



PORTFOLIO UPDATE

Extended Equity Market Index Fund

As of December 31, 2022



Portfolio Manager:
Neil Smith

Managed Fund Since:
2022

Joined Firm:
1994

INVESTMENT OBJECTIVE

The fund seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization U.S. stocks.

FUND INFORMATION

Symbol	PEMX
CUSIP	779552207
Inception Date of Fund	January 30, 1998
Benchmark	S&P Completion Index
Expense Information (as of the most recent Prospectus)	0.23%
Fiscal Year End	December 31
12B-1 Fee	-

MARKET COMMENTARY

U.S. stocks fell in December to finish their worst year since the global financial crisis in 2008. As measured by various Russell indexes, mid-cap stocks performed best, followed by large-cap and small-cap stocks. Value outperformed growth in large- and mid-cap stocks, while growth marginally outperformed value in small-caps. All sectors declined in the S&P 500, with consumer discretionary faring worst followed by information technology and communication services. Utilities performed best with only modest losses during the month.

There was some hope of moderation for Federal Reserve interest rate hikes when the target rate was raised 50 basis points in mid-December instead of 75 basis points, as it had been the last several hikes. However, hawkish commentary that accompanied this move implied that interest rates would reach higher-than-expected levels and be elevated for longer into 2023 in an effort to stem inflation, pulling the markets down along with it. The year ended with many investors concerned that ongoing Fed rate hikes would hurt corporate earnings and push the economy into a recession in 2023.

Capital markets appear to have priced in a significant global economic slowdown. The key question is whether this deceleration will end in a "soft landing"-with slower but still positive growth-or in a full-fledged recession that drags down earnings. Much of that depends on central bank policy, while geopolitical risks will remain potential triggers for downside volatility in 2023. 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.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized			
				Three Years	Five Years	Ten Years	Fifteen Years
Extended Equity Market Index Fund	-6.49%	5.44%	-26.00%	2.82%	4.63%	9.46%	7.68%
S&P Completion Index	-6.53	5.07	-26.54	2.94	4.77	9.52	7.68

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. Standard & Poor's®, "S&P®", "S&P 500®", "Standard & Poor's 500", and "500" are trademarks of Standard & Poor's, and have been licensed for use by T. Rowe Price. The fund is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the fund.

*Linked performance benchmark represents the Dow Jones Wilshire 4500 Completion Index from January 30, 1998 through March 31, 2007 and the S&P Completion Index from March 31, 2007 through the current period-end date.

The fund is subject to the risks of stock investing, including possible loss of principal.

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 December 31, 2022)

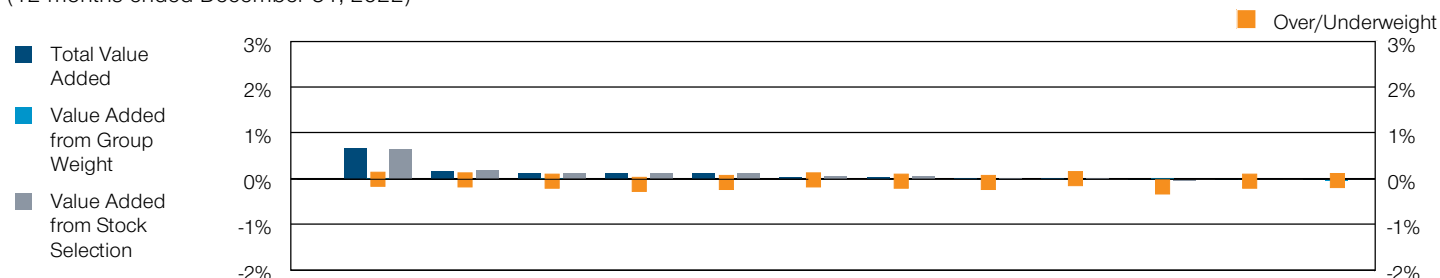
	Active Share* (as of 12/31/22)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Extended Equity Market Index Fund	13.3%	23.17%	-0.12%	0.99	1.00	-0.23	0.15	0.58%
S&P Completion Index	-	23.32	0.00	1.00	1.00	0.00	0.15	0.00

* 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 COMPLETION INDEX

(12 months ended December 31, 2022)



	Total	Indust & Bus Svcs	Consumer Disc	Financials	Health Care	Materials	Comm Svcs	Real Estate	Consumer Staples	Info Tech	Utilities	Energy
Over/Underweight	0.00%	-0.02%	-0.04%	-0.12%	-0.08%	-0.02%	-0.05%	-0.07%	0.00%	-0.17%	-0.05%	-0.04%
Fund Performance	-25.84	-18.28	-34.52	-15.83	-26.46	-9.42	-46.56	-26.02	-8.59	-42.61	-0.09	48.76
Index Performance	-26.51	-19.68	-35.47	-16.79	-27.40	-10.71	-47.41	-26.31	-9.31	-42.48	0.44	48.40
Value Add - Group Weight	0.01	0.00	0.00	-0.01	-0.01	0.00	-0.01	0.00	0.00	0.03	-0.01	-0.03
Value Add - Stock Selection	0.66	0.19	0.12	0.13	0.12	0.05	0.05	0.02	0.01	-0.03	-0.01	0.00
Total Contribution	0.67	0.18	0.13	0.13	0.12	0.04	0.04	0.01	0.01	-0.01	-0.01	-0.02

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 6.7% of total net assets.

	Industry	% of Fund
Blackstone	Capital Markets	0.9%
Uber Technologies	Road & Rail	0.8
Palo Alto Networks	Software	0.7
Snowflake Computing	IT Services	0.7
lululemon athletica	Textiles, Apparel & Luxury Goods	0.6
Cheniere Energy	Oil, Gas & Consumable Fuels	0.6
Workday	Software	0.6
Airbnb	Hotels Restaurants & Leisure	0.6
Marvell Technology	Semicons & Semicon Equip	0.6
Block	IT Services	0.6

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

PORTFOLIO CHARACTERISTICS

	Extended Equity Market Index Fund	S&P Completion Index
Number of Issuers	1655	3,733
Investment Weighted Median Market Cap (mm)	\$5,640	\$5,638
Price to Earnings (12 Months Forward)* ° †	19.6X	19.8X
Price to Book (trailing)°	3.0X	3.0X
Projected Earnings Growth Rate (3 - 5 Years)* ° †	12.0%	12.0%
Return on Equity (Last 12 Months excl. charges)°	12.1%	11.9%
Top 20 Issuers as Percent of Total	11.2%	11.0%
Total Assets (all share classes)	826,199,962	-
Percent of Portfolio in Cash	0.5%	-

°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

	Info Tech	Finan- cials	Indust & Bus Svcs	Health Care	Cons Disc	Real Es- tate	Energy	Materi- als	Comm Svcs	Cons Stpls	Utilities	Misc.
Extended Equity Market Index Fund	18.0%	16.0%	15.8%	13.8%	11.3%	6.4%	4.9%	4.3%	3.7%	3.0%	2.2%	0.0%
S&P Completion Index	18.1	16.1	15.8	13.9	11.3	6.5	4.9	4.3	3.8	3.0	2.3	0.1
Over/Underweight	-0.1	-0.1	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1

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

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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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