



PORTFOLIO UPDATE

# Real Estate Fund - I Class

As of February 28, 2023



**Portfolio Manager:**  
Nina Jones

**Managed Fund Since:**  
2019

**Joined Firm:**  
2008

## INVESTMENT OBJECTIVE

The fund seeks to provide long-term growth through a combination of capital appreciation and current income.

## FUND INFORMATION

Symbol	TIRRX
CUSIP	779919307
Inception Date of Fund	December 17, 2015
Benchmark	FTSE Nareit All Equity REITs Index
Expense Information (as of the most recent Prospectus)	0.61%
Fiscal Year End	December 31
12B-1 Fee	-

## 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 stocks. Growth outperformed value across all market capitalizations. Within the S&P 500, the energy sector fared worst as oil prices declined for the month, 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.

As measured by the FTSE NAREIT All Equity REITs Index, nearly all the sectors in the real estate benchmark recorded negative results as real estate stocks faced headwinds from rising Treasury yields. Self-storage was the only sector to produce positive returns, and apartment/residential and triple net stocks also held up relatively well despite finishing in negative territory. Conversely, the office, infrastructure, and data center segments were among the weakest performers.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			
					Three Years	Five Years	Ten Years	Fifteen Years
Real Estate Fund - I Class	-5.66%	-1.09%	4.17%	-14.82%	3.01%	4.67%	5.50%	6.00%
Lipper Real Estate Funds Index	-5.04	-0.47	4.60	-13.18	3.54	6.54	6.27	6.75
FTSE Nareit All Equity REITs Index	-5.93	-1.60	3.55	-12.17	3.43	7.40	6.96	7.22

The **1-, 5-, and 10-year** annualized returns as of **12/31/22** were **-25.76%, 1.68%** and **5.41%** 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.

Changes in the tax laws, overbuilding, environmental issues, the quality of property management in the case of real estate investment trusts (REITs), and other factors could hurt a fund that invests in the real estate industry.

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**

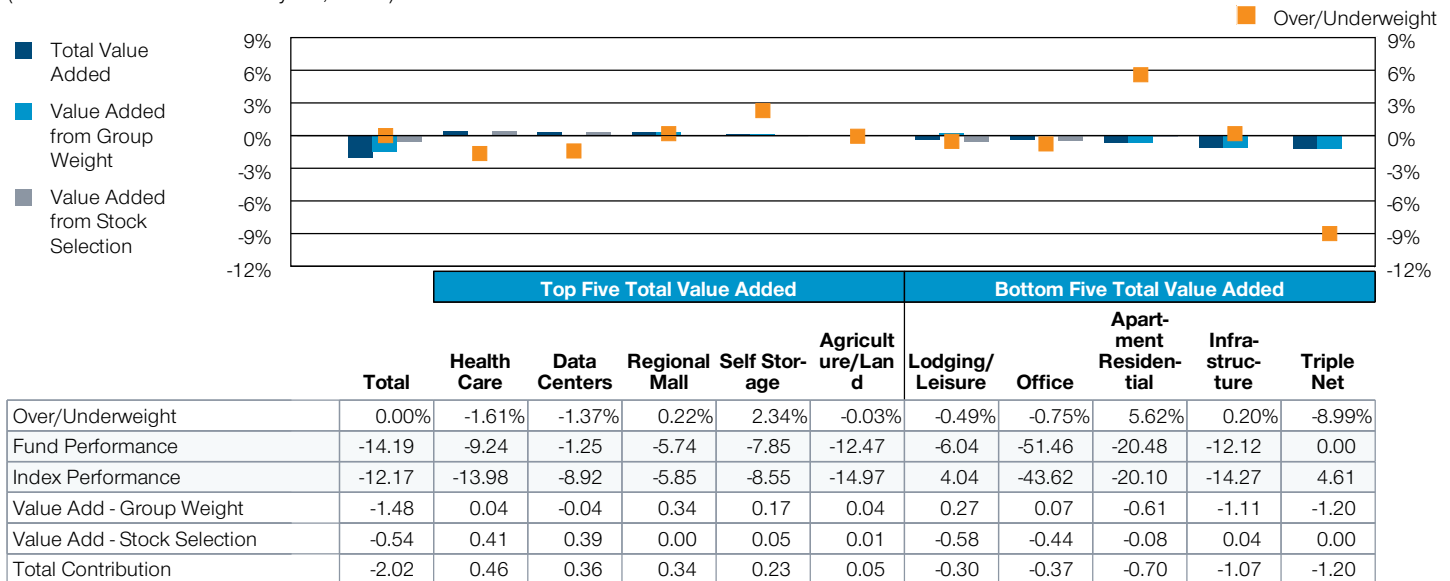
(Five Years ended February 28, 2023)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Real Estate Fund - I Class	20.39%	-2.54%	1.02	0.96	-0.65	0.16	4.22%
FTSE Nareit All Equity REITs Index	19.57	0.00	1.00	1.00	0.00	0.31	0.00

**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. FTSE NAREIT ALL EQUITY REITS INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)**

(12 months ended February 28, 2023)



**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. Analysis by T. Rowe Price. T. Rowe Price uses a custom structure for sector and industry reporting for this product. 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 51.1% of total net assets.

	<b>Industry</b>	<b>% of Fund</b>
Prologis	Industrial	7.4%
American Tower	Infrastructure	7.3
Equinix	Data Centers	6.3
Equity LifeStyle Properties	Apartment Residential	5.6
Public Storage	Self Storage	5.5
SBA Communications	Infrastructure	4.2
Welltower	Health Care	3.9
Simon Property Group	Regional Mall	3.9
Rexford Industrial Realty	Industrial	3.6
Regency Centers	Shopping Center	3.4

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

**PORTFOLIO CHARACTERISTICS**

	<b>Real Estate Fund - I Class</b>	<b>FTSE Nareit All Equity REITs Index</b>
Number of Issuers	39	146
Investment Weighted Median Market Cap (mm)	\$24,139	\$24,139
Price to Earnings (12 Months Forward)* ° †	42.8X	42.8X
Price to Book (trailing)°	2.6X	2.1X
Projected Earnings Growth Rate (3 - 5 Years)* ° †	7.0%	3.7%
Return on Equity (Last 12 Months excl. charges)°	8.8%	8.8%
Top 20 Issuers as Percent of Total	79.8%	62.8%
Total Assets (all share classes)	1,120,576,778	-
Percent of Portfolio in Cash	2.6%	-

°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.

**INDUSTRY DIVERSIFICATION**

	<b>Apt Res</b>	<b>Industrial</b>	<b>Infra-structure</b>	<b>Self Storage</b>	<b>Health Care</b>	<b>Data Centers</b>	<b>Shop-ping Center</b>	<b>Lodging / Lei-sure</b>	<b>Region-al Mall</b>	<b>Agg-Land</b>	<b>Other</b>
Real Estate Fund - I Class	20.5%	16.6%	14.7%	10.0%	8.7%	6.3%	6.0%	5.2%	3.9%	2.7%	2.8%
FTSE Nareit All Equity REITs Index	14.8	14.5	14.5	7.6	10.3	7.6	4.9	5.6	3.7	2.7	13.8
<b>Over/Underweight</b>	<b>5.7</b>	<b>2.1</b>	<b>0.2</b>	<b>2.4</b>	<b>-1.6</b>	<b>-1.4</b>	<b>1.1</b>	<b>-0.5</b>	<b>0.2</b>	<b>0.0</b>	<b>-11.0</b>

For Sourcing Information, please see Additional Disclosures.

## Additional Disclosures

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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.

T. Rowe Price uses a custom structure for sector and industry reporting for this product.

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

"Other" includes any categories not explicitly mentioned.

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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