



PORTFOLIO UPDATE

# Dividend Growth Fund - I Class

As of February 28, 2023



**Portfolio Manager:**  
Thomas Huber

**Managed Fund Since:**  
2000

**Joined Firm:**  
1994

## MARKET COMMENTARY

U.S. stocks fell in February as signs of reaccelerating inflation weighed on investor sentiment. As measured by various Russell indexes, small-cap equities performed best, followed by large-cap and mid-cap. Growth outperformed value across all market capitalizations. Within the S&P 500, the energy sector fared worst, with the real estate and utilities sectors also performing poorly. Only information technology stocks advanced, albeit modestly.

Early in the month, stocks were buoyed by strong jobs and unemployment numbers. Stocks began a persistent downward slide at mid-month, however, as further data suggested that inflationary pressures were still intact, if not rising. Investors were concerned that persistent price pressures could force the Federal Reserve to continue raising interest rates and keep borrowing costs elevated for some time, thus increasing the potential for slower economic and corporate earnings growth, and possibly a recession.

Federal Reserve policy, and the market's reaction to their signals, will likely continue to influence U.S. equity markets going forward as the market seeks clarity on whether it can execute a "soft landing"-with slower but still positive growth-or its efforts result in a full-fledged recession that drags down earnings. While there are good reasons for caution in 2023, excessive pessimism and volatility can create value for agile investors. In difficult markets, security selection will be critical.

## INVESTMENT OBJECTIVE

The fund seeks dividend income and long-term capital growth primarily through investments in stocks.

## FUND INFORMATION

Symbol	PDGIX
CUSIP	779546308
Inception Date of Fund	December 17, 2015
Benchmark	S&P 500 Index
Expense Information (as of the most recent Prospectus)	0.49%
Fiscal Year End	December 31
12B-1 Fee	-

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			
					Three Years	Five Years	Ten Years	Fifteen Years
Dividend Growth Fund - I Class	-2.72%	-3.49%	0.53%	-2.07%	12.22%	10.87%	12.23%	10.00%
S&P 500 Index	-2.44	-2.28	3.69	-7.69	12.15	9.82	12.25	9.76
NASDAQ US Broad Dividend Achievers Index	-3.05	-4.02	-0.66	-0.54	11.81	9.90	10.49	8.72

The **1-, 5-, and 10-year** annualized returns as of **12/31/22** were **-10.10%, 10.96%** and **12.90%** for the fund. **Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit [troweprice.com](http://troweprice.com). Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit [troweprice.com](http://troweprice.com). Read it carefully.** The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The T. Rowe Price Fund shares the portfolio of an existing fund (the original share class of the fund referred to as the "investor class"). The total return figures for the I Class shares have been calculated using the performance data of the investor class up to the inception date of the I Class (12/17/15) and the actual performance results of the I Class since that date. Because the I Classes are expected to have lower expenses than the Investor Classes, the I Class performance, had it existed over the periods shown, would have been higher.

Dividend-paying stocks may lag shares of smaller, faster-growing companies. Also, stocks that appear temporarily out of favor may remain out of favor for a long time.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details. For Sourcing Information, please see Additional Disclosures.

### RISK RETURN CHARACTERISTICS

(Five Years ended February 28, 2023)

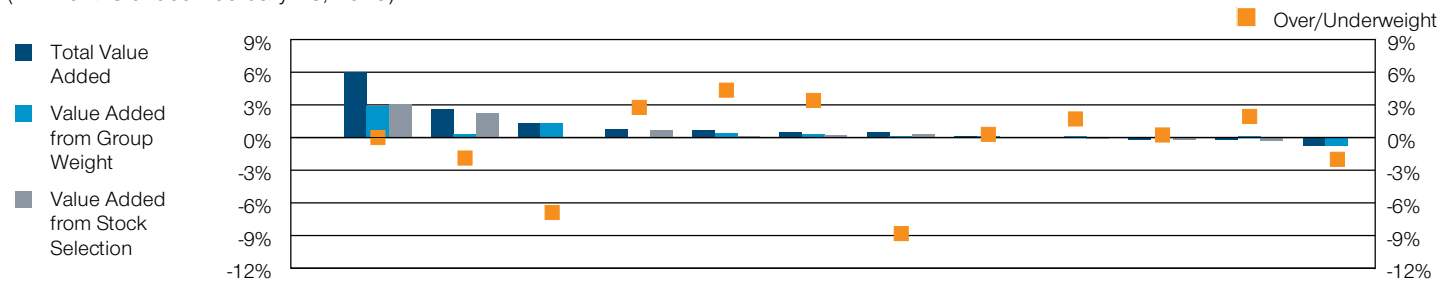
	Active Share* (as of 2/28/23)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Dividend Growth Fund - I Class	62.9%	16.22%	1.99%	0.86	0.95	0.23	0.58	4.48%
S&P 500 Index	-	18.51	0.00	1.00	1.00	0.00	0.45	0.00

\* Active Share is a snapshot in time as of the indicated date.

**Past performance is not a reliable indicator of future performance.** Figures are calculated using monthly data and are net of fees.

### SECTOR ATTRIBUTION DATA VS. S&P 500 INDEX

(12 months ended February 28, 2023)



	Total	Con- sumer Disc	Comm Svcs	Finan- cials	Indust & Bus Svcs	Health Care	Info Tech	Utilities	Con- sumer Staples	Real Es- tate	Material- als	Energy
Over/Underweight	0.00%	-1.85%	-6.84%	2.81%	4.41%	3.42%	-8.82%	0.31%	1.73%	0.26%	1.97%	-1.97%
Fund Performance	-1.59	9.21	-27.03	0.01	4.16	0.98	-9.01	-1.98	-2.21	-16.45	-5.91	17.86
Index Performance	-7.69	-18.22	-24.78	-5.35	2.61	-0.55	-10.93	-1.34	-1.12	-12.21	0.49	24.03
Value Add - Group Weight	2.93	0.38	1.37	0.10	0.46	0.32	0.14	0.17	0.14	-0.01	0.16	-0.73
Value Add - Stock Selection	3.17	2.25	-0.05	0.71	0.19	0.24	0.41	-0.04	-0.06	-0.12	-0.31	-0.03
Total Contribution	6.10	2.63	1.31	0.81	0.65	0.56	0.55	0.13	0.08	-0.13	-0.15	-0.76

**Past performance is not a reliable indicator of future performance.** All numbers are percentages. Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets. Non-equity positions are excluded from structure shown. Returns will not match official T. Rowe Price performance because FactSet uses different exchange rate sources and does not capture intra-day trading. Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown with gross dividends reinvested. Sources: Financial data and analytics provider FactSet. Copyright 2023 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all updates to GICS for prospective reporting. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD. For Sourcing Information, please see Additional Disclosures.

**TOP 10 ISSUERS**

Comprising 22.5% of total net assets.

	<b>Industry</b>	<b>% of Fund</b>
Microsoft	Software	4.4%
Apple	Tech. Hard., Stor. & Periph.	3.5
UnitedHealth Group	Health Care Providers & Svcs	2.4
Visa	IT Services	1.9
JPMorgan Chase	Banks	1.8
Chubb	Insurance	1.8
Marsh & McLennan	Insurance	1.7
Accenture	IT Services	1.7
Thermo Fisher Scientific	Life Sciences Tools & Services	1.7
Danaher	Life Sciences Tools & Services	1.6

Issuers are as of the date indicated and are subject to change.

**PORTFOLIO CHARACTERISTICS**

	<b>Dividend Growth Fund - I Class</b>	<b>S&amp;P 500 Index</b>
Number of Issuers	104	500
Investment Weighted Median Market Cap (mm)	\$110,155	\$150,838
Price to Earnings (12 Months Forward)* ° †	21.4X	20.4X
Price to Book (trailing)°	6.6X	6.0X
Projected Earnings Growth Rate (3 - 5 Years)* ° †	9.1%	9.0%
Return on Equity (Last 12 Months excl. charges)°	28.9%	26.8%
Top 20 Issuers as Percent of Total	36.0%	36.3%
Total Assets (all share classes)	20,976,656,397	-
Percent of Portfolio in Cash	4.0%	-

°Investment Weighted Median.

\*I/B/E/S © 2023 Refinitiv. All rights reserved.

†These statistics are based on the fund's underlying holdings and are not a projection of future portfolio performance. Actual results may vary.

**SECTOR DIVERSIFICATION**

	<b>Info Tech</b>	<b>Health Care</b>	<b>Financials</b>	<b>Indust &amp; Bus Svcs</b>	<b>Cons Disc</b>	<b>Cons Stpls</b>	<b>Materials</b>	<b>Utilities</b>	<b>Real Estate</b>	<b>Energy</b>	<b>Comm Svcs</b>
Dividend Growth Fund - I Class	18.4%	17.8%	14.6%	13.1%	8.9%	8.5%	4.8%	3.2%	3.0%	2.8%	0.8%
S&P 500 Index	27.1	14.3	11.7	8.6	10.6	6.7	2.8	2.8	2.7	4.8	7.7
<b>Over/Underweight</b>	<b>-8.7</b>	<b>3.5</b>	<b>2.9</b>	<b>4.5</b>	<b>-1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>0.3</b>	<b>0.3</b>	<b>-2.0</b>	<b>-6.8</b>

For Sourcing Information, please see Additional Disclosures.

## Definitions

Active Share is a holdings based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

## Additional Disclosures

The S&P 500 Index is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJ") and has been licensed for use by T. Rowe Price. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). This product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

Source for NASDAQ data: NASDAQ

Unless otherwise noted, index returns are shown with gross dividends reinvested.

The information shown does not reflect any Exchange Traded Funds (ETFs) that may be held in the portfolio.

T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc, ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by T. Rowe Price. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any or such standard or classification. Without limiting any or the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates. Actual market and investment results may differ materially from expectations.

© 2023 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc.

T. Rowe Price Investment Services, Inc., Distributor.

2016-US-19704 202303-2762588