



PORTFOLIO UPDATE

Equity Income Fund

As of October 31, 2020



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)	0.64%
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	-0.38%	-1.09%	-16.54%	-11.29%	-0.11%	5.34%	8.07%	5.97%
Russell 1000 Value Index	-1.31	0.24	-12.74	-7.57	1.94	5.82	9.48	6.44
S&P 500 Index	-2.66	0.37	2.77	9.71	10.42	11.71	13.01	9.12

The 1-, 5-, and 10-year annualized returns as of 9/30/20 were -10.39%, 7.09% and 8.40% 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. equity returns were narrowly mixed for the month, as large-cap shares declined while small- and mid-cap shares advanced. As measured by various Russell indexes, value stocks outperformed growth stocks among all market capitalizations. Within the S&P 500 Index, information technology, energy, and health care shares produced the largest losses, while utilities and communication services were the only sectors to record gains.

Shifting expectations for a fourth round of fiscal stimulus appeared to play a major role in driving sentiment in October. While apparent progress in negotiations early in the month raised hopes for a deal, stocks moved steadily lower late in the month as it became clear that a deal would not be reached prior to the election. President Donald Trump's seemingly rapid recovery following his coronavirus diagnosis and hospitalization at the start of the month seemed to boost sentiment, as optimism grew about the new antibody and antiviral treatments he had received. The pandemic outlook darkened over the following weeks, however, as overall case counts in the U.S. reached new highs. The month's broader economic data seemed generally more encouraging as jobless claims hit new pandemic lows late in the month. In housing, single-family construction and overall building permits reaching 13-year highs, while existing home sales hit their highest level since May 2006.

Investors continue to face an exceptionally uncertain environment in the final months of 2020. While the economic recovery is continuing, its pace appears to be slowing considerably, and the prospect of additional stimulus remains uncertain. However, not all "risks" are to the downside as firms and individuals continue to benefit from record-low interest rates. The biggest boost to confidence, of course, would come from a successful coronavirus vaccine, as well as effective and widely available treatment options. The timing of a commercial rollout of a vaccine and what proportion of the population will choose to take it remain open questions for investors.

RISK RETURN CHARACTERISTICS

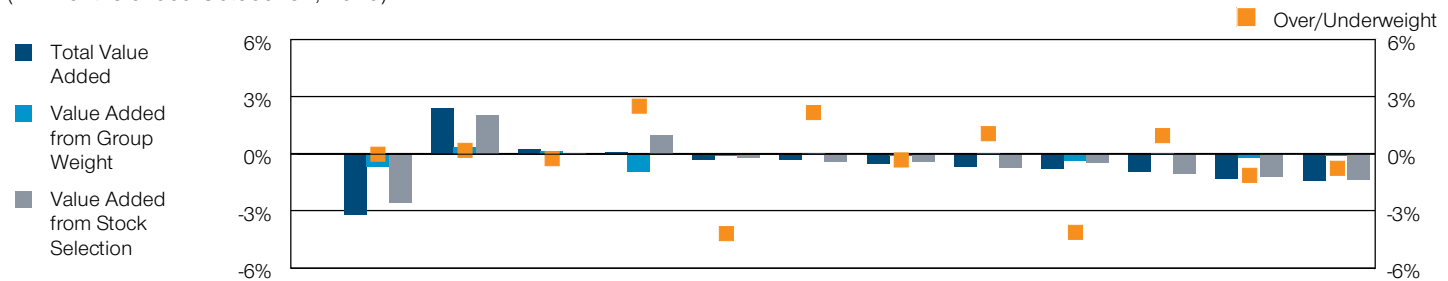
(Five Years ended October 31, 2020)

	Active Share* (as of 10/31/20)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Equity Income Fund	73.9%	15.23%	-0.42%	1.00	0.98	-0.22	0.27	2.17%
Russell 1000 Value Index	-	15.08	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 October 31, 2020)



	Total	Info Tech	Real Es- tate	Energy	Comm Svcs	Utilities	Con- sumer Staples	Materi- als	Con- sumer Disc	Finan- cials	Indust & Bus Svcs	Health Care
Over/Underweight	0.00%	0.22%	-0.24%	2.54%	-4.16%	2.18%	-0.31%	1.07%	-4.09%	0.96%	-1.12%	-0.73%
Fund Performance	-10.76	27.11	-23.07	-37.73	-6.75	-5.39	-0.06	-9.63	-22.10	-21.89	-13.72	-0.76
Index Performance	-7.57	-1.97	-22.54	-46.24	-3.59	-0.63	3.92	8.82	0.75	-17.95	-2.37	10.50
Value Add - Group Weight	-0.66	0.32	0.18	-0.90	-0.06	0.08	-0.12	0.08	-0.33	0.06	-0.16	-0.06
Value Add - Stock Selection	-2.53	2.05	0.04	1.00	-0.21	-0.36	-0.38	-0.70	-0.45	-1.01	-1.17	-1.35
Total Contribution	-3.19	2.38	0.23	0.10	-0.27	-0.28	-0.50	-0.62	-0.78	-0.94	-1.32	-1.41

Past performance is not a reliable indicator of future performance. Numbers may not total due to rounding; all other numbers are percentages. Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets that will not receive a classification assignment in the detailed 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 2020 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. 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
Southern Company	Electric Utilities	3.5%
Qualcomm	Semicons & Semicon Equip	3.4
UPS	Air Freight & Logistics	2.6
Wells Fargo	Banks	2.4
DuPont de Nemours	Chemicals	2.3
Chubb	Insurance	2.3
GE	Industrial Conglomerates	2.2
Philip Morris International	Tobacco	1.9
Becton, Dickinson & Company	Health Care Equip & Supplies	1.9
NiSource	Multi-Utilities	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	834
Investment Weighted Median Market Cap (mm)	\$58,638	\$61,311
Price to Earnings (12 Months Forward)* ° †	16.4X	19.1X
Price to Book°	2.1X	2.8X
Projected Earnings Growth Rate (3 - 5 Years)* ° †	4.6%	5.7%
Return on Equity (Last 12 Months excl. charges)°	11.8%	12.5%
Top 20 Issuers as Percent of Total	42.4%	27.3%
Total Assets (all share classes)	14,237,146,453	-
Percent of Portfolio in Cash	1.1%	-

°Investment Weighted Median.

*I/B/E/S © 2020 Refinitiv. All rights reserved

†Based on the fund's underlying holdings and is not a projection of future portfolio performance.

SECTOR DIVERSIFICATION

	Finan- cials	Health Care	Indust & Bus Svcs	Utilities	Info Tech	Cons Stpls	Energy	Materi- als	Comm Svcs	Real Es- tate	Cons Disc
Equity Income Fund	19.7%	14.0%	12.1%	10.2%	9.5%	7.9%	6.4%	5.9%	5.3%	4.3%	3.6%
Russell 1000 Value Index	18.5	14.2	13.2	6.3	9.3	8.2	3.9	4.8	9.5	4.5	7.7
Over/Underweight	1.3	-0.2	-1.1	3.9	0.2	-0.3	2.6	1.1	-4.2	-0.2	-4.1

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

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2020. FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

Copyright © 2020, S&P Global Market Intelligence (and its affiliates, as applicable). Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice.

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.

© 2020 T. Rowe Price. All rights reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the bighorn sheep design are, collectively and/or apart, trademarks or registered trademarks of T. Rowe Price Group, Inc.

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

2016-US-25927 202011-1399827