



STRATEGY HIGHLIGHTS | Ticker: PRDGX | CUSIP: 779546100

As of December 31, 2025

Dividend Growth Fund

Total Strategy Assets: \$27.3 billion | Total Fund Assets: \$24.0 billion

Investment Approach

- We seek to provide a growing level of dividend income, long-term capital appreciation, and a reasonable level of current income.
- The fund will normally invest at least 65% of the fund's total assets in common stocks of dividend-paying companies that we expect to increase their dividends over time and also provide long-term capital appreciation.
- The fund employs a conservative, growth-at-a-discount investment approach with an emphasis on dividend growth. We identify companies with a sustainable competitive advantage that are likely to show consistent growth of earnings and dividends.
- We particularly favor companies that generate excess cash flow with attractive valuations and solid cash flow to support future dividend increases.
- The fund's efforts to buy stocks that appear temporarily out of favor carry the risk that a stock or group of stocks may remain out of favor for a long time and may continue to decline.

Portfolio Construction

- Constructed from the bottom up
- Maintains a broad diversification and managing position sizes to help control our risk profile
- Typically holds 100-125 names in the portfolio
- Individual position sizes that range $\pm 4\%$ relative to S&P 500 Index weighting.
- Maintains broad sector diversification and typically holds sector positions that are 0.5x to 2.0x the weight of the S&P 500 Index's sectors
- Portfolio turnover ranges from 10%-20%.

Benchmark

- S&P 500 Index
- NASDAQ US Broad Dividend Achievers Index

Portfolio Management

Thomas Huber, CFA®

Lead Portfolio Manager

- 32 years of investment experience; 31 years with T. Rowe Price.
- M.S., University of Wisconsin, Madison
- B.S., University of Virginia

David Rowlett, CFA®

- 22 years of investment experience; 17 years with T. Rowe Price.
- M.B.A., University of North Carolina, Kenan-Flagler Business School
- B.B.A., University of Georgia

The associate portfolio manager is responsible for assisting the portfolio manager with the investment process and client service efforts.

Portfolio Specialists

Tamzin Manning

- 19 years of investment experience; 4 years with T. Rowe Price.
- Master's, Loughborough University of Technology
- B.Sc., University of Nottingham

Portfolio Specialists do not assume management responsibilities. For a complete list of the members of the Fund's Investment Advisory Committee, please refer to the Fund's prospectus. CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

Top 10 Issuers (%)	Fund
Microsoft	6.2
Apple	5.3
Broadcom	3.4
JPMorgan Chase	3.2
Visa	2.9
GE	2.3
Bank of America	1.9
Chubb	1.9
Eli Lilly and Co	1.8
Wal-Mart	1.8
Total	30.7

Sector Diversification (%)	Fund	S&P 500 Index	Over/Underweight
Info Tech	25.1	34.4	-9.3
Financials	20.8	13.4	7.4
Indust & Bus Svcs	14.4	8.2	6.2
Health Care	12.9	9.6	3.3
Cons Disc	6.6	10.4	-3.8
Cons Stpls	6.3	4.7	1.5
Energy	4.0	2.8	1.2
Utilities	3.4	2.2	1.2
Materials	2.9	1.8	1.1
Real Estate	1.6	1.8	-0.3
Comm Svcs	1.1	10.6	-9.5

Portfolio Characteristics	Fund	S&P 500 Index
Projected Earnings Growth Rate (3-5 Years) ⁽¹⁾⁽²⁾⁽³⁾	10.0%	12.2%
Price to Earnings (12 Months Forward) ⁽¹⁾⁽²⁾⁽³⁾	24.1X	24.7X
Return on Equity (Last 12 Months excl. charges) ⁽²⁾	26.9%	24.7%
Price to Book (trailing) ⁽²⁾	8.0X	7.8X
Investment Weighted Median Market Cap (mm)	\$199,102	\$382,766
Investment Weighted Average Market Cap (mm)	\$713,880	\$1,408,876
Number of Issuers	92	500
Top 20 Issuers as Percent of Total	45.4%	49.3%
Portfolio Turnover ⁽⁴⁾	9.7%	N/A
Active Share	62.4%	N/A

⁽¹⁾Source: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All Rights Reserved.

⁽²⁾Statistics are based on Investment Weighted Average.

⁽³⁾These statistics are based on the Fund's underlying holdings and are not a projection of future portfolio performance. Actual results may vary.

⁽⁴⁾Portfolio Turnover represents 1 year period ending 12/31/25.

Performance (%) (NAV, total return Performance > 1 year is Annualized)

	3m	1yr	3yrs	5yrs	10yrs	15yrs
Dividend Growth Fund	2.45	14.66	13.94	10.85	12.65	12.52
S&P 500 Index	2.66	17.88	23.01	14.42	14.82	14.06
NASDAQ US Broad Dividend Achievers Index	1.92	14.50	14.64	11.95	12.41	11.92
Lipper Large-Cap Core Funds Average	2.23	15.31	20.76	12.71	13.46	12.72
Lipper Ranking	N/A	419 of 695	599 of 638	483 of 593	342 of 454	224 of 370
Morningstar Large Blend Category	2.21	15.54	20.08	12.67	13.32	12.70
Morningstar Ranking	N/A	864 of 1,314	1,085 of 1,210	915 of 1,122	634 of 880	414 of 676

Past performance is not a guarantee or a reliable indicator of future results. 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.

The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The Fund's expense ratio as of the most recent prospectus was 0.64%. See the prospectus for details.

Lipper rankings are based on cumulative total return. The Lipper Average consists of all share classes; each share class is counted separately.

Morningstar rankings are based on average annual total returns.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

Risks: Dividend-paying stocks: The fund's emphasis on dividend-paying stocks could cause the fund to underperform similar funds that invest without consideration of a company's track record of paying dividends. **Large- and mid-cap stocks:** Securities issued by large- and mid-cap companies tend to be less volatile than securities issued by small-cap companies. However, large-cap companies may not be able to attain the high growth rates of successful small-cap companies, especially during strong economic periods, and may be unable to respond as quickly to competitive challenges. See the prospectus for more detail on the fund's principal risks.

Risk Return Characteristics (Five Years ended December 31, 2025)

	Annualized Std. Deviation (%)	Alpha (%)	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error (%)
Dividend Growth Fund	13.33	-1.58	0.84	0.88	-0.68	0.56	5.24
S&P 500 Index	14.98	0.00	1.00	1.00	0.00	0.74	0.00
Dividend Growth Fund	13.33	-0.90	0.99	0.96	-0.43	0.56	2.55
NASDAQ US Broad Dividend Achievers Index	13.20	0.00	1.00	1.00	0.00	0.65	0.00

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

Additional Disclosures

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.

Portfolio Construction: There is no guarantee that the investment will remain within the anticipated ranges of exposure.

Visit Troweprice.com/glossary for a glossary of financial terminology.

Lipper, Morningstar, MSCI, NASDAQ, and S&P do not accept any liability for any errors or omissions in the indexes or data, and hereby expressly disclaim all warranties of originality, accuracy, completeness, timeliness, merchantability, and fitness for a particular purpose. No party may rely on any indexes or data contained in this communication. Visit Troweprice.com/marketdata for additional legal notices & disclaimers.

Portfolio holdings in this report are presented gross of any non-reclaimable withholding tax. Any non-reclaimable withholding tax is included in position market values. Portfolio diversification data is calculated net of any non-reclaimable withholding tax. Any non-reclaimable tax withheld is not reflected in category market values.

Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.

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

T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting.

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 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.

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