



ANNUAL REPORT

December 31, 2021

PRFDX

T. ROWE PRICE

Equity Income Fund

PAFDX

Equity Income Fund–
Advisor Class

RRFDX

Equity Income Fund–
R Class

REIPX

Equity Income Fund–
I Class

TRZQX

Equity Income Fund–
Z Class

For more insights from T. Rowe Price
investment professionals, go to
[troweprice.com](https://www.troweprice.com).

HIGHLIGHTS

- The Equity Income Fund outperformed both the Russell 1000 Value Index and the Lipper Equity Income Funds Index for the 12 months ended December 31, 2021.
- Within the fund, absolute contributors were concentrated within sectors that benefited from the rising interest rates and cyclical associated with economic recovery. Top detractors were focused in sectors that struggled amid the uncertainty associated with the reopening economy.
- Changes in sector allocation were the result of our bottom-up stock selection. As the year progressed, we gradually reduced our cyclical exposure and our beta as the market discounted economic normalization.
- Going forward, pandemic dynamics, inflation, labor shortages, and government policy will be important factors to consider, and the intensity of each concern will likely have a strong bearing on equity market returns in 2022. We will continue to let valuation be our guide and look for situations where there is a favorable mix of attractive valuations, strong fundamental appeal, and a high dividend yield.

Go Paperless

Sign up for e-delivery of your statements, confirmations, and prospectuses or shareholder reports.



TO ENROLL:

If you invest directly with T. Rowe Price, go to **troweprice.com/paperless**.

If you invest through an investment advisor, a bank, or a brokerage firm, please contact that organization and ask if it can provide electronic documentation.

It's fast—receive your statements and confirmations faster than U.S. mail.

It's convenient—access your important account documents whenever you need them.

It's secure—we protect your online accounts using “True Identity” to confirm new accounts and make verification faster and more secure.

It can save you money—where applicable, T. Rowe Price passes on the cost savings to fund holders.*

Log in to your account at **troweprice.com** for more information.

*Certain mutual fund accounts that are assessed an annual account service fee can also save money by switching to e-delivery.

Dear Shareholder

Major stock and bond indexes produced mixed results during 2021 as strong corporate earnings growth and a recovering economy contended with worries about inflation, new coronavirus variants, and less accommodative central banks. Most developed market stock benchmarks finished the year with positive returns, although gains slowed in the second half of the year, while fixed income returns faced headwinds from rising interest rates.

Large-cap U.S. growth stocks delivered the strongest returns, but solid results were common in many developed markets. However, emerging markets stock benchmarks struggled amid a significant equity market downturn in China.

The large-cap S&P 500 Index returned almost 29%, marking its third straight year of positive returns. Robust results were widespread across the benchmark—according to Bloomberg data, 2021 marked the first year that all of the S&P 500 sectors recorded double-digit gains. The energy sector, which was the worst performer in 2020, was the leader in 2021 amid a sharp increase in oil prices, and real estate stocks also rebounded from a down year as strong demand led to rising rents. Financial and information technology stocks also produced excellent returns and outperformed the broad market.

In the fixed income market, rising Treasury yields weighed on performance, but below investment-grade corporate bonds delivered solid results as they benefited from improving fundamentals and investor demand for higher-yielding securities. (Bond prices and yields move in opposite directions.)

A robust increase in corporate earnings growth appeared to be a significant performance driver during the year. According to FactSet, overall earnings for the S&P 500 rose 89% in the second quarter of 2021 versus the year before, the fastest pace since 2009, and while third-quarter earnings slowed, they continued to beat expectations at an impressive pace. Despite the significant rally in the S&P 500 during 2021, the index's price/earnings ratio actually fell over that period as earnings rose faster than stock prices. Although economic growth showed signs of slowing at times, data remained generally positive through the end of the period. The unemployment rate, which started the year at 6.7%, fell to 3.9% by December, and job openings reached a record high.

However, optimism surrounding strong earnings and employment gains was tempered by inflation concerns. Prices surged as the release of pent-up demand and supply chain disruptions contributed to higher inflation around the globe. In the U.S., the 6.8% increase in the consumer price index for the 12-month period ended in November was the highest level since 1982, a factor that may have contributed to a decline in consumer sentiment late in the year.

Meanwhile, central banks began to move away from the extremely accommodative policies they instituted in response to the initial wave of the coronavirus. The Federal Reserve began trimming its purchases of Treasuries and agency mortgage-backed securities in November, and policymakers indicated that they could soon start raising short-term interest rates.

How markets respond to the normalization of monetary policy is an open question. While fading stimulus might pose some challenges for investors, I believe it could contribute to a return of price sensitivity in global markets, which bodes well for selective investors focused on fundamentals.

Elevated valuations, higher inflation, and the continuing struggle to control the pandemic also pose potential challenges for financial markets in 2022. However, on the positive side, household wealth gains, pent-up consumer demand, and a potential boom in capital expenditures could sustain growth even as monetary policy turns less supportive. In this environment, our investment teams will remain focused on using fundamental research to identify companies that can add value to your portfolio over the long term.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Sharps". The signature is fluid and cursive, with a large, stylized "R" and "S".

Robert Sharps
President and CEO

INVESTMENT OBJECTIVE

The fund seeks a high level of dividend income and long-term capital growth primarily through investments in stocks.

FUND COMMENTARY

How did the fund perform in the past 12 months?

The Equity Income Fund returned 25.68% for the 12-month period ended December 31, 2021. The fund outperformed its benchmark, the Russell 1000 Value Index, as well as its peer group, the Lipper Equity Income Funds Index.

PERFORMANCE COMPARISON

Periods Ended 12/31/21	Total Return	
	6 Months	12 Months
Equity Income Fund	6.09%	25.68%
Equity Income Fund–Advisor Class	5.94	25.26
Equity Income Fund–R Class	5.78	24.92
Equity Income Fund–I Class	6.15	25.77
Equity Income Fund–Z Class	6.44	17.31 *
Russell 1000 Value Index	6.93	25.16
S&P 500 Index	11.67	28.71
Lipper Equity Income Funds Index	8.78	24.57

*Since inception 2/22/21.

(Returns for the Advisor, R, I, and Z Class shares varied slightly, reflecting their different fee structures. *Past performance cannot guarantee future results.*)

What factors influenced the fund's performance?

The Equity Income Fund generated strong returns in 2021, with relative outperformance driven by both sector allocation and stock selection. Throughout the year, the portfolio benefited from our long-term focus and willingness to lean into our idiosyncratic

ideas and pockets of dislocation caused by the pandemic in 2020. Although the portfolio outperformed its benchmark for the one-year period, it trailed the benchmark during the back half of the year, as the market showed a preference for more expensive, lower dividend-yielding names amid concerns over new coronavirus variants and monetary policy.

The portfolio's financials sector names contributed to gains within the portfolio, particularly banks such as Wells Fargo, Fifth Third Bancorp, and Morgan Stanley. Overall, the sector benefited from economic optimism, robust capital market activity, and a healthy consumer aided by fiscal stimulus. Certain insurance names also performed well, such as American International Group.

Amid a strong industry backdrop, American International Group ended the period higher, buoyed by strength in property and casualty insurance pricing along with the company having a significant amount of cash available to be deployed into buybacks and dividends. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Select names in the information technology sector also delivered strong performance over the period. Applied Materials rose as shares continued to benefit from cyclical strength within the industry and robust semiconductor demand over the year. Microsoft was buoyed by impressive earnings results, including strong revenue growth within its cloud computing and productivity and business processes segments. Midway through the year, shares also benefited from accelerated corporate spending on enterprise technology services. Longtime holding Qualcomm also contributed despite choppy performance over the year. Recently, the company has been taking market share in the Android ecosystem and broadening into the non-handset business. Shares of Qualcomm gained particularly during the fourth quarter when increased semiconductor chip supply drove robust reported financials, and the company raised its forward guidance.

Elsewhere in the portfolio, shares of low-cost nitrogen producer CF Industries advanced early in the period after an earnings report showed the company had executed well in an uncertain environment driven by unfavorable weather. The company was also able to reduce operating rates while selling excess gas back into the market. Later in the year, CF Industries benefited from higher nitrogen prices due to reduced operating rates in Europe and Asia as well as increased nitrogen fertilizer demand. While we continue to appreciate the company's position as a low-cost nitrogen producer and its free cash flow generation, we moderated our position size amid the cyclically peaking backdrop.

Some of the portfolio's greatest absolute detractors came from the health care sector. Medical device company Medtronic fell on investor uncertainty about the potential strength of the clinical trial data for its renal denervation system and as regulators flagged concerns in its diabetes business. Additionally, Zimmer Biomet Holdings underperformed during the period, as the rise of the delta and omicron variants of the coronavirus prolonged the uncertainty around a return to normalcy for elective procedures.

Compared with the benchmark, stock selection in financials contributed the most value to relative performance. Conversely, stock selection in consumer discretionary detracted the most from relative results.

How is the fund positioned?

The Equity Income Fund seeks to buy well-established, large-cap companies that have a strong record of paying dividends and appear to be undervalued by the market. The fund's holdings tend to be solid, higher-quality companies going through a period of controversy or stress, reflecting our dual focus on valuation and dividend yield. Each position is the product of careful stock picking based on the fundamental research generated by T. Rowe Price's team of equity analysts, as opposed to selection based on broader market or macroeconomic trends.

SECTOR DIVERSIFICATION

	Percent of Net Assets	
	6/30/21	12/31/21
Financials	22.7%	22.5%
Health Care	14.8	17.0
Industrials and Business Services	11.8	10.7
Information Technology	8.8	9.2
Utilities	8.2	8.9
Consumer Staples	6.9	6.9
Energy	6.2	5.4
Materials	5.8	5.0
Real Estate	4.1	4.6
Communication Services	5.0	4.6
Consumer Discretionary	4.4	3.6
Other and Reserves	1.3	1.6
Total	100.0%	100.0%

Historical weightings reflect current industry/sector classifications.

Our top purchases over the 12-month period hailed from a wide variety of sectors. In health care, we initiated a position mid-period in managed health care and insurance company Cigna following relative weakness in the name. We continued to add to Cigna, as we believe the company has an attractive valuation and should benefit from an improved managed care environment over time. We also added to cloud computing and virtualization technology company Citrix Systems. The company delivered negative total returns for the year as reported financials missed revenue and included lower-than-expected guidance.

We are cognizant of the potential headwinds that Citrix Systems may experience as it transitions to a subscription-based business, but we remain encouraged by the company's competitive positioning and believe the market underappreciates the margin impact this transition will ultimately have.

Notable sales were also spread out among several areas of the market. Our largest equity sale was global investment bank Morgan Stanley, which we reduced significantly by year-end. We continue to appreciate Morgan Stanley and believe its business model transformation holds value, but we sold into relative strength to take advantage of other opportunities with more compelling valuations. In financials, we also moderated our positions in PNC Financial Services Group and State Street on relative strong performance. Elsewhere in the portfolio, we pared shares of specialty chemical conglomerate DuPont de Nemours. We remain appreciative that the company is positioning itself as a leader in electronic materials and industrial technology but reduced our position to invest in higher-conviction ideas.

The portfolio's largest sector allocation is in financials. We remain overweight relative to the benchmark, and we increased our absolute exposure during the period. The portfolio's second-largest sector allocation is in health care, where our absolute exposure also increased. Still, our underweight to the benchmark increased as a result of the reconstitution of the benchmark index that took place in June. Industrials and business services, our third-largest sector allocation, is underweight the benchmark, but our underweight decreased over the period. We also decreased our absolute exposure to the sector.

What is portfolio management's outlook?

Market concerns surrounding COVID-19 were met with an aggressive and coordinated fiscal and monetary policy response. Moving forward, all eyes remain on the trajectory of both the virus and monetary policy. Given this duality, we expect a choppy market throughout 2022 with a focus on potential missteps by the Federal Reserve. While fundamentals are strong, the equity market is relatively expensive, particularly on the growth side. However, low bond yields mean that there are few alternatives to equities.

Although markets are showing isolated signs of exuberance, the economic backdrop seems reasonable. For markets to continue their ascent, they will need to climb a wall of worry consisting of pandemic dynamics, inflation, and labor shortages. The intensity of each concern will likely have a strong bearing on equity market returns in 2022. Amid this backdrop, we remain consistent in our style with a focus on valuation, fundamentals, dividend yield, and a long-term orientation.

The views expressed reflect the opinions of T. Rowe Price as of the date of this report and are subject to change based on changes in market, economic, or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

RISKS OF INVESTING IN THE FUND

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. There is no guarantee that the issuers of the stocks held by the fund will declare dividends in the future or that, if dividends are declared, they will remain at their current levels or increase over time. For example, a sharp rise in interest rates or an economic downturn could cause a company to unexpectedly reduce or eliminate its dividend. In addition, stocks of companies with a history of paying dividends may not benefit from a broad market advance to the same degree as the overall stock market.

STOCK INVESTING

The fund's share price can fall because of weakness in the overall stock markets, a particular industry, or specific holdings. Stock markets as a whole can be volatile and decline for many reasons, such as adverse local, political, regulatory, or economic developments; changes in investor psychology; or heavy institutional selling at the same time by major institutional investors in the market, such as mutual funds, pension funds, and banks. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, the advisor's assessment of companies whose stocks are held by the fund may prove incorrect, resulting in losses or poor performance, even in rising markets. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of the issuer's bonds and preferred stock take precedence over the claims of those who own common stock.

For a more thorough discussion of risks, please see the fund's prospectus.

BENCHMARK INFORMATION

Note: Frank Russell Company (Russell) is the source and owner of the Russell index data contained or reflected in these materials and all trademarks and copyrights related thereto. Russell® is a registered trademark of Russell. Russell is not responsible for the formatting or configuration of these materials or for any inaccuracy in T. Rowe Price Associates' presentation thereof.

Note: Lipper, a Thomson Reuters Company, is the source for all Lipper content reflected in these materials. Copyright 2022 © Refinitiv. All rights reserved. Any copying, republication or redistribution of Lipper content is expressly prohibited without the prior written consent of Lipper. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Note: ©2022, S&P Global Market Intelligence. 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.

PORTFOLIO HIGHLIGHTS

TWENTY-FIVE LARGEST HOLDINGS

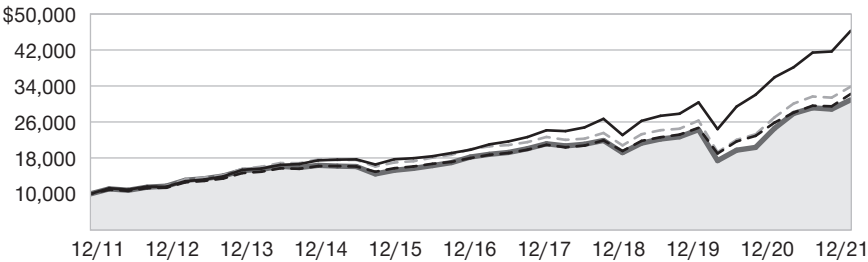
	Percent of Net Assets 12/31/21
Wells Fargo	3.9%
Qualcomm	3.0
Southern Company	3.0
UPS	2.6
GE	2.5
American International Group	2.5
TotalEnergies	2.4
Anthem	2.4
AbbVie	1.9
Becton, Dickinson & Company	1.9
Tyson Foods	1.9
Chubb	1.9
MetLife	1.8
Weyerhaeuser	1.8
CF Industries	1.7
Fifth Third Bancorp	1.7
Sempra Energy	1.6
Loews	1.6
Microsoft	1.6
Equity Residential	1.6
International Paper	1.5
Kimberly-Clark	1.5
Comcast	1.5
L3Harris Technologies	1.4
NiSource	1.4
Total	50.6%

Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.

GROWTH OF \$10,000

This chart shows the value of a hypothetical \$10,000 investment in the fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with benchmarks, which include a broad-based market index and may also include a peer group average or index. Market indexes do not include expenses, which are deducted from fund returns as well as mutual fund averages and indexes.

EQUITY INCOME FUND



As of 12/31/21

Equity Income Fund	\$30,919
Russell 1000 Value Index	33,846
S&P 500 Index	46,257
Lipper Equity Income Funds Index	32,215

Note: Performance for the Advisor, R, I, and Z Classes will vary due to their differing fee structures. See the Average Annual Compound Total Return table.

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 12/31/21	1 Year	5 Years	10 Years	Since Inception	Inception Date
Equity Income Fund	25.68%	11.17%	11.95%	-	-
Equity Income Fund-Advisor Class	25.26	10.84	11.63	-	-
Equity Income Fund-R Class	24.92	10.53	11.32	-	-
Equity Income Fund-I Class	25.77	11.28	-	12.64%	12/17/15
Equity Income Fund-Z Class	-	-	-	17.31 *	2/22/21

The fund's performance information represents only past performance and is not necessarily an indication of future results. Current performance may be lower or higher than the performance data cited. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please visit our website (troweprice.com) or contact a T. Rowe Price representative at 1-800-225-5132 or, for Advisor, R, I, and Z Class shares, 1-800-638-8790.

This table shows how the fund would have performed each year if its actual (or cumulative) returns had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. When assessing performance, investors should consider both short- and long-term returns.

*Returns for periods of less than one year are not annualized.

EXPENSE RATIO

Equity Income Fund	0.65%
Equity Income Fund–Advisor Class	0.95
Equity Income Fund–R Class	1.25
Equity Income Fund–I Class	0.55
Equity Income Fund–Z Class	0.55

The expense ratio shown is as of the fund's most recent prospectus. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, includes acquired fund fees and expenses but does not include fee or expense waivers.

FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Please note that the fund has five share classes: The original share class (Investor Class) charges no distribution and service (12b-1) fee, Advisor Class shares are offered only through unaffiliated brokers and other financial intermediaries and charge a 0.25% 12b-1 fee, R Class shares are available to retirement plans serviced by intermediaries and charge a 0.50% 12b-1 fee, I Class shares are available to institutionally oriented clients and impose no 12b-1 or administrative fee payment, and Z Class shares are offered only to funds advised by T. Rowe Price and other advisory clients of T. Rowe Price or its affiliates that are subject to a contractual fee for investment management services and impose no 12b-1 fee or administrative fee payment. Each share class is presented separately in the table.

Actual Expenses

The first line of the following table (Actual) provides information about actual account values and expenses based on the fund's actual returns. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

FUND EXPENSE EXAMPLE (CONTINUED)**Hypothetical Example for Comparison Purposes**

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Note: T. Rowe Price charges an annual account service fee of \$20, generally for accounts with less than \$10,000. The fee is waived for any investor whose T. Rowe Price mutual fund accounts total \$50,000 or more; accounts electing to receive electronic delivery of account statements, transaction confirmations, prospectuses, and shareholder reports; or accounts of an investor who is a T. Rowe Price Personal Services or Enhanced Personal Services client (enrollment in these programs generally requires T. Rowe Price assets of at least \$250,000). This fee is not included in the accompanying table. If you are subject to the fee, keep it in mind when you are estimating the ongoing expenses of investing in the fund and when comparing the expenses of this fund with other funds.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

FUND EXPENSE EXAMPLE (CONTINUED)

EQUITY INCOME FUND			
	Beginning Account Value 7/1/21	Ending Account Value 12/31/21	Expenses Paid During Period* 7/1/21 to 12/31/21
Investor Class			
Actual	\$1,000.00	\$1,060.90	\$3.27
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.03	3.21
Advisor Class			
Actual	1,000.00	1,059.40	4.98
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.37	4.89
R Class			
Actual	1,000.00	1,057.80	6.33
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.06	6.21
I Class			
Actual	1,000.00	1,061.50	2.75
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.53	2.70
Z Class			
Actual	1,000.00	1,064.40	0.00
Hypothetical (assumes 5% return before expenses)	1,000.00	1,025.21	0.00
<p>* Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Investor Class was 0.63%, the Advisor Class was 0.96%, the R Class was 1.22%, the I Class was 0.53%, and the Z Class was 0.00%.</p>			

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

	Year Ended				
	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
NET ASSET VALUE					
Beginning of period	\$ 31.24	\$ 32.08	\$ 27.30	\$ 33.34	\$ 31.48
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.61	0.66	0.75	0.72	0.64
Net realized and unrealized gain/loss	7.30	(0.39)	6.42	(3.64)	4.41
Total from investment activities	7.91	0.27 ⁽³⁾	7.17	(2.92)	5.05
Distributions					
Net investment income	(0.63)	(0.68)	(0.76)	(0.73)	(0.67)
Net realized gain	(2.53)	(0.43)	(1.63)	(2.39)	(2.52)
Total distributions	(3.16)	(1.11)	(2.39)	(3.12)	(3.19)
NET ASSET VALUE					
End of period	\$ 35.99	\$ 31.24	\$ 32.08	\$ 27.30	\$ 33.34

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

Year Ended					
12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	

Ratios/Supplemental Data

Total return⁽²⁾⁽⁴⁾	25.68%	1.32%	26.58%	(9.30)%	16.18%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/ payments by Price Associates	0.63%	0.65%	0.64%	0.64%	0.65%
Net expenses after waivers/ payments by Price Associates	0.63%	0.65%	0.64%	0.64%	0.65%
Net investment income	1.71%	2.41%	2.43%	2.17%	1.94%
Portfolio turnover rate	19.4%	24.2%	17.5%	16.2%	20.2%
Net assets, end of period (in millions)	\$14,634	\$14,251	\$15,945	\$14,158	\$17,602

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 7 for details of expense-related arrangements with Price Associates.

⁽³⁾ The amount presented is inconsistent with the fund's results of operations because of the timing of redemptions of fund shares in relation to fluctuating market values for the investment portfolio.

⁽⁴⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Advisor Class

	Year Ended				
	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
NET ASSET VALUE					
Beginning of period	\$ 31.17	\$ 31.99	\$ 27.23	\$ 33.26	\$ 31.40
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.50	0.58	0.64	0.61	0.54
Net realized and unrealized gain/loss	7.27	(0.38)	6.41	(3.62)	4.40
Total from investment activities	7.77	0.20 ⁽³⁾	7.05	(3.01)	4.94
Distributions					
Net investment income	(0.52)	(0.59)	(0.66)	(0.63)	(0.56)
Net realized gain	(2.53)	(0.43)	(1.63)	(2.39)	(2.52)
Total distributions	(3.05)	(1.02)	(2.29)	(3.02)	(3.08)
NET ASSET VALUE					
End of period	\$ 35.89	\$ 31.17	\$ 31.99	\$ 27.23	\$ 33.26

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Advisor Class

Year Ended					
12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	

Ratios/Supplemental Data

Total return⁽²⁾⁽⁴⁾	25.26%	1.05%	26.17%	(9.57)%	15.84%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/ payments by Price Associates	0.95%	0.95%	0.96%	0.94%	0.94%
Net expenses after waivers/ payments by Price Associates	0.95%	0.95%	0.96%	0.94%	0.94%
Net investment income	1.39%	2.11%	2.09%	1.85%	1.64%
Portfolio turnover rate	19.4%	24.2%	17.5%	16.2%	20.2%
Net assets, end of period (in millions)	\$189	\$186	\$258	\$294	\$422

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 7 for details of expense-related arrangements with Price Associates.

⁽³⁾ The amount presented is inconsistent with the fund's results of operations because of the timing of redemptions of fund shares in relation to fluctuating market values for the investment portfolio.

⁽⁴⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

R Class

	Year Ended				
	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
NET ASSET VALUE					
Beginning of period	\$ 31.13	\$ 31.95	\$ 27.18	\$ 33.20	\$ 31.35
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.40	0.49	0.56	0.51	0.44
Net realized and unrealized gain/loss	7.26	(0.37)	6.41	(3.61)	4.40
Total from investment activities	7.66	0.12 ⁽³⁾	6.97	(3.10)	4.84
Distributions					
Net investment income	(0.43)	(0.51)	(0.57)	(0.53)	(0.47)
Net realized gain	(2.53)	(0.43)	(1.63)	(2.39)	(2.52)
Total distributions	(2.96)	(0.94)	(2.20)	(2.92)	(2.99)
NET ASSET VALUE					
End of period	\$ 35.83	\$ 31.13	\$ 31.95	\$ 27.18	\$ 33.20

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

R Class

Year Ended					
12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	

Ratios/Supplemental Data

Total return⁽²⁾⁽⁴⁾	24.92%	0.73%	25.90%	(9.84)%	15.52%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/ payments by Price Associates	1.22%	1.25%	1.23%	1.22%	1.22%
Net expenses after waivers/ payments by Price Associates	1.22%	1.25%	1.23%	1.22%	1.22%
Net investment income	1.11%	1.80%	1.83%	1.56%	1.35%
Portfolio turnover rate	19.4%	24.2%	17.5%	16.2%	20.2%
Net assets, end of period (in thousands)	\$50,484	\$48,020	\$64,181	\$65,393	\$99,972

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 7 for details of expense-related arrangements with Price Associates.

⁽³⁾ The amount presented is inconsistent with the fund's results of operations because of the timing of redemptions of fund shares in relation to fluctuating market values for the investment portfolio.

⁽⁴⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

	Year Ended				
	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
NET ASSET VALUE					
Beginning of period	\$ 31.25	\$ 32.09	\$ 27.31	\$ 33.35	\$ 31.48
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.65	0.69	0.78	0.75	0.69
Net realized and unrealized gain/loss	7.29	(0.39)	6.42	(3.64)	4.40
Total from investment activities	7.94	0.30 ⁽³⁾	7.20	(2.89)	5.09
Distributions					
Net investment income	(0.67)	(0.71)	(0.79)	(0.76)	(0.70)
Net realized gain	(2.53)	(0.43)	(1.63)	(2.39)	(2.52)
Total distributions	(3.20)	(1.14)	(2.42)	(3.15)	(3.22)
NET ASSET VALUE					
End of period	\$ 35.99	\$ 31.25	\$ 32.09	\$ 27.31	\$ 33.35

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

	Year Ended				
	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
Ratios/Supplemental Data					
Total return⁽²⁾⁽⁴⁾	25.77%	1.44%	26.69%	(9.21)%	16.31%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/ payments by Price Associates	0.53%	0.55%	0.54%	0.54%	0.55%
Net expenses after waivers/ payments by Price Associates	0.53%	0.55%	0.54%	0.54%	0.55%
Net investment income	1.81%	2.51%	2.53%	2.28%	2.06%
Portfolio turnover rate	19.4%	24.2%	17.5%	16.2%	20.2%
Net assets, end of period (in millions)	\$3,065	\$2,334	\$4,734	\$3,899	\$4,235

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 7 for details of expense-related arrangements with Price Associates.

⁽³⁾ The amount presented is inconsistent with the fund's results of operations because of the timing of redemptions of fund shares in relation to fluctuating market values for the investment portfolio.

⁽⁴⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout the period

Z Class2/22/21⁽¹⁾
Through
12/31/21**NET ASSET VALUE**

Beginning of period	\$ 33.65
Investment activities	
Net investment income ⁽²⁾⁽³⁾	0.73
Net realized and unrealized gain/loss	4.97
Total from investment activities	5.70
Distributions	
Net investment income	(0.81)
Net realized gain	(2.53)
Total distributions	(3.34)
NET ASSET VALUE	
End of period	\$ 36.01

Ratios/Supplemental Data

Total return⁽³⁾⁽⁴⁾	17.31%
Ratios to average net assets: ⁽³⁾	
Gross expenses before waivers/payments by Price Associates	0.53% ⁽⁵⁾
Net expenses after waivers/payments by Price Associates	0.00% ⁽⁵⁾
Net investment income	2.32% ⁽⁵⁾
Portfolio turnover rate	19.4%
Net assets, end of period (in millions)	\$1,389

⁽¹⁾ Inception date⁽²⁾ Per share amounts calculated using average shares outstanding method.⁽³⁾ See Note 7 for details of expense-related arrangements with Price Associates.⁽⁴⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during the period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.⁽⁵⁾ Annualized

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE EQUITY INCOME FUND

December 31, 2021

PORTFOLIO OF INVESTMENTS†

Shares

\$ Value

(Cost and value in \$000s)

COMMON STOCKS 96.0%

COMMUNICATION SERVICES 4.6%

Diversified Telecommunication Services 0.4%

AT&T 2,380,000 58,548

Verizon Communications 350,000 18,186

76,734

Entertainment 1.1%

Walt Disney (1) 1,345,000 208,327

208,327

Media 3.1%

Comcast, Class A 5,710,000 287,384

Fox, Class B 3,060,000 104,866

News, Class A 9,380,000 209,268

601,518

Total Communication Services

886,579

CONSUMER DISCRETIONARY 2.7%

Hotels, Restaurants & Leisure 0.7%

Las Vegas Sands (1) 3,370,000 126,847

126,847

Leisure Products 0.7%

Mattel (1) 5,860,000 126,342

126,342

Multiline Retail 0.6%

Kohl's 2,350,000 116,067

116,067

Specialty Retail 0.7%

TJX 1,770,000 134,378

134,378

Total Consumer Discretionary

503,634

CONSUMER STAPLES 6.8%

Beverages 0.5%

Coca-Cola 1,770,000 104,802

104,802

Food & Staples Retailing 0.4%

Walmart 515,000 74,515

74,515

Food Products 3.0%

Conagra Brands 5,880,000 200,802

	Shares	\$ Value
(Cost and value in \$000s)		
Mondelez International, Class A	200,000	13,262
Tyson Foods, Class A	4,260,000	371,302
		585,366
Household Products 1.5%		
Kimberly-Clark	2,050,000	292,986
		292,986
Tobacco 1.4%		
Altria Group	930,000	44,073
Philip Morris International	2,415,000	229,425
		273,498
Total Consumer Staples		1,331,167
ENERGY 5.5%		
Energy Equipment & Services 0.1%		
Halliburton	600,000	13,722
		13,722
Oil, Gas & Consumable Fuels 5.4%		
Chevron	265,000	31,098
EOG Resources	2,350,000	208,750
Exxon Mobil	2,530,000	154,811
Hess	180,000	13,325
Occidental Petroleum	1,240,000	35,948
Targa Resources	295,000	15,411
TC Energy	2,580,000	120,073
TotalEnergies (EUR)	7,090,000	360,883
TotalEnergies, ADR	1,940,000	95,952
		1,036,251
Total Energy		1,049,973
FINANCIALS 22.5%		
Banks 8.6%		
Bank of America	2,430,000	108,111
Citigroup	1,000,000	60,390
Citizens Financial Group	570,000	26,932
Fifth Third Bancorp	7,630,000	332,286
Huntington Bancshares	12,850,000	198,147
JPMorgan Chase	705,000	111,637
PNC Financial Services Group	330,000	66,172
Wells Fargo	15,620,000	749,448
		1,653,123
Capital Markets 4.3%		
Bank of New York Mellon	380,000	22,070
Charles Schwab	1,315,000	110,592

	Shares	\$ Value
(Cost and value in \$000s)		
Franklin Resources	670,000	22,438
Goldman Sachs Group	605,000	231,443
Morgan Stanley	1,925,000	188,958
Raymond James Financial	295,000	29,618
State Street	2,520,000	234,360
		839,479
Diversified Financial Services 1.2%		
Equitable Holdings	7,030,000	230,514
		230,514
Insurance 8.4%		
American International Group	8,350,000	474,781
Chubb	1,920,000	371,155
Hartford Financial Services Group	1,270,000	87,681
Loews	5,450,000	314,792
Marsh & McLennan	165,000	28,680
MetLife	5,510,000	344,320
		1,621,409
Total Financials		4,344,525
HEALTH CARE 16.6%		
Biotechnology 2.3%		
AbbVie	2,745,000	371,673
Biogen (1)	180,000	43,186
Gilead Sciences	420,000	30,496
		445,355
Health Care Equipment & Supplies 3.4%		
Becton Dickinson & Company	1,200,000	301,776
Medtronic	2,320,000	240,004
Zimmer Biomet Holdings	950,000	120,688
		662,468
Health Care Providers & Services 6.3%		
Anthem	980,000	454,269
Cardinal Health	1,700,000	87,533
Centene (1)	1,510,000	124,424
Cigna	850,000	195,186
CVS Health	2,560,000	264,090
UnitedHealth Group	195,000	97,917
		1,223,419
Pharmaceuticals 4.6%		
AstraZeneca, ADR	1,340,000	78,055
GlaxoSmithKline (GBP)	980,000	21,337
Johnson & Johnson	1,330,000	227,523
Merck	1,820,000	139,485

	Shares	\$ Value
(Cost and value in \$000s)		
Organon	81,000	2,466
Pfizer	4,260,000	251,553
Sanofi (EUR)	1,135,000	113,891
Sanofi, ADR	1,090,000	54,609
		888,919
Total Health Care		3,220,161
INDUSTRIALS & BUSINESS SERVICES 10.7%		
Aerospace & Defense 2.3%		
Boeing (1)	850,000	171,122
L3Harris Technologies	1,270,000	270,815
		441,937
Air Freight & Logistics 2.6%		
United Parcel Service, Class B	2,345,000	502,627
		502,627
Airlines 0.3%		
Southwest Airlines (1)	1,180,000	50,551
		50,551
Commercial Services & Supplies 0.8%		
Stericycle (1)	2,630,000	156,853
		156,853
Industrial Conglomerates 3.5%		
3M	220,000	39,079
General Electric	5,160,000	487,465
Siemens (EUR)	860,000	148,954
		675,498
Machinery 0.7%		
Flowserve	510,000	15,606
PACCAR	995,000	87,818
Snap-on	165,000	35,538
		138,962
Professional Services 0.5%		
Nielsen Holdings	4,465,000	91,577
		91,577
Total Industrials & Business Services		2,058,005
INFORMATION TECHNOLOGY 9.2%		
Communications Equipment 0.6%		
Cisco Systems	1,840,000	116,601
		116,601

	Shares	\$ Value
(Cost and value in \$000s)		
Electronic Equipment, Instruments & Components 0.3%		
TE Connectivity	360,000	58,082
		58,082
IT Services 0.4%		
Fiserv (1)	755,000	78,362
		78,362
Semiconductors & Semiconductor Equipment 5.5%		
Applied Materials	1,300,000	204,568
NXP Semiconductors	335,000	76,306
QUALCOMM	3,165,000	578,784
Texas Instruments	1,090,000	205,432
		1,065,090
Software 2.4%		
Citrix Systems	1,555,000	147,088
Microsoft	920,000	309,414
		456,502
Total Information Technology		1,774,637
MATERIALS 5.0%		
Chemicals 3.5%		
Akzo Nobel (EUR)	655,000	71,962
CF Industries Holdings	4,710,000	333,374
DuPont de Nemours	525,000	42,409
International Flavors & Fragrances	1,405,000	211,663
RPM International	220,000	22,220
		681,628
Containers & Packaging 1.5%		
International Paper	6,240,000	293,155
		293,155
Total Materials		974,783
REAL ESTATE 4.6%		
Equity Real Estate Investment Trusts 4.6%		
Equity Residential, REIT	3,325,000	300,913
Rayonier, REIT	3,820,000	154,175
Vornado Realty Trust, REIT	540,000	22,604
Welltower, REIT	800,000	68,616
Weyerhaeuser, REIT	8,320,000	342,618
Total Real Estate		888,926
UTILITIES 7.8%		
Electric Utilities 3.5%		
Entergy	425,000	47,876

	Shares	\$ Value
(Cost and value in \$000s)		
NextEra Energy	1,160,000	108,298
Southern	7,180,000	492,404
Xcel Energy	510,000	34,527
		683,105
Multi-Utilities 4.3%		
Ameren	1,375,000	122,389
Dominion Energy	2,380,000	186,973
NiSource	7,640,000	210,940
Sempra Energy	2,380,000	314,826
		835,128
Total Utilities		1,518,233
Total Miscellaneous Common Stocks 0.0% (2)		177
Total Common Stocks (Cost \$12,116,164)		18,550,800

CONVERTIBLE PREFERRED STOCKS 1.4%

HEALTH CARE 0.4%

Health Care Equipment & Supplies 0.4%

Becton Dickinson & Company, Series B, 6.00%, 6/1/23	1,324,100	69,820
Total Health Care		69,820

UTILITIES 1.0%

Electric Utilities 0.7%

NextEra Energy, 5.279%, 3/1/23	1,137,750	65,509
Southern, Series A, 6.75%, 8/1/22	1,481,000	79,048
		144,557

Multi-Utilities 0.3%

NiSource, 7.75%, 3/1/24	522,895	58,488
		58,488
Total Utilities		203,045
Total Convertible Preferred Stocks (Cost \$248,296)		272,865

PREFERRED STOCKS 1.0%

CONSUMER DISCRETIONARY 1.0%

Automobiles 1.0%

Volkswagen (EUR)	975,000	195,861
Total Consumer Discretionary		195,861
Total Preferred Stocks (Cost \$167,215)		195,861

	Shares	\$ Value
(Cost and value in \$000s)		
SHORT-TERM INVESTMENTS 1.4%		
Money Market Funds 1.4%		
T. Rowe Price Government Reserve Fund, 0.06% (3)(4)	278,124,113	278,124
Total Short-Term Investments (Cost \$278,124)		278,124
Total Investments in Securities		
99.8% of Net Assets		
(Cost \$12,809,799)		\$ 19,297,650

‡ Shares are denominated in U.S. dollars unless otherwise noted.

(1) Non-income producing

(2) The identity of certain securities has been concealed to protect the fund while it completes a purchase or selling program for the securities.

(3) Seven-day yield

(4) Affiliated Companies

ADR American Depositary Receipts

EUR Euro

GBP British Pound

REIT A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder

AFFILIATED COMPANIES

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the year ended December 31, 2021. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund, 0.06% \$	— \$	— \$	109++
T. Rowe Price Short-Term Fund	—	—	—++
Totals	\$ —#	— \$	109+

Supplementary Investment Schedule

Affiliate	Value 12/31/20	Purchase Cost	Sales Cost	Value 12/31/21
T. Rowe Price Government Reserve Fund, 0.06%	\$ 127,640	□	□	\$ 278,124
T. Rowe Price Short-Term Fund	—	□	□	—
Total			\$	278,124^

Capital gain distributions from mutual funds represented \$0 of the net realized gain (loss).

++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 4.

+ Investment income comprised \$109 of dividend income and \$0 of interest income.

□ Purchase and sale information not shown for cash management funds.

^ The cost basis of investments in affiliated companies was \$278,124.

T. ROWE PRICE EQUITY INCOME FUND

December 31, 2021

STATEMENT OF ASSETS AND LIABILITIES

(\$000s, except shares and per share amounts)

Assets

Investments in securities, at value (cost \$12,809,799)	\$ 19,297,650
Receivable for investment securities sold	55,409
Dividends and interest receivable	29,110
Receivable for shares sold	7,565
Other assets	4,360
Total assets	<u>19,394,094</u>

Liabilities

Payable for investment securities purchased	42,261
Payable for shares redeemed	14,813
Investment management fees payable	8,414
Payable to directors	11
Due to affiliates	11
Other liabilities	1,553
Total liabilities	<u>67,063</u>

NET ASSETS

\$ 19,327,031

December 31, 2021

STATEMENT OF ASSETS AND LIABILITIES

(\$000s, except shares and per share amounts)

Net Assets Consist of:

Total distributable earnings (loss)	\$ 6,645,690
Paid-in capital applicable to 537,005,948 shares of \$0.0001 par value capital stock outstanding; 2,000,000,000 shares of the Corporation authorized	12,681,341

NET ASSETS**\$ 19,327,031****NET ASSET VALUE PER SHARE****Investor Class**

(\$14,633,568,429 / 406,604,677 shares outstanding)	\$ 35.99
---	----------

Advisor Class

(\$188,633,106 / 5,255,947 shares outstanding)	\$ 35.89
--	----------

R Class

(\$50,483,934 / 1,409,004 shares outstanding)	\$ 35.83
---	----------

I Class

(\$3,065,213,332 / 85,162,725 shares outstanding)	\$ 35.99
---	----------

Z Class

(\$1,389,132,036 / 38,573,595 shares outstanding)	\$ 36.01
---	----------

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS

(\$000s)

		Year Ended 12/31/21
Investment Income (Loss)		
Income		
Dividend (net of foreign taxes of \$7,308)	\$	436,335
Interest		1,095
Securities lending		36
Total income		437,466
Expenses		
Investment management		98,076
Shareholder servicing		
Investor Class	\$	14,562
Advisor Class		324
R Class		95
I Class		55
		15,036
Rule 12b-1 fees		
Advisor Class		472
R Class		253
		725
Prospectus and shareholder reports		
Investor Class		169
Advisor Class		4
R Class		2
I Class		65
		240
Custody and accounting		527
Registration		157
Legal and audit		155
Directors		42
Miscellaneous		148
Waived / paid by Price Associates		(5,693)
Total expenses		109,413
Net investment income		328,053

STATEMENT OF OPERATIONS

(\$000s)

	Year Ended 12/31/21
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	1,643,804
Futures	599
Foreign currency transactions	(90)
Net realized gain	<u>1,644,313</u>
 Change in net unrealized gain / loss	
Securities	2,204,791
Other assets and liabilities denominated in foreign currencies	(141)
Change in net unrealized gain / loss	<u>2,204,650</u>
Net realized and unrealized gain / loss	<u>3,848,963</u>
 INCREASE IN NET ASSETS FROM OPERATIONS	 <u>\$ 4,177,016</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year Ended 12/31/21	12/31/20
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 328,053	\$ 393,135
Net realized gain	1,644,313	896,846
Change in net unrealized gain / loss	2,204,650	(1,754,051)
Increase (decrease) in net assets from operations	4,177,016	(464,070)
Distributions to shareholders		
Net earnings		
Investor Class	(1,211,151)	(515,275)
Advisor Class	(15,134)	(6,526)
R Class	(3,923)	(1,519)
I Class	(252,042)	(96,827)
Z Class	(121,812)	-
Decrease in net assets from distributions	(1,604,062)	(620,147)
Capital share transactions ^{*(1)}		
Shares sold		
Investor Class	911,599	1,261,445
Advisor Class	37,322	31,845
R Class	6,507	6,327
I Class	658,846	570,262
Z Class	1,470,456	-
Distributions reinvested		
Investor Class	1,156,320	492,479
Advisor Class	14,965	6,456
R Class	3,919	1,519
I Class	238,318	92,346
Z Class	121,812	-
Shares redeemed		
Investor Class	(3,799,652)	(2,884,688)
Advisor Class	(78,237)	(94,032)
R Class	(15,151)	(21,093)
I Class	(523,261)	(2,561,485)
Z Class	(268,455)	-
Decrease in net assets from capital share transactions	(64,692)	(3,098,619)

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year Ended 12/31/21	12/31/20
Net Assets		
Increase (decrease) during period	2,508,262	(4,182,836)
Beginning of period	16,818,769	21,001,605
End of period	\$ 19,327,031	\$ 16,818,769
*Share information ⁽¹⁾		
Shares sold		
Investor Class	25,442	48,292
Advisor Class	1,043	1,170
R Class	181	240
I Class	18,291	22,904
Z Class	42,445	-
Distributions reinvested		
Investor Class	32,877	17,780
Advisor Class	427	234
R Class	112	54
I Class	6,776	3,417
Z Class	3,458	-
Shares redeemed		
Investor Class	(107,823)	(107,049)
Advisor Class	(2,196)	(3,483)
R Class	(427)	(760)
I Class	(14,586)	(99,177)
Z Class	(7,329)	-
Decrease in shares outstanding	(1,309)	(116,378)

⁽¹⁾Includes the exchange of shares from certain classes to the I Class and/or Z Class related to shares held by affiliated products.

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Equity Income Fund, Inc. (the fund) is registered under the Investment Company Act of 1940 (the 1940 Act) as a diversified, open-end management investment company. The fund seeks a high level of dividend income and long-term capital growth primarily through investments in stocks. The fund has five classes of shares: the Equity Income Fund (Investor Class), the Equity Income Fund–Advisor Class (Advisor Class), the Equity Income Fund–R Class (R Class), the Equity Income Fund–I Class (I Class) and the Equity Income Fund–Z Class (Z Class). Advisor Class shares are sold only through various brokers and other financial intermediaries, and R Class shares are available through financial intermediaries for employer-sponsored defined contribution retirement plans and certain other retirement accounts. I Class shares require a \$500,000 initial investment minimum, although the minimum generally is waived or reduced for financial intermediaries, eligible retirement plans, and certain other accounts. Prior to November 15, 2021, the initial investment minimum was \$1 million and was generally waived for financial intermediaries, eligible retirement plans, and other certain accounts. The Z Class is only available to funds advised by T. Rowe Price Associates, Inc. and its affiliates and other clients that are subject to a contractual fee for investment management services. The Advisor Class and R Class each operate under separate Board-approved Rule 12b-1 plans, pursuant to which each class compensates financial intermediaries for distribution, shareholder servicing, and/or certain administrative services; the Investor, I and Z Classes do not pay Rule 12b-1 fees. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to all classes; and, in all other respects, the same rights and obligations as the other classes.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

Investment Transactions, Investment Income, and Distributions Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from mutual fund investments are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Distributions from REITs are initially recorded as dividend income and, to the extent such represent a return of capital or capital gain for tax purposes, are reclassified when such information becomes available. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class quarterly. A capital gain distribution may also be declared and paid by the fund annually.

Currency Translation Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

Class Accounting Shareholder servicing, prospectus, and shareholder report expenses incurred by each class are charged directly to the class to which they relate. Expenses common to all classes, investment income, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. The Advisor Class and R Class each pay Rule 12b-1 fees, in an amount not exceeding 0.25% and 0.50%, respectively, of the class's average daily net assets.

Capital Transactions Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

Indemnification In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

NOTE 2 - VALUATION

Fair Value The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The T. Rowe Price Valuation Committee (the Valuation Committee) is an internal committee that has been delegated certain responsibilities by the fund's Board of Directors (the Board) to ensure that financial instruments are appropriately priced at fair value in accordance with GAAP and the 1940 Act. Subject to oversight by the Board, the Valuation Committee develops and oversees pricing-related policies and procedures and approves all fair value determinations. Specifically, the Valuation Committee establishes policies and procedures used in valuing financial instruments, including those which cannot be valued in accordance with normal procedures or using pricing vendors; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; evaluates the services and performance of the pricing vendors; oversees the pricing process to ensure policies and procedures are being followed; and provides guidance on internal controls and valuation-related matters. The Valuation Committee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date
- Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)
- Level 3 – unobservable inputs (including the fund's own assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

Valuation Techniques Equity securities, including exchange-traded funds, listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities and the last quoted sale or closing price for international securities.

The last quoted prices of non-U.S. equity securities may be adjusted to reflect the fair value of such securities at the close of the NYSE, if the fund determines that developments between the close of a foreign market and the close of the NYSE will affect the value of some or all of its portfolio securities. Each business day, the fund uses information from outside pricing services to evaluate and, if appropriate, decide whether it is necessary to adjust quoted prices to reflect fair value by reviewing a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The fund uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The fund cannot predict how often it will use quoted prices and how often it will determine it necessary to adjust those prices to reflect fair value.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations or market-based valuations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Committee, in accordance with fair valuation policies and procedures. The objective of any fair value pricing determination is to arrive at a price that could reasonably be expected from a current sale. Financial instruments fair valued by the Valuation Committee are primarily private placements, restricted securities, warrants, rights, and other securities that are not publicly traded. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Committee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Committee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis and updated as information becomes available, including actual purchase and sale transactions of the investment. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions, and fair value prices determined by the Valuation Committee could differ from those of other market participants.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on December 31, 2021 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Common Stocks	\$ 17,833,773	\$ 717,027	\$ —	\$ 18,550,800
Convertible Preferred Stocks	—	272,865	—	272,865
Preferred Stocks	—	195,861	—	195,861
Short-Term Investments	278,124	—	—	278,124
Total	\$ 18,111,897	\$ 1,185,753	\$ —	\$ 19,297,650

NOTE 3 - DERIVATIVE INSTRUMENTS

During the year ended December 31, 2021, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes and may use them to establish both long and short positions within the fund's portfolio. Potential uses include to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based. The fund at all times maintains sufficient cash reserves, liquid assets, or other SEC-permitted asset types to cover its settlement obligations under open derivative contracts.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral. As of December 31, 2021, the fund held no derivative instruments.

The amount of gains and losses on derivative instruments recognized in fund earnings during the year ended December 31, 2021, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

(\$000s)	Location of Gain (Loss) on Statement of Operations
	Futures
Realized Gain (Loss)	
Equity derivatives	\$ 599
Total	\$ 599

Futures Contracts The fund is subject to equity price risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risk. The fund may enter into futures contracts to manage exposure to interest rates, security prices, foreign currencies, and credit quality; as an efficient means of adjusting exposure to all or part of a target market; to enhance income; as a cash management tool; or to adjust credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed-upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values, and potential losses in excess of the fund's initial investment. During the year ended December 31, 2021, the volume of the fund's activity in futures, based on underlying notional amounts, was generally less than 1% of net assets.

NOTE 4 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

Securities Lending The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by

the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At December 31, 2021, there were no securities on loan.

Other Purchases and sales of portfolio securities other than short-term securities aggregated \$3,537,993,000 and \$4,947,722,000, respectively, for the year ended December 31, 2021.

NOTE 5 - FEDERAL INCOME TAXES

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes.

The fund files U.S. federal, state, and local tax returns as required. The fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The permanent book/tax adjustments have no impact on results of operations or net assets and relate primarily to redemptions in kind and a tax practice that treats a portion of the proceeds from each redemption of capital shares as a distribution of taxable net investment income or realized capital gain. For the year ended December 31, 2021, the following reclassification was recorded:

(\$000s)		
Total distributable earnings (loss)	\$	(234,885)
Paid-in capital		234,885

Distributions during the years ended December 31, 2021 and December 31, 2020, were characterized for tax purposes as follows:

(\$000s)		
	December 31, 2021	December 31, 2020
Ordinary income	\$ 512,601	\$ 406,705
Long-term capital gain	1,091,461	213,442
Total distributions	\$ 1,604,062	\$ 620,147

At December 31, 2021, the tax-basis cost of investments and components of net assets were as follows:

(\$000s)		
Cost of investments	\$	12,821,774
Unrealized appreciation	\$	6,690,706
Unrealized depreciation		(214,967)
Net unrealized appreciation (depreciation)		6,475,739
Undistributed ordinary income		10,252
Undistributed long-term capital gain		159,699
Paid-in capital		12,681,341
Net assets	\$	19,327,031

The difference between book-basis and tax-basis net unrealized appreciation (depreciation) is attributable to the deferral of losses from wash sales for tax purposes.

NOTE 6 - FOREIGN TAXES

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Taxes attributable to income are accrued by the fund as a reduction of income. Current and deferred tax expense attributable to capital gains is reflected as a component of realized or change in unrealized gain/loss on securities in the accompanying financial statements. To the extent that the fund has country specific capital loss carryforwards, such carryforwards are applied against net unrealized gains when determining the deferred tax liability. Any deferred tax liability incurred by the fund is included in either Other liabilities or Deferred tax liability on the accompanying Statement of Assets and Liabilities.

NOTE 7 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management agreement between the fund and Price Associates provides for an annual investment management fee, which is computed daily and paid monthly. The fee consists of an individual fund fee and a group fee. The individual fund fee is equal to 0.25% of the fund's average daily net assets up to \$15 billion and 0.2125% of the fund's average daily net assets in excess of \$15 billion. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first \$1 billion of assets to 0.260% for assets in excess of \$845 billion. The fund's group fee is determined by applying the group fee rate to the fund's average daily net assets. At December 31, 2021, the effective annual group fee rate was 0.28%.

The I Class is subject to an operating expense limitation (I Class Limit) pursuant to which Price Associates is contractually required to pay all operating expenses of the I Class, excluding management fees; interest; expenses related to borrowings, taxes, and brokerage; and other non-recurring expenses permitted by the investment management agreement, to the extent such operating expenses, on an annualized basis, exceed the I Class Limit. This agreement will continue through the expense limitation date indicated in the table below, and may be renewed, revised, or revoked only with approval of the fund's Board. The I Class is required to repay Price Associates for expenses previously paid to the extent the class's net assets grow or expenses decline sufficiently to allow repayment without causing the class's operating expenses (after

the repayment is taken into account) to exceed the lesser of: (1) the I Class Limit in place at the time such amounts were paid; or (2) the current I Class Limit. However, no repayment will be made more than three years after the date of a payment or waiver.

The Z Class is also subject to a contractual expense limitation agreement whereby Price Associates has agreed to waive and/or bear all of the Z Class' expenses (excluding interest; expenses related to borrowings, taxes, and brokerage; and nonrecurring expenses) in their entirety. This fee waiver and/or expense reimbursement arrangement is expected to remain in place indefinitely, and the agreement may only be amended or terminated with approval by the fund's Board. Expenses of the fund waived/paid by the manager are not subject to later repayment by the fund.

Pursuant to these agreements, expenses were waived/paid by and/or repaid to Price Associates during the year ended December 31, 2021 as indicated in the table below. At December 31, 2021, there were no amounts subject to repayment by the fund. Any repayment of expenses previously waived/paid by Price Associates during the period would be included in the net investment income and expense ratios presented on the accompanying Financial Highlights.

	I Class	Z Class
Expense limitation/I Class Limit	0.05%	0.00%
Expense limitation date	04/30/22	N/A
(Waived)/repaid during the period (\$000s)	\$—	\$(5,693)

In addition, the fund has entered into service agreements with Price Associates and two wholly owned subsidiaries of Price Associates, each an affiliate of the fund (collectively, Price). Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. T. Rowe Price Retirement Plan Services, Inc. provides subaccounting and recordkeeping services for certain retirement accounts invested in the Investor Class, R Class and Advisor Class. For the year ended December 31, 2021, expenses incurred pursuant to these service agreements were \$82,000 for Price Associates; \$5,126,000 for T. Rowe Price Services, Inc.; and \$1,754,000 for T. Rowe Price Retirement Plan Services, Inc. All amounts due to and due from Price, exclusive of investment management fees payable, are presented net on the accompanying Statement of Assets and Liabilities.

Additionally, the fund is one of several mutual funds in which certain college savings plans managed by Price Associates may invest. As approved by the fund's Board of Directors, shareholder servicing costs associated with each college savings plan are borne by the fund in proportion to the average daily value of its shares owned by the college savings plan. For the year ended December 31, 2021, the fund was charged \$712,000 for shareholder servicing costs related to the college savings plans, of which \$467,000 was for services provided by Price. All amounts due to and due from Price, exclusive of investment management fees payable, are presented net on the accompanying Statement of Assets and Liabilities. At December 31, 2021, approximately 3% of the outstanding shares of the Investor Class were held by college savings plans.

The fund is also one of several mutual funds sponsored by Price Associates (underlying Price Funds) in which the T. Rowe Price Spectrum Funds (Spectrum Funds) may invest. The Spectrum Funds do not invest in the underlying Price Funds for the purpose of exercising management or control. Prior to March 24, 2021, pursuant to special servicing agreements, expenses associated with the operation of the Spectrum Funds were borne by each underlying Price Fund to the extent of estimated savings to it and in proportion to the average daily value of its shares owned by the Spectrum Funds. These special servicing arrangements between the fund and the Spectrum Funds terminated on March 24, 2021. Expenses allocated under these special servicing agreements are reflected as shareholder servicing expense in the accompanying financial statements. For the year ended December 31, 2021, the fund was allocated \$294,000 of Spectrum Funds' expenses. Of these amounts, \$179,000 related to services provided by Price. All amounts due to and due from Price, exclusive of investment management fees payable, are presented net on the accompanying Statement of Assets and Liabilities. At December 31, 2021, approximately 100% of the outstanding shares of the Z Class were held by the Spectrum Funds.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds, or the T. Rowe Price Short-Term Fund, a short-term bond fund (collectively, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund; prior to December 13, 2021, the cash collateral from securities lending was invested in the T. Rowe Price Short-Term Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the year ended December 31, 2021, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the year ended December 31, 2021, this reimbursement amounted to \$347,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 8 - LITIGATION

The fund was a named defendant in a lawsuit brought by a litigation trustee, which sought to recover all payments made to beneficial owners of common stock in connection with a leveraged buyout (LBO) of Tribune, including those made in connection with a 2007 tender offer in which the fund participated. A motion to dismiss was filed in this case and the district court granted the motion on January 9, 2017. In light of a Supreme Court decision in an unrelated case, the trustee sought leave to amend the dismissed complaint. The district court denied that motion, and the Second Circuit Court of Appeals affirmed the lower court's decision on August 20, 2021. The bankruptcy trustee filed a petition for a rehearing, which was denied on October 7, 2021. The fund was named, also, as a defendant or included in a class of defendants in parallel litigation, which was dismissed by the district court and affirmed on appeal by the Second Circuit Court of Appeals. This second action, which was consolidated with the Multidistrict Litigation Panel in federal court with other similar actions, asserted state law constructive fraudulent transfer claims in an attempt to recover stock redemption payments made to shareholders at the time of the LBO. Both suits also sought prejudgment interest. The consolidated cases went through various stages of appeals. While they were appealing the dismissal of their lawsuits, plaintiffs dropped a number of fund defendants, including the T. Rowe Price Funds, which effectively ended the funds' involvement in the creditor claims. Plaintiffs since have exhausted their appeals and this second set of cases is over. While the fund's involvement in the creditor claims had ended, there was no impact on the claims in the action brought by the bankruptcy trustee. The complaints did not allege misconduct by the fund, and management has

vigorously defended the lawsuits. On January 5, 2022, the trustee filed a petition for a writ of certiorari with the U.S. Supreme Court but dropped the fund from its petition, and the fund no longer has any potential liability in the matters related to these claims.

NOTE 9 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks. The fund's performance could be negatively impacted if the value of a portfolio holding were harmed by such events. Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets. The duration of this outbreak or others and their effects cannot be determined with certainty.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Directors and Shareholders of
T. Rowe Price Equity Income Fund, Inc.**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of T. Rowe Price Equity Income Fund, Inc. (the “Fund”) as of December 31, 2021, the related statement of operations for the year ended December 31, 2021, the statement of changes in net assets for each of the two years in the period ended December 31, 2021, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2021 and the financial highlights for each of the periods indicated therein, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(CONTINUED)**

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2021 by correspondence with the custodians, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Baltimore, Maryland
February 15, 2022

We have served as the auditor of one or more investment companies in the T. Rowe Price group of investment companies since 1973.

TAX INFORMATION (UNAUDITED) FOR THE TAX YEAR ENDED 12/31/21

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

The fund's distributions to shareholders included:

- \$226,035,000 from short-term capital gains
- \$1,264,467,000 from long-term capital gains, of which \$1,263,599,000 was subject to a long-term capital gains tax rate of not greater than 20% and \$868,000 to a long-term capital gains tax rate of not greater than 25%

For taxable non-corporate shareholders, \$416,903,000 of the fund's income represents qualified dividend income subject to a long-term capital gains tax rate of not greater than 20%.

For corporate shareholders, \$353,794,000 of the fund's income qualifies for the dividends-received deduction.

For individuals and certain trusts and estates which are entitled to claim a deduction of up to 20% of their combined qualified real estate investment trust (REIT) dividends, \$5,548,000 of the fund's income qualifies as qualified real estate investment trust (REIT) dividends.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Policies." Click on the Proxy Voting Policies link in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on **troweprice.com**.

LIQUIDITY RISK MANAGEMENT PROGRAM

In accordance with Rule 22e-4 (Liquidity Rule) under the Investment Company Act of 1940, as amended, the fund has established a liquidity risk management program (Liquidity Program) reasonably designed to assess and manage the fund's liquidity risk, which generally represents the risk that the fund would not be able to meet redemption requests without significant dilution of remaining investors' interests in the fund. The fund's Board of Directors (Board) has appointed the fund's investment advisor, T. Rowe Price Associates, Inc. (Price Associates), as the administrator of the Liquidity Program. As administrator, Price Associates is responsible for overseeing the day-to-day operations of the Liquidity Program and, among other things, is responsible for assessing, managing, and reviewing with the Board at least annually the liquidity risk of each T. Rowe Price fund. Price Associates has delegated oversight of the Liquidity Program to a Liquidity Risk Committee (LRC), which is a cross-functional committee composed of personnel from multiple departments within Price Associates.

The Liquidity Program's principal objectives include supporting the T. Rowe Price funds' compliance with limits on investments in illiquid assets and mitigating the risk that the fund will be unable to timely meet its redemption obligations. The Liquidity Program also includes a number of elements that support the management and assessment of liquidity risk, including an annual assessment of factors that influence the fund's liquidity and the periodic classification and reclassification of a fund's investments into categories that reflect the LRC's assessment of their relative liquidity under current market conditions. Under the Liquidity Program, every investment held by the fund is classified at least monthly into one of four liquidity categories based on estimations of the investment's ability to be sold during designated time frames in current market conditions without significantly changing the investment's market value.

As required by the Liquidity Rule, at a meeting held on July 27, 2021, the Board was presented with an annual assessment prepared by the LRC, on behalf of Price Associates, that addressed the operation of the Liquidity Program and assessed its adequacy and effectiveness of implementation, including any material changes to the Liquidity Program and the determination of each fund's Highly Liquid Investment Minimum (HLIM). The annual assessment included consideration of the following factors, as applicable: the fund's investment strategy and liquidity of portfolio investments during normal and reasonably foreseeable stressed conditions, including whether the investment strategy is appropriate for an open-end fund, the extent to which the strategy involves a relatively concentrated portfolio or large positions in particular issuers, and the use of borrowings for investment purposes and derivatives; short-term and long-term cash flow projections covering both normal and reasonably foreseeable stressed conditions; and holdings of cash and cash equivalents, as well as available borrowing arrangements.

LIQUIDITY RISK MANAGEMENT PROGRAM (CONTINUED)

For the fund and other T. Rowe Price funds, the annual assessment incorporated a report related to a fund's holdings, shareholder and portfolio concentration, any borrowings during the period, cash flow projections, and other relevant data for the period of April 1, 2020, through March 31, 2021. The report described the methodology for classifying a fund's investments (including derivative transactions) into one of four liquidity categories, as well as the percentage of a fund's investments assigned to each category. It also explained the methodology for establishing a fund's HLIM and noted that the LRC reviews the HLIM assigned to each fund no less frequently than annually.

During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program continues to operate adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

ABOUT THE FUND'S DIRECTORS AND OFFICERS

Your fund is overseen by a Board of Directors (Board) that meets regularly to review a wide variety of matters affecting or potentially affecting the fund, including performance, investment programs, compliance matters, advisory fees and expenses, service providers, and business and regulatory affairs. The Board elects the fund's officers, who are listed in the final table. At least 75% of the Board's members are considered to be independent, i.e., not "interested persons" as defined in Section 2(a)(19) of the 1940 Act, of the Boards of T. Rowe Price Associates, Inc. (T. Rowe Price), and its affiliates; "interested" directors and officers are employees of T. Rowe Price. The business address of each director and officer is 100 East Pratt Street, Baltimore, Maryland 21202. The Statement of Additional Information includes additional information about the fund directors and is available without charge by calling a T. Rowe Price representative at 1-800-638-5660.

INDEPENDENT DIRECTORS^(a)

Name

(Year of Birth)

Year Elected

[Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Teresa Bryce Bazemore (1959) 2018 [204]	President and Chief Executive Officer, Federal Home Loan Bank of San Francisco (2021 to present); President, Radian Guaranty (2008 to 2017); Chief Executive Officer, Bazemore Consulting LLC (2018 to 2021); Director, Chimera Investment Corporation (2017 to 2021); Director, First Industrial Realty Trust (2020 to present); Director, Federal Home Loan Bank of Pittsburgh (2017 to 2019)
Ronald J. Daniels (1959) 2018 [204]	President, The Johns Hopkins University ^(b) and Professor, Political Science Department, The Johns Hopkins University (2009 to present); Director, Lyndhurst Holdings (2015 to present); Director, BridgeBio Pharma, Inc. (2020 to present)
Bruce W. Duncan (1951) 2013 [204]	President, Chief Executive Officer, and Director, CyrusOne, Inc. (2020 to 2021); Chief Executive Officer and Director (2009 to 2016), Chair of the Board (2016 to 2020), and President (2009 to 2016), First Industrial Realty Trust, owner and operator of industrial properties; Chair of the Board (2005 to 2016) and Director (1999 to 2016), Starwood Hotels & Resorts, a hotel and leisure company; Member, Investment Company Institute Board of Governors (2017 to 2019); Member, Independent Directors Council Governing Board (2017 to 2019); Senior Advisor, KKR (2018 to present); Director, Boston Properties (2016 to present); Director, Marriott International, Inc. (2016 to 2020)
Robert J. Gerrard, Jr. (1952) 2012 [204]	Advisory Board Member, Pipeline Crisis/Winning Strategies, a collaborative working to improve opportunities for young African Americans (1997 to 2016); Chair of the Board, all funds (July 2018 to present)

INDEPENDENT DIRECTORS^(a) (CONTINUED)

Name (Year of Birth) Year Elected [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Paul F. McBride (1956) 2013 [204]	Advisory Board Member, Vizzia Technologies (2015 to present); Board Member, Dunbar Armored (2012 to 2018)
Cecilia E. Rouse, Ph.D. ^(c) (1963) 2012 [0]	Dean, Princeton School of Public and International Affairs (2012 to present); Professor and Researcher, Princeton University (1992 to present); Director of Education Studies Committee, MDRC, a nonprofit education and social policy research organization (2011 to 2020); Member, National Academy of Education (2010 to present); Board Member, National Bureau of Economic Research (2011 to present); Board Member of the Council on Foreign Relations (2018 to present); Board Member, The Pennington School (2017 to present); Board Member, the University of Rhode Island (2020 to present); Chair of Committee on the Status of Minority Groups in the Economic Profession of the American Economic Association (2012 to 2018); Vice President (2015 to 2016) and Board Member (2018 to present), American Economic Association
John G. Schreiber ^(d) (1946) 2001 [0]	Owner/President, Centaur Capital Partners, Inc., a real estate investment company (1991 to present); Co-founder, Partner, and Cochair of the Investment Committee, Blackstone Real Estate Advisors, L.P. (1992 to 2015); Director, Blackstone Mortgage Trust, a real estate finance company (2012 to 2016); Director and Chair of the Board, Brixmor Property Group, Inc. (2013 to present); Director, Hilton Worldwide (2007 to present); Director, Hudson Pacific Properties (2014 to 2016); Director, Invitation Homes (2014 to 2017); Director, JMB Realty Corporation (1980 to present)
Kellye Walker ^(e) (1966) 2021 [204]	Executive Vice President and Chief Legal Officer, Eastman Chemical Company (April 2020 to present); Executive Vice President and Chief Legal Officer, Huntington Ingalls Industries, Inc. (NYSE: HII) (January 2015 to March 2020); Director, Lincoln Electric Company (October 2020 to present)

^(a)All information about the independent directors was current as of December 31, 2020, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

^(b)William J. Stromberg, chair of the Board, director, and chief executive officer of T. Rowe Price Group, Inc., the parent company of the Price Funds' investment advisor, has served on the Board of Trustees of Johns Hopkins University since 2014.

^(c)Effective March 4, 2021, Dr. Rouse resigned from her role as independent director of the Price Funds.

^(d)Effective December 31, 2021, Mr. Schreiber resigned from his role as independent director of the Price Funds.

^(e)Effective November 8, 2021, Ms. Walker was elected as independent director of the Price Funds.

INTERESTED DIRECTORS^(a)**Name****(Year of Birth)****Year Elected****[Number of T. Rowe Price Portfolios Overseen]****Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years**

David Oestreicher (1967) 2018 [204]	General Counsel, Vice President, and Secretary, T. Rowe Price Group, Inc.; Chair of the Board, Chief Executive Officer, President, and Secretary, T. Rowe Price Trust Company; Director, Vice President, and Secretary, T. Rowe Price, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., and T. Rowe Price Services, Inc.; Director and Secretary, T. Rowe Price Investment Management, Inc. (Price Investment Management); Vice President and Secretary, T. Rowe Price International (Price International); Vice President, T. Rowe Price Hong Kong (Price Hong Kong), T. Rowe Price Japan (Price Japan), and T. Rowe Price Singapore (Price Singapore); Principal Executive Officer and Executive Vice President, all funds
Robert W. Sharps, CFA, CPA (1971) 2017 [204]	Director and Vice President, T. Rowe Price; President, T. Rowe Price Group, Inc.; Director, Price Investment Management; Vice President, T. Rowe Price Trust Company

^(a)All information about the interested directors was current as of December 31, 2020, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

OFFICERS**Name (Year of Birth)****Position Held With Equity Income Fund****Principal Occupation(s)**

Jason Adams (1979) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Ziad Bakri, M.D., CFA (1980) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Alan S. Dupski, CPA (1982) Principal Financial Officer, Vice President, and Treasurer	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Mark S. Finn, CFA, CPA (1963) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
John R. Gilner (1961) Chief Compliance Officer	Chief Compliance Officer and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Investment Services, Inc.

Unless otherwise noted, officers have been employees of T. Rowe Price or Price International for at least 5 years.

OFFICERS (CONTINUED)

Name (Year of Birth)	Position Held With Equity Income Fund	Principal Occupation(s)
Gary J. Greb (1961)	Vice President	Vice President, T. Rowe Price, Price International, and T. Rowe Price Trust Company
Ryan S. Hedrick, CFA (1980)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Kate Hobbs (1982)	Vice President	Vice President, T. Rowe Price
Jonathan R. Hussey, CFA (1982)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Shinwoo Kim (1977)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Paul J. Krug, CPA (1964)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
John D. Linehan, CFA (1965)	President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Daniel Martino, CFA (1974)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
George Marzano (1980)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Heather K. McPherson, CPA (1967)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Fran M. Pollack-Matz (1961)	Vice President and Secretary	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.
Andy Peters (1988)	Vice President	Employee, T. Rowe Price
Shannon H. Rauser (1987)	Assistant Secretary	Assistant Vice President, T. Rowe Price
Melanie A. Rizzo (1982)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Daniel Shear (1992)	Vice President	Employee, T. Rowe Price; formerly, student, The University of Chicago Booth School of Business (to 2020); summer intern, T. Rowe Price (2019); Strategic Finance Analyst, Uber Technologies, Inc. (to 2018); Equity Research Associate, Dodge & Cox Funds (to 2017)

Unless otherwise noted, officers have been employees of T. Rowe Price or Price International for at least 5 years.

OFFICERS (CONTINUED)

Name (Year of Birth)		Principal Occupation(s)
Position Held With Equity Income Fund		
Matthew J. Snowling, CFA (1971)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Preeta Ragavan Srinivasan, CFA (1987)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Megan Warren (1968)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; formerly, Executive Director, JPMorgan Chase (to 2017)

Unless otherwise noted, officers have been employees of T. Rowe Price or Price International for at least 5 years.



You have many investment goals.

Explore products and services that can help you achieve them.

Whether you want to put away more money for retirement, for a child's education, or for other priorities, we have solutions for you. See how we can help you accomplish the investment goals that are important to you.

RETIREMENT

- IRAs: Traditional, Roth, Rollover/Transfer, or Brokerage
- Small Business Plans help minimize taxes, maximize savings
- T. Rowe Price® ActivePlus Portfolios¹ for online investing powered by experts

GENERAL INVESTING

- Individual or Joint Tenant
- Brokerage² offers access to stocks, ETFs, bonds, and more
- Gifts and transfers to a child (UGMA/UTMAs)
- Trust
- Transfer on Death

COLLEGE SAVINGS

- T. Rowe Price-managed 529 plans offer tax-advantaged solutions for families saving money for college tuition and education-related expenses

Visit **troweprice.com/broadrange**

Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

All mutual funds are subject to market risk, including possible loss of principal. Investing internationally involves special risks including economic and political uncertainty and currency fluctuation.

¹ The T. Rowe Price® ActivePlus Portfolios is a discretionary investment management program provided by T. Rowe Price Advisory Services, Inc., a registered investment adviser under the Investment Advisers Act of 1940. Brokerage services are provided by T. Rowe Price Investment Services, Inc., member FINRA/SIPC. Brokerage accounts are carried by Pershing LLC, a BNY Mellon Company, member NYSE/FINRA/SIPC. T. Rowe Price Advisory Services, Inc., and T. Rowe Price Investment Services, Inc., are affiliated companies.

² Brokerage services are provided by T. Rowe Price Investment Services, Inc., member FINRA/SIPC. Brokerage accounts are carried by Pershing LLC, a BNY Mellon Company, member NYSE/FINRA/SIPC.