T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2021

T. ROWE PRICE

Equity Income Portfolio

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HIGHLIGHTS

- The Equity Income Portfolio returned 18.37% for the six-month period. The portfolio outperformed both the Russell 1000 Value Index and the Lipper Variable Annuity Underlying Equity Income Funds Average.
- Within the portfolio, absolute contributors were concentrated within sectors that benefited from the rising interest rates and cyclicality associated with economic recovery. Top detractors were dispersed more evenly among sectors.
- 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.
- Given the sizable stimulus and continued efficacy of the coronavirus vaccines against new variants to date, we believe economic activity will be robust in the second half of the year and that much of this is priced into the market at current levels. 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.

Dear Investor

Global stock markets produced strong returns during the first half of 2021, while rising yields weighed on returns in some bond sectors. Investor sentiment was buoyed by the reopening of developed market economies, unprecedented fiscal and monetary stimulus, and expectations that the economy would benefit from a release of pent-up demand.

All major global and regional equity benchmarks recorded positive results during the period. Developed market stocks generally outperformed emerging markets, while in the U.S., small-cap equities outpaced large-caps and value performed better than growth. The large-cap S&P 500 Index returned 15% and finished the period at a record high. The energy sector, which was the worst performer in 2020, was the leader for the six-month period amid a sharp increase in oil prices. Financial stocks also produced strong results as banks benefited from an increase in long-term interest rates, while the real estate sector was helped by a rollback in many pandemic-related restrictions. Utilities underperformed with slight gains.

Fiscal and monetary support remained a key factor in providing a positive backdrop for markets. President Joe Biden signed the $1.9 trillion American Rescue Plan Act into law in March, and the Federal Reserve kept its short-term lending rates near zero. However, as a result of strong economic growth, central bank policymakers revised their outlook in a somewhat less dovish direction near the end of the period and indicated that rate hikes could commence in 2023, which was earlier than previously expected.

The economic recovery was evident in a variety of indicators. According to the latest estimate, U.S. gross domestic product grew at an annualized rate of 6.4% in the first quarter of 2021 following 4.3% growth in the fourth quarter of 2020. Weekly jobless claims declined throughout the period to new pandemic-era lows, although the monthly nonfarm payroll report disappointed at times as employers struggled to fill positions. Meanwhile, overall profits for companies in the S&P 500 rose by nearly 53% year over year in the first quarter, according to FactSet—the best showing since late 2009.

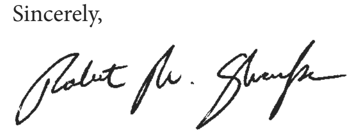
However, less favorably, inflation concerns led to some volatility in the equity market and caused a sharp rise in longer-term Treasury yields in the first quarter. (Bond prices and yields move in opposite directions.) While inflation measures were above the Fed's 2% long-term inflation target toward the end of our reporting period—core consumer prices, for example, recorded their largest annual increase (3.8%) since 1992 in May—investors seemed to accept the Fed's determination that rising price pressures were due to transitory factors arising from the reopening of the global economy.

Longer-term Treasury yields trended lower as inflation expectations began to wane later in the period, but they still finished significantly higher than they were at the end of 2020. Rising yields were a headwind for many fixed income investors; however, high yield bonds, which are less sensitive to interest rate changes, produced solid results, and investment-grade corporate bonds also performed well amid solid corporate fundamentals.

As we look ahead, the central question for investors—assuming the economy's recovery from the pandemic continues apace—is whether the returns on financial assets will be as robust. Valuations are elevated in nearly all asset classes, and, in some areas, there are clear signs of speculation. That said, a transformed global economic landscape is generating potential opportunities as well as risks. Post-pandemic trends have the potential to create both winners and losers, giving active portfolio managers greater scope to seek excess returns. It is not an easy environment to invest in, but our investment teams remain rooted in company fundamentals and focused on the long term, and they will continue to apply strong fundamental analysis as they seek out the best investments for your portfolio.

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

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 six months?

The Equity Income Portfolio returned 18.37% for the six-month period ended June 30, 2021. The portfolio outperformed the Russell 1000 Value Index as well as its peer group, the Lipper Variable Annuity Underlying Equity Income Funds Average. (Returns for the II Class shares varied slightly, reflecting their different fee structure. *Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/21	Total Return
Equity Income Portfolio	18.37%
Equity Income Portfolio–II	18.21
Russell 1000 Value Index	17.05
S&P 500 Index	15.25
Lipper Variable Annuity Underlying Equity Income Funds Average	15.42

What factors influenced the fund's performance?

The Equity Income Portfolio generated strong performance, driven by stock selection, over the first half of 2021 as the portfolio benefited from our long-term focus and willingness to lean into market stress throughout 2020. Although the portfolio outperformed its benchmark for the first six-month period of 2021, it trailed the benchmark for the second quarter following the Federal Reserve meeting in June, when investors shifted rapidly into growth names as the Fed appeared to accelerate the timeline for reducing monetary stimulus. This was one of the most significant market reactions to a Fed meeting in the past 70 years.

Several financials names, including Wells Fargo, Fifth Third Bancorp, and Morgan Stanley, were buoyed by the reflationary economy as consumer spending increased, fueled by monetary and fiscal stimulus. Amid the strengthening economy, Wells Fargo ended the period higher, benefiting from rising interest rates, consumer credit resilience, and the Federal Reserve clearing banks to resume returning capital to shareholders. Overall, the financials sector benefited from economic optimism, robust capital market activity, and the view that credit issues had peaked. We used the recent relative outperformance of Fifth Third Bancorp and Morgan Stanley as a source of funds to invest in other names within the investment universe we felt had more attractive risk/reward characteristics. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Certain names in the industrials and business services sector also delivered robust performance over the period. Multi-industrial GE ended the period higher as investors warmed to the company's better-than-expected revenue growth in its renewable energy and health care segments, wider margins, and free cash flow generation. Additionally, later in the period, GE benefited when plane-maker Airbus confirmed an increase in the near-term production target for an aircraft that uses engines made by GE Aviation and Safran. UPS also added to the portfolio's results, propelled by continued shipment growth and evidence of strong execution, as well as estimates for continued growth in both global and U.S. small-package shipments.

Elsewhere in the portfolio, shares of semiconductor capital equipment provider Applied Materials ended the period higher on the back of several impressive earnings reports as the company continued to benefit from cyclical strength. While we continue to appreciate Applied Materials' market position, we moderated our position size over the period as we expect fundamentals will likely peak in 2021. Global insurance provider MetLife also advanced, peaking in May on a strong first-quarter earnings report that beat both topline and bottom-line estimates. Adjusted earnings on revenue also outpaced the year-ago quarter.

Some of the portfolio's greatest absolute detractors came from the information technology sector. Although it was a top contributor for the second quarter, chipset-maker Qualcomm registered negative total returns for the semiannual period, as investors turned from technology stocks early in the period to invest in those with potentially more direct exposure to the post-pandemic reopening economy. A global chip supply shortage also hampered performance initially. However, as we progressed through 2021, reported financials showed supply constraints clearing, which was encouraging. Additionally, multinational software company Citrix Systems fell sharply toward the end of the period after the company reported a revenue miss driven by headwinds such as networking system supply constraints. Another notable detractor was Las Vegas Sands, which suffered due to coronavirus-driven uncertainty about a return to leisure travel, particularly as reported earnings later in the period continued to show uncertainty around when Macau and Singapore, from which Las Vegas Sands derives a majority of its revenue, would resume more normal operations as the vaccine rollout accelerated globally.

Compared with the benchmark, stock selection in materials contributed the most value to relative performance. Conversely, an overweight allocation in utilities detracted the most from relative results.

How is the fund positioned?

The Equity Income Portfolio 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 portfolio'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.

Our top purchases over the six-month period hailed from a wide variety of sectors. In financials, we established a position in regional bank Huntington Bancshares mid-period. The bank continues to invest aggressively to grow market share, creating a temporary headwind to expenses for the business and temporarily depressing margins. While this investment has weighed on the company's valuation, we believe the company is taking advantage of peers that have moderated spending and that these investments will set Huntington Bancshares up as a leader among regional banks this cycle. We also believe the potential for surprising economic strength and corresponding loan growth are underappreciated by the market. Additionally, we initiated a position in managed health care and insurance company Cigna following relative weakness in the name. We believe Cigna is a well-managed company that will be able to drive higher margins versus peers, particularly in its specialty and retail networks.

SECTOR DIVERSIFICATION

	Percent of Net Assets	
	12/31/20	6/30/21
Financials	21.0%	22.8%
Health Care	13.2	14.7
Industrials and Business Services	12.0	11.8
Information Technology	9.4	8.8
Utilities	8.9	8.2
Consumer Staples	7.4	6.9
Energy	6.5	6.2
Materials	6.2	5.8
Communication Services	5.4	5.0
Consumer Discretionary	4.1	4.4
Real Estate	4.5	4.2
Other and Reserves	1.4	1.2
Total	**100.0%**	**100.0%**

Historical weightings reflect current industry/sector classifications.

Notable sales were also spread out among several areas of the market. Our largest equity sale was specialty chemical conglomerate DuPont de Nemours, which we reduced significantly over the period. We continue to appreciate the attractive end markets DuPont de Nemours serves, but a combination of selling into relative strength and the split-out and merger of its nutrition and biosciences business into International Flavors and Fragrances moderated our position size. In financials, we trimmed our position in global investment bank Morgan Stanley on continued relative outperformance. We remain appreciative of Morgan Stanley's combination of lower capital requirements and amassing capital levels, as well as its progress on transforming into a less capital-intensive wealth and asset management business model.

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 was to health care, where our absolute exposure increased. Our underweight to the benchmark also increased due in part to the reconstitution of the benchmark index that took place in June. Industrials and business services, our third-largest sector allocation, is underweight the benchmark and decreased in both absolute and relative terms during the period.

What is portfolio management's outlook?

Equity market leadership changed in June after the Federal Reserve seemed to suggest a potential shift in monetary policy that could impact the duration of the economic recovery. Given the sizable stimulus and continued efficacy of the coronavirus vaccines against new variants to date, we believe economic activity will be robust in the second half of the year and that much of this is priced into the market at current levels. We therefore expect the market to continue to react meaningfully to headlines, which should make stock selection and valuation a more important factor in equity returns for the remainder of the year.

Despite the headline market valuations, we continue to find opportunities within health care and financials, as well as idiosyncratic ideas for the portfolio. We are seeking to create a balanced portfolio that is well positioned for a variety of market environments while maintaining a slight tilt toward economic normalization and consumer strength. From here, we will be looking to add to idiosyncratic holdings and ideas, which continue to present opportunities, while being mindful of the portfolio's positioning and keeping a keen eye on valuation.

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 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 adviser'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

TWENTY-FIVE LARGEST HOLDINGS

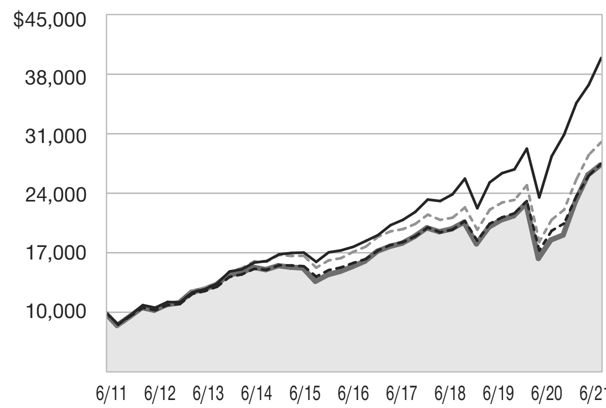
	Percent of Net Assets 6/30/21
Wells Fargo	3.8%
GE	2.9
Southern Company	2.7
UPS	2.6
Qualcomm	2.5
American International Group	2.1
MetLife	2.1
TotalEnergies	2.0
Anthem	2.0
International Paper	1.9
Becton, Dickinson & Company	1.8
Chubb	1.8
CF Industries	1.8
Comcast	1.7
Tyson Foods	1.7
AbbVie	1.6
Sempra Energy	1.6
Fifth Third Bancorp	1.6
Loews	1.6
L3Harris Technologies	1.6
Weyerhaeuser	1.6
NiSource	1.5
Medtronic	1.5
Morgan Stanley	1.5
Microsoft	1.4
Total	**48.9%**

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 portfolio over the past 10 fiscal year periods or since inception (for portfolios 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 portfolio returns as well as mutual fund averages and indexes.

EQUITY INCOME PORTFOLIO



	As of 6/30/21
Equity Income Portfolio	$27,309
Russell 1000 Value Index	30,001
S&P 500 Index	39,894
Lipper Variable Annuity Underlying Equity Income Funds Average	27,469

Note: Performance for the II Class will vary due to its differing fee structure. See the Average Annual Compound Total Return table.

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/21	1 Year	5 Years	10 Years
Equity Income Portfolio	47.63%	12.16%	10.57%
Equity Income Portfolio–II	47.27	11.88	10.29

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 contact a T. Rowe Price representative at 1-800-469-6587 (financial advisors, or customers who have an advisor, should call 1-800-638-8790). Returns do not reflect taxes that the shareholder may pay on distributions or the redemption of shares. Total returns do not include charges imposed by your insurance company's separate account. If these had been included, performance would have been lower.

This table shows how the portfolio would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. When assessing performance, investors should consider both short- and long-term returns.

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.

Shares of the fund are currently offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. Please note that the fund has two classes of shares: the original share class and II Class. II Class shares are sold through financial intermediaries, which are compensated for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan.

Actual Expenses
The first line of the following table (Actual) provides information about actual account values and actual expenses. 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.

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.

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 PORTFOLIO

	Beginning Account Value 1/1/21	Ending Account Value 6/30/21	Expenses Paid During Period* 1/1/21 to 6/30/21
Equity Income Portfolio			
Actual	$1,000.00	$1,183.70	$4.01
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.12	3.71
Equity Income Portfolio–II			
Actual	1,000.00	1,182.10	5.36
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.89	4.96

*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 (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Equity Income Portfolio was 0.74%, and the Equity Income Portfolio–II was 0.99%.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Equity Income Portfolio Class

	6 Months Ended 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 26.21	$ 27.13	$ 23.36	$ 29.27	$ 28.34	$ 26.81
Investment activities						
Net investment income[(1)(2)]	0.22	0.54	0.61	0.58	0.51	0.61
Net realized and unrealized gain/loss	4.59	(0.34)	5.49	(3.28)	4.00	4.50[(3)]
Total from investment activities	4.81	0.20	6.10	(2.70)	4.51	5.11
Distributions						
Net investment income	(0.21)	(0.55)	(0.62)	(0.59)	(0.53)	(0.67)
Net realized gain	–	(0.57)	(1.71)	(2.62)	(3.05)	(2.91)
Total distributions	(0.21)	(1.12)	(2.33)	(3.21)	(3.58)	(3.58)
NET ASSET VALUE						
End of period	**$ 30.81**	**$ 26.21**	**$ 27.13**	**$ 23.36**	**$ 29.27**	**$ 28.34**

Ratios/Supplemental Data

	6 Months Ended 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
Total return[(2)(4)]	**18.37%**	**1.18%**	**26.40%**	**(9.50)%**	**16.02%**	**19.17%[(3)]**
Ratios to average net assets:[(2)]						
Gross expenses before waivers/payments by Price Associates[(5)]	0.85%[(6)]	0.85%	0.85%	0.80%	0.85%	0.85%
Net expenses after waivers/payments by Price Associates	0.74%[(6)]	0.74%	0.74%	0.80%	0.85%	0.85%
Net investment income	1.51%[(6)]	2.30%	2.31%	2.01%	1.73%	2.17%
Portfolio turnover rate	11.4%	27.7%	19.5%	16.5%	19.9%	18.5%
Net assets, end of period (in millions)	$ 484	$ 430	$ 477	$ 428	$ 541	$ 551

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 5 for details of expense-related arrangements with Price Associates.
(3) Includes a voluntary payment from Price Associates, related to a loss of value on its investment in Dell as a result of the fund's ineligibility to pursue an appraisal action, representing $0.13 per share based upon shares outstanding on the date of payment (6/6/16). The payment increased total return by 0.53%.
(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. Total return is not annualized for periods less than one year.
(5) See Note 5. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(6) Annualized

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

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Equity Income Portfolio - II Class

	6 Months Ended 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 26.10	$ 27.01	$ 23.27	$ 29.16	$ 28.25	$ 26.73
Investment activities						
Net investment income[(1)(2)]	0.18	0.48	0.55	0.51	0.44	0.52
Net realized and unrealized gain/ loss	4.57	(0.33)	5.45	(3.26)	3.98	4.50[(3)]
Total from investment activities	4.75	0.15	6.00	(2.75)	4.42	5.02
Distributions						
Net investment income	(0.18)	(0.49)	(0.55)	(0.52)	(0.46)	(0.59)
Net realized gain	–	(0.57)	(1.71)	(2.62)	(3.05)	(2.91)
Total distributions	(0.18)	(1.06)	(2.26)	(3.14)	(3.51)	(3.50)
NET ASSET VALUE						
End of period	**$ 30.67**	**$ 26.10**	**$ 27.01**	**$ 23.27**	**$ 29.16**	**$ 28.25**
Ratios/Supplemental Data						
Total return[(2)(4)]	**18.21%**	**0.96%**	**26.04%**	**(9.69)%**	**15.73%**	**18.85%[(3)]**
Ratios to average net assets:[(2)]						
Gross expenses before waivers/ payments by Price Associates[(5)]	1.10%[(6)]	1.10%	1.10%	1.05%	1.10%	1.10%
Net expenses after waivers/ payments by Price Associates	0.99%[(6)]	0.99%	0.99%	1.05%	1.10%	1.10%
Net investment income	1.26%[(6)]	2.05%	2.07%	1.77%	1.48%	1.89%
Portfolio turnover rate	11.4%	27.7%	19.5%	16.5%	19.9%	18.5%
Net assets, end of period (in thousands)	$ 276,102	$ 236,856	$ 238,540	$ 183,383	$ 208,017	$ 205,562

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 5 for details of expense-related arrangements with Price Associates.
(3) Includes a voluntary payment from Price Associates, related to a loss of value on its investment in Dell as a result of the fund's ineligibility to pursue an appraisal action, representing $0.13 per share based upon shares outstanding on the date of payment (6/6/16). The payment increased total return by 0.51%.
(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. Total return is not annualized for periods less than one year.
(5) See Note 5. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(6) Annualized

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

PORTFOLIO OF INVESTMENTS‡

(Cost and value in $000s)

	Shares	$ Value
COMMON STOCKS 96.2%		
COMMUNICATION SERVICES 5.0%		
Diversified Telecommunication Services 0.5%		
AT&T	82,907	2,386
Verizon Communications	28,721	1,609
		3,995
Entertainment 0.9%		
Walt Disney (1)	36,827	6,473
		6,473
Media 3.6%		
Comcast, Class A	226,149	12,895
Fox, Class B	144,033	5,070
News, Class A	367,200	9,463
		27,428
Total Communication Services		37,896
CONSUMER DISCRETIONARY 3.2%		
Automobiles 0.1%		
General Motors (1)	19,200	1,136
		1,136
Hotels, Restaurants & Leisure 1.1%		
Las Vegas Sands (1)	131,826	6,946
McDonald's	6,154	1,422
		8,368
Leisure Products 0.6%		
Mattel (1)	240,620	4,837
		4,837
Multiline Retail 0.8%		
Kohl's	104,330	5,750
		5,750
Specialty Retail 0.6%		
TJX	63,947	4,311
		4,311
Total Consumer Discretionary		24,402
CONSUMER STAPLES 6.8%		
Beverages 0.5%		
Coca-Cola	75,200	4,069
		4,069
Food & Staples Retailing 0.4%		
Walmart	22,700	3,201
		3,201
Food Products 3.1%		
Bunge	18,800	1,469
Conagra Brands	244,826	8,907
Mondelez International, Class A	5,647	353
Tyson Foods, Class A	171,289	12,634
		23,363
Household Products 1.2%		
Kimberly-Clark	68,600	9,177
		9,177

(Cost and value in $000s)

	Shares	$ Value
Tobacco 1.6%		
Altria Group	56,200	2,680
Philip Morris International	97,500	9,663
		12,343
Total Consumer Staples		52,153
ENERGY 6.2%		
Energy Equipment & Services 0.4%		
Halliburton	137,900	3,188
		3,188
Oil, Gas & Consumable Fuels 5.8%		
Chevron	15,810	1,656
ConocoPhillips	12,800	779
EOG Resources	102,300	8,536
Exxon Mobil	111,602	7,040
Hess	12,171	1,063
Occidental Petroleum	52,400	1,639
Targa Resources	50,323	2,237
TC Energy	117,917	5,839
TotalEnergies (EUR)	281,265	12,742
TotalEnergies, ADR	55,906	2,530
		44,061
Total Energy		47,249
FINANCIALS 22.8%		
Banks 8.7%		
Bank of America	73,075	3,013
Citizens Financial Group	71,100	3,261
Fifth Third Bancorp	314,327	12,017
Huntington Bancshares	409,500	5,844
JPMorgan Chase	43,409	6,752
PNC Financial Services Group	35,332	6,740
Wells Fargo	633,480	28,690
		66,317
Capital Markets 4.9%		
Bank of New York Mellon	82,900	4,247
Charles Schwab	53,300	3,881
Franklin Resources	65,740	2,103
Goldman Sachs Group	17,792	6,753
Morgan Stanley	124,667	11,431
Raymond James Financial	35,900	4,663
State Street	49,800	4,097
		37,175
Diversified Financial Services 1.1%		
Equitable Holdings	277,320	8,444
		8,444
Insurance 8.1%		
American International Group	334,685	15,931
Chubb	85,556	13,598
Hartford Financial Services Group	34,000	2,107
Loews	218,674	11,951
Marsh & McLennan	14,298	2,011
MetLife	262,900	15,735
		61,333
Total Financials		173,269

	Shares	$ Value
(Cost and value in $000s)		
HEALTH CARE 14.4%		
Biotechnology 2.3%		
AbbVie	109,300	12,312
Biogen (1)	7,506	2,599
Gilead Sciences	41,900	2,885
		17,796
Health Care Equipment & Supplies 3.5%		
Becton Dickinson & Company	46,196	11,234
Medtronic	92,211	11,446
Zimmer Biomet Holdings	24,000	3,860
		26,540
Health Care Providers & Services 4.8%		
Anthem	39,155	14,950
Cardinal Health	42,400	2,421
Centene (1)	28,400	2,071
Cigna	16,762	3,974
CVS Health	119,909	10,005
UnitedHealth Group	7,600	3,043
		36,464
Pharmaceuticals 3.8%		
AstraZeneca, ADR	36,500	2,186
GlaxoSmithKline (GBP)	68,407	1,345
Johnson & Johnson	55,194	9,093
Merck	46,400	3,609
Organon (1)	3,150	95
Pfizer	170,031	6,658
Sanofi (EUR)	42,097	4,423
Sanofi, ADR	21,900	1,153
		28,562
Total Health Care		109,362
INDUSTRIALS & BUSINESS SERVICES 11.8%		
Aerospace & Defense 2.7%		
Airbus (EUR) (1)	3,244	418
Boeing (1)	35,464	8,496
L3Harris Technologies	54,796	11,844
		20,758
Air Freight & Logistics 2.6%		
United Parcel Service, Class B	93,548	19,455
		19,455
Airlines 0.3%		
Alaska Air Group (1)	15,654	944
Southwest Airlines (1)	29,900	1,588
		2,532
Commercial Services & Supplies 0.7%		
Stericycle (1)	70,902	5,073
		5,073
Industrial Conglomerates 3.4%		
3M	8,400	1,668
General Electric	1,641,426	22,094

	Shares	$ Value
(Cost and value in $000s)		
Siemens (EUR)	11,991	1,904
		25,666
Machinery 1.4%		
Caterpillar	8,582	1,868
Cummins	3,400	829
Flowserve	16,295	657
PACCAR	29,293	2,614
Snap-on	21,000	4,692
		10,660
Professional Services 0.7%		
Nielsen Holdings	226,238	5,581
		5,581
Total Industrials & Business Services		89,725
INFORMATION TECHNOLOGY 8.8%		
Communications Equipment 0.9%		
Cisco Systems	133,078	7,053
		7,053
Electronic Equipment, Instruments & Components 0.3%		
TE Connectivity	16,100	2,177
		2,177
Semiconductors & Semiconductor Equipment 5.3%		
Applied Materials	69,529	9,901
NXP Semiconductors	15,700	3,230
QUALCOMM	132,312	18,911
Texas Instruments	43,542	8,373
		40,415
Software 2.3%		
Citrix Systems	56,000	6,567
Microsoft	40,391	10,942
		17,509
Total Information Technology		67,154
MATERIALS 5.9%		
Chemicals 4.0%		
Akzo Nobel (EUR)	22,872	2,832
CF Industries Holdings	259,762	13,365
DuPont de Nemours	58,729	4,546
International Flavors & Fragrances	54,322	8,116
PPG Industries	7,646	1,298
		30,157
Containers & Packaging 1.9%		
International Paper	229,853	14,092
		14,092
Total Materials		44,249
REAL ESTATE 4.2%		
Equity Real Estate Investment Trusts 4.2%		
CyrusOne, REIT	8,100	579
Equity Residential, REIT	137,296	10,572
Rayonier, REIT	165,575	5,949
Welltower, REIT	32,400	2,692

(Cost and value in $000s)	Shares	$ Value
Weyerhaeuser, REIT	343,390	11,820
Total Real Estate		31,612
UTILITIES 7.1%		
Electric Utilities 3.5%		
Edison International	55,549	3,212
Entergy	20,100	2,004
NextEra Energy	57,068	4,182
Southern	290,103	17,554
		26,952
Multi-Utilities 3.6%		
Ameren	54,975	4,400
Dominion Energy	32,000	2,354
NiSource	381,688	9,351
Sempra Energy	84,748	11,228
		27,333
Total Utilities		54,285
Total Common Stocks (Cost $473,985)		**731,356**
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	51,169	2,727
Total Health Care		2,727
UTILITIES 1.0%		
Electric Utilities 0.6%		
NextEra Energy, 5.279%, 3/1/23	43,435	2,122
Southern, Series A, 6.75%, 8/1/22	57,257	2,874
		4,996
Multi-Utilities 0.4%		
NiSource, 7.75%, 3/1/24	20,959	2,149
Sempra Energy, Series B, 6.75%, 7/15/21	9,767	945
		3,094
Total Utilities		8,090
Total Convertible Preferred Stocks (Cost $10,602)		**10,817**
PREFERRED STOCKS 1.2%		
CONSUMER DISCRETIONARY 1.2%		
Automobiles 1.2%		
Volkswagen (EUR)	35,773	8,969
Total Consumer Discretionary		8,969
Total Preferred Stocks (Cost $6,055)		**8,969**

(Cost and value in $000s)	Shares	$ Value
SHORT-TERM INVESTMENTS 1.3%		
Money Market Funds 1.3%		
T. Rowe Price Government Reserve Fund, 0.03% (2)(3)	9,977,120	9,977
Total Short-Term Investments (Cost $9,977)		**9,977**
Total Investments in Securities 100.1% of Net Assets (Cost $500,619)		**$ 761,119**

‡	Shares are denominated in U.S. dollars unless otherwise noted.
(1)	Non-income producing
(2)	Seven-day yield
(3)	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 six months ended June 30, 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, 0.03%	$ —#	$ —	$ 2+

Supplementary Investment Schedule

Affiliate	Value 12/31/20	Purchase Cost	Sales Cost	Value 06/30/21
T. Rowe Price Government Reserve Fund, 0.03%	$ 4,925	¤	¤	$ 9,977^

\# Capital gain distributions from mutual funds represented $0 of the net realized gain (loss).
\+ Investment income comprised $2 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 $9,977.

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

June 30, 2021 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $500,619)	$	761,119
Dividends receivable		1,082
Receivable for shares sold		502
Other assets		100
Total assets		762,803
Liabilities		
Payable for investment securities purchased		1,131
Payable for shares redeemed		791
Investment management and administrative fees payable		602
Total liabilities		2,524
NET ASSETS	**$**	**760,279**
Net Assets Consist of:		
Total distributable earnings (loss)	$	290,938
Paid-in capital applicable to 24,716,222 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		469,341
NET ASSETS	**$**	**760,279**
NET ASSET VALUE PER SHARE		
Equity Income Portfolio Class ($484,177,869 / 15,713,921 shares outstanding)	**$**	**30.81**
Equity Income Portfolio - II Class ($276,101,539 / 9,002,301 shares outstanding)	**$**	**30.67**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

		6 Months Ended 6/30/21
Investment Income (Loss)		
Income		
Dividend		8,184
Interest	$	44
Total income		8,228
Expenses		
Investment management and administrative expense		3,106
Rule 12b-1 fees Equity Income Portfolio - II Class		327
Waived / paid by Price Associates		(402)
Net expenses		3,031
Net investment income		5,197
Realized and Unrealized Gain / Loss		
Net realized gain (loss)		
Securities		31,375
Foreign currency transactions		4
Net realized gain		31,379
Change in net unrealized gain / loss		
Securities		84,182
Other assets and liabilities denominated in foreign currencies		(8)
Change in net unrealized gain / loss		84,174
Net realized and unrealized gain / loss		115,553
INCREASE IN NET ASSETS FROM OPERATIONS	**$**	**120,750**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/21	Year Ended 12/31/20
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 5,197	$ 13,323
Net realized gain	31,379	13,068
Change in net unrealized gain / loss	84,174	(24,301)
Increase in net assets from operations	120,750	2,090
Distributions to shareholders		
Net earnings		
Equity Income Portfolio Class	(3,317)	(18,282)
Equity Income Portfolio - II Class	(1,626)	(9,465)
Decrease in net assets from distributions	(4,943)	(27,747)
Capital share transactions*		
Shares sold		
Equity Income Portfolio Class	15,214	27,481
Equity Income Portfolio - II Class	22,783	37,145
Distributions reinvested		
Equity Income Portfolio Class	3,317	18,282
Equity Income Portfolio - II Class	1,626	9,465
Shares redeemed		
Equity Income Portfolio Class	(38,137)	(73,675)
Equity Income Portfolio - II Class	(26,982)	(42,083)
Decrease in net assets from capital share transactions	(22,179)	(23,385)
Net Assets		
Increase (decrease) during period	93,628	(49,042)
Beginning of period	666,651	715,693
End of period	**$ 760,279**	**$ 666,651**
*Share information		
Shares sold		
Equity Income Portfolio Class	513	1,197
Equity Income Portfolio - II Class	779	1,655
Distributions reinvested		
Equity Income Portfolio Class	110	764
Equity Income Portfolio - II Class	54	395
Shares redeemed		
Equity Income Portfolio Class	(1,306)	(3,153)
Equity Income Portfolio - II Class	(907)	(1,805)
Decrease in shares outstanding	(757)	(947)

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Equity Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Equity Income Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks a high level of dividend income and long-term capital growth primarily through investments in stocks. Shares of the fund currently are offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies. The fund has two classes of shares: the Equity Income Portfolio (Equity Income Portfolio Class) and the Equity Income Portfolio–II (Equity Income Portfolio–II Class). Equity Income Portfolio–II Class shares are sold through financial intermediaries, which it compensates for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

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 Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. Equity Income Portfolio–II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% 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 June 30, 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	$ 707,692	$ 23,664	$ —	$ 731,356
Convertible Preferred Stocks	—	10,817	—	10,817
Preferred Stocks	—	8,969	—	8,969
Short-Term Investments	9,977	—	—	9,977
Total	$ 717,669	$ 43,450	$ —	$ 761,119

NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Purchases and sales of portfolio securities other than short-term securities aggregated $81,725,000 and $102,836,000, respectively, for the six months ended June 30, 2021.

NOTE 4 - FEDERAL INCOME TAXES

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. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

At June 30, 2021, the cost of investments for federal income tax purposes was $503,888,000. Net unrealized gain aggregated $257,228,000 at period-end, of which $264,273,000 related to appreciated investments and $7,045,000 related to depreciated investments.

NOTE 5 - 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 and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.85% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2022 to waive a portion of its management fee in order to limit the fund's management fee to 0.74% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price Associates by the fund. The total management fees waived were $402,000 and allocated ratably in the amounts of $257,000 and $145,000 for the Equity Income Portfolio Class and Equity Income Portfolio-II Class, respectively, for the six months ended June 30, 2021.

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 is 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 six months ended June 30, 2021, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Effective January 1, 2020, 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 six months ended June 30, 2021, this reimbursement amounted to $7,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 6 - LITIGATION

The fund is a named defendant in a lawsuit assigned to a litigation trustee, which seeks 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 has sought leave to amend the dismissed complaint. The district court denied that motion, and the trustee has appealed. 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 prejudgement 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 has ended, there is no impact on the claims in the action brought by the bankruptcy trustee. The complaints have not alleged misconduct by the fund, and management has vigorously defended the lawsuits. The value of the proceeds received by the fund is $25,684,000 (3.38% of net assets), and the fund will incur legal expenses. Management continues to assess the case and has not yet determined the effect, if any, on the fund's net assets and results of operations.

NOTE 7 - 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. During 2020, a novel strain of coronavirus (COVID-19) resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

These types of events, such as the global pandemic caused by COVID-19, may also cause widespread fear and uncertainty, and result in, among other things: enhanced health screenings, quarantines, cancellations, and travel restrictions, including border closings; disruptions to business operations and supply chains and customer activity; exchange trading suspensions and closures, and overall reduced liquidity of securities, derivatives, and commodities trading markets; reductions in consumer demand and economic output; and significant challenges in healthcare service preparation and delivery. The fund could be negatively impacted if the value of a portfolio holding were harmed by such political or economic conditions or events. In addition, the operations of the fund, its investment advisers, and the fund’s service providers may be significantly impacted, or even temporarily halted, as a result of any impairment to their information technology and other operation systems, extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies.

Governmental and quasi-governmental authorities and regulators have in the past responded to major economic disruptions with a variety of significant fiscal and monetary policy changes, including but not limited to, direct capital infusions into companies, new monetary programs, and dramatically lower interest rates. An unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could negatively impact overall investor sentiment and further increase volatility in securities markets.

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.**

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment advisor, T. Rowe Price Associates, Inc. (Advisor), on behalf of the fund. In that regard, at a meeting held on March 8–9, 2021 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Advisor and the approval of the Advisory Contract. The independent directors were assisted in their evaluation of the Advisory Contract by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Advisor was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the Advisory Contract, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting but also the knowledge gained over time through interaction with the Advisor about various topics. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders.

Services Provided by the Advisor

The Board considered the nature, quality, and extent of the services provided to the fund by the Advisor. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. The Board also reviewed the background and experience of the Advisor's senior management team and investment personnel involved in the management of the fund, as well as the Advisor's compliance record. The Board concluded that it was satisfied with the nature, quality, and extent of the services provided by the Advisor.

Investment Performance of the Fund

The Board took into account discussions with the Advisor and reports that it receives throughout the year relating to fund performance. In connection with the Meeting, the Board reviewed the fund's net annualized total returns for the 1-, 2-, 3-, 4-, 5-, and 10-year periods as of September 30, 2020, and compared these returns with the performance of a peer group of funds with similar investment programs and a wide variety of other previously agreed-upon comparable performance measures and market data, including those supplied by Broadridge, which is an independent provider of mutual fund data.

On the basis of this evaluation and the Board's ongoing review of investment results, and factoring in the relative market conditions during certain of the performance periods, the Board concluded that the fund's performance was satisfactory.

Costs, Benefits, Profits, and Economies of Scale

The Board reviewed detailed information regarding the revenues received by the Advisor under the Advisory Contract and other direct and indirect benefits that the Advisor (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Advisor bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Advisor from managing the T. Rowe Price funds. The Board also reviewed estimates of the profits realized from managing the fund in particular, and the Board concluded that the Advisor's profits were reasonable in light of the services provided to the fund.

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract from any economies of scale realized by the Advisor. Under the Advisory Contract, the fund pays the Advisor a single fee, or all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Advisor to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Advisor has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's management fee rate to 0.74% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Advisor by the fund. The Advisor has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the investors in these funds and has historically sought to set the initial all-inclusive fee rate at levels below the expense ratios of comparable funds to take into account the potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

certainty for the annuity providers' overall pricing decisions and disclosures. Assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because certain resources utilized to operate the fund are shared with other T. Rowe Price funds. The Board concluded that, based on the profitability data it reviewed and consistent with this all-inclusive management fee structure, the advisory fee structure for the fund continued to be appropriate.

Fees and Expenses

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, total expenses, actual management fees, and nonmanagement expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) total expenses, actual management fees, and nonmanagement expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate, and total expenses (all of which generally reflect the all-inclusive management fee rate and do not deduct the operating expenses paid by the Advisor as part of the overall management fee) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group and Expense Universe).

The Board requested additional information from management with respect to the fund's relative management fees and total expenses ranking in the fourth and fifth quintiles and reviewed and considered the information provided relating to the fund, other funds in the peer groups, and other factors that the Board determined to be relevant.

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Advisor and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Advisor's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Advisor's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Advisor's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Advisor to manage its mutual fund business versus managing a discrete pool of assets as a subadvisor to another institution's mutual fund or for an institutional account and that the Advisor generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

Approval of the Advisory Contract

As noted, the Board approved the continuation of the Advisory Contract. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract (including the fees to be charged for services thereunder).

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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.

202108-1676315 T. Rowe Price Investment Services, Inc. E300-051 8/21