



ANNUAL REPORT

December 31, 2019

T. ROWE PRICE

Institutional Large-Cap Value Fund

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HIGHLIGHTS

- The Institutional Large-Cap Value Fund returned 26.69% in 2019. The fund outperformed both the Russell 1000 Value Index and the Lipper Large-Cap Value Funds Index.
- Within the fund, most sectors contributed to relative returns, led by consumer staples. Communication services sector holdings detracted the most from relative results.
- Sector allocations stayed mostly consistent in the past 12 months. We took advantage of several pockets of market weakness during the period to buy shares at attractive valuations. We also sold shares of several companies on strength.
- Hard economic data remain weak, but economic indicators appear to be bottoming. While a strong consumer and more accommodative monetary policy provide support, we believe political, regulatory, and geopolitical risks are likely to be elevated in 2020.

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Dear Investor

Stocks posted strong gains in 2019 as most major U.S. indexes hit record highs in a broad-based rally that more than offset 2018's losses. Large- and mid-cap growth stocks were the strongest performers, with the S&P 500 and Nasdaq benchmarks recording their best year since 2013. U.S. shares outpaced their global counterparts, although most non-U.S. indexes also finished with solid double-digit gains.

Technology shares performed best within the S&P 500, helped by strong gains from industry giants Apple and Microsoft, and financial stocks also outperformed the broader market. Fixed income securities produced solid gains during the period as well—with corporate bonds leading the way—as longer-term Treasury yields fell to historic lows in late summer before partially rebounding.

In a sign that public markets have retained discipline, investors expressed skepticism about certain private-equity valuation levels when compared with their prospects for financial profitability. Relatively few initial public offerings (IPOs) saw their prices appreciate during the year, and one high-profile IPO candidate (WeWork) decided to withdraw its offering altogether after its valuation was dramatically reduced in the weeks before its proposed IPO.

Although the year opened with concerns that an escalating U.S.-China trade dispute could lead to a recession, global central banks played a key role in supporting markets. Fed policymakers delivered quarter-percentage-point rate cuts in July, September, and October and took steps to maintain liquidity in short-term lending markets. Other central banks also acted to address flagging growth, including the European Central Bank, which lowered its benchmark deposit rate deeper into negative territory and announced that it was restarting its quantitative easing program.

The pivot to a more accommodative monetary policy was a marked change from 2018, when the Fed raised rates four times, and appeared to be successful in reenergizing the economy. After contracting earlier in 2019, key U.S. manufacturing indicators showed signs of stabilizing by year-end, and the labor market remained strong, with solid payroll gains and an unemployment rate hovering near a 50-year low. With this more encouraging economic backdrop, it was not a surprise that in December Fed officials seemed satisfied that monetary policy was properly positioned to support continued growth and forecast no additional rate moves in 2020.

Besides central bank policy, investors also closely followed developments in the U.S.-China trade dispute. Stocks stumbled in May and August after the U.S. announced new tariffs on some Chinese imports and China retaliated with new tariffs of its own. However, investors generally took an optimistic view of trade negotiations, which limited the trade war's toll on markets, and in December the two countries announced a "phase one" agreement to reduce some existing tariffs and cancel the imposition of new ones.

With monetary policy worldwide largely committed to ensuring market liquidity and some global economic indicators showing signs of improvement, there are reasons to be optimistic in 2020. However, we caution investors not to expect the outsized gains of the past year. If the post-World War II era is to be a guide, the S&P 500 has on average generated mid-single-digit returns in the fourth year of a presidential cycle.

Further market advances will likely hinge on a resumption in earnings growth, which stalled in 2019, and there is no shortage of global risks in the year ahead. Unresolved trade issues, tensions in the Middle East, and policy debates on taxes, health care, and wealth disparity leading up to the U.S. presidential election all have the potential to cause market volatility.

In addition to these risks, T. Rowe Price analysts will be closely following how disruptive forces such as innovation, technological change, and automation could impact a growing number of global industries. In an uncertain environment, with a wide dispersion of returns possible, we believe that in-depth fundamental research that integrates environmental, social, and governance considerations will be critical to successfully assess opportunities and risks. I am confident our strategic investing approach will continue to serve our shareholders well.

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks to provide long-term capital appreciation by investing in common stocks believed to be undervalued. Income is a secondary objective.

FUND COMMENTARY

How did the fund perform in the past 12 months?

The Institutional Large-Cap Value Fund returned 26.69% in 2019. The fund outperformed both the Russell 1000 Value Index and the Lipper Large-Cap Value Funds Index. *(Past performance cannot guarantee future results.)*

PERFORMANCE COMPARISON

Periods Ended 12/31/19	Total Return	
	6 Months	12 Months
Institutional Large-Cap Value Fund	9.15%	26.69%
Russell 1000 Value Index	8.86	26.54
Lipper Large-Cap Value Funds Index	9.43	26.48

What factors influenced the fund's performance?

Several leading contributors to relative performance hailed from the information technology sector. **Microsoft** continued to generate strong growth within cloud computing through its Intelligent Cloud, which includes Azure, on-premises, and professional service offerings. Investors also reacted positively to the software giant's USD \$10 billion Pentagon cloud contract win late in the period. Shares of **Qualcomm** finished higher as a result of the chip manufacturer reaching a multibillion-dollar settlement with Apple in the second quarter, followed by stronger-than-expected revenues later in the year, as the company's technology innovations drove market share gains and shipments that exceeded expectations. Shares of **Applied Materials** increased throughout the year as next-generation, leading-edge technologies continue to drive demand for the company's tools and product solutions. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Elsewhere in the portfolio, shares of **Tyson Foods** continued to benefit from improved earnings and operational performance as well as the ongoing effects of African swine fever, causing global protein prices to rise in the wake of the outbreak. **TC Energy**, a utility-like infrastructure company that also holds an irreplaceable natural gas pipeline within the U.S., was a significant contributor to the portfolio. Shares finished higher over the year after a series of successful asset sales have, in our view, positioned the company to transition into a self-funding business. Investors reacted positively to news that **Southern Company's** Vogtle nuclear power project

is progressing and were drawn to the utilities sector's durable earnings profile and outlook for improved operational performance.

Top detractors from relative performance were spread out among several sectors. An underweight in communications and digital entertainment services provider **AT&T** weighed on relative returns. Shares performed well amid improved performance from the company's business wireline segment. Investors also reacted positively to news of activist activity in the stock, which they hope could prompt management to sell off AT&T's non-core assets. Share prices of global energy exploration and production company **Occidental Petroleum** fell as the firm pursued a debt-fueled takeover of Anadarko Petroleum. The market not only balked at the valuation paid but also questioned the strategic rationale for the deal. We continue to view the stock as attractively valued with potential for strong production growth longer term. An underweight in **Walt Disney** detracted from relative performance as the company benefited from increased clarity surrounding its direct-to-consumer Disney+ streaming service, which launched in November. An underweight allocation to **Citigroup** detracted from relative results. We were underweight late in the period when shares of Citigroup and banking peers rose on improved market sentiment and reduced global growth concerns.

SECTOR DIVERSIFICATION

	Percent of Net Assets	
	6/30/19	12/31/19
Financials	22.6%	23.8%
Health Care	14.2	14.3
Industrials and Business Services	10.9	11.1
Information Technology	11.0	9.8
Consumer Staples	9.3	8.8
Energy	9.4	8.4
Utilities	6.6	7.7
Communication Services	5.5	5.6
Materials	3.2	3.6
Consumer Discretionary	2.4	2.6
Real Estate	1.8	2.2
Other and Reserves	3.1	2.1
Total	100.0%	100.0%

Historical weightings reflect current industry/sector classifications.

How is the fund positioned?

The Institutional Large-Cap Value Fund invests in companies with favorable long-term fundamental characteristics that we believe are mispriced by the market. Each position is the result

of careful stock picking based on the fundamental research generated by T. Rowe Price's global equity analyst team. We seek to identify quality companies that are trading below their intrinsic value owing to short-term controversy surrounding the company or its business model. Because of our long-term investment horizon, we can exploit the valuation anomalies that often occur as companies take steps to resolve uncertainties and return to past levels of profitability. If we can successfully identify companies with asymmetric return potential, we believe that we can beat the market and our peers over time.

Financials remains the fund's largest sector allocation. Within the sector, our focus is on owning attractively valued, idiosyncratic investments that we expect to be solid performers in most economic scenarios. During the period, our exposure to the sector rose in absolute terms but stayed broadly unchanged relative to the benchmark. We added to our position in global insurance carrier **American International Group**. We see potential for strong earnings and book value growth over a longer time horizon as its underwriting performance continues to improve and property and casualty pricing continues to firm. We initiated a position in **State Street** late in the period. We are encouraged by the trust bank's high proportion of fee-based revenue and strong expense focus. Moreover, we are optimistic that State Street's ongoing investments in the business, and more efficient use of its excess capital, will drive greater productivity of its assets and higher returns on equity. We eliminated our stake in **Bank of New York Mellon** on share price appreciation.

Our exposure to health care declined in absolute terms but rose relative to the benchmark. The sector remained our second-largest allocation at period-end. We sold shares of pharmaceutical company **Merck** throughout the period on strength. Although we like the company for its durable growth profile and innovative product portfolio, we see signs of rising competitive pressures in the company's key growth areas within pharmaceuticals. We initiated a position in biopharmaceutical company **AbbVie** in the wake of its announced acquisition of Allergan, a deal that we believe provides the company with several new durable revenue streams. The stock is attractively valued, and we used the market's negative reaction to the deal as a buying opportunity.

Industrials and business services was the third-largest sector allocation at the end of the period. We bought shares of global parcel delivery firm **UPS**. Following a multiyear investment in its infrastructure and operations, we see potential for improved operating performance going forward as revenue growth continues to be driven by strong demand for global parcel delivery. We reduced our ownership of **Johnson Controls International**, a maker of equipment and building controls. Shares performed well as the company continued to

consolidate its operations and introduce new innovations to garner market share; its sale of its Power Solutions business closed ahead of schedule earlier in the year.

Elsewhere in the portfolio, we added to our stake in **GE**. Though we acknowledge prior management's missteps and the remaining challenges **GE** faces, we remain confident in the current leadership team and potential for operational improvement across its businesses. We also like the company's attractive valuation and its recent progress on its turnaround efforts. While its power business continues to struggle, we believe the current management team will be successful in de-risking its balance sheet and turning around struggling businesses. We initiated a position in **Edison International** following the passage of a California bill that created a liability fund to compensate the victims of recent wildfires. We believe that increased visibility regarding wildfire liabilities improves Edison International's risk/reward profile. We are also attracted to the company's compelling valuation relative to peers.

What is portfolio management's outlook?

Hard economic data remain weak, but economic indicators appear to be bottoming. Moreover, the Federal Reserve's pivot toward accommodative monetary policy and a warming in U.S.-China trade relations have improved investor sentiment.

Given the strength of the market over the past year, we view broad valuations as unattractive and believe investors may be too complacent. While a strong consumer and more accommodative monetary policy provide support, we believe political, regulatory, and geopolitical risks are likely to be elevated in 2020.

Given this backdrop, opportunities are more idiosyncratic, and we continue to seek out companies with improving fundamentals and compelling risk/reward profiles that have been overly discounted due to controversy or stress. As always, we seek to look past the noise to make long-term investments in higher-quality companies and maintain our positions until the expected catalysts for share price appreciation come to fruition.

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.

T. Rowe Price Institutional Large-Cap Value Fund

Supplement to Prospectus and Summary Prospectus Dated May 1, 2019

At a meeting held on October 29, 2019, the fund's Board of Directors approved certain changes to the fund, as set out below, effective May 1, 2020. The summary prospectus and prospectus will be updated to reflect the changes on or about May 1, 2020.

The fund's name will change to T. Rowe Price Large-Cap Value Fund and all of its outstanding shares will be designated as I Class shares. The name of the corporation of which the fund is a series will change from T. Rowe Price Institutional Equity Funds, Inc. to T. Rowe Price Equity Funds, Inc.

The fund's annual investment management fee will be the lesser of the current management fee of 0.55% of the fund's average daily net assets and a "combined fee." The combined fee will consist of two components – an individual fund fee, equal to 0.26% of the fund's average daily net assets, and a group fee. The group fee will be calculated based on the combined net assets of certain mutual funds sponsored by T. Rowe Price Associates, Inc. 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 will be determined by applying the group fee rate to the fund's average daily net assets. As of October 31, 2019, the effective annual group fee rate was 0.29%. Assuming such group fee rate is in effect on May 1, 2020, the fund's annual investment management fee rate would be 0.55% on such date.

The date of this supplement is February 11, 2020.

E130-041 2/11/20

RISKS OF INVESTING IN THE FUND**RISKS OF STOCK INVESTING**

As with all stock funds, the fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. Stock markets can decline for many reasons, including adverse local, political, social, or economic developments in the U.S. or abroad; changes in investor psychology; or heavy selling at the same time by major institutional investors in the market, such as mutual funds, pension funds, and banks. 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 adviser's assessment of companies held by the fund may prove incorrect, resulting in losses or poor performance, even in rising markets. Also, the fund's overall investment approach could fall out of favor with the investing public, resulting in lagging performance versus other types of stock funds. Legislative, regulatory, or tax developments may affect the investment strategies available to portfolio managers, which could adversely affect the ability to implement the fund's overall investment program and achieve the fund's investment objective.

RISKS OF VALUE INVESTING

Finding undervalued stocks requires considerable research to identify the particular company, analyze its financial condition and prospects, and assess the likelihood that the stock's underlying value will be recognized by the market and reflected in its price. A value approach to investing carries 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.

BENCHMARK INFORMATION

Note: Frank Russell Company (Russell) is the source and owner of the Russell index data contained or reflected in these materials and all trademarks and copyrights related thereto. Russell® is a registered trademark of Russell. Russell is not responsible for the formatting or configuration of these materials or for any inaccuracy in T. Rowe Price Associates' presentation thereof.

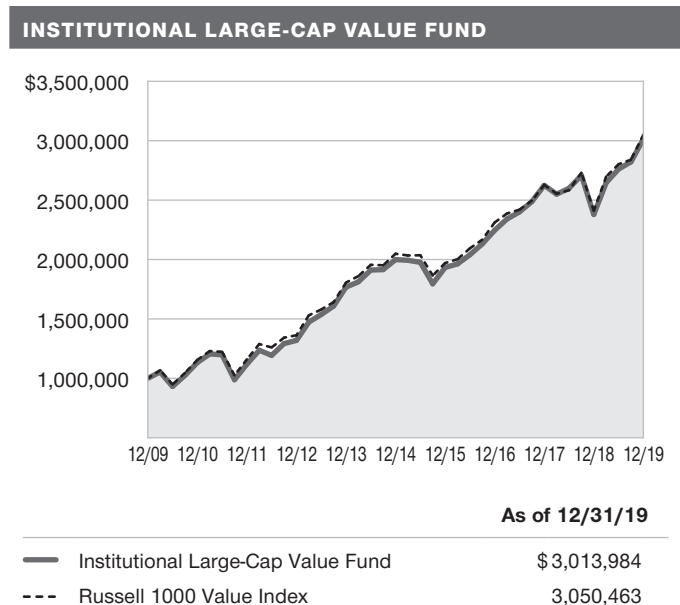
TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 12/31/19
JPMorgan Chase	3.8%
Wells Fargo	3.8
Southern Company	2.8
Total	2.6
GE	2.5
Tyson Foods	2.4
Morgan Stanley	2.3
Medtronic	2.3
American International Group	2.3
Johnson & Johnson	2.2
Chubb	2.2
Microsoft	2.1
Qualcomm	2.1
Verizon Communications	2.0
TC Energy	1.8
UPS	1.8
CVS Health	1.8
Fifth Third Bancorp	1.7
ExxonMobil	1.6
Pfizer	1.5
Applied Materials	1.5
Philip Morris International	1.4
Kimberly-Clark	1.4
Cisco Systems	1.4
Boeing	1.4
Total	52.7%

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 \$1 MILLION

This table shows the value of a hypothetical \$1 million 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.



AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 12/31/19	1 Year	5 Years	10 Years
Institutional Large-Cap Value Fund	26.69%	8.55%	11.66%

The fund's performance information represents only past performance and is not necessarily an indication of future results. Current performance may be lower or higher than the performance data cited. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please contact a T. Rowe Price representative at 1-800-638-8790.

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 distributions or the redemption of shares. When assessing performance, investors should consider both short- and long-term returns.

EXPENSE RATIO

Institutional Large-Cap Value Fund	0.57%
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The expense ratio shown is as of the fund's most recent prospectus. 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.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

INSTITUTIONAL LARGE-CAP VALUE FUND

	Beginning Account Value 7/1/19	Ending Account Value 12/31/19	Expenses Paid During Period* 7/1/19 to 12/31/19
Actual	\$1,000.00	\$1,091.50	\$3.00
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.33	2.91

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.57%), 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.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Year Ended				
	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE					
Beginning of period	\$ 19.72	\$ 23.38	\$ 20.97	\$ 18.78	\$ 20.60
Investment activities					
Net investment income ^{(1) (2)}	0.52	0.46	0.42	0.47	0.53
Net realized and unrealized gain/loss	4.73	(2.62)	3.11	2.58 ⁽³⁾	(1.22)
Total from investment activities	5.25	(2.16)	3.53	3.05	(0.69)
Distributions					
Net investment income	(0.51)	(0.50)	(0.41)	(0.45)	(0.48)
Net realized gain	(0.83)	(1.00)	(0.71)	(0.41)	(0.65)
Total distributions	(1.34)	(1.50)	(1.12)	(0.86)	(1.13)
NET ASSET VALUE					
End of period	\$ 23.63	\$ 19.72	\$ 23.38	\$ 20.97	\$ 18.78

Ratios/Supplemental Data

Total return ^{(2) (4)}	26.69%	(9.35)%	16.83%	16.20% ⁽³⁾	(3.32)%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/payments by Price Associates	0.56%	0.57%	0.57%	0.57%	0.57%
Net expenses after waivers/payments by Price Associates	0.56%	0.57%	0.57%	0.57%	0.57%
Net investment income	2.32%	1.99%	1.85%	2.39%	2.64%
Portfolio turnover rate	26.1%	27.5%	30.8%	26.2%	34.1%
Net assets, end of period (in thousands)	\$ 3,756,512	\$ 2,976,610	\$ 3,877,282	\$ 3,218,497	\$ 2,470,248

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

⁽²⁾ See Note 5 for details of expense-related arrangements with Price Associates.

⁽³⁾ Includes a voluntary payment from Price Associates for a loss of value on its investment in Dell as a result of the fund's ineligibility to pursue an appraisal action, representing \$0.04 per share based upon shares outstanding on the date of payment (6/6/16). The payment increased total return by 0.19%.

⁽⁴⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

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

T. ROWE PRICE INSTITUTIONAL LARGE-CAP VALUE FUND

December 31, 2019

PORTFOLIO OF INVESTMENTS†	Shares	\$ Value
(Cost and value in \$000s)		
COMMON STOCKS 96.4%		
Communication Services 5.6%		
Diversified Telecommunication Services 1.9%		
Verizon Communications	1,194,966	73,371
		73,371
Entertainment 1.8%		
Fox, Class B	1,034,965	37,673
Walt Disney	201,215	29,101
		66,774
Media 1.9%		
Comcast, Class A	1,037,563	46,659
News, Class A	1,730,800	24,474
		71,133
Total Communication Services		211,278
Consumer Discretionary 2.6%		
Auto Components 0.7%		
Magna International	463,361	25,411
		25,411
Hotels, Restaurants & Leisure 1.5%		
Carnival	619,200	31,474
Las Vegas Sands	361,342	24,947
		56,421
Leisure Products 0.2%		
Mattel (1)(2)	508,764	6,894
		6,894
Multiline Retail 0.2%		
Kohl's	198,400	10,108
		10,108
Total Consumer Discretionary		98,834
Consumer Staples 8.8%		
Beverages 0.7%		
PepsiCo	176,598	24,136
		24,136

	Shares	\$ Value
(Cost and value in \$000s)		
Food & Staples Retailing 1.2%		
Walmart	387,388	46,037
		46,037
Food Products 4.1%		
Bunge	545,975	31,421
Conagra Brands	989,100	33,867
Tyson Foods, Class A	970,985	88,398
		153,686
Household Products 1.4%		
Kimberly-Clark	389,150	53,528
		53,528
Tobacco 1.4%		
Philip Morris International	635,330	54,060
		54,060
Total Consumer Staples		331,447
Energy 8.4%		
Oil, Gas & Consumable Fuels 8.4%		
EQT (2)	522,268	5,693
Equitrans Midstream (2)	383,859	5,128
Exxon Mobil	854,194	59,606
Occidental Petroleum	1,126,259	46,413
Pioneer Natural Resources	211,320	31,988
TC Energy	1,299,364	69,269
TOTAL, ADR	1,764,455	97,574
Total Energy		315,671
Financials 23.8%		
Banks 11.6%		
Citigroup	280,655	22,422
Fifth Third Bancorp	2,040,884	62,737
JPMorgan Chase	1,033,941	144,131
Signature Bank	163,600	22,349
U.S. Bancorp	739,345	43,836
Wells Fargo	2,622,867	141,110
		436,585
Capital Markets 4.4%		
Charles Schwab	492,100	23,404

T. ROWE PRICE INSTITUTIONAL LARGE-CAP VALUE FUND

	Shares	\$ Value
(Cost and value in \$000s)		
Franklin Resources (2)	580,298	15,076
Morgan Stanley	1,713,242	87,581
State Street	481,800	38,111
		164,172
Diversified Financial Services 0.7%		
AXA Equitable Holdings	1,012,699	25,094
		25,094
Insurance 7.1%		
American International Group	1,647,372	84,560
Chubb	523,275	81,453
Loews	161,059	8,454
Marsh & McLennan	444,246	49,493
MetLife	871,415	44,416
		268,376
Total Financials		894,227
Health Care 14.0%		
Biotechnology 1.7%		
AbbVie	434,600	38,480
Gilead Sciences	413,547	26,872
		65,352
Health Care Equipment & Supplies 5.0%		
Becton Dickinson & Company	125,788	34,210
Hologic (1)	651,631	34,022
Medtronic	769,335	87,281
Zimmer Biomet Holdings	202,200	30,265
		185,778
Health Care Providers & Services 1.8%		
CVS Health	895,283	66,511
		66,511
Life Sciences Tools & Services 0.5%		
Thermo Fisher Scientific	61,004	19,818
		19,818
Pharmaceuticals 5.0%		
Johnson & Johnson	576,573	84,105
Merck	232,759	21,169
Perrigo	512,200	26,460

	Shares	\$ Value
(Cost and value in \$000s)		
Pfizer	1,458,240	57,134
		188,868
Total Health Care		526,327
Industrials & Business Services 11.1%		
Aerospace & Defense 2.4%		
Boeing	160,593	52,315
Raytheon	175,100	38,476
		90,791
Air Freight & Logistics 1.8%		
United Parcel Service, Class B	571,640	66,916
		66,916
Airlines 1.1%		
Southwest Airlines	779,722	42,089
		42,089
Building Products 1.4%		
Fortune Brands Home & Security	400,186	26,148
Johnson Controls International	627,174	25,532
		51,680
Commercial Services & Supplies 0.5%		
Stericycle (1)(2)	296,500	18,920
		18,920
Industrial Conglomerates 2.5%		
General Electric	8,456,963	94,380
		94,380
Machinery 0.8%		
Illinois Tool Works	177,385	31,864
		31,864
Professional Services 0.6%		
Nielsen Holdings	1,048,146	21,277
		21,277
Total Industrials & Business Services		417,917

	Shares	\$ Value
(Cost and value in \$000s)		
Information Technology 9.8%		
Communications Equipment 1.4%		
Cisco Systems	1,115,334	53,491
		53,491
Electronic Equipment, Instruments & Components 0.7%		
TE Connectivity	271,481	26,019
		26,019
IT Services 0.5%		
Cognizant Technology Solutions, Class A	269,700	16,727
		16,727
Semiconductors & Semiconductor Equipment 5.1%		
Applied Materials	911,514	55,639
NXP Semiconductors	113,200	14,406
QUALCOMM	877,946	77,461
Texas Instruments	338,500	43,426
		190,932
Software 2.1%		
Microsoft	507,520	80,036
		80,036
Total Information Technology		367,205
Materials 3.6%		
Chemicals 2.4%		
CF Industries Holdings	755,279	36,057
Dow	357,063	19,542
DuPont de Nemours	526,929	33,829
		89,428
Containers & Packaging 1.2%		
International Paper	986,817	45,443
		45,443
Total Materials		134,871

	Shares	\$ Value
(Cost and value in \$000s)		
Real Estate 2.2%		
Equity Real Estate Investment Trusts 2.2%		
SL Green Realty, REIT	342,200	31,442
Weyerhaeuser, REIT	1,641,500	49,573
Total Real Estate		81,015
Utilities 6.5%		
Electric Utilities 5.5%		
Edison International	587,926	44,336
Eergy	299,707	19,508
NextEra Energy	204,290	49,471
Southern	1,429,927	91,086
		204,401
Multi-Utilities 1.0%		
CenterPoint Energy	801,213	21,849
Sempra Energy	110,900	16,799
		38,648
Total Utilities		243,049
Total Common Stocks (Cost \$2,740,091)		
		3,621,841
CONVERTIBLE PREFERRED STOCKS 1.5%		
Health Care 0.3%		
Health Care Equipment & Supplies 0.3%		
Becton Dickinson & Company, Series A, 6.125%, 5/1/20	130,028	8,524
Total Health Care		8,524
Utilities 1.2%		
Electric Utilities 0.4%		
Southern, Series A, 6.75%, 8/1/22	282,561	15,040
		15,040
Multi-Utilities 0.8%		
Sempra Energy, Series A, 6.00%, 1/15/21	205,586	24,718

	Shares	\$ Value
(Cost and value in \$000s)		
Sempra Energy, Series B, 6.75%, 7/15/21 (2)	50,551	6,009
		30,727
Total Utilities		45,767
Total Convertible Preferred Stocks (Cost \$46,459)		54,291
SHORT-TERM INVESTMENTS 2.0%		
Money Market Funds 2.0%		
T. Rowe Price Government Reserve Fund, 1.59% (3)(4)	74,702,819	74,703
Total Short-Term Investments (Cost \$74,703)		74,703

	Shares	\$ Value
(Cost and value in \$000s)		
SECURITIES LENDING COLLATERAL 1.1%		
Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company 1.1%		
Short-Term Funds 1.1%		
T. Rowe Price Short-Term Fund, 1.79% (3)(4)	4,162,658	41,627
Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company		41,627
Total Securities Lending Collateral (Cost \$41,627)		41,627
Total Investments in Securities		
101.0% of Net Assets (Cost \$2,902,880)		\$ 3,792,462

- ‡ Shares are denominated in U.S. dollars unless otherwise noted.
- (1) Non-income producing
- (2) See Note 3. All or a portion of this security is on loan at December 31, 2019.
- (3) Seven-day yield
- (4) Affiliated Companies
- ADR American Depositary Receipts
- REIT A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder

Affiliated Companies

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the year ended December 31, 2019. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund	\$ —	\$ —	\$ 1,686
T. Rowe Price Short-Term Fund	—	—	— ⁺⁺
Totals	\$ — [#]	\$ —	\$ 1,686 ⁺

Supplementary Investment Schedule

Affiliate	Value 12/31/18	Purchase Cost	Sales Cost	Value 12/31/19
T. Rowe Price Government Reserve Fund	\$ 75,296	□	□ \$	74,703
T. Rowe Price Short-Term Fund	47,422	□	□	41,627
			\$	116,330 [^]

Capital gain distributions from mutual funds represented \$0 of the net realized gain (loss).

++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 3.

+ Investment income comprised \$1,686 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 \$116,330.

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

T. ROWE PRICE INSTITUTIONAL LARGE-CAP VALUE FUND

December 31, 2019

STATEMENT OF ASSETS AND LIABILITIES

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

Assets	
Investments in securities, at value (cost \$2,902,880)	\$ 3,792,462
Dividends receivable	7,195
Receivable for investment securities sold	2,390
Receivable for shares sold	1,766
Other assets	373
Total assets	<u>3,804,186</u>
Liabilities	
Obligation to return securities lending collateral	41,627
Payable for investment securities purchased	2,381
Payable for shares redeemed	1,853
Investment management fees payable	1,733
Due to affiliates	13
Payable to directors	3
Other liabilities	64
Total liabilities	<u>47,674</u>
NET ASSETS	<u>\$ 3,756,512</u>
Net Assets Consist of:	
Total distributable earnings (loss)	\$ 867,578
Paid-in capital applicable to 158,996,977 shares of \$0.0001 par value capital stock outstanding; 2,000,000,000 shares of the Corporation authorized	<u>2,888,934</u>
NET ASSETS	<u>\$ 3,756,512</u>
NET ASSET VALUE PER SHARE	<u>\$ 23.63</u>

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

STATEMENT OF OPERATIONS

(\$000s)

	Year Ended 12/31/19
Investment Income (Loss)	
Income	
Dividend	\$ 98,422
Securities lending	128
Total income	98,550
Expenses	
Investment management	18,802
Shareholder servicing	18
Prospectus and shareholder reports	101
Custody and accounting	211
Registration	43
Legal and audit	37
Directors	11
Miscellaneous	95
Total expenses	19,318
Net investment income	79,232
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	156,424
Payment from Price Associates (Note 5)	29
Net realized gain	156,453
Change in net unrealized gain/loss on securities	556,810
Net realized and unrealized gain / loss	713,263
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 792,495

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

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year Ended	
	12/31/19	12/31/18 ⁽¹⁾
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 79,232	\$ 73,630
Net realized gain	156,453	219,146
Change in net unrealized gain / loss	556,810	(605,770)
Increase (decrease) in net assets from operations	792,495	(312,994)
Distributions to shareholders		
Net earnings	(202,025)	(215,739)
Capital share transactions*		
Shares sold	445,334	446,547
Distributions reinvested	200,615	215,020
Shares redeemed	(456,517)	(1,033,506)
Increase (decrease) in net assets from capital share transactions	189,432	(371,939)
Net Assets		
Increase (decrease) during period	779,902	(900,672)
Beginning of period	2,976,610	3,877,282
End of period	\$ 3,756,512	\$ 2,976,610
*Share information		
Shares sold	19,775	19,232
Distributions reinvested	8,577	10,718
Shares redeemed	(20,272)	(44,896)
Increase (decrease) in shares outstanding	8,080	(14,946)

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

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Institutional Equity Funds, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Institutional Large-Cap Value Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks to provide long-term capital appreciation by investing in common stocks believed to be undervalued. Income is a secondary objective.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

Investment Transactions, Investment Income, and Distributions Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from mutual fund investments are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Distributions from REITs are initially recorded as dividend income and, to the extent such represent a return of capital or capital gain for tax purposes, are reclassified when such information becomes available. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid annually. A capital gain distribution may also be declared and paid by the fund annually.

New Accounting Guidance Effective January 1, 2019, the fund adopted FASB guidance that shortened the amortization period for certain callable debt securities held at a premium. Adoption had 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 its 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. Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. OTC Bulletin Board securities, certain preferred securities, and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

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

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

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

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on December 31, 2019 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Common Stocks	\$ 3,621,841	\$ —	\$ —	\$ 3,621,841
Convertible Preferred Stocks	—	54,291	—	54,291
Short-Term Investments	74,703	—	—	74,703
Securities Lending Collateral	41,627	—	—	41,627
Total	\$ 3,738,171	\$ 54,291	\$ —	\$ 3,792,462

NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

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, 2019, the value of loaned securities was \$40,672,000; the value of cash collateral and related investments was \$41,627,000.

Other Purchases and sales of portfolio securities other than short-term securities aggregated \$944,195,000 and \$865,572,000, respectively, for the year ended December 31, 2019.

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes.

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.

Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The permanent book/tax adjustments have no impact on results of operations or net assets and 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. For the year ended December 31, 2019, the following reclassification was recorded:

(\$000s)	
Total distributable earnings (loss)	\$ (27,498)
Paid-in capital	27,498

Distributions during the years ended December 31, 2019 and December 31, 2018, were characterized for tax purposes as follows:

(\$000s)	December 31	
	2019	2018
Ordinary income	\$ 76,890	\$ 76,228
Long-term capital gain	125,135	139,511
Total distributions	\$ 202,025	\$ 215,739

At December 31, 2019, the tax-basis cost of investments and components of net assets were as follows:

(\$000s)	
Cost of investments	\$ 2,955,362
Unrealized appreciation	\$ 968,314
Unrealized depreciation	(131,214)
Net unrealized appreciation (depreciation)	837,100
Undistributed ordinary income	2,084
Undistributed long-term capital gain	28,394
Paid-in capital	2,888,934
Net assets	\$ 3,756,512

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. During the year ended December 31, 2019, the fund utilized \$4,121,000 of capital loss carryforwards.

NOTE 5 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management agreement between the fund and Price Associates provides for an annual investment management fee equal to 0.55% of the fund's average daily net assets. The fee is computed daily and paid monthly.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary 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. For the year ended December 31, 2019, expenses incurred pursuant to these service agreements were \$70,000 for Price Associates and \$16,000 for T. Rowe Price 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.

On April 2, 2019, Price Associates reimbursed the fund \$29,000 (0.0% of net assets) for the estimated effect of an under-reported cash balance available for investment.

As of December 31, 2019, T. Rowe Price Group, Inc., or its wholly owned subsidiaries owned 2,461,426 shares of the fund, representing 2% of the fund's net assets.

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, 2019, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

NOTE 6 - SUBSEQUENT EVENT

At a meeting held October 29, 2019, the fund's Board approved certain changes to the fund effective May 1, 2020 (the Restructure). Under the Restructure, the fund's outstanding shares will be re-designated as I Class shares; the fund's name will change to the T. Rowe Price Large-Cap Value Fund; and the fund will also offer Investor Class shares, which will be available to retail investors. Each class will have 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.

In addition, the Board approved an amendment to the fund's investment management agreement. The annual investment management fee rate will be the lesser of the current management fee rate of 0.55% and a "combined fee rate." The combined fee rate is an individual fund fee rate, equal to 0.26% of the fund's average daily net assets, and a group fee. The group fee rate will be calculated based on the combined net assets of certain mutual funds sponsored by Price Associates 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 will be determined by applying the group fee rate to the fund's average daily net assets. At December 31, 2019, the effective annual group fee rate was 0.29%. The amendment to the fund's investment management agreement will be effective May 1, 2020.

Report of Independent Registered Public Accounting Firm

**To the Board of Directors of T. Rowe Price Institutional Equity Funds, Inc. and
Shareholders of T. Rowe Price Institutional Large-Cap Value Fund**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of T. Rowe Price Institutional Large-Cap Value Fund (one of the funds constituting T. Rowe Price Institutional Equity Funds, Inc., referred to hereafter as the “Fund”) as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (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, 2019, 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, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 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.

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, 2019 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 14, 2020

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 12/31/19

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:

- \$3,906,000 from short-term capital gains,
- \$145,982,000 from long-term capital gains, subject to a long-term capital gains tax rate not greater than 20%.

For taxable non-corporate shareholders, \$83,110,000 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, \$81,040,000 of the fund's income qualifies for the dividends-received deduction.

For individuals and certain trusts and estates which are entitled to claim a deduction of up to 20% of their combined qualified real estate investment trust (REIT) dividends, \$29,000 of the fund's income qualifies as qualified real estate investment trust (REIT) dividends.

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://www.troweprice.com/corporate/en/utility/policies.html>

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

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 (1959) 2018 [189]	President, Radian Guaranty (2008 to 2017); Chief Executive Officer, Bazemore Consulting LLC (2018 to present); Director, Chimera Investment Corporation (2017 to present); Director, Federal Home Loan Bank of Pittsburgh (2017 to present)
Ronald J. Daniels (1959) 2018 [189]	President, The Johns Hopkins University ^(b) 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; Member, Investment Company Institute Board of Governors (2017 to present); Member, Independent Directors Council Governing Board (2017 to present); Senior Advisor, KKR (November 2018 to present); 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 January 2016); Chairman of the Board, all funds (July 2018 to present)
Paul F. McBride (1956) 2013 [189]	Advisory Board Member, Vizzia Technologies (2015 to present); Board Member, Dunbar Armored (2012 to 2018)
Cecilia E. Rouse, Ph.D. (1963) 2012 [189]	Dean, Woodrow Wilson School (2012 to present); Professor and Researcher, Princeton University (1992 to present); Director, MDRC, a nonprofit education and social policy research organization (2011 to present); Member, National Academy of Education (2010 to present); Research Associate of Labor Studies Program at the National Bureau of Economic Research (2011 to 2015); Board Member, 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 2018); Vice President (2015 to 2016) and Board Member, American Economic Association (2018 to present)
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, 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 (2007 to present); Director, Hudson Pacific Properties (2014 to 2016); Director, Invitation Homes (2014 to 2017); Director, JMB Realty Corporation (1980 to present)
Mark R. Tercek ^(c) (1957) 2009 [0]	President and Chief Executive Officer, The Nature Conservancy (2008 to present)

^(a)All information about the independent directors was current as of February 19, 2019, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

^(b)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.

^(c)Effective February 15, 2019, Mr. Tercek resigned from his role as independent director of the Price Funds.

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
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 (Price Hong Kong), and T. Rowe Price International; Vice President, T. Rowe Price Japan (Price Japan) and T. Rowe Price Singapore (Price Singapore); Principal Executive Officer and Executive Vice President, all funds
Robert W. Sharps, CFA, CPA** (1971) 2017 [189]	Director and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; President, Institutional Equity Funds

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

**Mr. Sharps replaced Edward A. Wiese as director of the domestic fixed income Price Funds effective January 1, 2019.

OFFICERS

Name (Year of Birth) Position Held With Institutional Equity Funds	Principal Occupation(s)
Francisco M. Alonso (1978) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Brian W.H. Berghuis, CFA (1958) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
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 Retirement Plan Services, Inc., and T. Rowe Price Services, Inc.
Alan S. Dupski, CPA (1982) Assistant Treasurer	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Mark S. Finn, CFA, CPA (1963) Executive 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
Ann M. Holcomb, CFA (1972) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., 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
John D. Linehan, CFA (1965) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company

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 Institutional Equity Funds	Principal Occupation(s)
Catherine D. Mathews (1963) Principal Financial Officer, Vice President, and Treasurer	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Heather K. McPherson, CPA (1967) Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Joshua Nelson (1977) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, and T. Rowe Price Trust Company
Curt J. Organt, CFA (1968) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Jason B. Polun, CFA (1974) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Larry J. Puglia, CFA, CPA (1960) Executive 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
Shannon H. Rauser (1987) Assistant Secretary	Assistant Vice President, T. Rowe Price
Taymour R. Tamaddon, CFA (1976) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Ken D. Uematsu, CFA (1966) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
J. David Wagner, CFA (1974) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
John F. Wakeman (1962) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
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, JPMorgan Chase (to 2017)
Thomas H. Watson (1977) Executive Vice President	Director and Vice President, T. Rowe Price Trust Company; 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.

T.RowePrice®

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