



PORTFOLIO UPDATE

Equity Income Fund

As of September 30, 2019



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	3.84%	2.24%	18.35%	3.74%	10.20%	7.42%	10.58%	7.44%
Russell 1000 Value Index	3.57	1.36	17.81	4.00	9.43	7.79	11.46	7.82
S&P 500 Index	1.87	1.70	20.55	4.25	13.39	10.84	13.24	9.01

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.

MARKET COMMENTARY

Major U.S. stock indexes advanced in September, as some conciliatory trade-related gestures from U.S. and Chinese officials helped ease tensions. As measured by various Russell indexes, value stocks outperformed growth shares across all market capitalizations. Within the S&P 500 Index, financials outperformed, helped by a rise in longer-term interest rates. Utilities and energy were also strong. The health care sector recorded a modest decline.

The trade dispute between the U.S. and China remained at center stage for much of the month. The S&P 500 Index recorded its best daily gain on September 5, after news broke that Chinese and U.S. negotiators were preparing to meet in Washington in early October. A series of conciliatory gestures from both sides further supported sentiment. Mixed signals on trade caused some volatility late in the month, but investors appeared to remain optimistic toward the prospect of resumed trade negotiations in October. Monetary policy expectations were also a major driver of market sentiment, as the Federal Reserve reduced short-term interest rates at its mid-month meeting, while other central banks around the world took measures to stimulate economic growth. The U.S. equity market seemed largely unaffected by the late-month opening of a House of Representatives impeachment inquiry regarding President Donald Trump's alleged pressuring of Ukraine's leader.

Despite signs of weakness, particularly in the manufacturing sector, we don't think it is likely that the U.S. economy will fall into a recession in the coming months. Importantly, no major signs of excess have emerged, as was dramatically the case with the housing bubble on the eve of the "Great Recession" a decade ago. Indeed, consumer finances are generally in solid shape, and corporate debt levels remain manageable. Nevertheless, selectivity will be key for investors in a slowing growth environment. Earnings gains are likely to be harder to come by as exporters wrestle with trade tensions and weakness in many overseas economies.

RISK RETURN CHARACTERISTICS

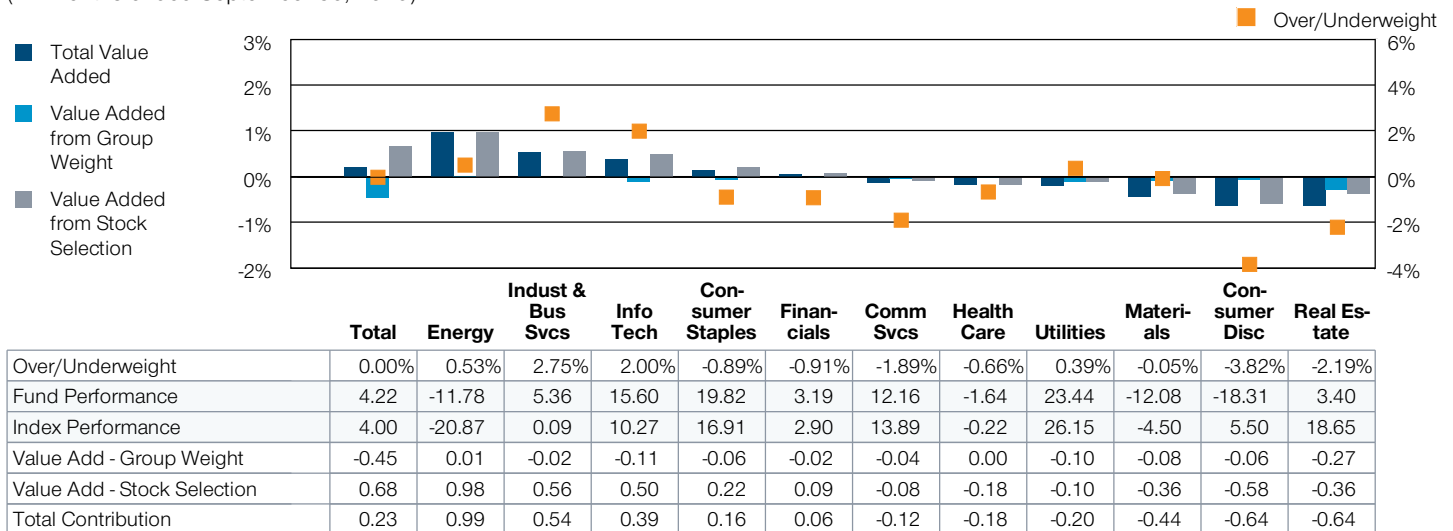
(Five Years ended September 30, 2019)

	Active Share* (as of 9/30/19)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Equity Income Fund	67.6%	12.18%	-0.42%	1.02	0.97	-0.19	0.53	2.02%
Russell 1000 Value Index	-	11.82	0.00	1.00	1.00	0.00	0.57	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 September 30, 2019)



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 2019 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.

TOP 10 ISSUERS

Comprising 23.9% of total net assets.

	Industry	% of Fund
Wells Fargo	Banks	3.8%
JPMorgan Chase	Banks	3.1
Southern Company	Electric Utilities	2.8
Qualcomm	Semicons & Semicon Equip	2.3
Total	Oil, Gas & Consumable Fuels	2.2
Verizon Communications	Diversified Telecom Services	2.0
Johnson & Johnson	Pharmaceuticals	2.0
Boeing	Aerospace & Defense	2.0
Chubb	Insurance	1.9
ExxonMobil	Oil, Gas & Consumable Fuels	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	112	753
Investment Weighted Median Market Cap (mm)	\$64,842	\$55,215
Price to Earnings (12 Months Forward)* ° †	14.8X	15.8X
Price to Book°	2.3X	2.4X
Projected Earnings Growth Rate (3 - 5 Years)* ° †	6.8%	6.6%
Return on Equity (Last 12 Months excl. charges)°	13.9%	12.9%
Top 20 Issuers as Percent of Total	40.8%	33.0%
Total Assets (all share classes)	20,182,421,116	-
Percent of Portfolio in Cash	1.8%	-

°Investment Weighted Median.

*I/B/E/S © 2019 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	Energy	Utilities	Cons Stpls	Info Tech	Comm Svcs	Materi- als	Real Es- tate	Cons Disc
Equity Income Fund	23.0%	12.6%	12.2%	8.9%	8.7%	8.4%	8.0%	6.3%	4.1%	3.3%	2.2%
Russell 1000 Value Index	23.6	12.4	9.4	8.4	7.0	9.3	6.0	8.2	4.1	5.5	6.1
Over/Underweight	-0.6	0.2	2.8	0.6	1.7	-0.9	2.0	-1.9	0.0	-2.2	-3.9

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.

Source for Sector Diversification: T. Rowe Price uses the 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.

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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