund checking account I establish later;

(2) If I am subject to IRS backup withholding, I may write checks only on money fund accounts;

(3) State Street Bank and the Fund reserve the right to change, revoke, or close any checking account;

(4) The signatures are authentic, and, for organizations, I have submitted an original or certified resolution authorizing the individuals with legal capacity to sign and act on behalf of the organization.

(Do not detach this section from the rest of the form.)

Fund Name

Fund Name

Print Name of Owner, Custodian, or Trustee

X _____
Signature Date

Print Name of Joint Owner, Co-trustee, Corporate Officer, etc.

X _____
Signature Date

How many signatures do you require on checks?
___ Only one owner ___ All owners

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E. TO SET UP AUTOMATIC ASSET BUILDER

This service allows you to automatically invest in your fund account through your bank account and/or payroll deduction each month (minimum \$50 per fund).

___ Check this box to invest from your bank account.
 Be sure to complete Section 7C and fill in the information below.

FUND PROFILE

Fund Name

Amount Day of Month You Would Like to Invest

Fund Name

Amount Day of Month You Would Like to Invest

Fund Name

Amount Day of Month You Would Like to Invest

Fund Name

Amount

Day of Month You Would Like to Invest

_____ Check this box to invest through payroll deduction.

T. Rowe Price will mail you instructions for this service.

8 SIGN YOUR NEW ACCOUNT FORM

By signing this form, I certify that:

- I agree to be bound by the terms of the prospectus for each fund in which I am investing. If I am purchasing shares after reviewing a fund profile, I understand that I will receive the prospectus after I purchase shares in the fund. I have the authority and legal capacity to purchase mutual fund shares, am of legal age in my state, and believe each investment is suitable for me.
- I authorize T. Rowe Price, the Funds, their affiliates and agents to act on any instructions believed to be genuine for any service authorized on this form, including telephone/computer services. The Funds use reasonable procedures (including shareholder identity verification) to confirm that instructions given by telephone/computer are genuine, and the Funds are not liable for acting on these instructions. (If these procedures are not followed, it is the opinion of certain regulatory agencies that the Funds may be liable for any loss that may result from acting on instructions given.) I understand that anyone who can properly identify my account(s) can make phone/computer transactions on my behalf.
- The Funds can redeem shares from my account(s) to reimburse a fund for any loss due to nonpayment or other indebtedness.
- By selecting the electronic transfer service in Section 7C, I hereby authorize T. Rowe Price to initiate credit and debit entries to my (our) account at the Financial Institution indicated and for the Financial Institution to credit or debit the same to such account through the Automated Clearing House (ACH) system, subject to the rules of the Financial Institution, ACH, and the Fund. T. Rowe Price may correct any transaction error with a debit or credit to my Financial Institution account and/or Fund account. THIS AUTHORIZATION,

FUND PROFILE

including any credit or debit entries initiated thereunder, is in full force and effect until I notify T. Rowe Price of its revocation by telephone or in writing and T. Rowe Price has had sufficient time to act on it.

- Under penalties of perjury, the tax identification number(s) shown on this form is correct. If I fail to give the correct number or fail to sign this form, T. Rowe Price may reject, restrict, or redeem my investment. I may also be subject to IRS backup withholding (currently 31%) on all

distributions and redemptions, and I may be subject to a \$50 IRS penalty.

- Under penalties of perjury, I am NOT subject to IRS backup withholding because 1) I have not been notified, or 2) notification has been revoked (cross out "NOT" if you are currently subject to withholding), or 3) I have indicated in Section 4 that I am a nonresident alien and certify that for dividends I am not a U.S. citizen or resident (or I am filing for a foreign corporation, partnership, estate, or trust).
- For clarification on any of these certification issues, please contact us for assistance.
- The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

PLEASE SIGN HERE

X _____
 Signature of Owner, Custodian, or Trustee Date

X _____
 Signature of Joint Owner, Co-trustee, Corporate Officer, etc. Date

Thank you for your investment. You will receive a confirmation shortly.

8

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FUND PROFILE
