



PORTFOLIO UPDATE

Equity Income Fund

As of February 28, 2023



Portfolio Manager:
John Linehan

Managed Fund Since:
2015

Joined Firm:
1998

INVESTMENT OBJECTIVE

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

FUND INFORMATION

Symbol	PRFDX
CUSIP	779547108
Inception Date of Fund	October 31, 1985
Benchmark	Russell 1000 Value Index
Expense Information (as of the most recent Prospectus)	0.63%
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
Equity Income Fund	-3.65%	-2.50%	1.71%	-2.57%	12.89%	7.52%	9.25%	7.69%
Russell 1000 Value Index	-3.53	-2.62	1.47	-2.81	10.96	7.22	9.60	7.66
S&P 500 Index	-2.44	-2.28	3.69	-7.69	12.15	9.82	12.25	9.76

The 1-, 5-, and 10-year annualized returns as of 12/31/22 were -3.28%, 7.17% and 9.82% 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. 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. Read it carefully.** The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The value approach 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.

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.

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.

RISK RETURN CHARACTERISTICS

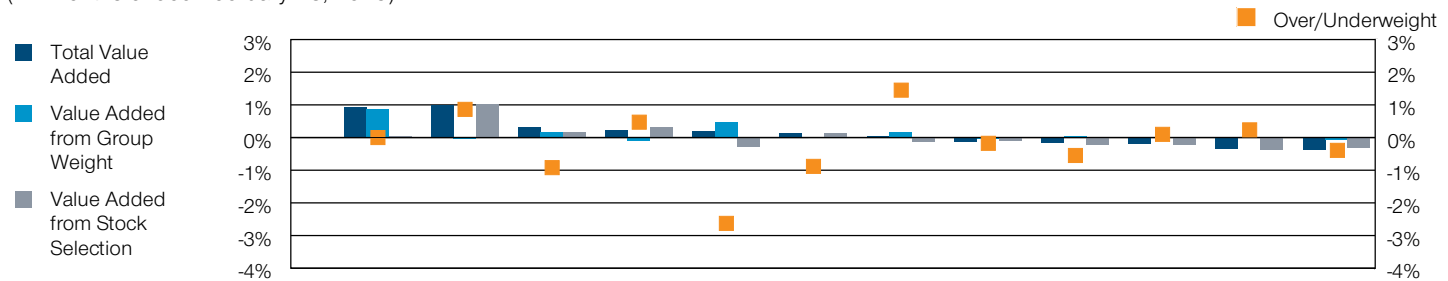
(Five Years ended February 28, 2023)

	Active Share* (as of 2/28/23)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Equity Income Fund	73.2%	19.18%	0.28%	1.01	0.97	0.09	0.32	3.19%
Russell 1000 Value Index	-	18.69	0.00	1.00	1.00	0.00	0.31	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. RUSSELL 1000 VALUE INDEX**

(12 months ended February 28, 2023)



	Total	Financials	Info Tech	Health Care	Comm Svcs	Consumer Disc	Utilities	Consumer Staples	Real Estate	Indust & Bus Svcs	Energy	Materials
Over/Underweight	0.00%	0.87%	-0.91%	0.47%	-2.63%	-0.87%	1.46%	-0.18%	-0.54%	0.10%	0.25%	-0.38%
Fund Performance	-1.86	-0.15	-12.03	1.94	-22.04	-4.67	-3.10	-2.39	-18.29	-0.52	18.92	-8.23
Index Performance	-2.81	-5.12	-14.13	-0.17	-16.14	-4.49	-1.38	-0.81	-13.55	2.04	25.47	0.53
Value Add - Group Weight	0.87	-0.03	0.16	-0.09	0.48	0.01	0.20	-0.03	0.06	0.01	0.01	-0.06
Value Add - Stock Selection	0.07	1.03	0.16	0.34	-0.28	0.14	-0.12	-0.09	-0.23	-0.21	-0.35	-0.31
Total Contribution	0.94	1.01	0.32	0.25	0.20	0.15	0.08	-0.12	-0.17	-0.19	-0.35	-0.37

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 24.5% of total net assets.

	Industry	% of Fund
Wells Fargo	Banks	3.4%
TotalEnergies	Oil, Gas & Consumable Fuels	3.0
GE	Industrial Conglomerates	2.9
Southern Company	Electric Utilities	2.7
American International Group	Insurance	2.3
Qualcomm	Semicons & Semicon Equip	2.3
Elevance Health	Health Care Providers & Svcs	2.2
Chubb	Insurance	1.9
CF Industries	Chemicals	1.9
Becton, Dickinson & Company	Health Care Equip & Supplies	1.9

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

PORTFOLIO CHARACTERISTICS

	Equity Income Fund	Russell 1000 Value Index
Number of Issuers	107	839
Investment Weighted Median Market Cap (mm)	\$72,291	\$75,963
Price to Earnings (12 Months Forward)* ° †	14.3X	16.8X
Price to Book (trailing)°	2.2X	2.5X
Projected Earnings Growth Rate (3 - 5 Years)* ° †	6.1%	6.5%
Return on Equity (Last 12 Months excl. charges)°	13.5%	15.7%
Top 20 Issuers as Percent of Total	41.1%	26.8%
Total Assets (all share classes)	17,362,725,228	-
Percent of Portfolio in Cash	1.1%	-

°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

	Finan- cials	Health Care	Indust & Bus Svcs	Energy	Info Tech	Utilities	Cons Stpls	Comm Svcs	Cons Disc	Materi- als	Real Es- tate
Equity Income Fund	21.7%	16.9%	11.1%	8.2%	7.6%	7.6%	6.8%	5.4%	5.4%	4.2%	4.0%
Russell 1000 Value Index	20.8	16.1	11.0	8.0	8.5	5.3	7.0	8.0	6.2	4.5	4.6
Over/Underweight	0.9	0.9	0.1	0.2	-0.9	2.3	-0.2	-2.6	-0.9	-0.4	-0.6

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.

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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.

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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.

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