Sentry®

The Patriot

Sentry Variable Account II

Semi-annual Report
June 30, 2020

A flexible premium deferred variable annuity funded by T. Rowe Price Fixed Income Series, Inc.; T. Rowe Price Equity Series, Inc.; T. Rowe Price International Series, Inc.; Janus Aspen Series, and Vanguard Variable Insurance Fund

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Sentry

Notice of Reliance on Rule 30e-3

As a variable product customer of Sentry Life Insurance Company you need to know about a change in the delivery method of fund shareholder reports.

Beginning January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, copies of the Patriot Variable Annuity shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from Sentry Life Insurance Company. Instead, the reports will be made available on our website. You will be notified by mail each time a report is posted and provided with a website link to access the report.

This optional delivery method is intended to modernize the manner in which periodic information is made available to investors, which we believe will improve investors' experience while reducing expenses associated with printing and mailing shareholder reports.

You may elect to receive all future shareholder reports in paper form at no cost to you. Your election to receive paper reports will apply to all funds held in your Patriot Variable Annuity with Sentry Life Insurance Company.

We value you as our customer. To request paper copies of the shareholder reports, or If you have any questions regarding your Patriot Variable Annuity please call us at 800-4SENTRY (800-473-6879) or email us at equities@sentry.

SEMIANNUAL REPORT
June 30, 2020

Janus Henderson VIT Balanced Portfolio

Janus Aspen Series

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the insurance company that offers your variable life insurance contract or variable annuity contract, may determine that it will no longer send you paper copies of the Portfolio's shareholder reports, unless you specifically request paper copies of the reports. Beginning on January 1, 2021, for shareholders who are not insurance contract holders, paper copies of the Portfolio's shareholder reports will no longer be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and your insurance company or plan sponsor, broker-dealer, or financial intermediary will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company or plan sponsor, broker-dealer, or financial intermediary.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Portfolio electronically by contacting your insurance company or plan sponsor, broker-dealer, or other financial intermediary.

You may elect to receive all future reports in paper free of charge by contacting your insurance company or plan sponsor, broker dealer or other financial intermediary. Your election to receive reports in paper will apply to all funds held in your account with your insurance company or plan sponsor, broker dealer or other financial intermediary.

HIGHLIGHTS

- Portfolio management perspective
- Investment strategy behind your portfolio
- Portfolio performance, characteristics and holdings

Janus Henderson
INVESTORS

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Janus Henderson VIT Balanced Portfolio (unaudited)

PORTFOLIO SNAPSHOT

We believe a dynamic approach to asset allocation that leverages our bottom-up, fundamental equity and fixed income research will allow us to outperform our peers over time. Our integrated equity and fixed income research team seeks an optimal balance of asset class opportunities across market cycles.


Jeremiah Buckley
co-portfolio manager


Marc Pinto
co-portfolio manager


Greg Wilensky
co-portfolio manager


Michael Keough
co-portfolio manager

PERFORMANCE SUMMARY

Janus Henderson VIT Balanced Portfolio's Institutional Shares and Service Shares returned -0.15% and -0.27%, respectively, for the six-month period ended June 30, 2020. That compares with -3.08% for the Portfolio's primary benchmark, the S&P 500® Index, and 6.14% for the Portfolio's secondary benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index. The Balanced Index, an internally calculated benchmark composed of a 55% weighting in the S&P 500 Index and a 45% weighting in the Bloomberg Barclays U.S. Aggregate Bond Index, returned 1.46%.

INVESTMENT ENVIRONMENT

During the first half of the period, U.S. stocks faced an unprecedented sell-off, with speed and magnitude of historic proportion. The exogenous shock of the COVID-19 coronavirus ushered in a period of severe economic uncertainty and market volatility as governments around the world restricted travel and social activity to help contain the virus. Contributing to the malaise was a collapse in oil prices when the virus-related drop in demand was met by a flood of supply after OPEC and Russia failed to agree on production cutbacks. Across the globe, central bank and government stimulus action was swift and aggressive. The Federal Reserve (Fed) cut policy rates to zero, committed to open-ended quantitative easing and introduced programs to support bond market liquidity while Congress approved trillions of dollars in crisis support to consumers and small and large businesses.

The staggering levels of monetary and fiscal stimulus provided a backstop that bolstered investor confidence in the second half of the period. Optimism on reopening the U.S. economy further buoyed investor sentiment and U.S. equities rebounded strongly, although volatility remained high.

Investors sought relative safety in U.S. Treasuries, particularly early in the period, and rates fell across the yield curve. The benchmark 10-year Treasury yield closed June at 0.66%, down from 1.92% in December. Corporate and securitized credit largely tracked the volatility in equities, with heightened risk of downgrades and defaults causing spreads over Treasuries to widen dramatically in the first half of the period. Fed support helped credit retrace most of its losses. Investment-grade corporate bonds ultimately generated positive returns versus negative returns for their high-yield counterparts.

PERFORMANCE DISCUSSION

Heading into March's precipitous decline in risk markets, we had been trimming equity exposure – particularly in travel and leisure, energy and rate-sensitive financials – and adopting a more defensive stance within the fixed income sleeve. By late March, over half of the Portfolio was allocated to fixed income, with an increased allocation to 30-year Treasuries to provide some hedge against volatility in risk assets. In the latter half of the period, robust monetary and fiscal stimulus, the reopening of economies and progress in treating the virus gave us confidence to begin shifting the portfolio toward a more aggressive stance. The Portfolio's asset allocation ended the period approximately 58% equity, 41% fixed income and a small allocation to cash, reflecting our view that equities presented more attractive risk-adjusted opportunities relative to fixed income at period end.

The Portfolio's equity sleeve underperformed the S&P 500 Index. Stock selection detracted from relative performance, particularly in the industrials and consumer discretionary sectors. Aircraft manufacturer Boeing was the largest individual detractor from relative performance. Boeing's 737 MAX aircraft remained grounded, and the pandemic could result in long-lasting headwinds for global air traffic and Boeing's airline partners. We became concerned with the level of debt the company accumulated amid these challenges and closed the position, but the stock gained ground after our exit.

Chemicals producer LyondellBasell also detracted. The stock struggled given prices for ethylene – a primary product line – are generally tied to oil prices, which fell to extremely low levels during the period. We exited the position in the first half of the period.

Contributing to relative results was our relative sector positioning, including a material underweight to energy – the worst-performing benchmark sector during the period – and an overweight to the strong-performing information technology sector. The COVID-19 pandemic radically accelerated the digital transformation, and companies offering services and products relevant to this shift in technology and capital spending were rewarded by the market. Positions in Adobe and Microsoft were among the sleeve's top performers.

Home Depot also contributed, benefiting from its "essential service designation" and increased home improvement activity amid stay-at-home orders. Home Depot's ongoing investment in its online presence also proved beneficial as the trend toward e-commerce accelerated over the period.

The Portfolio's fixed income sleeve outperformed the Bloomberg Barclays U.S. Aggregate Bond Index.

We adjusted our allocations throughout the period to account for the levels of risk and reward we were identifying across fixed income sectors, reducing our credit allocations into the height of the market sell-off and adding risk back to the sleeve as the Fed's backstop solidified. Our allocation decisions, including an overweight to investment-grade corporate credit, contributed to relative performance. As the period progressed, moving further underweight agency mortgage-backed securities and U.S. Treasuries also aided results. Modest allocations to high-yield corporate bonds and asset-backed securities detracted from relative returns as they generally lagged other fixed income sectors.

At the issuer level, food services company Sysco was a top contributor, performing well after an attractive new issue was launched in March. However, a position in Continental Resources weighed on results when its credit ratings were downgraded, reflecting reduced profitability and cash flows amid highly volatile oil prices.

DERIVATIVES USAGE

Please see the Derivative Instruments section in the "Notes to Financial Statements" for a discussion of derivatives used by the Fund.

OUTLOOK

Monetary and fiscal stimulus measures have had substantial positive impact on capital markets, and we expect that to continue in the near term – though we are mindful of the potential longer-term repercussions. With this support and the pent-up demand that was created from shelter-in-place orders, we are optimistic that U.S. economic growth will accelerate off its lows in the quarters ahead.

Such a prominent backstop does not yet exist in regard to the health care crisis, creating a delicate balancing act. Uncertainty will remain high as social distancing restrictions are reduced; rebounds in cases and the advent of the fall/winter flu season will surely contribute to the pace at which the economy can reopen. However, an effective vaccine that can be produced at scale could materially speed up the recovery in the economy and positively impact markets.

We also have an eye on the upcoming U.S. elections. We expect political-related volatility to pick up as November approaches and will be monitoring proposed policies that could affect the regulatory and tax landscape of the companies in which we invest.

Despite the risks, we believe the Fund's tilt toward equities is validated by the fact that equity dividends and cash flow yields generally look attractive relative to bond yields. Within the equity sleeve, our approach remains focused on high-quality growth companies with strong balance sheets and significant free cash flow that should enable them to evolve with a rapidly changing economy and return value to shareholders. In fixed income, we expect bonds across most credit sectors to remain in demand, driven by Fed support and the additional yield available over very low policy rates. While we think investment-grade companies have the strength to better weather a slow growth environment, we remain focused on valuations and diligent in identifying attractive risk-adjusted returns across the ratings spectrum. We are also maintaining our exposure in securitized credit with a focus on higher-quality structures that can withstand the elevated economic uncertainty, believing the Fed's aggressive actions should help support liquidity and the underlying fundamentals of these securities. As always, we will dynamically adjust the portfolio based on market conditions and the investment opportunities our equity and fixed income teams identify through their bottom-up, fundamental research.

Janus Henderson VIT Balanced Portfolio (unaudited)

Thank you for your investment in the Janus Henderson VIT Balanced Portfolio.

Janus Henderson VIT Balanced Portfolio (unaudited)
Portfolio At A Glance
June 30, 2020

5 Top Contributors - Equity Sleeve Holdings

	Average Weight	Relative Contribution
Microsoft Corp	7.75%	0.67%
Adobe Inc	2.89%	0.66%
Home Depot Inc	3.02%	0.35%
Eli Lilly & Co	2.00%	0.34%
NVIDIA Corp	1.24%	0.27%

5 Top Detractors - Equity Sleeve Holdings

	Average Weight	Relative Contribution
Boeing Co	1.23%	-0.89%
LyondellBasell Industries NV	0.78%	-0.76%
Norwegian Cruise Line Holdings Ltd	0.29%	-0.61%
US Bancorp	1.33%	-0.53%
Sysco Corp	1.08%	-0.50%

5 Top Contributors - Equity Sleeve Sectors*

	Relative Contribution	Equity Sleeve Average Weight	S&P 500 Index Average Weight
Information Technology	1.29%	29.85%	25.26%
Financials	0.96%	10.63%	11.36%
Energy	0.64%	0.78%	3.26%
Utilities	0.20%	0.11%	3.37%
Health Care	0.02%	14.73%	14.72%

5 Top Detractors - Equity Sleeve Sectors*

	Relative Contribution	Equity Sleeve Average Weight	S&P 500 Index Average Weight
Industrials	-1.04%	7.90%	8.38%
Consumer Discretionary	-0.72%	14.20%	10.10%
Materials	-0.70%	0.90%	2.50%
Consumer Staples	-0.45%	8.98%	7.35%
Communication Services	-0.44%	7.40%	10.73%

Relative contribution reflects how the portolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown. For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, excluding fixed income securities, gross of advisory fees, may exclude certain derivatives and will differ from actual performance. Performance attribution reflects returns gross of advisory fees and may differ from actual returns as they are based on end of day holdings. Attribution is calculated by geometrically linking daily returns for the portfolio and index.

* Based on sector classification according to the Global Industry Classification Standard (“GICS”) codes, which are the exclusive property and a service mark of MSCI Inc. and Standard & Poor’s.

Janus Henderson VIT Balanced Portfolio (unaudited)
Portfolio At A Glance
June 30, 2020

5 Largest Equity Holdings - (% of Net Assets)

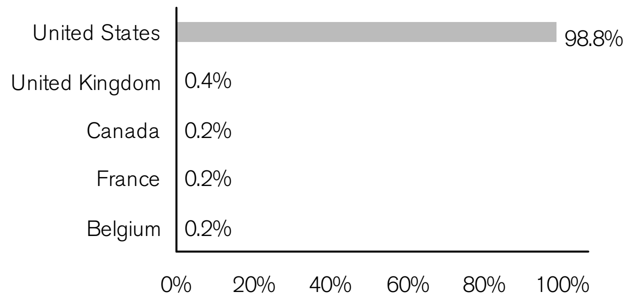
Microsoft Corp	
Software	5.0%
Apple Inc	
Technology Hardware, Storage & Peripherals	2.9%
Mastercard Inc	
Information Technology Services	2.4%
Amazon.com Inc	
Internet & Direct Marketing Retail	2.2%
Alphabet Inc - Class C	
Interactive Media & Services	2.2%
	14.7%

Asset Allocation - (% of Net Assets)

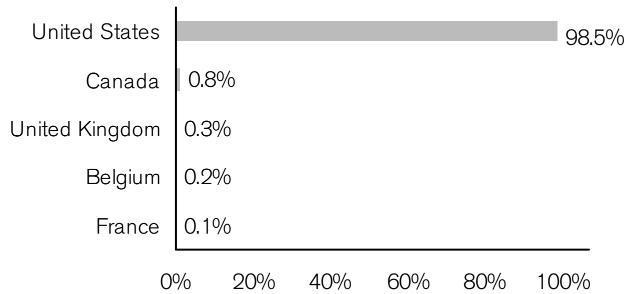
Common Stocks	57.9%
Corporate Bonds	23.0%
Mortgage-Backed Securities	8.6%
Asset-Backed/Commercial Mortgage-Backed Securities	5.0%
United States Treasury Notes/Bonds	4.4%
Investment Companies	2.7%
Bank Loans and Mezzanine Loans	0.2%
Rights	0.0%
Other	(1.8)%
	100.0%

Top Country Allocations - Long Positions - (% of Investment Securities)

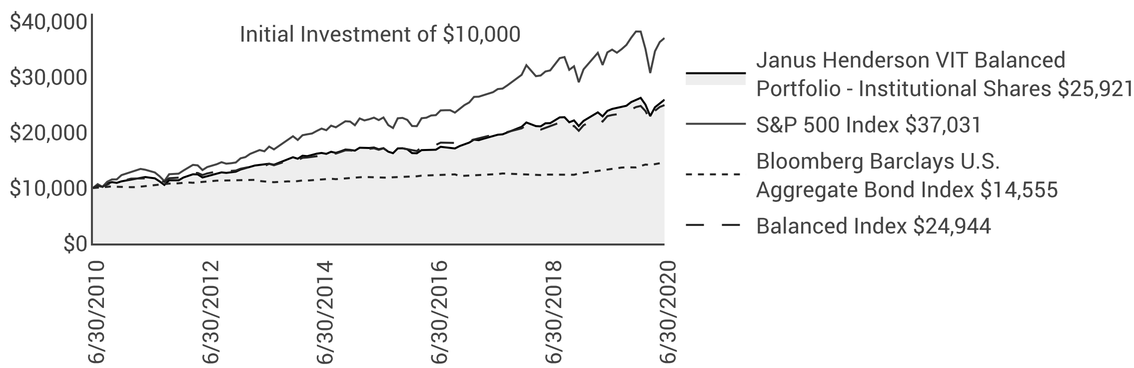
As of June 30, 2020



As of December 31, 2019



Janus Henderson VIT Balanced Portfolio (unaudited)
Performance



Average Annual Total Return - for the periods ended June 30, 2020	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Expense Ratios: Total Annual Fund Operating Expenses‡
Institutional Shares	-0.15%	8.46%	8.82%	9.99%	9.83%	0.62%
Service Shares	-0.27%	8.19%	8.55%	9.72%	9.64%	0.87%
S&P 500 Index	-3.08%	7.51%	10.73%	13.99%	9.50%	
Bloomberg Barclays U.S. Aggregate Bond Index	6.14%	8.74%	4.30%	3.82%	5.28%	
Balanced Index	1.46%	8.66%	8.10%	9.57%	7.87%	
Morningstar Quartile - Institutional Shares	-	1st	1st	1st	1st	
Morningstar Ranking - based on total returns for Allocation - 50% to 70% Equity Funds	-	57/685	19/626	44/516	9/209	

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit janushenderson.com/VITperformance.

Performance may be affected by risks that include those associated with non-diversification, portfolio turnover, short sales, potential conflicts of interest, foreign and emerging markets, initial public offerings (IPOs), high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), derivatives, and commodity-linked investments. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

Returns do not reflect the deduction of fees, charges or expenses of any insurance product or qualified plan. If applied, returns would have been lower.

Returns include reinvestment of all dividends and distributions and do not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares. The returns do not include adjustments in accordance with generally accepted accounting principles required at the period end for financial reporting purposes.

Performance for Service Shares prior to December 31, 1999 reflects the performance of Institutional Shares, adjusted to reflect the expenses of Service Shares.

Ranking is for the share class shown only; other classes may have different performance characteristics.

There is no assurance that the investment process will consistently lead to successful investing.

See Notes to Schedule of Investments and Other Information for index definitions.

See important disclosures on the next page.

Janus Henderson VIT Balanced Portfolio (unaudited)
Performance

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

See “Useful Information About Your Portfolio Report.”

Effective February 1, 2020, Jeremiah Buckley, Michael Keough, Marc Pinto and Greg Wilensky are Co-Portfolio Managers of the Portfolio.

*The Portfolio’s inception date – September 13, 1993

‡ As stated in the prospectus. See Financial Highlights for actual expense ratios during the reporting period.

Janus Henderson VIT Balanced Portfolio (unaudited)
Expense Examples

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; 12b-1 distribution and shareholder servicing fees (applicable to Service Shares only); transfer agent fees and expenses payable pursuant to the Transfer Agency Agreement; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The example is based upon an investment of $1,000 invested at the beginning of the period and held for the six-months indicated, unless noted otherwise in the table and footnotes below.

Actual Expenses

The information in the table under the heading “Actual” provides information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, 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 in the appropriate column for your share class under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The information in the table under the heading “Hypothetical (5% return before expenses)” provides information about hypothetical account values and hypothetical expenses based upon the Portfolio’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio’s actual return. 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 may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Additionally, for an analysis of the fees associated with an investment in either share class or other similar funds, please visit www.finra.org/fundanalyzer.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as any charges at the separate account level or contract level. These fees are fully described in the Portfolio’s prospectuses. Therefore, the hypothetical examples are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Net Annualized Expense Ratio (1/1/20 - 6/30/20)
Institutional Shares	$1,000.00	$998.50	$3.08	$1,000.00	$1,021.78	$3.12	0.62%
Service Shares	$1,000.00	$997.30	$4.27	$1,000.00	$1,020.59	$4.32	0.86%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period). Expenses in the examples include the effect of applicable fee waivers and/or expense reimbursements, if any. Had such waivers and/or reimbursements not been in effect, your expenses would have been higher. Please refer to the Notes to Financial Statements or the Portfolio’s prospectuses for more information regarding waivers and/or reimbursements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Asset-Backed/Commercial Mortgage-Backed Securities – 5.0%		
Angel Oak Mortgage Trust I LLC 2018-2,		
ICE LIBOR USD 12 Month + 0.7600%, 3.6740%, 7/27/48 (144A)‡	$573,187	$583,372
Angel Oak Mortgage Trust I LLC 2019-5, 2.5930%, 10/25/49 (144A)‡	2,629,613	2,658,383
Angel Oak Mortgage Trust I LLC 2019-6,		
ICE LIBOR USD 12 Month + 0.9500%, 2.6200%, 11/25/59 (144A)‡	2,541,237	2,573,063
Angel Oak Mortgage Trust I LLC 2020-3, 2.4100%, 4/25/65 (144A)‡	3,736,000	3,735,962
Applebee's Funding LLC / IHOP Funding LLC, 4.1940%, 6/7/49 (144A)	3,756,000	3,296,697
Arroyo Mortgage Trust 2018-1,		
ICE LIBOR USD 12 Month + 0.8500%, 3.7630%, 4/25/48 (144A)‡	775,516	796,030
Bank 2018-BN12 A4, 4.2550%, 5/15/61‡	1,122,676	1,319,348
Bank 2019-BN17, 3.7140%, 4/15/52	2,498,288	2,889,274
Bank 2019-BN18, 3.5840%, 5/15/62	4,251,505	4,901,356
Bank 2019-BN20, 3.0110%, 9/15/62	2,044,338	2,261,132
Bank 2019-BN23, 2.9200%, 12/15/52	3,677,640	4,054,341
Bank 2019-BNK24, 2.9600%, 11/15/62	864,000	955,758
Barclays Comercial Mortgage Securities LLC 2017-DELC,		
ICE LIBOR USD 1 Month + 0.8500%, 1.0348%, 8/15/36 (144A)‡	2,087,000	1,991,700
BBCMS Trust 2015-SRCH, 4.1970%, 8/10/35 (144A)	2,528,000	2,780,000
Benchmark Mortgage Trust 2020-B16, 2.7320%, 2/15/53	2,207,000	2,389,111
BX Commercial Mortgage Trust 2018-IND,		
ICE LIBOR USD 1 Month + 0.7500%, 0.9348%, 11/15/35 (144A)‡	3,054,680	3,022,971
BX Commercial Mortgage Trust 2019-XL,		
ICE LIBOR USD 1 Month + 0.9200%, 1.1048%, 10/15/36 (144A)‡	4,275,417	4,238,567
BX Commercial Mortgage Trust 2019-XL,		
ICE LIBOR USD 1 Month + 1.0800%, 1.2648%, 10/15/36 (144A)‡	693,621	681,494
BX Trust 2019-OC11, 3.2020%, 12/9/41 (144A)	4,457,000	4,649,067
BX Trust 2019-OC11, 3.6050%, 12/9/41 (144A)	2,229,000	2,226,080
BX Trust 2019-OC11, 3.8560%, 12/9/41 (144A)	2,229,000	2,125,932
BX Trust 2019-OC11, 4.0755%, 12/9/41 (144A)‡	3,343,000	3,093,283
BX Trust 2019-OC11, 4.0755%, 12/9/41 (144A)‡	851,000	755,260
BXP Trust 2017-GM, 3.3790%, 6/13/39 (144A)	1,140,000	1,248,281
CarMax Auto Owner Trust 2017-3, 2.7200%, 5/15/23	2,701,000	2,722,460
Chase Home Lending Mortgage Trust 2019-ATR2,		
ICE LIBOR USD 1 Month + 0.9000%, 1.0845%, 7/25/49 (144A)‡	527,739	526,578
COLT Funding LLC 2020-2,		
ICE LIBOR USD 12 Month + 1.5000%, 1.8530%, 3/25/65 (144A)‡	2,280,121	2,292,124
COLT Funding LLC 2020-3,		
ICE LIBOR USD 12 Month + 1.2000%, 1.5060%, 4/27/65 (144A)‡	2,190,000	2,175,539
Connecticut Avenue Securities Trust 2014-C04,		
ICE LIBOR USD 1 Month + 4.9000%, 5.0845%, 11/25/24‡	520,131	538,982
Connecticut Avenue Securities Trust 2016-C03,		
ICE LIBOR USD 1 Month + 5.9000%, 6.0845%, 10/25/28‡	857,053	890,995
Connecticut Avenue Securities Trust 2016-C04,		
ICE LIBOR USD 1 Month + 4.2500%, 4.4345%, 1/25/29‡	2,008,683	2,059,764
Connecticut Avenue Securities Trust 2017-C01,		
ICE LIBOR USD 1 Month + 3.5500%, 3.7345%, 7/25/29‡	2,723,562	2,768,124
Connecticut Avenue Securities Trust 2018-C05,		
ICE LIBOR USD 1 Month + 2.3500%, 2.5345%, 1/25/31‡	1,668,633	1,632,867
Connecticut Avenue Securities Trust 2019-R02,		
ICE LIBOR USD 1 Month + 2.3000%, 2.4845%, 8/25/31 (144A)‡	1,856,453	1,829,084
Connecticut Avenue Securities Trust 2019-R03,		
ICE LIBOR USD 1 Month + 2.1500%, 2.3345%, 9/25/31 (144A)‡	3,854,153	3,799,594
Connecticut Avenue Securities Trust 2019-R04,		
ICE LIBOR USD 1 Month + 2.1000%, 2.2845%, 6/25/39 (144A)‡	2,625,921	2,537,227
Connecticut Avenue Securities Trust 2019-R05,		
ICE LIBOR USD 1 Month + 2.0000%, 2.1845%, 7/25/39 (144A)‡	5,281,799	5,165,579
Connecticut Avenue Securities Trust 2019-R07,		
ICE LIBOR USD 1 Month + 2.1000%, 2.2845%, 10/25/39 (144A)‡	5,609,662	5,437,374
Connecticut Avenue Securities Trust 2020-R01,		
ICE LIBOR USD 1 Month + 0.8000%, 0.9845%, 1/25/40 (144A)‡	1,718,457	1,707,760

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Asset-Backed/Commercial Mortgage-Backed Securities – (continued)		
Connecticut Avenue Securities Trust 2020-R02, ICE LIBOR USD 1 Month + 2.0000%, 2.1845%, 1/25/40 (144A)‡	$5,273,843	$4,980,540
Cosmopolitan Hotel Trust 2017, ICE LIBOR USD 1 Month + 0.9300%, 1.1148%, 11/15/36 (144A)‡	2,618,339	2,506,081
Credit Acceptance Auto Loan Trust 2018-2, 3.9400%, 7/15/27 (144A)	1,172,000	1,209,225
DB Master Finance LLC, 3.7870%, 5/20/49 (144A)	1,628,693	1,670,654
DB Master Finance LLC, 4.0210%, 5/20/49 (144A)	1,025,253	1,074,553
DB Master Finance LLC, 4.3520%, 5/20/49 (144A)	1,302,160	1,379,700
Domino's Pizza Master Issuer LLC, 3.0820%, 7/25/47 (144A)	720,525	728,049
Domino's Pizza Master Issuer LLC, 4.1180%, 7/25/47 (144A)	918,450	985,856
Domino's Pizza Master Issuer LLC, 4.1160%, 7/25/48 (144A)	3,374,888	3,580,775
Domino's Pizza Master Issuer LLC, 4.3280%, 7/25/48 (144A)	2,030,828	2,203,007
Domino's Pizza Master Issuer LLC, 3.6680%, 10/25/49 (144A)	6,486,405	6,806,382
Drive Auto Receivables Trust 2017-1, 5.1700%, 9/16/24	2,997,000	3,055,302
Drive Auto Receivables Trust 2017-2, 5.2700%, 11/15/24	2,613,000	2,672,984
Drive Auto Receivables Trust 2017-3, 3.5300%, 12/15/23 (144A)	719,747	729,917
Drive Auto Receivables Trust 2017-A, 4.1600%, 5/15/24 (144A)	1,112,760	1,130,244
Drive Auto Receivables Trust 2018-4, 3.6600%, 11/15/24	1,062,911	1,074,526
Drive Auto Receivables Trust 2019-2, 3.0400%, 3/15/23	1,584,893	1,590,290
Fannie Mae Connecticut Avenue Securities, ICE LIBOR USD 1 Month + 5.0000%, 5.1845%, 7/25/25‡	3,184,387	3,260,706
Fannie Mae Connecticut Avenue Securities, ICE LIBOR USD 1 Month + 5.7000%, 5.8845%, 4/25/28‡	1,614,343	1,683,010
Fannie Mae Connecticut Avenue Securities, ICE LIBOR USD 1 Month + 0.9500%, 1.1345%, 10/25/29‡	61,000	60,943
Fannie Mae Connecticut Avenue Securities, ICE LIBOR USD 1 Month + 2.0000%, 2.1845%, 3/25/31‡	4,477,630	4,315,216
Fannie Mae REMICS, 3.0000%, 5/25/48	4,655,964	4,997,230
Fannie Mae REMICS, 3.0000%, 11/25/49	6,731,232	6,960,355
Freddie Mac Structured Agency Credit Risk Debt Notes, ICE LIBOR USD 1 Month + 0.7700%, 0.9545%, 11/25/49 (144A)‡	95,841	95,752
Freddie Mac Structured Agency Credit Risk Debt Notes, ICE LIBOR USD 1 Month + 1.7000%, 1.8845%, 1/25/50 (144A)‡	3,914,000	3,620,746
Freddie Mac Structured Agency Credit Risk Debt Notes, ICE LIBOR USD 1 Month + 0.7500%, 0.9345%, 2/25/50 (144A)‡	419,844	417,230
Freddie Mac Structured Agency Credit Risk Debt Notes, ICE LIBOR USD 1 Month + 3.0000%, 0%, 6/25/50‡	2,004,000	2,004,000
Great Wolf Trust, ICE LIBOR USD 1 Month + 1.0340%, 1.2188%, 12/15/36 (144A)‡	1,067,000	1,021,911
Great Wolf Trust, ICE LIBOR USD 1 Month + 1.3340%, 1.5188%, 12/15/36 (144A)‡	1,195,000	1,126,544
Great Wolf Trust, ICE LIBOR USD 1 Month + 1.6330%, 1.8178%, 12/15/36 (144A)‡	1,332,000	1,230,587
GS Mortgage Securities Trust 2018-GS10, 4.1550%, 7/10/51‡	1,603,823	1,873,599
GS Mortgage Securities Trust 2018-GS9, 3.9920%, 3/10/51‡	2,669,380	3,087,687
GS Mortgage Securities Trust 2020-GC45, 2.9106%, 2/13/53	2,189,000	2,389,396
GS Mortgage Securities Trust 2020-GC47, 2.3772%, 5/12/53	3,112,000	3,302,309
Jack in the Box Funding LLC 2019-1A A23, 4.9700%, 8/25/49 (144A)	3,537,225	3,619,410
Jack in the Box Funding LLC 2019-1A A2I, 3.9820%, 8/25/49 (144A)	3,537,225	3,638,683
Jack in the Box Funding LLC 2019-1A A2II, 4.4760%, 8/25/49 (144A)	4,975,000	5,161,298
JP Morgan Mortgage Trust, ICE LIBOR USD 1 Month + 0.9000%, 1.0845%, 11/25/49 (144A)‡	292,613	292,611
JP Morgan Mortgage Trust 2019-7, ICE LIBOR USD 1 Month + 0.9000%, 1.0845%, 2/25/50 (144A)‡	1,985,447	1,980,999
JP Morgan Mortgage Trust 2019-INV1, ICE LIBOR USD 1 Month + 0.9500%, 1.1345%, 10/25/49 (144A)‡	1,301,547	1,301,517
JP Morgan Mortgage Trust 2019-LTV2, ICE LIBOR USD 1 Month + 0.9000%, 1.0845%, 12/25/49 (144A)‡	1,380,600	1,377,796
JP Morgan Mortgage Trust 2020-3A11, ICE LIBOR USD 1 Month + 2.0000%, 2.1683%, 8/25/50 (144A)‡	1,606,833	1,635,735

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Asset-Backed/Commercial Mortgage-Backed Securities – (continued)		
JP Morgan Mortgage Trust 2020-4, ICE LIBOR USD 1 Month + 1.2500%, 1.4401%, 11/25/50 (144A)[‡]	$2,030,000	$2,029,930
Mello Warehouse Securitization Trust 2018-1, ICE LIBOR USD 1 Month + 0.8500%, 1.0345%, 11/25/51 (144A)[‡]	4,395,333	4,385,687
Mello Warehouse Securitization Trust 2018-1, ICE LIBOR USD 1 Month + 1.0500%, 1.2345%, 11/25/51 (144A)[‡]	385,333	384,639
Morgan Stanley Capital I Trust 2016-UB11, 2.7820%, 8/15/49	2,782,000	2,948,815
Morgan Stanley Capital I Trust 2019-H6, 3.4170%, 6/15/52	1,423,916	1,601,300
Morgan Stanley Capital I Trust 2015-UBS8, 3.8090%, 12/15/48	2,221,000	2,435,507
Morgan Stanley Capital I Trust 2018-H3, 4.1770%, 7/15/51	2,249,599	2,632,547
Morgan Stanley Capital I Trust 2018-H4, 4.3100%, 12/15/51	3,365,443	3,988,207
New Residential Mortgage Loan Trust 2018-2, ICE LIBOR USD 6 Month + 0.6800%, 4.5000%, 2/25/58 (144A)[‡]	987,063	1,049,574
OneMain Direct Auto Receivables Trust 2018-1, 3.8500%, 10/14/25 (144A)	570,000	573,726
OneMain Direct Auto Receivables Trust 2018-1, 4.4000%, 1/14/28 (144A)	566,000	584,089
Planet Fitness Master Issuer LLC, 3.8580%, 12/5/49 (144A)	3,389,965	2,904,662
Preston Ridge Partners Mortgage Trust 2019-1A, 4.5000%, 1/25/24 (144A)[Ç]	1,367,908	1,379,275
Preston Ridge Partners Mortgage Trust 2019-2A, 3.9670%, 4/25/24 (144A)[Ç]	2,643,480	2,657,559
Preston Ridge Partners Mortgage Trust 2019-3A, 3.3510%, 7/25/24 (144A)[Ç]	2,019,560	2,017,975
Provident Funding Mortgage Trust 2020-1, 3.0000%, 2/25/50 (144A)[‡]	1,853,515	1,897,702
PRPM 2020-1A LLC, 2.9810%, 2/25/25 (144A)[Ç]	1,083,614	1,073,339
PRPM LLC, 3.3510%, 11/25/24 (144A)[Ç]	2,680,846	2,664,524
Santander Consumer Auto Receivables Trust 2020-AA, 1.3700%, 10/15/24 (144A)	3,413,580	3,433,656
Santander Drive Auto Receivables Trust 2016-3, 4.2900%, 2/15/24	3,056,000	3,102,832
Santander Drive Auto Receivables Trust 2020-1 A2A, 2.0700%, 1/17/23	1,989,000	2,005,418
Sequoia Mortgage Trust 2013-5, 2.5000%, 5/25/43 (144A)[‡]	2,249,541	2,293,824
Sequoia Mortgage Trust 2013-7, 3.0000%, 6/25/43[‡]	668,184	688,268
Sequoia Mortgage Trust 2013-9, 3.5000%, 7/25/43 (144A)	320,133	329,247
Sequoia Mortgage Trust 2019-3, 3.5000%, 9/25/49 (144A)[‡]	699,368	714,817
Sequoia Mortgage Trust 2020-2, 3.5000%, 3/25/50 (144A)[‡]	1,010,770	1,031,564
Spruce Hill Mortgage Loan Trust 2020-SH1 A1, ICE LIBOR USD 12 Month + 0.9500%, 2.5210%, 1/28/50 (144A)[‡]	909,950	910,361
Spruce Hill Mortgage Loan Trust 2020-SH1 A2, ICE LIBOR USD 12 Month + 1.0500%, 2.6240%, 1/28/50 (144A)[‡]	2,242,143	2,222,055
Spruce Hill Mortgage Loan Trust 2020-SH2, 3.4070%, 6/25/55 (144A)[‡]	7,964,000	7,963,894
Starwood Mortgage Residential Trust 2020-2, 2.7180%, 4/25/60 (144A)[‡]	2,059,846	2,093,876
Station Place Securitization Trust Series 2019-10, ICE LIBOR USD 1 Month + 0.9000%, 1.0848%, 10/24/20 (144A)[‡]	9,057,000	9,056,639
Taco Bell Funding LLC, 4.9400%, 11/25/48 (144A)	769,285	814,488
Towd Point Asset Funding LLC 2019-HE1 A1, ICE LIBOR USD 1 Month + 0.9000%, 1.0845%, 4/25/48 (144A)[‡]	1,512,257	1,490,027
United Auto Credit Securitization Trust 2019-1 C, 3.1600%, 8/12/24 (144A)	1,635,000	1,654,366
Wells Fargo Mortgage Backed Securities Trust 2019-4, 3.5000%, 9/25/49 (144A)[‡]	1,667,318	1,701,242
Wendy's Funding LLC, 3.5730%, 3/15/48 (144A)	1,139,775	1,178,562
Wendy's Funding LLC, 3.8840%, 3/15/48 (144A)	325,650	343,664
Wendy's Funding LLC, 3.7830%, 6/15/49 (144A)	2,098,180	2,207,136
WFRBS Commercial Mortgage Trust 2014-C25, 3.6310%, 11/15/47	2,351,000	2,552,499
Total Asset-Backed/Commercial Mortgage-Backed Securities (cost $275,004,532)		278,141,360
Bank Loans and Mezzanine Loans – 0.2%		
Consumer Non-Cyclical – 0.2%		
Elanco Animal Health Inc, ICE LIBOR USD 1 Month + 1.7500%, 3.4044%, 2/4/27[ƒ,‡] (cost $9,485,638)	9,485,638	9,027,197
Corporate Bonds – 23.0%		
Banking – 4.1%		
Bank of America Corp, ICE LIBOR USD 3 Month + 1.5120%, 3.7050%, 4/24/28[‡]	9,368,000	10,587,415
Bank of America Corp, ICE LIBOR USD 3 Month + 1.0700%, 3.9700%, 3/5/29[‡]	3,294,000	3,773,127
Bank of America Corp, SOFR + 2.1500%, 2.5920%, 4/29/31[‡]	14,103,000	14,917,471
Bank of America Corp, ICE LIBOR USD 3 Month + 3.7050%, 6.2500%[‡,µ]	4,689,000	4,853,443

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	*Value*
Corporate Bonds – (continued)		
Banking – (continued)		
Bank of America Corp, ICE LIBOR USD 3 Month + 3.8980%, 6.1000%‡,µ	$2,051,000	$2,163,805
Bank of New York Mellon Corp, US Treasury Yield Curve Rate + 4.3580%, 4.7000%‡,µ	8,577,000	8,920,080
BNP Paribas SA, ICE LIBOR USD 3 Month + 2.2350%, 4.7050%, 1/10/25 (144A)‡	3,042,000	3,366,908
BNP Paribas SA, ICE LIBOR USD 3 Month + 1.1110%, 2.8190%, 11/19/25 (144A)‡	2,067,000	2,164,743
BNP Paribas SA, SOFR + 1.5070%, 3.0520%, 1/13/31 (144A)‡	5,635,000	5,927,702
Citigroup Inc, ICE LIBOR USD 3 Month + 1.5630%, 3.8870%, 1/10/28‡	9,899,000	11,156,312
Citigroup Inc, SOFR + 3.9140%, 4.4120%, 3/31/31‡	6,795,000	8,036,364
Citigroup Inc, ICE LIBOR USD 3 Month + 4.0680%, 5.9500%‡,µ	3,565,000	3,529,188
Citigroup Inc, 5.9000%µ	452,000	449,460
Citigroup Inc, ICE LIBOR USD 3 Month + 3.9050%, 5.9500%‡,µ	2,339,000	2,322,627
Citizens Financial Group Inc, 3.7500%, 7/1/24	860,000	924,520
Citizens Financial Group Inc, 4.3500%, 8/1/25	613,000	678,499
Citizens Financial Group Inc, 4.3000%, 12/3/25	2,207,000	2,469,449
Credit Agricole SA/London, SOFR + 1.6760%, 1.9070%, 6/16/26 (144A)‡	1,778,000	1,802,446
First Republic Bank/CA, 4.6250%, 2/13/47	1,653,000	1,983,617
Goldman Sachs Group Inc, 3.5000%, 4/1/25	15,092,000	16,548,493
Goldman Sachs Group Inc, ICE LIBOR USD 3 Month + 3.9220%, 4.3696%‡,µ	8,396,000	7,696,613
JPMorgan Chase & Co, SOFR + 1.8500%, 2.0830%, 4/22/26‡	16,792,000	17,422,231
JPMorgan Chase & Co, ICE LIBOR USD 3 Month + 1.2450%, 3.9600%, 1/29/27‡	8,352,000	9,513,324
JPMorgan Chase & Co, ICE LIBOR USD 3 Month + 1.3300%, 4.4520%, 12/5/29‡	8,224,000	9,859,158
JPMorgan Chase & Co, SOFR + 2.5150%, 2.9560%, 5/13/31‡	13,078,000	13,906,867
Morgan Stanley, SOFR + 1.9900%, 2.1880%, 4/28/26‡	12,644,000	13,149,897
Morgan Stanley, 4.3500%, 9/8/26	3,985,000	4,595,283
Morgan Stanley, 3.9500%, 4/23/27	6,273,000	7,060,528
Wells Fargo & Co, SOFR + 1.6000%, 1.6540%, 6/2/24‡	5,572,000	5,662,233
Wells Fargo & Co, ICE LIBOR USD 3 Month + 0.7500%, 2.1640%, 2/11/26‡	11,255,000	11,616,176
Wells Fargo & Co, SOFR + 2.0000%, 2.1880%, 4/30/26‡	8,861,000	9,161,985
Wells Fargo & Co, ICE LIBOR USD 3 Month + 1.1700%, 2.8790%, 10/30/30‡	5,182,000	5,537,922
Wells Fargo & Co, ICE LIBOR USD 3 Month + 3.9900%, 5.8750%‡,µ	4,797,000	4,985,858
		226,743,744
Basic Industry – 0.5%		
Allegheny Technologies Inc, 5.8750%, 12/1/27	4,100,000	3,802,135
Constellium NV, 5.7500%, 5/15/24 (144A)	4,159,000	4,159,000
Ecolab Inc, 4.8000%, 3/24/30	2,336,000	2,961,635
Georgia-Pacific LLC, 3.1630%, 11/15/21 (144A)	4,380,000	4,502,660
Hudbay Minerals Inc, 7.2500%, 1/15/23 (144A)	4,363,000	4,297,555
Reliance Steel & Aluminum Co, 4.5000%, 4/15/23	2,242,000	2,408,091
Steel Dynamics Inc, 5.5000%, 10/1/24	4,065,000	4,176,787
		26,307,863
Brokerage – 0.6%		
Cboe Global Markets Inc, 3.6500%, 1/12/27	2,983,000	3,351,501
Charles Schwab Corp, 4.2000%, 3/24/25	4,685,000	5,374,039
Charles Schwab Corp, US Treasury Yield Curve Rate + 4.9710%, 5.3750%‡,µ	15,360,000	16,409,395
Raymond James Financial Inc, 5.6250%, 4/1/24	1,553,000	1,769,676
Raymond James Financial Inc, 4.6500%, 4/1/30	1,983,000	2,370,660
Raymond James Financial Inc, 4.9500%, 7/15/46	2,715,000	3,283,081
		32,558,352
Capital Goods – 1.8%		
Avery Dennison Co, 2.6500%, 4/30/30	5,093,000	5,218,761
BAE Systems PLC, 3.4000%, 4/15/30 (144A)	2,256,000	2,460,354
Boeing Co, 4.5080%, 5/1/23	6,065,000	6,404,094
Boeing Co, 4.8750%, 5/1/25	1,957,000	2,130,885
Boeing Co, 2.2500%, 6/15/26	504,000	487,191
Boeing Co, 3.6000%, 5/1/34	5,168,000	4,883,553
Boeing Co, 5.7050%, 5/1/40	4,984,000	5,636,549
Boeing Co, 5.8050%, 5/1/50	2,938,000	3,466,558
Boeing Co, 5.9300%, 5/1/60	2,292,000	2,708,305

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
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June 30, 2020

	Shares or Principal Amounts	Value
Corporate Bonds – (continued)		
Capital Goods – (continued)		
General Dynamics Corp, 3.2500%, 4/1/25	$3,543,000	$3,929,266
General Dynamics Corp, 3.5000%, 4/1/27	5,123,000	5,867,097
General Dynamics Corp, 4.2500%, 4/1/50	1,005,000	1,305,432
General Electric Co, 3.4500%, 5/1/27	1,854,000	1,901,776
General Electric Co, 6.7500%, 3/15/32	2,125,000	2,601,643
Huntington Ingalls Industries Inc, 3.8440%, 5/1/25 (144A)	3,563,000	3,868,793
Huntington Ingalls Industries Inc, 5.0000%, 11/15/25 (144A)	6,055,000	6,269,045
Huntington Ingalls Industries Inc, 4.2000%, 5/1/30 (144A)	6,409,000	7,139,821
Northrop Grumman Corp, 4.4000%, 5/1/30	3,546,000	4,297,758
Northrop Grumman Corp, 5.1500%, 5/1/40	1,541,000	2,050,682
Northrop Grumman Corp, 5.2500%, 5/1/50	1,981,000	2,848,642
Otis Worldwide Corp, 2.0560%, 4/5/25 (144A)	2,877,000	3,015,036
Vulcan Materials Co, 3.5000%, 6/1/30	2,835,000	3,078,588
Wabtec Corp, 4.4000%, 3/15/24	3,516,000	3,727,464
Wabtec Corp, 3.4500%, 11/15/26	975,000	1,003,646
Wabtec Corp, 4.9500%, 9/15/28	10,832,000	12,052,420
Westinghouse Air Brake Technologies Corp, 3.2000%, 6/15/25	4,854,000	4,955,299
		103,308,658
Communications – 2.3%		
AT&T Inc, 3.6000%, 7/15/25	1,905,000	2,115,756
AT&T Inc, 5.2500%, 3/1/37	865,000	1,069,237
AT&T Inc, 4.8500%, 3/1/39	2,536,000	3,057,805
AT&T Inc, 4.7500%, 5/15/46	1,803,000	2,135,120
AT&T Inc, 4.5000%, 3/9/48	3,645,000	4,277,224
CenturyLink Inc, 6.4500%, 6/15/21	2,658,000	2,718,337
CenturyLink Inc, 5.8000%, 3/15/22	1,479,000	1,519,672
Charter Communications Operating LLC / Charter Communications Operating Capital, 2.8000%, 4/1/31	8,917,000	9,034,969
Charter Communications Operating LLC / Charter Communications Operating Capital, 6.4840%, 10/23/45	936,000	1,243,609
Charter Communications Operating LLC / Charter Communications Operating Capital, 5.3750%, 5/1/47	749,000	884,117
Charter Communications Operating LLC / Charter Communications Operating Capital, 4.8000%, 3/1/50	4,793,000	5,432,411
Charter Communications Operating LLC / Charter Communications Operating Capital, 3.7000%, 4/1/51	4,654,000	4,527,218
Comcast Corp, 3.1000%, 4/1/25	1,383,000	1,519,167
Comcast Corp, 3.1500%, 3/1/26	2,206,000	2,468,388
Comcast Corp, 3.3000%, 4/1/27	3,768,000	4,235,575
Comcast Corp, 4.6000%, 10/15/38	2,000,000	2,546,975
Comcast Corp, 3.7500%, 4/1/40	1,775,000	2,087,863
Crown Castle International Corp, 3.6500%, 9/1/27	1,958,000	2,180,803
Crown Castle International Corp, 4.3000%, 2/15/29	3,161,000	3,667,494
Crown Castle International Corp, 3.1000%, 11/15/29	4,247,000	4,551,695
CSC Holdings LLC, 4.1250%, 12/1/30 (144A)	5,750,000	5,700,032
Fox Corp, 4.0300%, 1/25/24	2,592,000	2,873,106
Level 3 Financing Inc, 3.8750%, 11/15/29 (144A)	5,118,000	5,396,010
Sirius XM Radio Inc, 4.1250%, 7/1/30 (144A)	6,938,000	6,844,059
T-Mobile USA Inc, 6.3750%, 3/1/25	4,820,000	4,952,550
T-Mobile USA Inc, 3.5000%, 4/15/25 (144A)	5,114,000	5,574,362
T-Mobile USA Inc, 1.5000%, 2/15/26 (144A)	1,246,000	1,245,913
T-Mobile USA Inc, 3.7500%, 4/15/27 (144A)	12,066,000	13,387,227
T-Mobile USA Inc, 2.0500%, 2/15/28 (144A)	1,148,000	1,148,540
T-Mobile USA Inc, 3.8750%, 4/15/30 (144A)	4,058,000	4,522,925
T-Mobile USA Inc, 2.5500%, 2/15/31 (144A)	1,557,000	1,562,481
Verizon Communications Inc, 2.6250%, 8/15/26	4,241,000	4,614,414
Verizon Communications Inc, 3.0000%, 3/22/27	2,200,000	2,440,130
Verizon Communications Inc, 4.8620%, 8/21/46	1,321,000	1,795,768
Verizon Communications Inc, 4.5220%, 9/15/48	975,000	1,288,427

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Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
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	Shares or Principal Amounts	Value
Corporate Bonds – (continued)		
Communications – (continued)		
Verizon Communications Inc, 4.0000%, 3/22/50	$1,330,000	$1,674,338
		126,293,717
Consumer Cyclical – 2.6%		
Alimentation Couche-Tard Inc, 2.9500%, 1/25/30 (144A)	1,264,000	1,310,275
AutoZone Inc, 3.7500%, 4/18/29	3,471,000	3,943,673
Booking Holdings Inc, 4.1000%, 4/13/25	11,477,000	12,895,348
Booking Holdings Inc, 4.5000%, 4/13/27	5,945,000	6,824,627
Booking Holdings Inc, 4.6250%, 4/13/30	4,148,000	4,851,147
Choice Hotels International Inc, 3.7000%, 12/1/29	4,189,000	4,196,415
Dollar General Corp, 3.5000%, 4/3/30	3,266,000	3,658,377
Dollar General Corp, 4.1250%, 4/3/50	3,153,000	3,762,521
Experian Finance PLC, 2.7500%, 3/8/30 (144A)	10,283,000	10,956,731
General Motors Co, 4.2000%, 10/1/27	1,542,000	1,570,952
General Motors Co, 5.0000%, 10/1/28	4,428,000	4,702,384
General Motors Co, 5.4000%, 4/1/48	1,505,000	1,487,452
General Motors Financial Co Inc, 4.3500%, 4/9/25	2,570,000	2,712,419
General Motors Financial Co Inc, 4.3000%, 7/13/25	790,000	823,172
General Motors Financial Co Inc, 4.3500%, 1/17/27	2,216,000	2,292,542
GLP Capital LP / GLP Financing II Inc, 3.3500%, 9/1/24	693,000	692,446
GLP Capital LP / GLP Financing II Inc, 5.2500%, 6/1/25	1,284,000	1,396,234
GLP Capital LP / GLP Financing II Inc, 5.3750%, 4/15/26	2,597,000	2,838,209
GLP Capital LP / GLP Financing II Inc, 5.3000%, 1/15/29	344,000	372,236
GLP Capital LP / GLP Financing II Inc, 4.0000%, 1/15/30	4,670,000	4,643,614
GLP Capital LP / GLP Financing II Inc, 4.0000%, 1/15/31	1,839,000	1,817,098
IHS Markit Ltd, 5.0000%, 11/1/22 (144A)	1,475,000	1,581,667
IHS Markit Ltd, 4.7500%, 2/15/25 (144A)	2,588,000	2,898,560
Lowe's Cos Inc, 4.0000%, 4/15/25	5,315,000	6,064,782
Lowe's Cos Inc, 4.5000%, 4/15/30	5,499,000	6,744,591
Lowe's Cos Inc, 5.0000%, 4/15/40	2,810,000	3,650,520
Lowe's Cos Inc, 5.1250%, 4/15/50	3,841,000	5,302,014
Marriott International Inc, 5.7500%, 5/1/25	6,416,000	6,992,289
Mastercard Inc, 3.3000%, 3/26/27	4,422,000	5,007,476
Mastercard Inc, 3.3500%, 3/26/30	5,603,000	6,481,725
McDonald's Corp, 3.3000%, 7/1/25	1,499,000	1,665,294
McDonald's Corp, 3.5000%, 7/1/27	4,713,000	5,350,623
McDonald's Corp, 3.6250%, 9/1/49	2,238,000	2,480,234
MDC Holdings Inc, 5.5000%, 1/15/24	2,249,000	2,406,430
MGM Resorts International, 7.7500%, 3/15/22	544,000	553,357
Nordstrom Inc, 4.3750%, 4/1/30	4,539,000	3,560,417
O'Reilly Automotive Inc, 3.6000%, 9/1/27	90,000	101,128
O'Reilly Automotive Inc, 4.3500%, 6/1/28	696,000	811,317
O'Reilly Automotive Inc, 3.9000%, 6/1/29	4,040,000	4,651,686
		144,051,982
Consumer Non-Cyclical – 4.1%		
AbbVie Inc, 3.4500%, 3/15/22 (144A)	5,518,000	5,732,717
AbbVie Inc, 3.2500%, 10/1/22 (144A)	2,482,000	2,596,551
AbbVie Inc, 2.8000%, 3/15/23 (144A)	197,000	204,422
AbbVie Inc, 2.6000%, 11/21/24 (144A)	2,765,000	2,944,392
AbbVie Inc, 3.8000%, 3/15/25 (144A)	2,964,000	3,304,969
Anheuser-Busch Cos LLC / Anheuser-Busch InBev Worldwide Inc, 4.9000%, 2/1/46	4,540,000	5,553,015
Anheuser-Busch InBev Worldwide Inc, 4.3500%, 6/1/40	3,603,000	4,103,011
Aramark Services Inc, 6.3750%, 5/1/25 (144A)	8,497,000	8,774,257
Baxter International Inc, 3.7500%, 10/1/25 (144A)	4,735,000	5,394,733
Baxter International Inc, 3.9500%, 4/1/30 (144A)	4,133,000	4,900,157
Boston Scientific Corp, 3.7500%, 3/1/26	2,874,000	3,263,494
Boston Scientific Corp, 4.0000%, 3/1/29	1,009,000	1,154,288
Boston Scientific Corp, 4.7000%, 3/1/49	1,617,000	2,062,094
Bristol-Myers Squibb Co, 3.4000%, 7/26/29 (144A)	1,857,000	2,164,295

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	*Value*
Corporate Bonds – (continued)		
Consumer Non-Cyclical – (continued)		
Campbell Soup Co, 3.9500%, 3/15/25	$1,915,000	$2,152,836
Cargill Inc, 1.3750%, 7/23/23 (144A)	1,379,000	1,402,796
Cargill Inc, 2.1250%, 4/23/30 (144A)	2,027,000	2,124,315
Cigna Corp, 3.4000%, 9/17/21	600,000	620,287
Cigna Corp, 2.4000%, 3/15/30	1,946,000	2,018,954
Cigna Corp, 3.2000%, 3/15/40	885,000	937,176
Cigna Corp, 3.4000%, 3/15/50	1,335,000	1,438,182
Coca-Cola Co, 3.3750%, 3/25/27	4,536,000	5,200,961
Coca-Cola Femsa SAB de CV, 2.7500%, 1/22/30	2,607,000	2,757,088
CVS Health Corp, 4.1000%, 3/25/25	4,998,000	5,649,842
CVS Health Corp, 3.0000%, 8/15/26	498,000	544,497
CVS Health Corp, 4.3000%, 3/25/28	3,115,000	3,641,722
CVS Health Corp, 4.1250%, 4/1/40	2,449,000	2,888,400
CVS Health Corp, 5.0500%, 3/25/48	2,563,000	3,333,869
CVS Health Corp, 4.2500%, 4/1/50	1,209,000	1,454,219
DaVita Inc, 4.6250%, 6/1/30 (144A)	4,493,000	4,468,288
DH Europe Finance II Sarl, 2.2000%, 11/15/24	2,099,000	2,206,068
DH Europe Finance II Sarl, 2.6000%, 11/15/29	1,151,000	1,224,621
DH Europe Finance II Sarl, 3.4000%, 11/15/49	1,481,000	1,663,052
Diageo Capital PLC, 1.3750%, 9/29/25	3,173,000	3,228,085
Diageo Capital PLC, 2.0000%, 4/29/30	2,989,000	3,092,633
Diageo Capital PLC, 2.1250%, 4/29/32	2,398,000	2,485,719
Elanco Animal Health Inc, 5.0220%, 8/28/23[Ç]	1,436,000	1,507,800
Fomento Economico Mexicano SAB de CV, 3.5000%, 1/16/50	3,146,000	3,245,757
Hasbro Inc, 3.0000%, 11/19/24	2,378,000	2,490,122
Hasbro Inc, 3.5500%, 11/19/26	3,161,000	3,340,338
Hasbro Inc, 3.9000%, 11/19/29	8,515,000	8,865,137
HCA Inc, 4.7500%, 5/1/23	3,958,000	4,294,711
HCA Inc, 5.3750%, 2/1/25	2,189,000	2,344,966
HCA Inc, 5.8750%, 2/15/26	1,152,000	1,264,320
HCA Inc, 5.3750%, 9/1/26	883,000	961,366
HCA Inc, 5.6250%, 9/1/28	1,250,000	1,394,262
HCA Inc, 5.8750%, 2/1/29	1,902,000	2,152,284
HCA Inc, 3.5000%, 9/1/30	6,704,000	6,455,541
JBS USA LUX SA / JBS USA Finance Inc, 6.7500%, 2/15/28 (144A)	1,271,000	1,342,506
JM Smucker Co, 2.3750%, 3/15/30	2,799,000	2,857,117
JM Smucker Co, 3.5500%, 3/15/50	1,316,000	1,357,202
Keurig Dr Pepper Inc, 4.5970%, 5/25/28	5,023,000	6,023,656
Keurig Dr Pepper Inc, 3.2000%, 5/1/30	1,004,000	1,110,689
Keurig Dr Pepper Inc, 3.8000%, 5/1/50	2,293,000	2,615,772
Mars Inc, 2.7000%, 4/1/25 (144A)	1,642,000	1,757,524
Mars Inc, 4.2000%, 4/1/59 (144A)	1,714,000	2,197,599
Mondelez International Holdings Netherlands BV, 2.2500%, 9/19/24 (144A)	3,844,000	4,043,924
Mondelez International Inc, 2.1250%, 4/13/23	1,460,000	1,512,169
Mondelez International Inc, 2.7500%, 4/13/30	720,000	776,584
PepsiCo Inc, 2.2500%, 3/19/25	3,214,000	3,437,914
PepsiCo Inc, 2.6250%, 3/19/27	994,000	1,086,422
Pfizer Inc, 2.6250%, 4/1/30	1,389,000	1,528,050
Procter & Gamble Co, 3.0000%, 3/25/30	1,184,000	1,356,704
Procter & Gamble Co, 3.5500%, 3/25/40	2,356,000	2,841,343
Procter & Gamble Co, 3.6000%, 3/25/50	1,253,000	1,559,846
Sysco Corp, 2.5000%, 7/15/21	629,000	639,868
Sysco Corp, 5.6500%, 4/1/25	3,781,000	4,423,223
Sysco Corp, 2.4000%, 2/15/30	1,208,000	1,193,820
Sysco Corp, 5.9500%, 4/1/30	8,085,000	10,131,076
Sysco Corp, 6.6000%, 4/1/40	4,697,000	6,357,333
Sysco Corp, 6.6000%, 4/1/50	3,580,000	4,917,933
Takeda Pharmaceutical Co Ltd, 3.0250%, 7/9/40	1,392,000	1,402,614
Takeda Pharmaceutical Co Ltd, 3.3750%, 7/9/60	1,392,000	1,392,105

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Corporate Bonds – (continued)		
Consumer Non-Cyclical – (continued)		
Thermo Fisher Scientific Inc, 4.1330%, 3/25/25	$2,746,000	$3,136,400
Thermo Fisher Scientific Inc, 4.4970%, 3/25/30	6,440,000	7,965,976
Upjohn Inc, 1.6500%, 6/22/25 (144A)	884,000	901,198
Upjohn Inc, 2.3000%, 6/22/27 (144A)	1,024,000	1,057,146
Upjohn Inc, 3.8500%, 6/22/40 (144A)	1,022,000	1,096,075
		227,022,397
Electric – 1.2%		
AEP Transmission Co LLC, 3.6500%, 4/1/50	2,835,000	3,272,042
Ameren Corp, 3.5000%, 1/15/31	11,657,000	13,030,734
Berkshire Hathaway Energy, 4.2500%, 10/15/50 (144A)	4,831,000	6,050,596
Black Hills Corp, 2.5000%, 6/15/30	1,743,000	1,780,523
Dominion Energy Inc, 3.3750%, 4/1/30	5,928,000	6,557,738
East Ohio Gas Co/The, 1.3000%, 6/15/25 (144A)	705,000	708,865
East Ohio Gas Co/The, 2.0000%, 6/15/30 (144A)	648,000	646,633
East Ohio Gas Co/The, 3.0000%, 6/15/50 (144A)	942,000	940,439
NextEra Energy Capital Holdings Inc, 2.7500%, 5/1/25	2,601,000	2,808,512
NRG Energy Inc, 7.2500%, 5/15/26	4,447,000	4,691,585
NRG Energy Inc, 6.6250%, 1/15/27	4,756,000	4,970,020
Oncor Electric Delivery Co LLC, 3.8000%, 6/1/49	4,242,000	5,133,387
Pacific Gas and Electric Co, 2.1000%, 8/1/27	2,051,000	2,025,506
Pacific Gas and Electric Co, 2.5000%, 2/1/31	4,212,000	4,117,651
PPL WEM Ltd / Western Power Distribution Ltd, 5.3750%, 5/1/21 (144A)	2,553,000	2,615,023
Southern Co, 3.7000%, 4/30/30	8,879,000	10,133,799
		69,483,053
Energy – 0.8%		
Cheniere Corpus Christi Holdings LLC, 3.7000%, 11/15/29 (144A)	7,836,000	8,023,686
Energy Transfer Operating LP, 5.8750%, 1/15/24	1,589,000	1,777,163
Energy Transfer Operating LP, 5.5000%, 6/1/27	1,185,000	1,321,606
Energy Transfer Operating LP, 4.9500%, 6/15/28	184,000	197,560
Hess Midstream Operations LP, 5.1250%, 6/15/28 (144A)	6,466,000	6,223,008
Kinder Morgan Inc/DE, 6.5000%, 9/15/20	133,000	134,468
Kinder Morgan Inc/DE, 4.3000%, 3/1/28	1,871,000	2,120,037
NGPL PipeCo LLC, 4.3750%, 8/15/22 (144A)	3,174,000	3,273,727
ONEOK Inc, 5.8500%, 1/15/26	1,593,000	1,819,061
ONEOK Inc, 6.3500%, 1/15/31	3,407,000	3,987,352
ONEOK Inc, 7.1500%, 1/15/51	890,000	1,080,810
Plains All American Pipeline LP / PAA Finance Corp, 4.6500%, 10/15/25	1,223,000	1,306,039
TransCanada PipeLines Ltd, 4.1000%, 4/15/30	7,412,000	8,439,161
WPX Energy Inc, 4.5000%, 1/15/30	4,829,000	4,266,953
		43,970,631
Finance Companies – 0%		
USAA Capital Corp, 2.1250%, 5/1/30 (144A)	284,000	292,397
Financial Institutions – 0.2%		
Equifax Inc, 2.6000%, 12/15/25	4,708,000	5,015,075
Equifax Inc, 3.1000%, 5/15/30	4,291,000	4,561,299
Jones Lang LaSalle Inc, 4.4000%, 11/15/22	2,938,000	3,079,571
		12,655,945
Industrial Conglomerates – 0.1%		
General Electric Co, ICE LIBOR USD 3 Month + 3.3300%, 5.0000%[‡,µ]	5,540,000	4,349,454
Insurance – 0.7%		
Brown & Brown Inc, 4.5000%, 3/15/29	2,493,000	2,685,965
Centene Corp, 4.7500%, 5/15/22	180,000	182,482
Centene Corp, 5.3750%, 6/1/26 (144A)	6,364,000	6,597,304
Centene Corp, 4.2500%, 12/15/27	5,363,000	5,534,133
Centene Corp, 4.6250%, 12/15/29	8,060,000	8,533,686
Centene Corp, 3.3750%, 2/15/30	3,535,000	3,569,325
Molina Healthcare Inc, 4.3750%, 6/15/28 (144A)	12,101,000	12,131,252
		39,234,147

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Corporate Bonds – (continued)		
Real Estate Investment Trusts (REITs) – 0.2%		
Alexandria Real Estate Equities Inc, 4.9000%, 12/15/30	$4,758,000	$5,924,736
Camden Property Trust, 2.8000%, 5/15/30	6,129,000	6,621,076
		12,545,812
Technology – 3.4%		
Analog Devices Inc, 2.9500%, 4/1/25	2,815,000	3,050,028
Broadcom Inc, 4.7000%, 4/15/25 (144A)	7,427,000	8,361,900
Broadcom Inc, 3.1500%, 11/15/25 (144A)	6,292,000	6,680,247
Broadcom Inc, 4.1500%, 11/15/30 (144A)	5,187,000	5,643,686
Broadcom Inc, 4.3000%, 11/15/32 (144A)	4,150,000	4,581,284
Broadridge Financial Solutions Inc, 2.9000%, 12/1/29	8,389,000	8,964,950
CoStar Group Inc, 2.8000%, 7/15/30 (144A)	5,760,000	5,893,148
Dell International LLC / EMC Corp, 5.8750%, 6/15/21 (144A)	5,481,000	5,482,644
Equifax Inc, 2.6000%, 12/1/24	6,943,000	7,342,832
Equinix Inc, 2.6250%, 11/18/24	2,016,000	2,146,274
Equinix Inc, 2.9000%, 11/18/26	1,688,000	1,819,529
Equinix Inc, 1.8000%, 7/15/27	5,872,000	5,878,048
Equinix Inc, 3.2000%, 11/18/29	3,797,000	4,121,568
Equinix Inc, 2.1500%, 7/15/30	2,665,000	2,632,567
Global Payments Inc, 3.2000%, 8/15/29	1,143,000	1,224,153
Global Payments Inc, 2.9000%, 5/15/30	4,310,000	4,507,665
Intuit Inc, 0.9500%, 7/15/25	969,000	969,833
Intuit Inc, 1.3500%, 7/15/27	1,012,000	1,016,469
Keysight Technologies Inc, 3.0000%, 10/30/29	4,569,000	4,942,084
Lam Research Corp, 4.0000%, 3/15/29	758,000	900,600
Leidos Inc, 2.9500%, 5/15/23 (144A)	808,000	841,694
Leidos Inc, 3.6250%, 5/15/25 (144A)	3,135,000	3,416,366
Leidos Inc, 4.3750%, 5/15/30 (144A)	4,468,000	5,032,979
Marvell Technology Group Ltd, 4.2000%, 6/22/23	1,361,000	1,462,466
Marvell Technology Group Ltd, 4.8750%, 6/22/28	7,627,000	9,172,776
Microchip Technology Inc, 2.6700%, 9/1/23 (144A)	6,452,000	6,639,479
Microchip Technology Inc, 4.2500%, 9/1/25 (144A)	5,055,000	5,096,649
Micron Technology Inc, 2.4970%, 4/24/23	6,560,000	6,812,166
MSCI Inc, 4.0000%, 11/15/29 (144A)	422,000	430,440
MSCI Inc, 3.6250%, 9/1/30 (144A)	3,328,000	3,311,360
MSCI Inc, 3.8750%, 2/15/31 (144A)	4,798,000	4,893,960
PayPal Holdings Inc, 1.3500%, 6/1/23	1,208,000	1,233,126
PayPal Holdings Inc, 2.4000%, 10/1/24	2,178,000	2,311,659
PayPal Holdings Inc, 1.6500%, 6/1/25	2,243,000	2,321,717
PayPal Holdings Inc, 2.6500%, 10/1/26	6,511,000	7,075,708
PayPal Holdings Inc, 2.3000%, 6/1/30	2,592,000	2,693,597
PayPal Holdings Inc, 3.2500%, 6/1/50	3,571,000	3,888,464
Total System Services Inc, 4.8000%, 4/1/26	3,189,000	3,739,232
Trimble Inc, 4.7500%, 12/1/24	5,510,000	5,994,383
Trimble Inc, 4.9000%, 6/15/28	9,681,000	11,110,478
Verisk Analytics Inc, 5.5000%, 6/15/45	1,616,000	2,215,478
Verisk Analytics Inc, 3.6250%, 5/15/50	2,972,000	3,366,706
VMware Inc, 4.5000%, 5/15/25	5,017,000	5,489,062
VMware Inc, 4.6500%, 5/15/27	5,629,000	6,225,422
		190,934,876
Transportation – 0.2%		
United Parcel Service Inc, 3.9000%, 4/1/25	2,989,000	3,393,091
United Parcel Service Inc, 5.2000%, 4/1/40	1,707,000	2,356,023
United Parcel Service Inc, 5.3000%, 4/1/50	3,690,000	5,271,947
		11,021,061
Water Utilities – 0.2%		
American Water Capital Corp, 2.8000%, 5/1/30	3,746,000	4,072,914
American Water Capital Corp, 3.4500%, 5/1/50	4,451,000	5,000,750
		9,073,664
Total Corporate Bonds (cost $1,184,876,680)		1,279,847,753

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Mortgage-Backed Securities – 8.6%		
Fannie Mae:		
2.0000%, TBA, 15 Year Maturity	$2,625,400	$2,709,387
2.5000%, TBA, 15 Year Maturity	8,099,200	8,463,988
3.0000%, TBA, 15 Year Maturity	1,845,800	1,939,345
3.5000%, TBA, 15 Year Maturity	5,925,619	6,221,959
4.0000%, TBA, 15 Year Maturity	1,692,784	1,790,119
2.0000%, TBA, 30 Year Maturity	365,600	373,058
2.5000%, TBA, 30 Year Maturity	1,340,000	1,393,546
3.0000%, TBA, 30 Year Maturity	6,813,400	7,159,316
3.5000%, TBA, 30 Year Maturity	26,051,209	27,392,846
4.5000%, TBA, 30 Year Maturity	1,358,000	1,458,899
		58,902,463
Fannie Mae Pool:		
3.0000%, 10/1/34	758,858	801,898
2.5000%, 11/1/34	469,705	496,302
3.0000%, 11/1/34	278,396	296,873
3.0000%, 12/1/34	270,254	287,922
6.0000%, 2/1/37	97,494	117,094
4.5000%, 11/1/42	597,127	666,700
3.5000%, 12/1/42	2,508,675	2,717,684
3.0000%, 1/1/43	316,468	338,306
3.0000%, 2/1/43	92,465	98,734
3.5000%, 2/1/43	1,166,005	1,261,064
3.5000%, 3/1/43	1,833,320	1,982,782
3.5000%, 4/1/43	6,478,814	7,006,999
3.0000%, 5/1/43	4,139,750	4,377,694
3.0000%, 5/1/43	659,883	704,492
3.5000%, 11/1/43	3,536,707	3,831,366
3.5000%, 4/1/44	1,206,462	1,330,616
5.0000%, 7/1/44	77,793	86,815
4.5000%, 10/1/44	1,351,686	1,539,185
3.5000%, 2/1/45	965,450	1,044,158
4.5000%, 3/1/45	2,109,467	2,402,080
4.5000%, 6/1/45	1,264,631	1,409,726
3.5000%, 12/1/45	850,924	937,293
3.0000%, 1/1/46	158,291	167,389
4.5000%, 2/1/46	2,954,334	3,298,553
3.5000%, 7/1/46	1,551,094	1,689,962
3.0000%, 9/1/46	8,621,584	9,215,832
3.0000%, 2/1/47	28,648,405	30,623,014
3.0000%, 3/1/47	2,782,604	2,979,302
4.5000%, 5/1/47	443,866	492,911
4.5000%, 5/1/47	400,713	438,917
4.5000%, 5/1/47	393,855	433,265
4.5000%, 5/1/47	280,823	307,597
4.5000%, 5/1/47	271,274	301,249
4.5000%, 5/1/47	210,572	231,642
4.5000%, 5/1/47	133,637	147,009
4.5000%, 5/1/47	93,148	103,440
4.5000%, 5/1/47	92,106	102,283
4.0000%, 6/1/47	370,380	394,736
4.0000%, 6/1/47	202,386	217,010
4.0000%, 6/1/47	173,674	185,094
4.0000%, 6/1/47	88,321	94,703
4.5000%, 6/1/47	1,872,460	2,019,091
4.5000%, 6/1/47	151,789	168,561
4.0000%, 7/1/47	304,238	324,245
4.0000%, 7/1/47	298,772	318,419
4.0000%, 7/1/47	96,484	102,829
4.0000%, 7/1/47	62,106	66,190

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

	Shares or Principal Amounts	Value
Mortgage-Backed Securities – (continued)		
Fannie Mae Pool – (continued)		
4.5000%, 7/1/47	$1,369,918	$1,477,195
4.5000%, 7/1/47	961,957	1,037,288
4.5000%, 7/1/47	853,597	920,442
3.5000%, 8/1/47	1,357,463	1,453,157
3.5000%, 8/1/47	754,337	795,995
3.5000%, 8/1/47	442,785	489,392
4.0000%, 8/1/47	613,943	654,316
4.0000%, 8/1/47	347,292	370,130
4.5000%, 8/1/47	1,418,653	1,529,747
4.5000%, 8/1/47	176,211	190,579
4.0000%, 9/1/47	152,907	164,880
4.5000%, 9/1/47	1,356,608	1,462,843
4.5000%, 9/1/47	797,217	859,646
4.5000%, 9/1/47	521,457	562,292
4.0000%, 10/1/47	825,485	879,769
4.0000%, 10/1/47	634,698	684,399
4.0000%, 10/1/47	596,320	643,015
4.0000%, 10/1/47	469,753	500,644
4.0000%, 10/1/47	419,017	451,828
4.5000%, 10/1/47	156,053	168,273
4.5000%, 10/1/47	112,576	121,392
4.0000%, 11/1/47	990,183	1,055,297
4.0000%, 11/1/47	354,119	377,406
4.5000%, 11/1/47	901,731	972,345
3.5000%, 12/1/47	2,339,996	2,497,964
3.5000%, 12/1/47	1,040,262	1,103,070
3.5000%, 12/1/47	261,007	288,481
3.5000%, 12/1/47	123,853	136,890
4.0000%, 12/1/47	1,311,145	1,397,366
3.5000%, 1/1/48	1,724,173	1,844,194
3.5000%, 1/1/48	1,688,375	1,802,354
4.0000%, 1/1/48	6,812,495	7,327,635
4.0000%, 1/1/48	6,079,897	6,567,004
4.0000%, 1/1/48	444,673	473,915
3.0000%, 2/1/48	1,181,536	1,272,835
3.5000%, 3/1/48	1,119,036	1,192,510
3.5000%, 3/1/48	182,471	200,691
4.0000%, 3/1/48	2,284,290	2,459,997
4.5000%, 3/1/48	1,197,336	1,289,526
4.5000%, 3/1/48	88,296	95,201
3.5000%, 4/1/48	2,108,225	2,309,911
4.5000%, 4/1/48	1,322,233	1,424,039
3.0000%, 5/1/48	645,681	684,656
4.0000%, 5/1/48	2,302,037	2,436,406
4.5000%, 5/1/48	809,449	871,773
4.5000%, 5/1/48	748,387	806,010
5.0000%, 5/1/48	2,011,247	2,195,938
4.5000%, 6/1/48	1,392,313	1,499,515
4.5000%, 6/1/48	824,451	887,930
4.5000%, 8/1/48	79,358	85,249
3.0000%, 11/1/48	3,697,565	3,901,090
3.5000%, 11/1/48	3,491,491	3,825,508
4.0000%, 2/1/49	1,258,443	1,331,897
3.5000%, 7/1/49	1,696,980	1,783,267
3.0000%, 8/1/49	1,592,892	1,707,200
3.0000%, 9/1/49	308,892	328,363
4.0000%, 9/1/49	2,740,611	2,975,502
2.5000%, 1/1/50	663,797	697,079
3.0000%, 1/1/50	1,482,436	1,561,801

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Mortgage-Backed Securities – (continued)		
Fannie Mae Pool – (continued)		
3.0000%, 3/1/50	$19,378,461	$20,440,128
3.5000%, 8/1/56	4,702,176	5,112,232
3.0000%, 2/1/57	4,409,341	4,725,927
3.5000%, 2/1/57	9,094,646	9,956,048
3.0000%, 6/1/57	81,174	86,965
		207,565,363
Freddie Mac Gold Pool:		
6.0000%, 4/1/40	1,627,652	1,960,860
3.5000%, 7/1/42	315,687	342,072
3.5000%, 8/1/42	386,087	418,355
3.5000%, 8/1/42	337,898	366,139
3.0000%, 6/1/43	460,748	484,909
4.5000%, 5/1/44	533,843	595,319
3.5000%, 7/1/46	7,429,902	8,185,900
3.0000%, 8/1/46	516,036	544,531
3.5000%, 4/1/47	249,549	271,927
3.5000%, 9/1/47	5,232,436	5,522,480
3.5000%, 9/1/47	2,712,615	2,863,076
3.5000%, 9/1/47	886,210	935,365
3.5000%, 12/1/47	3,672,955	3,981,673
4.5000%, 3/1/48	80,946	86,974
5.0000%, 9/1/48	325,089	357,013
		26,916,593
Freddie Mac Pool:		
3.0000%, 5/1/31	6,495,256	6,877,587
3.0000%, 9/1/32	1,417,403	1,501,675
3.0000%, 10/1/32	755,236	794,606
3.0000%, 1/1/33	815,729	864,228
2.5000%, 12/1/33	7,312,791	7,667,873
3.0000%, 10/1/34	1,402,434	1,487,702
3.0000%, 10/1/34	571,307	603,710
2.5000%, 11/1/34	1,973,638	2,085,397
2.5000%, 11/1/34	382,305	403,953
3.5000%, 2/1/43	1,018,411	1,101,280
3.0000%, 3/1/43	3,225,091	3,447,211
3.5000%, 2/1/44	1,036,349	1,120,678
3.5000%, 12/1/44	6,660,649	7,202,631
3.0000%, 1/1/45	2,096,815	2,223,390
3.0000%, 1/1/46	216,587	235,170
3.5000%, 7/1/46	1,479,716	1,606,847
3.0000%, 10/1/46	3,339,792	3,551,651
4.0000%, 3/1/47	654,191	710,900
3.0000%, 4/1/47	801,514	845,632
3.5000%, 11/1/47	2,086,821	2,227,477
3.5000%, 12/1/47	1,585,672	1,692,549
3.5000%, 2/1/48	1,638,175	1,745,674
3.5000%, 2/1/48	1,469,256	1,561,674
4.0000%, 3/1/48	1,681,781	1,810,655
4.0000%, 4/1/48	3,608,268	3,813,830
4.0000%, 4/1/48	1,854,172	1,988,602
4.0000%, 5/1/48	3,495,539	3,698,803
4.5000%, 7/1/48	762,732	822,275
4.5000%, 12/1/48	1,349,729	1,487,120
3.0000%, 8/1/49	1,429,571	1,517,814
3.0000%, 8/1/49	510,546	547,184
3.5000%, 8/1/49	514,613	540,780
3.5000%, 8/1/49	310,233	326,007
3.5000%, 9/1/49	850,196	899,394
3.0000%, 10/1/49	1,400,568	1,474,017

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

	Shares or Principal Amounts	Value
Mortgage-Backed Securities – (continued)		
Freddie Mac Pool – (continued)		
3.0000%, 10/1/49	$1,303,341	$1,374,571
3.0000%, 10/1/49	845,906	890,267
3.0000%, 10/1/49	478,790	504,957
3.0000%, 11/1/49	1,708,389	1,797,982
3.0000%, 11/1/49	1,230,196	1,294,711
3.0000%, 11/1/49	1,018,024	1,071,412
3.0000%, 11/1/49	665,254	701,612
3.0000%, 12/1/49	1,621,898	1,706,955
3.0000%, 12/1/49	996,177	1,048,420
3.0000%, 12/1/49	913,605	961,517
2.5000%, 1/1/50	309,419	324,933
3.0000%, 1/1/50	2,740,678	2,890,460
3.0000%, 1/1/50	278,264	293,733
3.0000%, 2/1/50	764,379	806,870
3.0000%, 3/1/50	1,111,354	1,172,888
3.0000%, 3/1/50	1,089,692	1,149,392
3.5000%, 3/1/50	626,418	668,375
3.0000%, 5/1/50	5,451,534	5,756,540
		94,901,571
Ginnie Mae:		
2.5000%, TBA, 30 Year Maturity	20,540,500	21,562,595
3.0000%, TBA, 30 Year Maturity	3,638,300	3,844,592
4.5000%, TBA, 30 Year Maturity	390,000	416,247
		25,823,434
Ginnie Mae I Pool:		
4.0000%, 1/15/45	6,413,811	6,985,201
4.5000%, 8/15/46	6,717,070	7,449,800
4.0000%, 7/15/47	1,786,197	1,943,267
4.0000%, 8/15/47	399,094	434,188
4.0000%, 11/15/47	737,946	802,837
4.0000%, 12/15/47	933,445	1,015,527
		18,630,820
Ginnie Mae II Pool:		
4.0000%, 8/20/47	669,377	720,739
4.0000%, 8/20/47	170,187	185,964
4.0000%, 8/20/47	91,318	98,325
4.5000%, 2/20/48	1,083,342	1,168,817
4.0000%, 5/20/48	601,473	641,950
4.5000%, 5/20/48	3,356,387	3,609,297
4.5000%, 5/20/48	491,803	528,862
5.0000%, 5/20/48	5,578,574	6,081,955
4.0000%, 6/20/48	6,003,622	6,407,651
5.0000%, 6/20/48	2,626,458	2,863,456
5.0000%, 8/20/48	4,481,226	4,859,079
5.0000%, 4/20/49	14,920,873	16,178,984
		43,345,079
Total Mortgage-Backed Securities (cost $461,320,449)		476,085,323
United States Treasury Notes/Bonds – 4.4%		
1.5000%, 9/15/22	21,241,300	21,869,412
2.8750%, 11/30/23	12,934,000	14,110,186
0.5000%, 3/31/25	25,464,500	25,735,060
0.2500%, 6/30/25	21,237,000	21,195,522
1.5000%, 2/15/30	14,744,700	15,937,523
0.6250%, 5/15/30	8,195,400	8,170,430
1.1250%, 5/15/40	1,108,000	1,097,526
2.7500%, 8/15/42	40,320,100	51,680,603
2.3750%, 11/15/49	23,605,700	29,141,052

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
United States Treasury Notes/Bonds – (continued)		
2.0000%, 2/15/50	$51,211,500	$58,617,163
Total United States Treasury Notes/Bonds (cost $237,820,929)		247,554,477
Common Stocks – 57.9%		
Aerospace & Defense – 1.1%		
General Dynamics Corp	410,009	61,279,945
Air Freight & Logistics – 0.4%		
United Parcel Service Inc	195,968	21,787,722
Banks – 1.1%		
Bank of America Corp	1,594,277	37,864,079
US Bancorp	665,453	24,501,979
		62,366,058
Beverages – 0.7%		
Monster Beverage Corp*	534,019	37,018,197
Biotechnology – 0.7%		
AbbVie Inc	385,216	37,820,507
Capital Markets – 2.7%		
Apollo Global Management Inc	136,039	6,791,067
Blackstone Group Inc	853,030	48,332,680
CME Group Inc	244,853	39,798,407
Morgan Stanley	835,613	40,360,108
S&P Global Inc	49,485	16,304,318
		151,586,580
Chemicals – 0.4%		
Sherwin-Williams Co	39,662	22,918,687
Consumer Finance – 0.8%		
American Express Co	338,197	32,196,354
Synchrony Financial	497,893	11,033,309
		43,229,663
Electronic Equipment, Instruments & Components – 0.4%		
Corning Inc	794,978	20,589,930
Entertainment – 0.7%		
Walt Disney Co	329,234	36,712,883
Equity Real Estate Investment Trusts (REITs) – 1.0%		
Crown Castle International Corp	219,188	36,681,112
MGM Growth Properties LLC	653,015	17,768,538
		54,449,650
Food & Staples Retailing – 1.4%		
Costco Wholesale Corp	210,414	63,799,629
Sysco Corp	261,009	14,266,752
		78,066,381
Food Products – 0.5%		
Hershey Co	194,107	25,160,149
Health Care Equipment & Supplies – 2.2%		
Abbott Laboratories	636,088	58,157,526
Intuitive Surgical Inc*	21,647	12,335,110
Medtronic PLC	380,317	34,875,069
Stryker Corp	80,697	14,540,792
		119,908,497
Health Care Providers & Services – 2.0%		
UnitedHealth Group Inc	380,087	112,106,661
Hotels, Restaurants & Leisure – 2.3%		
Hilton Worldwide Holdings Inc	329,346	24,190,464
McDonald's Corp	419,995	77,476,478
Starbucks Corp	379,825	27,951,322
		129,618,264
Household Products – 1.1%		
Clorox Co	66,954	14,687,699
Procter & Gamble Co	383,889	45,901,608
		60,589,307

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – (continued)		
Industrial Conglomerates – 0.9%		
Honeywell International Inc	345,347	$49,933,723
Information Technology Services – 3.8%		
Accenture PLC	362,821	77,904,925
Mastercard Inc	452,055	133,672,663
		211,577,588
Insurance – 1.5%		
Marsh & McLennan Cos Inc	153,936	16,528,108
Progressive Corp	836,942	67,047,424
		83,575,532
Interactive Media & Services – 2.2%		
Alphabet Inc - Class C*	86,338	122,048,260
Internet & Direct Marketing Retail – 2.2%		
Amazon.com Inc*	45,142	124,538,652
Leisure Products – 0.5%		
Hasbro Inc	362,392	27,161,280
Life Sciences Tools & Services – 0.9%		
Thermo Fisher Scientific Inc	140,792	51,014,573
Machinery – 0.6%		
Deere & Co	214,865	33,766,035
Media – 1.2%		
Comcast Corp	1,741,605	67,887,763
Multiline Retail – 0.9%		
Dollar General Corp	275,205	52,429,305
Multi-Utilities – 0.3%		
Sempra Energy	133,999	15,708,703
Personal Products – 0.2%		
Estee Lauder Cos Inc	61,547	11,612,688
Pharmaceuticals – 3.8%		
Bristol-Myers Squibb Co	973,535	57,243,858
Eli Lilly & Co	436,224	71,619,256
Merck & Co Inc	1,093,190	84,536,383
		213,399,497
Real Estate Management & Development – 0.4%		
CBRE Group Inc*	546,655	24,719,739
Road & Rail – 0.7%		
CSX Corp	555,127	38,714,557
Semiconductor & Semiconductor Equipment – 3.9%		
Intel Corp	1,007,160	60,258,383
Lam Research Corp	211,796	68,507,534
NVIDIA Corp	129,375	49,150,856
Texas Instruments Inc	328,578	41,719,549
		219,636,322
Software – 7.8%		
Adobe Inc*	256,430	111,626,543
Microsoft Corp	1,379,957	280,738,772
salesforce.com Inc*	218,039	40,845,246
		433,210,561
Specialty Retail – 1.9%		
Home Depot Inc	425,591	106,614,801
Technology Hardware, Storage & Peripherals – 2.9%		
Apple Inc	435,882	159,009,754
Textiles, Apparel & Luxury Goods – 0.8%		
NIKE Inc	466,905	45,780,035
Tobacco – 0.7%		
Altria Group Inc	957,946	37,599,380
Wireless Telecommunication Services – 0.3%		
T-Mobile US Inc*	176,002	18,330,608
Total Common Stocks (cost $2,188,915,031)		3,223,478,437

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Rights – 0%		
Wireless Telecommunication Services – 0%		
T-Mobile US Inc* (cost $0)	175,583	$29,498
Investment Companies – 2.7%		
Money Markets – 2.7%		
Janus Henderson Cash Liquidity Fund LLC, 0.1535%[∞,£] (cost $152,765,206)	152,755,214	152,770,490
Total Investments (total cost $4,510,188,465) – 101.8%		5,666,934,535
Liabilities, net of Cash, Receivables and Other Assets – (1.8)%		(99,083,912)
Net Assets – 100%		$5,567,850,623

Summary of Investments by Country - (Long Positions) (unaudited)

Country	*Value*	*% of Investment Securities*
United States	$5,596,333,610	98.8 %
United Kingdom	24,838,545	0.4
Canada	14,046,991	0.2
France	13,261,799	0.2
Belgium	9,656,026	0.2
Mexico	6,002,845	0.1
Japan	2,794,719	0.1
Total	$5,666,934,535	100.0 %

Schedules of Affiliated Investments – (% of Net Assets)

	Dividend Income	*Realized Gain/(Loss)*	*Change in Unrealized Appreciation/ Depreciation*	*Value at 6/30/20*
Investment Companies - 2.7%				
Money Markets - 2.7%				
Janus Henderson Cash Liquidity Fund LLC, 0.1535%[∞]	$ 620,217	$ 4,450	$ 5,686	$ 152,770,490

	Value at 12/31/19	*Purchases*	*Sales Proceeds*	*Value at 6/30/20*
Investment Companies - 2.7%				
Money Markets - 2.7%				
Janus Henderson Cash Liquidity Fund LLC, 0.1535%[∞]	105,128,872	1,183,549,895	(1,135,918,413)	152,770,490

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Notes to Schedule of Investments and Other Information (unaudited)

Balanced Index	Balanced Index is an internally-calculated, hypothetical combination of total returns from the S&P 500® Index (55%) and the Bloomberg Barclays U.S. Aggregate Bond Index (45%).
Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based measure of the investment grade, US dollar-denominated, fixed-rate taxable bond market.
S&P 500® Index	S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.
ICE	Intercontinental Exchange
LIBOR	London Interbank Offered Rate
LLC	Limited Liability Company
LP	Limited Partnership
PLC	Public Limited Company
SOFR	Secured Overnight Financing Rate
TBA	(To Be Announced) Securities are purchased/sold on a forward commitment basis with an approximate principal amount and no defined maturity date. The actual principal and maturity date will be determined upon settlement when specific mortgage pools are assigned.

144A	Securities sold under Rule 144A of the Securities Act of 1933, as amended, are subject to legal and/or contractual restrictions on resale and may not be publicly sold without registration under the 1933 Act. Unless otherwise noted, these securities have been determined to be liquid under guidelines established by the Board of Trustees. The total value of 144A securities as of the period ended June 30, 2020 is $465,794,377, which represents 8.4% of net assets.
*	Non-income producing security.
ƒ	All or a portion of this position is not funded, or has been purchased on a delayed delivery or when-issued basis. If applicable, interest rates will be determined and interest will begin to accrue at a future date. See Notes to Financial Statements.
‡	Variable or floating rate security. Rate shown is the current rate as of June 30, 2020. Certain variable rate securities are not based on a published reference rate and spread; they are determined by the issuer or agent and current market conditions. Reference rate is as of reset date and may vary by security, which may not indicate a reference rate and/or spread in their description.
ºº	Rate shown is the 7-day yield as of June 30, 2020.
µ	Perpetual security. Perpetual securities have no stated maturity date, but they may be called/redeemed by the issuer. The date indicated, if any, represents the next call date.
Ç	Step bond. The coupon rate will increase or decrease periodically based upon a predetermined schedule. The rate shown reflects the current rate.
£	The Portfolio may invest in certain securities that are considered affiliated companies. As defined by the Investment Company Act of 1940, as amended, an affiliated company is one in which the Portfolio owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control.

Janus Henderson VIT Balanced Portfolio
Notes to Schedule of Investments and Other Information (unaudited)

The following is a summary of the inputs that were used to value the Portfolio's investments in securities and other financial instruments as of June 30, 2020. See Notes to Financial Statements for more information.

Valuation Inputs Summary

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Assets			
Investments In Securities:			
Asset-Backed/Commercial Mortgage-Backed Securities	$ -	$ 278,141,360	$ -
Bank Loans and Mezzanine Loans	-	9,027,197	-
Corporate Bonds	-	1,279,847,753	-
Mortgage-Backed Securities	-	476,085,323	-
United States Treasury Notes/Bonds	-	247,554,477	-
Common Stocks	3,223,478,437	-	-
Rights	29,498	-	-
Investment Companies	-	152,770,490	-
Total Assets	$ 3,223,507,935	$ 2,443,426,600	$ -

Janus Henderson VIT Balanced Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2020

Assets:		
Unaffiliated investments, at value[(1)]	$	5,514,164,045
Affiliated investments, at value[(2)]		152,770,490
Cash		4,778,853
Non-interested Trustees' deferred compensation		114,348
Receivables:		
Investments sold		30,383,064
Interest		12,639,650
Portfolio shares sold		4,639,540
Dividends		3,342,702
Dividends from affiliates		15,713
Other assets		14,409
Total Assets		5,722,862,814
Liabilities:		
Payables:		
Investments purchased		149,959,442
Advisory fees		2,472,095
12b-1 Distribution and shareholder servicing fees		1,037,858
Portfolio shares repurchased		956,244
Transfer agent fees and expenses		235,301
Non-interested Trustees' deferred compensation fees		114,348
Professional fees		28,834
Non-interested Trustees' fees and expenses		25,859
Affiliated portfolio administration fees payable		11,237
Custodian fees		10,090
Accrued expenses and other payables		160,883
Total Liabilities		155,012,191
Net Assets	$	5,567,850,623
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	4,425,410,907
Total distributable earnings (loss)		1,142,439,716
Total Net Assets	$	5,567,850,623
Net Assets - Institutional Shares	$	421,860,873
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		10,989,788
Net Asset Value Per Share	$	38.39
Net Assets - Service Shares	$	5,145,989,750
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		126,745,984
Net Asset Value Per Share	$	40.60

(1) Includes cost of $4,357,423,259.
(2) Includes cost of $152,765,206.

See Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2020

Investment Income:		
Interest	$	31,755,537
Dividends		27,838,478
Dividends from affiliates		620,217
Other income		153,364
Foreign tax withheld		(73,820)
Total Investment Income		60,293,776
Expenses:		
Advisory fees		14,228,386
12b-1 Distribution and shareholder servicing fees:		
Service Shares		5,941,626
Transfer agent administrative fees and expenses:		
Institutional Shares		103,410
Service Shares		1,190,080
Other transfer agent fees and expenses:		
Institutional Shares		10,066
Service Shares		52,912
Affiliated portfolio administration fees		64,674
Non-interested Trustees' fees and expenses		47,408
Professional fees		36,774
Custodian fees		31,059
Shareholder reports expense		19,494
Registration fees		7,009
Other expenses		167,647
Total Expenses		21,900,545
Net Investment Income/(Loss)		38,393,231
Net Realized Gain/(Loss) on Investments:		
Investments and foreign currency transactions		(15,210,652)
Investments in affiliates		4,450
Total Net Realized Gain/(Loss) on Investments		(15,206,202)
Change in Unrealized Net Appreciation/Depreciation:		
Investments and non-interested Trustees' deferred compensation		(31,757,749)
Investments in affiliates		5,686
Total Change in Unrealized Net Appreciation/Depreciation		(31,752,063)
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	(8,565,034)

See Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Statements of Changes in Net Assets

		Period ended June 30, 2020 (unaudited)		Year ended December 31, 2019
Operations:				
Net investment income/(loss)	$	38,393,231	$	80,027,111
Net realized gain/(loss) on investments		(15,206,202)		87,916,180
Change in unrealized net appreciation/depreciation		(31,752,063)		729,551,886
Net Increase/(Decrease) in Net Assets Resulting from Operations		(8,565,034)		897,495,177
Dividends and Distributions to Shareholders:				
Institutional Shares		(10,793,423)		(19,713,876)
Service Shares		(118,342,022)		(174,336,200)
Net Decrease from Dividends and Distributions to Shareholders		(129,135,445)		(194,050,076)
Capital Share Transactions:				
Institutional Shares		(11,525,829)		(23,374,008)
Service Shares		425,084,454		763,429,463
Net Increase/(Decrease) from Capital Share Transactions		413,558,625		740,055,455
Net Increase/(Decrease) in Net Assets		275,858,146		1,443,500,556
Net Assets:				
Beginning of period		5,291,992,477		3,848,491,921
End of period	$	5,567,850,623	$	5,291,992,477

See Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$39.48	$33.75	$35.27	$30.32	$30.08	$31.43
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.32	0.74	0.66	0.64	0.58	0.63
Net realized and unrealized gain/(loss)	(0.40)	6.74	(0.42)	4.92	0.77	(0.41)
Total from Investment Operations	(0.08)	7.48	0.24	5.56	1.35	0.22
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.37)	(0.72)	(0.77)	(0.54)	(0.67)	(0.50)
Distributions (from capital gains)	(0.64)	(1.03)	(0.99)	(0.07)	(0.44)	(1.07)
Total Dividends and Distributions	(1.01)	(1.75)	(1.76)	(0.61)	(1.11)	(1.57)
Net Asset Value, End of Period	$38.39	$39.48	$33.75	$35.27	$30.32	$30.08
Total Return*	(0.15)%	22.59%	0.68%	18.43%	4.60%	0.62%
Net Assets, End of Period (in thousands)	$421,861	$446,026	$402,796	$429,403	$403,833	$444,472
Average Net Assets for the Period (in thousands)	$418,366	$426,775	$429,843	$417,575	$413,338	$467,346
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.62%	0.62%	0.63%	0.63%	0.62%	0.58%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.62%	0.62%	0.63%	0.63%	0.62%	0.58%
Ratio of Net Investment Income/(Loss)	1.70%	1.99%	1.85%	1.94%	1.94%	2.03%
Portfolio Turnover Rate	58%(2)	79%(2)	97%(2)	67%(2)	80%	73%

Service Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$41.70	$35.59	$37.09	$31.89	$31.61	$32.97
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.29	0.68	0.60	0.58	0.53	0.58
Net realized and unrealized gain/(loss)	(0.43)	7.11	(0.44)	5.17	0.80	(0.42)
Total from Investment Operations	(0.14)	7.79	0.16	5.75	1.33	0.16
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.32)	(0.65)	(0.67)	(0.48)	(0.61)	(0.45)
Distributions (from capital gains)	(0.64)	(1.03)	(0.99)	(0.07)	(0.44)	(1.07)
Total Dividends and Distributions	(0.96)	(1.68)	(1.66)	(0.55)	(1.05)	(1.52)
Net Asset Value, End of Period	$40.60	$41.70	$35.59	$37.09	$31.89	$31.61
Total Return*	(0.27)%	22.27%	0.43%	18.13%	4.32%	0.41%
Net Assets, End of Period (in thousands)	$5,145,990	$4,845,966	$3,445,696	$2,887,613	$2,227,878	$1,831,930
Average Net Assets for the Period (in thousands)	$4,813,052	$4,109,486	$3,235,435	$2,523,514	$1,938,234	$1,645,283
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.86%	0.87%	0.88%	0.88%	0.87%	0.84%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.86%	0.87%	0.88%	0.88%	0.87%	0.84%
Ratio of Net Investment Income/(Loss)	1.46%	1.74%	1.62%	1.69%	1.71%	1.79%
Portfolio Turnover Rate	58%(2)	79%(2)	97%(2)	67%(2)	80%	73%

* Total return includes adjustments in accordance with generally accepted accounting principles required at the year or period end and are not annualized for periods of less than one full year. Total return does not include fees, charges, or expenses imposed by the variable annuity and life insurance contracts for which Janus Aspen Series serves as an underlying investment vehicle.

** Annualized for periods of less than one full year.

(1) Per share amounts are calculated based on average shares outstanding during the year or period.

(2) Portfolio Turnover Rate excludes TBA (to be announced) purchase and sales commitments.

See Notes to Financial Statements.

1. Organization and Significant Accounting Policies

Janus Henderson VIT Balanced Portfolio (the "Portfolio") is a series of Janus Aspen Series (the "Trust"), which is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company, and therefore has applied the specialized accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. The Trust offers 11 portfolios, each of which offers multiple share classes, with differing investment objectives and policies. The Portfolio seeks long-term capital growth, consistent with preservation of capital and balanced by current income. The Portfolio is classified as diversified, as defined in the 1940 Act.

The Portfolio currently offers two classes of shares: Institutional Shares and Service Shares. Each class represents an interest in the same portfolio of investments. Institutional Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans. Service Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans that require a fee from Portfolio assets to procure distribution and administrative services to contract owners and plan participants.

Shareholders, including other portfolios, participating insurance companies, as well as accounts, may from time to time own (beneficially or of record) a significant percentage of the Portfolio's Shares and can be considered to "control" the Portfolio when that ownership exceeds 25% of the Portfolio's assets (and which may differ from control as determined in accordance with United States of America generally accepted accounting priciples ("US GAAP")).

The following accounting policies have been followed by the Portfolio and are in conformity with US GAAP.

Investment Valuation

Securities held by the Portfolio are valued in accordance with policies and procedures established by and under the supervision of the Trustees (the "Valuation Procedures"). Equity securities traded on a domestic securities exchange are generally valued at the closing prices on the primary market or exchange on which they trade. If such price is lacking for the trading period immediately preceding the time of determination, such securities are valued at their current bid price. Equity securities that are traded on a foreign exchange are generally valued at the closing prices on such markets. In the event that there is no current trading volume on a particular security in such foreign exchange, the bid price from the primary exchange is generally used to value the security. Securities that are traded on the over-the-counter ("OTC") markets are generally valued at their closing or latest bid prices as available. Foreign securities and currencies are converted to U.S. dollars using the applicable exchange rate in effect at the close of the New York Stock Exchange ("NYSE"). The Portfolio will determine the market value of individual securities held by it by using prices provided by one or more approved professional pricing services or, as needed, by obtaining market quotations from independent broker-dealers. Most debt securities are valued in accordance with the evaluated bid price supplied by the pricing service that is intended to reflect market value. The evaluated bid price supplied by the pricing service is an evaluation that may consider factors such as security prices, yields, maturities and ratings. Certain short-term securities maturing within 60 days or less may be evaluated and valued on an amortized cost basis provided that the amortized cost determined approximates market value. Securities for which market quotations or evaluated prices are not readily available or deemed unreliable are valued at fair value determined in good faith under the Valuation Procedures. Circumstances in which fair value pricing may be utilized include, but are not limited to: (i) a significant event that may affect the securities of a single issuer, such as a merger, bankruptcy, or significant issuer-specific development; (ii) an event that may affect an entire market, such as a natural disaster or significant governmental action; (iii) a nonsignificant event such as a market closing early or not opening, or a security trading halt; and (iv) pricing of a nonvalued security and a restricted or nonpublic security. Special valuation considerations may apply with respect to "odd-lot" fixed-income transactions which, due to their small size, may receive evaluated prices by pricing services which reflect a large block trade and not what actually could be obtained for the odd-lot position. The Portfolio uses systematic fair valuation models provided by independent third parties to value international equity securities in order to adjust for stale pricing, which may occur between the close of certain foreign exchanges and the close of the NYSE.

Valuation Inputs Summary

FASB ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements regarding fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that

market participants would use in pricing an asset or liability and establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. These inputs are summarized into three broad levels:

Level 1 – Unadjusted quoted prices in active markets the Portfolio has the ability to access for identical assets or liabilities.

Level 2 – Observable inputs other than unadjusted quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Assets or liabilities categorized as Level 2 in the hierarchy generally include: debt securities fair valued in accordance with the evaluated bid or ask prices supplied by a pricing service; securities traded on OTC markets and listed securities for which no sales are reported that are fair valued at the latest bid price (or yield equivalent thereof) obtained from one or more dealers transacting in a market for such securities or by a pricing service approved by the Portfolio's Trustees; certain short-term debt securities with maturities of 60 days or less that are fair valued at amortized cost; and equity securities of foreign issuers whose fair value is determined by using systematic fair valuation models provided by independent third parties in order to adjust for stale pricing which may occur between the close of certain foreign exchanges and the close of the NYSE. Other securities that may be categorized as Level 2 in the hierarchy include, but are not limited to, preferred stocks, bank loans, swaps, investments in unregistered investment companies, options, and forward contracts.

Level 3 – Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Portfolio's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Portfolio since the beginning of the fiscal year.

The inputs or methodology used for fair valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2020 to fair value the Portfolio's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" in the Notes to Schedule of Investments and Other Information.

Investment Transactions and Investment Income

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded as soon as the Portfolio is informed of the dividend, if such information is obtained subsequent to the ex-dividend date. Dividends from foreign securities may be subject to withholding taxes in foreign jurisdictions. Interest income is recorded daily on the accrual basis and includes amortization of premiums and accretion of discounts. The Portfolio classifies gains and losses on prepayments received as an adjustment to interest income. Debt securities may be placed in non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivables when collection of all or a portion of interest has become doubtful. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes. Income, as well as gains and losses, both realized and unrealized, are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets.

Expenses

The Portfolio bears expenses incurred specifically on its behalf. Each class of shares bears a portion of general expenses, which are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets. Expenses directly attributable to a specific class of shares are charged against the operations of such class.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Indemnifications
In the normal course of business, the Portfolio may enter into contracts that contain provisions for indemnification of other parties against certain potential liabilities. The Portfolio's maximum exposure under these arrangements is unknown, and would involve future claims that may be made against the Portfolio that have not yet occurred. Currently, the risk of material loss from such claims is considered remote.

Foreign Currency Translations
The Portfolio does not isolate that portion of the results of operations resulting from the effect of changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held at the date of the financial statements. Net unrealized appreciation or depreciation of investments and foreign currency translations arise from changes in the value of assets and liabilities, including investments in securities held at the date of the financial statements, resulting from changes in the exchange rates and changes in market prices of securities held.

Currency gains and losses are also calculated on payables and receivables that are denominated in foreign currencies. The payables and receivables are generally related to foreign security transactions and income translations.

Foreign currency-denominated assets and forward currency contracts may involve more risks than domestic transactions, including currency risk, counterparty risk, political and economic risk, regulatory risk and equity risk. Risks may arise from unanticipated movements in the value of foreign currencies relative to the U.S. dollar.

Dividends and Distributions
The Portfolio may make semiannual distributions of substantially all of its investment income and an annual distribution of its net realized capital gains (if any).

The Portfolio may make certain investments in real estate investment trusts ("REITs") which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REITs' taxable earnings and profits, resulting in the excess portion of such dividends being designated as a return of capital. If the Portfolio distributes such amounts, such distributions could constitute a return of capital to shareholders for federal income tax purposes.

Federal Income Taxes
The Portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income in accordance with the requirements of Subchapter M of the Internal Revenue Code. Management has analyzed the Portfolio's tax positions taken for all open federal income tax years, generally a three-year period, and has concluded that no provision for federal income tax is required in the Portfolio's financial statements. The Portfolio is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

2. Other Investments and Strategies

Additional Investment Risk
The Portfolio may be invested in lower-rated debt securities that have a higher risk of default or loss of value since these securities may be sensitive to economic changes, political changes, or adverse developments specific to the issuer.

In the aftermath of the 2007-2008 financial crisis, the financial sector experienced reduced liquidity in credit and other fixed-income markets, and an unusually high degree of volatility, both domestically and internationally. In response to the crisis, the United States and certain foreign governments, along with the U.S. Federal Reserve and certain foreign central banks, took a number of unprecedented steps designed to support the financial markets. For example, the enactment of the Dodd-Frank Act in 2010 provided for widespread regulation of financial institutions, consumer financial products and services, broker-dealers, over-the-counter derivatives, investment advisers, credit rating agencies, and mortgage lending, which expanded federal oversight in the financial sector, including the investment management industry. More recently, in response to the COVID-19 pandemic, the U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets, including reducing interest rates to record low levels. The withdrawal of this support, a failure of measures put in place in response to such economic uncertainty, or investor perception that such efforts were not sufficient could each negatively affect financial markets generally, and the value and liquidity of specific securities. In addition, policy and legislative changes in the United States and in other countries continue to impact many aspects of financial regulation.

Widespread disease, including pandemics and epidemics, and natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Fund's investments. Economies and financial markets throughout the world have become increasingly interconnected, which increases the likelihood that events or conditions in one region or country will adversely affect markets or issuers in other regions or countries, including the United States. These disruptions could prevent a Fund from executing advantageous investment decisions in a timely manner and negatively impact a Fund's ability to achieve its investment objective(s). Any such event(s) could have a significant adverse impact on the value of a Fund. In addition, these disruptions could also impair the information technology and other operational systems upon which the Fund's service providers, including Janus Capital or the subadviser (as applicable), rely, and could otherwise disrupt the ability of employees of the Fund's service providers to perform essential tasks on behalf of the Fund.

A number of countries in the European Union ("EU") have experienced, and may continue to experience, severe economic and financial difficulties. In particular, many EU nations are susceptible to economic risks associated with high levels of debt. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts. Many other issuers have faced difficulties obtaining credit or refinancing existing obligations. Financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit. As a result, financial markets in the EU have experienced extreme volatility and declines in asset values and liquidity. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. The risk of investing in securities in the European markets may also be heightened due to the referendum in which the United Kingdom voted to exit the EU (commonly known as "Brexit"). The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, during which the United Kingdom will remain subject to EU laws and regulations. There is considerable uncertainty relating to the potential consequences of the United Kingdom's exit and how negotiations for new trade agreements will be conducted or concluded.

Certain areas of the world have historically been prone to and economically sensitive to environmental events such as, but not limited to, hurricanes, earthquakes, typhoons, flooding, tidal waves, tsunamis, erupting volcanoes, wildfires or droughts, tornadoes, mudslides, or other weather-related phenomena. Such disasters, and the resulting physical or economic damage, could have a severe and negative impact on the Portfolio's investment portfolio and, in the longer term, could impair the ability of issuers in which the Portfolio invests to conduct their businesses as they would under normal conditions. Adverse weather conditions may also have a particularly significant negative effect on issuers in the agricultural sector and on insurance and reinsurance companies that insure or reinsure against the impact of natural disasters.

Loans

The Portfolio may invest in various commercial loans, including bank loans, bridge loans, debtor-in-possession ("DIP") loans, mezzanine loans, and other fixed and floating rate loans. These loans may be acquired through loan participations and assignments or on a when-issued basis. Commercial loans will comprise no more than 20% of the Portfolio's total assets. Below are descriptions of the types of loans held by the Portfolio as of June 30, 2020.

- **Bank Loans -** Bank loans are obligations of companies or other entities entered into in connection with recapitalizations, acquisitions, and refinancings. The Portfolio's investments in bank loans are generally acquired as a participation interest in, or assignment of, loans originated by a lender or other financial institution. These investments may include institutionally-traded floating and fixed-rate debt securities.
- **Floating Rate Loans –** Floating rate loans are debt securities that have floating interest rates, that adjust periodically, and are tied to a benchmark lending rate, such as London Interbank Offered Rate ("LIBOR"). In other cases, the lending rate could be tied to the prime rate offered by one or more major U.S. banks or the rate paid on large certificates of deposit traded in the secondary markets. If the benchmark lending rate changes, the rate payable to lenders under the loan will change at the next scheduled adjustment date specified in the loan agreement. Floating rate loans are typically issued to companies ("borrowers") in

connection with recapitalizations, acquisitions, and refinancings. Floating rate loan investments are generally below investment grade. Senior floating rate loans are secured by specific collateral of a borrower and are senior in the borrower's capital structure. The senior position in the borrower's capital structure generally gives holders of senior loans a claim on certain of the borrower's assets that is senior to subordinated debt and preferred and common stock in the case of a borrower's default. Floating rate loan investments may involve foreign borrowers, and investments may be denominated in foreign currencies. Floating rate loans often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The Portfolio may invest in obligations of borrowers who are in bankruptcy proceedings. While the Portfolio generally expects to invest in fully funded term loans, certain of the loans in which the Portfolio may invest include revolving loans, bridge loans, and delayed draw term loans.

Purchasers of floating rate loans may pay and/or receive certain fees. The Portfolio may receive fees such as covenant waiver fees or prepayment penalty fees. The Portfolio may pay fees such as facility fees. Such fees may affect the Portfolio's return.

- **Mezzanine Loans -** Mezzanine loans are secured by the stock of the company that owns the assets. Mezzanine loans are a hybrid of debt and equity financing that is typically used to fund the expansion of existing companies. A mezzanine loan is composed of debt capital that gives the lender the right to convert to an ownership or equity interest in the company if the loan is not paid back in time and in full. Mezzanine loans typically are the most subordinated debt obligation in an issuer's capital structure.

Mortgage- and Asset-Backed Securities

Mortgage- and asset-backed securities represent interests in "pools" of commercial or residential mortgages or other assets, including consumer loans or receivables. The Portfolio may purchase fixed or variable rate commercial or residential mortgage-backed securities issued by the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), or other governmental or government-related entities. Ginnie Mae's guarantees are backed by the full faith and credit of the U.S. Government, which means that the U.S. Government guarantees that the interest and principal will be paid when due. Fannie Mae and Freddie Mac securities are not backed by the full faith and credit of the U.S. Government. In September 2008, the Federal Housing Finance Agency ("FHFA"), an agency of the U.S. Government, placed Fannie Mae and Freddie Mac under conservatorship. Since that time, Fannie Mae and Freddie Mac have received capital support through U.S. Treasury preferred stock purchases, and Treasury and Federal Reserve purchases of their mortgage-backed securities. The FHFA and the U.S. Treasury have imposed strict limits on the size of these entities' mortgage portfolios. The FHFA has the power to cancel any contract entered into by Fannie Mae and Freddie Mac prior to FHFA's appointment as conservator or receiver, including the guarantee obligations of Fannie Mae and Freddie Mac.

The Portfolio may also purchase other mortgage- and asset-backed securities through single- and multi-seller conduits, collateralized debt obligations, structured investment vehicles, and other similar securities. Asset-backed securities may be backed by various consumer obligations, including automobile loans, equipment leases, credit card receivables, or other collateral. In the event the underlying loans are not paid, the securities' issuer could be forced to sell the assets and recognize losses on such assets, which could impact your return. Unlike traditional debt instruments, payments on these securities include both interest and a partial payment of principal. Mortgage- and asset-backed securities are subject to both extension risk, where borrowers pay off their debt obligations more slowly in times of rising interest rates, and prepayment risk, where borrowers pay off their debt obligations sooner than expected in times of declining interest rates. These risks may reduce the Portfolio's returns. In addition, investments in mortgage- and asset-backed securities, including those comprised of subprime mortgages, may be subject to a higher degree of credit risk, valuation risk, and liquidity risk than various other types of fixed-income securities. Additionally, although mortgage-backed securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that guarantors or insurers will meet their obligations.

Real Estate Investing

The Portfolio may invest in equity and debt securities of real estate-related companies. Such companies may include those in the real estate industry or real estate-related industries. These securities may include common stocks, corporate bonds, preferred stocks, and other equity securities, including, but not limited to, mortgage-backed securities, real estate-backed securities, securities of REITs and similar REIT-like entities. A REIT is a trust that invests in real estate-related projects, such as properties, mortgage loans, and construction loans. REITs are generally categorized as equity, mortgage, or hybrid REITs. A REIT may be listed on an exchange or traded OTC.

Sovereign Debt

The Portfolio may invest in U.S. and non-U.S. government debt securities ("sovereign debt"). Some investments in sovereign debt, such as U.S. sovereign debt, are considered low risk. However, investments in sovereign debt, especially the debt of less developed countries, can involve a high degree of risk, including the risk that the governmental entity that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or to pay the interest on its sovereign debt in a timely manner. A sovereign debtor's willingness or ability to satisfy its debt obligation may be affected by various factors including, but not limited to, its cash flow situation, the extent of its foreign currency reserves, the availability of foreign exchange when a payment is due, the relative size of its debt position in relation to its economy as a whole, the sovereign debtor's policy toward international lenders, and local political constraints to which the governmental entity may be subject. Sovereign debtors may also be dependent on expected disbursements from foreign governments, multilateral agencies, and other entities. The failure of a sovereign debtor to implement economic reforms, achieve specified levels of economic performance, or repay principal or interest when due may result in the cancellation of third party commitments to lend funds to the sovereign debtor, which may further impair such debtor's ability or willingness to timely service its debts. The Portfolio may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to governmental entities, which may adversely affect the Portfolio's holdings. In the event of default, there may be limited or no legal remedies for collecting sovereign debt and there may be no bankruptcy proceedings through which the Portfolio may collect all or part of the sovereign debt that a governmental entity has not repaid. In addition, to the extent the Portfolio invests in non-U.S. sovereign debt, it may be subject to currency risk.

TBA Commitments

The Portfolio may enter into "to be announced" or "TBA" commitments. TBAs are forward agreements for the purchase or sale of securities, including mortgage-backed securities, for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date. However, delivered securities must meet specified terms, including issuer, rate, and mortgage terms. Although the particular TBA securities must meet industry-accepted "good delivery" standards, there can be no assurance that a security purchased on forward commitment basis will ultimately be issued or delivered by the counterparty. During the settlement period, the Portfolio will still bear the risk of any decline in the value of the security to be delivered. Because TBA commitments do not require the purchase and sale of identical securities, the characteristics of the security delivered to the Portfolio may be less favorable than the security delivered to the dealer. If the counterparty to a transaction fails to deliver the security, the Portfolio could suffer a loss.

When-Issued, Delayed Delivery and Forward Commitment Transactions

The Portfolio may purchase or sell securities on a when-issued, delayed delivery, or forward commitment basis. When purchasing a security on a when-issued, delayed delivery, or forward commitment basis, the Portfolio assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its net asset value. Typically, no income accrues on securities the Portfolio has committed to purchase prior to the time delivery of the securities is made. Because the Portfolio is not required to pay for the security until the delivery date, these risks are in addition to the risks associated with the Portfolio's other investments. If the other party to a transaction fails to deliver the securities, the Portfolio could miss a favorable price or yield opportunity. If the Portfolio remains substantially fully invested at a time when when-issued, delayed delivery, or forward commitment purchases are outstanding, the purchases may result in a form of leverage.

When the Portfolio has sold a security on a when-issued, delayed delivery, or forward commitment basis, the Portfolio does not participate in future gains or losses with respect to the security. If the other party to a transaction fails to pay for the securities, the Portfolio could suffer a loss. Additionally, when selling a security on a when-issued, delayed delivery, or forward commitment basis without owning the security, the Portfolio will incur a loss if the security's price appreciates in value such that the security's price is above the agreed upon price on the settlement date. The Portfolio may dispose of or renegotiate a transaction after it is entered into, and may purchase or sell when-issued, delayed delivery or forward commitment securities before the settlement date, which may result in a gain or loss.

3. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital Management LLC ("Janus Capital") an investment advisory fee which is calculated daily and paid monthly. The Portfolio's contractual investment advisory fee rate (expressed as an annual rate) is 0.55% of its average daily net assets.

Janus Services LLC ("Janus Services"), a wholly-owned subsidiary of Janus Capital, is the Portfolio's transfer agent. Janus Services receives an administrative services fee at an annual rate of 0.05% of the average daily net assets of the Portfolio for arranging for the provision by participating insurance companies and qualified plan service providers of administrative services, including recordkeeping, subaccounting, order processing, or other shareholder services provided on behalf of contract holders or plan participants investing in the Portfolio. Other shareholder services may include the provision of order confirmations, periodic account statements, forwarding prospectuses, shareholder reports, and other materials to existing investors, and answering inquiries regarding accounts. Janus Services expects to use this entire fee to compensate insurance companies and qualified plan service providers for providing these services to their customers who invest in the Portfolio. Any unused portion will be reimbursed to the applicable share class at least annually.

In addition, Janus Services provides or arranges for the provision of certain other internal administrative, recordkeeping, and shareholder relations services for the Portfolio. Janus Services is not compensated for these internal services related to the shares, except for out-of-pocket costs. These amounts are disclosed as "Other transfer agent fees and expenses" on the Statement of Operations.

Under a distribution and shareholder servicing plan (the "Plan") adopted in accordance with Rule 12b-1 under the 1940 Act, the Service Shares may pay the Trust's distributor, Janus Distributors LLC ("Janus Distributors"), a wholly-owned subsidiary of Janus Capital, a fee for the sale and distribution and/or shareholder servicing of the Service Shares at an annual rate of up to 0.25% of the average daily net assets of the Service Shares. Under the terms of the Plan, the Trust is authorized to make payments to Janus Distributors for remittance to insurance companies and qualified plan service providers as compensation for distribution and/or shareholder services performed by such entities. These amounts are disclosed as "12b-1 Distribution and shareholder servicing fees" on the Statement of Operations. Payments under the Plan are not tied exclusively to actual 12b-1 distribution and servicing fees, and the payments may exceed 12b-1 distribution and servicing fees actually incurred. If any of the Portfolio's actual 12b-1 distribution and servicing fees incurred during a calendar year are less than the payments made during a calendar year, the Portfolio will be refunded the difference. Refunds, if any, are included in "12b-1 Distribution and shareholder servicing fees" in the Statement of Operations.

Janus Capital serves as administrator to the Portfolio pursuant to an administration agreement between Janus Capital and the Trust. Under the administration agreement, Janus Capital is obligated to provide or arrange for the provision of certain administration, compliance, and accounting services to the Portfolio, including providing office space for the Portfolio, and is reimbursed by the Portfolio for certain of its costs in providing these services (to the extent Janus Capital seeks reimbursement and such costs are not otherwise waived). In addition, employees of Janus Capital and/or its affiliates may serve as officers of the Trust. The Portfolio pays for some or all of the salaries, fees, and expenses of Janus Capital employees and Portfolio officers, with respect to certain specified administration functions they perform on behalf of the Portfolio. The Portfolio pays these costs based on out-of-pocket expenses incurred by Janus Capital, and these costs are separate and apart from advisory fees and other expenses paid in connection with the investment advisory services Janus Capital (or any subadvisor, as applicable) provides to the Portfolio. These amounts are disclosed as "Affiliated portfolio administration fees" on the Statement of Operations. In addition, some expenses related to compensation payable to the Portfolio's Chief Compliance Officer and certain compliance staff, all of whom are employees of Janus Capital and/or its affiliates, are shared with the Portfolio. Total compensation of $20,422 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2020. The Portfolio's portion is reported as part of "Other expenses" on the Statement of Operations.

The Board of Trustees has adopted a deferred compensation plan (the "Deferred Plan") for independent Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Portfolio. All deferred fees are credited to an account established in the name of the Trustees. The amounts credited to the account then increase or decrease, as the case may be, in accordance with the performance of one or more of the Janus Henderson funds that are selected by the Trustees. The account balance continues to fluctuate in accordance with the performance of the selected fund or funds until final payment of all amounts are credited to the account. The fluctuation of the account balance is recorded by the Portfolio as unrealized appreciation/(depreciation) and is included as of June 30, 2020 on the Statement of Assets and Liabilities in the asset, "Non-interested Trustees' deferred compensation," and liability, "Non-interested Trustees' deferred compensation fees." Additionally, the recorded unrealized appreciation/(depreciation) is included in "Total distributable earnings (loss)" on the Statement of Assets and Liabilities. Deferred compensation expenses for the period ended June 30, 2020 are included in "Non-interested Trustees' fees and expenses" on the Statement of Operations. Trustees are allowed to change their designation of mutual funds from time to time. Amounts will be deferred until distributed in accordance with the Deferred Plan. Deferred fees of $220,425 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2020.

Pursuant to the provisions of the 1940 Act and related rules, the Portfolio may participate in an affiliated or non-affiliated cash sweep program. In the cash sweep program, uninvested cash balances of the Portfolio may be used to purchase shares of affiliated or non-affiliated money market funds or cash management pooled investment vehicles that operate as money market funds. The Portfolio is eligible to participate in the cash sweep program (the "Investing Funds"). As adviser, Janus Capital has an inherent conflict of interest because of its fiduciary duties to the affiliated money market funds or cash management pooled investment vehicles and the Investing Funds. Janus Henderson Cash Liquidity Fund LLC (the "Sweep Vehicle") is an affiliated unregistered cash management pooled investment vehicle that invests primarily in highly-rated short-term fixed-income securities. The Sweep Vehicle operates pursuant to the provisions of the 1940 Act that govern the operation of money market funds and prices its shares at NAV reflecting market-based values of its portfolio securities (i.e., a "floating" NAV) rounded to the fourth decimal place (e.g., $1.0000). The Sweep Vehicle is permitted to impose a liquidity fee (of up to 2%) on redemptions from the Sweep Vehicle or a redemption gate that temporarily suspends redemptions from the Sweep Vehicle for up to 10 business days during a 90 day period. There are no restrictions on the Portfolio's ability to withdraw investments from the Sweep Vehicle at will, and there are no unfunded capital commitments due from the Portfolio to the Sweep Vehicle. The Sweep Vehicle does not charge any management fee, sales charge or service fee.

Any purchases and sales, realized gains/losses and recorded dividends from affiliated investments during the period ended June 30, 2020 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

The Portfolio is permitted to purchase or sell securities ("cross-trade") between itself and other funds or accounts managed by Janus Capital in accordance with Rule 17a-7 under the Investment Company Act of 1940 ("Rule 17a-7"), when the transaction is consistent with the investment objectives and policies of the Portfolio and in accordance with the Internal Cross Trade Procedures adopted by the Trust's Board of Trustees. These procedures have been designed to ensure that any cross-trade of securities by the Portfolio from or to another fund or account that is or could be considered an affiliate of the Portfolio under certain limited circumstances by virtue of having a common investment adviser, common Officer, or common Trustee complies with Rule 17a-7. Under these procedures, each cross-trade is effected at the current market price to save costs where allowed. During the period ended June 30, 2020, the Portfolio engaged in cross trades amounting to $23,567,215 in purchases and $12,976,055 in sales, resulting in a net realized gain of $403,253. The net realized gain is included within the "Net Realized Gain/(Loss) on Investments" section of the Portfolio's Statement of Operations.

4. Federal Income Tax

Income and capital gains distributions are determined in accordance with income tax regulations that may differ from US GAAP. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, foreign currency transactions, net investment losses, and capital loss carryovers.

The Portfolio has elected to treat gains and losses on forward foreign currency contracts as capital gains and losses, if applicable. Other foreign currency gains and losses on debt instruments are treated as ordinary income for federal income tax purposes pursuant to Section 988 of the Internal Revenue Code.

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of June 30, 2020 are noted below. The primary differences between book and tax appreciation or depreciation of investments are wash sale loss deferrals and investments in partnerships.

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ 4,530,237,325	$1,188,487,493	$(51,790,283)	$ 1,136,697,210

5. Capital Share Transactions

	Period ended June 30, 2020		Year ended December 31, 2019	
	Shares	*Amount*	*Shares*	*Amount*
Institutional Shares:				
Shares sold	497,643	$ 18,897,692	761,195	$ 28,340,063
Reinvested dividends and distributions	288,594	10,793,423	536,983	19,713,876
Shares repurchased	(1,095,326)	(41,216,944)	(1,933,358)	(71,427,947)
Net Increase/(Decrease)	(309,089)	$ (11,525,829)	(635,180)	$ (23,374,008)
Service Shares:				
Shares sold	11,403,939	$458,725,206	20,594,452	$809,496,215
Reinvested dividends and distributions	2,991,457	118,342,022	4,493,890	174,336,200
Shares repurchased	(3,865,601)	(151,982,774)	(5,686,724)	(220,402,952)
Net Increase/(Decrease)	10,529,795	$425,084,454	19,401,618	$763,429,463

6. Purchases and Sales of Investment Securities

For the period ended June 30, 2020, the aggregate cost of purchases and proceeds from sales of investment securities (excluding any short-term securities, short-term options contracts, TBAs, and in-kind transactions, as applicable) was as follows:

Purchases of Securities	*Proceeds from Sales of Securities*	*Purchases of Long-Term U.S. Government Obligations*	*Proceeds from Sales of Long-Term U.S. Government Obligations*
$ 2,244,099,023	$ 1,791,939,097	$ 1,041,953,018	$ 1,204,651,546

7. Recent Accounting Pronouncements

The FASB issued Accounting Standards Update No. 2017-08, *Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities* ("ASU 2017-08") to amend the amortization period for certain purchased callable debt securities held at a premium. The guidance requires certain premiums on callable debt securities to be amortized to the earliest call date. The amortization period for callable debt securities purchased at a discount will not be impacted. The amendments are effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2018. Management has adopted the amendments as of the beginning of this fiscal period and concluded these changes do not have a material impact on the Portfolio’s financial statements.

The FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820),* in August 2018. The new guidance removes, modifies and enhances the disclosures to Topic 820. For public entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. An entity is permitted, and Management has decided, to early adopt the removed and modified disclosures in these financial statements. Management is also evaluating the implications related to the new disclosure requirements and has not yet determined the impact to the financial statements.

8. Other Matters

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. The impact of COVID-19 has been, and may continue to be, highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Portfolio's investments. This may impact liquidity in the marketplace, which in turn may affect the Portfolio's ability to meet redemption requests. Public health crises caused by the COVID-19 pandemic may exacerbate other pre-existing political, social, and economic risks in certain countries or globally. The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a Portfolio from executing advantageous investment decisions in a timely manner and negatively impact a Portfolio's ability to achieve its investment objective.

9. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2020 and through the date of issuance of the Portfolio's financial statements and determined that there were no material events or transactions that would require recognition or disclosure in the Portfolio's financial statements.

Janus Henderson VIT Balanced Portfolio
Additional Information (unaudited)

Proxy Voting Policies and Voting Record

A description of the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities is available without charge: (i) upon request, by calling 1-800-525-1093; (ii) on the Portfolio's website at janushenderson.com/proxyvoting; and (iii) on the SEC's website at http://www.sec.gov. Additionally, information regarding the Portfolio's proxy voting record for the most recent twelve-month period ended June 30 is also available, free of charge, through janushenderson.com/proxyvoting and from the SEC's website at http://www.sec.gov.

Full Holdings

The Portfolio is required to disclose its complete holdings as an exhibit to Form N-PORT within 60 days of the end of the first and third fiscal quarters, and in the annual report and semiannual report to Portfolio shareholders. Historically, the Portfolio filed its complete portfolio holdings (schedule of investments) with the SEC for the first and third quarters each fiscal year on Form N-Q. The Portfolio's Form N-PORT and Form N-Q filings: (i) are available on the SEC's website at http://www.sec.gov; (ii) may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (information on the Public Reference Room may be obtained by calling 1-800-SEC-0330); and (iii) are available without charge, upon request, by calling a Janus Henderson representative at 1-877-335-2687 (toll free) . Portfolio holdings consisting of at least the names of the holdings are generally available on a monthly basis with a 30-day lag. Holdings are generally posted approximately two business days thereafter under Full Holdings for the Portfolio at janushenderson.com/vit.

APPROVAL OF ADVISORY AGREEMENTS DURING THE PERIOD

The Trustees of Janus Aspen Series, each of whom serves as an "independent" Trustee (the "Trustees"), oversee the management of each Portfolio of Janus Aspen Series (each, a "VIT Portfolio," and collectively, the "VIT Portfolios"), as well as each Fund of Janus Investment Fund (together with the VIT Portfolios, the "Janus Henderson Funds," and each, a "Janus Henderson Fund"). As required by law, the Trustees determine annually whether to continue the investment advisory agreement for each Janus Henderson Fund and the subadvisory agreements for the Janus Henderson Funds that utilize subadvisers.

In connection with their most recent consideration of those agreements for each Janus Henderson Fund, the Trustees received and reviewed information provided by Janus Capital and the respective subadvisers in response to requests of the Trustees and their independent legal counsel. They also received and reviewed information and analysis provided by, and in response to requests of, their independent fee consultant. Throughout their consideration of the agreements, the Trustees were advised by their independent legal counsel. The Trustees met with management to consider the agreements, and also met separately in executive session with their independent legal counsel and their independent fee consultant.

At a meeting held on December 5, 2019, based on the Trustees' evaluation of the information provided by Janus Capital, the subadvisers, and the independent fee consultant, as well as other information, the Trustees determined that the overall arrangements between each Janus Henderson Fund and Janus Capital and each subadviser, as applicable, were fair and reasonable in light of the nature, extent and quality of the services provided by Janus Capital, its affiliates and the subadvisers, the fees charged for those services, and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting, the Trustees unanimously approved the continuation of the investment advisory agreement for each Janus Henderson Fund, and the subadvisory agreement for each subadvised Janus Henderson Fund, for the period from February 1, 2020 through February 1, 2021, subject to earlier termination as provided for in each agreement.

In considering the continuation of those agreements, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors described below, none of which by itself was considered dispositive. However, the material factors and conclusions that formed the basis for the Trustees' determination to approve the continuation of the agreements are discussed separately below. Also included is a summary of the independent fee consultant's conclusions and opinions that arose during, and were included as part of, the Trustees' consideration of the agreements. "Management fees," as used herein, reflect actual annual advisory fees and, for the purpose of peer comparisons, any administration fees (excluding out of pocket costs), net of any waivers, paid by a fund as a percentage of average net assets.

Nature, Extent and Quality of Services

The Trustees reviewed the nature, extent and quality of the services provided by Janus Capital and the subadvisers to the Janus Henderson Funds, taking into account the investment objective, strategies and policies of each Janus Henderson Fund, and the knowledge the Trustees gained from their regular meetings with management on at least a quarterly basis and their ongoing review of information related to the Janus Henderson Funds. In addition, the Trustees reviewed the resources and key personnel of Janus Capital and each subadviser, particularly noting those employees who provide investment and risk management services to the Janus Henderson Funds. The Trustees also considered other services provided to the Janus Henderson Funds by Janus Capital or the subadvisers, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions. The Trustees considered Janus Capital's role as administrator to the Janus Henderson Funds, noting that Janus Capital generally does not receive a fee for its services but is reimbursed for its out-of-pocket costs. The Trustees considered the role of Janus Capital in monitoring adherence to the Janus Henderson Funds' investment restrictions, providing support services for the Trustees and Trustee committees, and overseeing communications with shareholders and the activities of other service providers, including monitoring compliance with various policies and procedures of the Janus Henderson Funds and with applicable securities laws and regulations.

In this regard, the independent fee consultant noted that Janus Capital provides a number of different services for the Janus Henderson Funds and fund shareholders, ranging from investment management services to various other servicing functions, and that, in its view, Janus Capital is a capable provider of those services. The independent fee consultant also provided its belief that Janus Capital has developed a number of institutional competitive advantages that should enable it to provide superior investment and service performance over the long term.

The Trustees concluded that the nature, extent and quality of the services provided by Janus Capital or the subadviser to each Janus Henderson Fund were appropriate and consistent with the terms of the respective advisory and subadvisory agreements, and that, taking into account steps taken to address those Janus Henderson Funds whose performance lagged that of their peers for certain periods, the Janus Henderson Funds were likely to benefit from the continued provision of those services. They also concluded that Janus Capital and each subadviser had sufficient personnel, with the appropriate education and experience, to serve the Janus Henderson Funds effectively and had demonstrated its ability to attract well-qualified personnel.

Performance of the Funds

The Trustees considered the performance results of each Janus Henderson Fund over various time periods. They noted that they considered Janus Henderson Fund performance data throughout the year, including periodic meetings with each Janus Henderson Fund's portfolio manager(s), and also reviewed information comparing each Janus Henderson Fund's performance with the performance of comparable funds and peer groups identified by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent data provider, and with the Janus Henderson Fund's benchmark index. In this regard, the independent fee consultant found that the overall Janus Henderson Funds' performance has been reasonable: for the 36 months ended September 30, 2019, approximately 69% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar, and for the 12 months ended September 30, 2019, approximately 71% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar.

The Trustees considered the performance of each Janus Henderson Fund, noting that performance may vary by share class, and noted the following with respect to the VIT Portfolios:

- For Janus Henderson Balanced Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance.

- For Janus Henderson Forty Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the third Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital and Intech had taken or were taking to improve performance, and the performance trend was improving.

In consideration of each Janus Henderson Fund's performance, the Trustees concluded that, taking into account the factors relevant to performance, as well as other considerations, including steps taken to improve performance, the Janus Henderson Fund's performance warranted continuation of such Janus Henderson Fund's investment advisory and subadvisory agreement(s).

Costs of Services Provided

The Trustees examined information regarding the fees and expenses of each Janus Henderson Fund in comparison to similar information for other comparable funds as provided by Broadridge, an independent data provider. They also reviewed an analysis of that information provided by their independent fee consultant and noted that the rate of management fees (investment advisory and any administration, but excluding out-of-pocket costs) for many of the Janus Henderson Funds, after applicable waivers, was below the average management fee rate of the respective peer group of funds selected by an independent data provider. The Trustees also examined information regarding the subadvisory fees charged for subadvisory services, as applicable, noting that all such fees were paid by Janus Capital out of its management fees collected from such Janus Henderson Fund.

The independent fee consultant provided its belief that the management fees charged by Janus Capital to each of the Janus Henderson Funds under the current investment advisory and administration agreements are reasonable in relation to the services provided by Janus Capital. The independent fee consultant found: (1) the total expenses and management fees of the Janus Henderson Funds to be reasonable relative to other mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of their respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 7% under the average management fees for their Expense Groups. The Trustees also considered the total expenses for each share class of

each Janus Henderson Fund compared to the average total expenses for its Broadridge Expense Group peers and to average total expenses for its Broadridge Expense Universe.

For certain Janus Henderson Funds, the independent fee consultant also performed a systematic "focus list" analysis of expenses which assessed fund fees in the context of fund performance being delivered. Based on this analysis, the independent fee consultant found that the combination of service quality/performance and expenses on these individual Janus Henderson Funds was reasonable in light of performance trends, performance histories, and existence of performance fees, breakpoints, and/or expense waivers on such Janus Henderson Funds.

The Trustees considered the methodology used by Janus Capital and each subadviser in determining compensation payable to portfolio managers, the competitive environment for investment management talent, and the competitive market for mutual funds in different distribution channels.

The Trustees also reviewed management fees charged by Janus Capital and each subadviser to comparable separate account clients and to comparable non-affiliated funds subadvised by Janus Capital or by a subadviser (for which Janus Capital or the subadviser provides only or primarily portfolio management services). Although in most instances subadvisory and separate account fee rates for various investment strategies were lower than management fee rates for Janus Henderson Funds having a similar strategy, the Trustees considered that Janus Capital noted that, under the terms of the management agreements with the Janus Henderson Funds, Janus Capital performs significant additional services for the Janus Henderson Funds that it does not provide to those other clients, including administration services, oversight of the Janus Henderson Funds' other service providers, trustee support, regulatory compliance and numerous other services, and that, in serving the Janus Henderson Funds, Janus Capital assumes many legal risks and other costs that it does not assume in servicing its other clients. Moreover, they noted that the independent fee consultant found that: (1) the management fees Janus Capital charges to the Janus Henderson Funds are reasonable in relation to the management fees Janus Capital charges to funds subadvised by Janus Capital and to the fees Janus Capital charges to its institutional separate account clients; (2) these subadvised and institutional separate accounts have different service and infrastructure needs; and (3) Janus Henderson mutual fund investors enjoy reasonable fees relative to the fees charged to Janus Henderson subadvised fund and separate account investors; (4) 11 of 12 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) six of nine Janus Henderson Funds have lower management fees than similar separate accounts managed by Janus Capital.

The Trustees considered the fees for each Janus Henderson Fund for its fiscal year ended in 2018, including the VIT Portfolios, and noted the following with regard to each VIT Portfolio's total expenses, net of applicable fee waivers (the VIT Portfolio's "total expenses"):

- For Janus Henderson Balanced Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.
- For Janus Henderson Forty Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.

- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for its sole share class.

The Trustees reviewed information on the overall profitability to Janus Capital and its affiliates of their relationship with the Janus Henderson Funds, and considered profitability data of other publicly traded mutual fund advisers. The Trustees recognized that profitability comparisons among fund managers are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund manager is affected by numerous factors, including the organizational structure of the particular fund manager, differences in complex size, difference in product mix, difference in types of business (mutual fund, institutional and other), differences in the types of funds and other accounts it manages, possible other lines of business, the methodology for allocating expenses, and the fund manager's capital structure and cost of capital.

Additionally, the Trustees considered the estimated profitability to Janus Capital from the investment management services it provided to each Janus Henderson Fund. In their review, the Trustees considered whether Janus Capital and each subadviser receive adequate incentives and resources to manage the Janus Henderson Funds effectively. In reviewing profitability, the Trustees noted that the estimated profitability for an individual Janus Henderson Fund is necessarily a product of the allocation methodology utilized by Janus Capital to allocate its expenses as part of the estimated profitability calculation. In this regard, the Trustees noted that the independent fee consultant found that (1) the expense allocation methodology and rationales utilized by Janus Capital were reasonable and (2) no clear correlation between expense allocations and operating margins. The Trustees also considered that the estimated profitability for an individual Janus Henderson Fund was influenced by a number of factors, including not only the allocation methodology selected, but also the presence of fee waivers and expense caps, and whether the Janus Henderson Fund's investment management agreement contained breakpoints or a performance fee component. The Trustees determined, after taking into account these factors, among others, that Janus Capital's estimated profitability with respect to each Janus Henderson Fund was not unreasonable in relation to the services provided, and that the variation in the range of such estimated profitability among the Janus Henderson Funds was not a material factor in the Board's approval of the reasonableness of any Janus Henderson Fund's investment management fees.

The Trustees concluded that the management fees payable by each Janus Henderson Fund to Janus Capital and its affiliates, as well as the fees paid by Janus Capital to the subadvisers of subadvised Janus Henderson Funds, were reasonable in relation to the nature, extent, and quality of the services provided, taking into account the fees charged by other advisers for managing comparable mutual funds with similar strategies, the fees Janus Capital and the subadvisers charge to other clients, and, as applicable, the impact of fund performance on management fees payable by the Janus Henderson Funds. The Trustees also concluded that each Janus Henderson Fund's total expenses were reasonable, taking into account the size of the Janus Henderson Fund, the quality of services provided by Janus Capital and any subadviser, the investment performance of the Janus Henderson Fund, and any expense limitations agreed to or provided by Janus Capital.

Economies of Scale

The Trustees considered information about the potential for Janus Capital to realize economies of scale as the assets of the Janus Henderson Funds increase. They noted that their independent fee consultant published a report to the Trustees in November 2019 which provided its research and analysis into economies of scale. They also noted that, although many Janus Henderson Funds pay advisory fees at a base fixed rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 64% of these Janus Henderson Funds' share classes have contractual management fees (gross of waivers) below their Broadridge expense group averages. They also noted the following: (1) that for those Janus Henderson Funds whose expenses are being reduced by the contractual expense limitations of Janus Capital, Janus Capital is subsidizing certain of these Janus Henderson Funds because they have not reached adequate scale; (2) as the assets of some of the Janus Henderson Funds have declined in the past few years, certain Janus Henderson Funds have benefited from having advisory fee rates that have remained constant rather than increasing as assets declined; (3) performance fee structures have been implemented for various Janus Henderson Funds that have caused the effective rate of advisory fees payable by such a

Janus Henderson Fund to vary depending on the investment performance of the Janus Henderson Fund relative to its benchmark index over the measurement period; and (4) a few Janus Henderson Funds have fee schedules with breakpoints and reduced fee rates above certain asset levels. The Trustees also noted that the Janus Henderson Funds share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of all of the Janus Henderson Funds.

The Trustees also considered the independent fee consultant's conclusion that, given the limitations of various analytical approaches to economies of scale and their conflicting results, it is difficult to analytically confirm or deny the existence of economies of scale in the Janus Henderson complex. In this regard, the independent consultant concluded that (1) to the extent there were economies of scale at Janus Capital, Janus Capital's general strategy of setting fixed management fees below peers appeared to share any such economies with investors even on smaller Janus Henderson Funds which have not yet achieved those economies and (2) by setting lower fixed fees from the start on these Janus Henderson Funds, Janus Capital appeared to be investing to increase the likelihood that these Janus Henderson Funds will grow to a level to achieve any scale economies that may exist. Further, the independent fee consultant provided its belief that Janus Henderson Fund investors are well-served by the fee levels and performance fee structures in place on the Janus Henderson Funds in light of any economies of scale that may be present at Janus Capital.

Based on all of the information reviewed, including the recent and past research and analysis conducted by the Trustees' independent fee consultant, the Trustees concluded that the current fee structure of each Janus Henderson Fund was reasonable and that the current rates of fees do reflect a sharing between Janus Capital and the Janus Henderson Fund of any economies of scale that may be present at the current asset level of the Janus Henderson Fund.

Other Benefits to Janus Capital

The Trustees also considered benefits that accrue to Janus Capital and its affiliates and subadvisers to the Janus Henderson Funds from their relationships with the Janus Henderson Funds. They recognized that two affiliates of Janus Capital separately serve the Janus Henderson Funds as transfer agent and distributor, respectively, and the transfer agent receives compensation directly from the non-money market funds for services provided, and that such compensation contributes to the overall profitability of Janus Capital and its affiliates that results from their relationship with the Janus Henderson Funds. The Trustees also considered Janus Capital's past and proposed use of commissions paid by the Janus Henderson Funds on portfolio brokerage transactions to obtain proprietary and third-party research products and services benefiting the Janus Henderson Fund and/or other clients of Janus Capital and/or Janus Capital, and/or a subadviser to a Janus Henderson Fund. The Trustees concluded that Janus Capital's and the subadvisers' use of these types of client commission arrangements to obtain proprietary and third-party research products and services was consistent with regulatory requirements and guidelines and was likely to benefit each Janus Henderson Fund. The Trustees also concluded that, other than the services provided by Janus Capital and its affiliates and subadvisers pursuant to the agreements and the fees to be paid by each Janus Henderson Fund therefor, the Janus Henderson Funds and Janus Capital and the subadvisers may potentially benefit from their relationship with each other in other ways. They concluded that Janus Capital and its affiliates share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of the Janus Henderson Funds and other clients serviced by Janus Capital and its affiliates. They also concluded that Janus Capital and/or the subadvisers benefit from the receipt of research products and services acquired through commissions paid on portfolio transactions of the Janus Henderson Funds and that the Janus Henderson Funds benefit from Janus Capital's and/or the subadvisers' receipt of those products and services as well as research products and services acquired through commissions paid by other clients of Janus Capital and/or other clients of the subadvisers. They further concluded that the success of any Janus Henderson Fund could attract other business to Janus Capital, the subadvisers or other Janus Henderson funds, and that the success of Janus Capital and the subadvisers could enhance Janus Capital's and the subadvisers' ability to serve the Janus Henderson Funds.

LIQUIDITY RISK MANAGEMENT PROGRAM

Janus Henderson Funds (other than the money market funds) have adopted and implemented a written liquidity risk management program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"). Rule 22e-4, requires open-end funds to adopt and implement a written liquidity risk management program that is reasonably designed to assess and manage liquidity risk, which is the risk that a fund could not meet redemption requests without significant dilution of remaining investors' interest in the fund. The LRMP

incorporates the following elements: (i) assessment, management, and periodic review of liquidity risk; (ii) classification of portfolio investments; (iii) the establishment and monitoring of a highly liquid investment minimum, as applicable; (iv) a 15% limitation on a Portfolio's illiquid investments; (v) redemptions in-kind; and (vi) board oversight.

The Trustees have designated Janus Capital Management LLC, the Portfolio's investment adviser ("Janus Capital"), as the Program Administrator for the LRMP responsible for administering the LRMP and carrying out the specific responsibilities of the LRMP. A working group comprised of various groups within Janus Capital's business is responsible for administering the LRMP and carrying out the specific responsibilities of different aspects of the LRMP.

The Liquidity Rule requires the Trustees to review at least annually a written report provided by the Program Administrator that addresses the operation of the LRMP and assesses its adequacy and the effectiveness of its implementation, including, if applicable, the operation of the highly liquid investment minimum, and any material changes to the LRMP (the "Program Administrator Report"). During the semi-annual period ended June 30, 2020, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from December 1, 2018 through December 31, 2019 (the "Reporting Period"). No significant liquidity events impacting the Portfolio were noted in the Program Administrator Report, and the Portfolio was able to process redemptions during the normal course of business during the Reporting Period. In addition, the Program Administrator expressed its belief in the Program Administrator Report that:

- the LRMP is reasonably designed and adequate to assess and manage the Portfolio's liquidity risk, taking into account the Portfolio's particular risks and circumstances, and includes policies and procedures reasonably designed to implement each required component of the Liquidity Rule; and
- the LRMP, including the Highly Liquid Investment Minimum where applicable, was implemented and operated effectively to achieve the goal of assessing and managing the Portfolio's liquidity risk.

There can be no assurance that the LRMP will achieve its objectives in the future. Please refer to your Fund's prospectus for more information regarding the risks to which an investment in the Fund may be subject.

Management Commentary

The Management Commentary in this report includes valuable insight as well as statistical information to help you understand how your Portfolio's performance and characteristics stack up against those of comparable indices.

If the Portfolio invests in foreign securities, this report may include information about country exposure. Country exposure is based primarily on the country of risk. A company may be allocated to a country based on other factors such as location of the company's principal office, the location of the principal trading market for the company's securities, or the country where a majority of the company's revenues are derived.

Please keep in mind that the opinions expressed in the Management Commentary are just that: opinions. They are a reflection based on best judgment at the time this report was compiled, which was June 30, 2020. As the investing environment changes, so could opinions. These views are unique and are not necessarily shared by fellow employees or by Janus Henderson in general.

Performance Overviews

Performance overview graphs compare the performance of a hypothetical $10,000 investment in the Portfolio with one or more widely used market indices. When comparing the performance of the Portfolio with an index, keep in mind that market indices are not available for investment and do not reflect deduction of expenses.

Average annual total returns are quoted for a Portfolio with more than one year of performance history. Average annual total return is calculated by taking the growth or decline in value of an investment over a period of time, including reinvestment of dividends and distributions, then calculating the annual compounded percentage rate that would have produced the same result had the rate of growth been constant throughout the period. Average annual total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Cumulative total returns are quoted for a Portfolio with less than one year of performance history. Cumulative total return is the growth or decline in value of an investment over time, independent of the period of time involved. Cumulative total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Pursuant to federal securities rules, expense ratios shown in the performance chart reflect subsidized (if applicable) and unsubsidized ratios. The total annual fund operating expenses ratio is gross of any fee waivers, reflecting the Portfolio's unsubsidized expense ratio. The net annual fund operating expenses ratio (if applicable) includes contractual waivers of Janus Capital and reflects the Portfolio's subsidized expense ratio. Ratios may be higher or lower than those shown in the "Financial Highlights" in this report.

Schedule of Investments

Following the performance overview section is the Portfolio's Schedule of Investments. This schedule reports the types of securities held in the Portfolio on the last day of the reporting period. Securities are usually listed by type (common stock, corporate bonds, U.S. Government obligations, etc.) and by industry classification (banking, communications, insurance, etc.). Holdings are subject to change without notice.

The value of each security is quoted as of the last day of the reporting period. The value of securities denominated in foreign currencies is converted into U.S. dollars.

If the Portfolio invests in foreign securities, it will also provide a summary of investments by country. This summary reports the Portfolio exposure to different countries by providing the percentage of securities invested in each country. The country of each security represents the country of risk. The Portfolio's Schedule of Investments relies upon the industry group and country classifications published by Barclays and/or MSCI Inc.

Tables listing details of individual forward currency contracts, futures, written options, swaptions, and swaps follow the Portfolio's Schedule of Investments (if applicable).

Statement of Assets and Liabilities

This statement is often referred to as the "balance sheet." It lists the assets and liabilities of the Portfolio on the last day of the reporting period.

Janus Henderson VIT Balanced Portfolio
Useful Information About Your Portfolio Report (unaudited)

The Portfolio's assets are calculated by adding the value of the securities owned, the receivable for securities sold but not yet settled, the receivable for dividends declared but not yet received on securities owned, and the receivable for Portfolio shares sold to investors but not yet settled. The Portfolio's liabilities include payables for securities purchased but not yet settled, Portfolio shares redeemed but not yet paid, and expenses owed but not yet paid. Additionally, there may be other assets and liabilities such as unrealized gain or loss on forward currency contracts.

The section entitled "Net Assets Consist of" breaks down the components of the Portfolio's net assets. Because the Portfolio must distribute substantially all earnings, you will notice that a significant portion of net assets is shareholder capital.

The last section of this statement reports the net asset value ("NAV") per share on the last day of the reporting period. The NAV is calculated by dividing the Portfolio's net assets for each share class (assets minus liabilities) by the number of shares outstanding.

Statement of Operations

This statement details the Portfolio's income, expenses, realized gains and losses on securities and currency transactions, and changes in unrealized appreciation or depreciation of Portfolio holdings.

The first section in this statement, entitled "Investment Income," reports the dividends earned from securities and interest earned from interest-bearing securities in the Portfolio.

The next section reports the expenses incurred by the Portfolio, including the advisory fee paid to the investment adviser, transfer agent fees and expenses, and printing and postage for mailing statements, financial reports and prospectuses. Expense offsets and expense reimbursements, if any, are also shown.

The last section lists the amounts of realized gains or losses from investment and foreign currency transactions, and changes in unrealized appreciation or depreciation of investments and foreign currency-denominated assets and liabilities. The Portfolio will realize a gain (or loss) when it sells its position in a particular security. A change in unrealized gain (or loss) refers to the change in net appreciation or depreciation of the Portfolio during the reporting period. "Net Realized and Unrealized Gain/(Loss) on Investments" is affected both by changes in the market value of Portfolio holdings and by gains (or losses) realized during the reporting period.

Statements of Changes in Net Assets

These statements report the increase or decrease in the Portfolio's net assets during the reporting period. Changes in the Portfolio's net assets are attributable to investment operations, dividends and distributions to investors, and capital share transactions. This is important to investors because it shows exactly what caused the Portfolio's net asset size to change during the period.

The first section summarizes the information from the Statement of Operations regarding changes in net assets due to the Portfolio's investment operations. The Portfolio's net assets may also change as a result of dividend and capital gains distributions to investors. If investors receive their dividends and/or distributions in cash, money is taken out of the Portfolio to pay the dividend and/or distribution. If investors reinvest their dividends and/or distributions, the Portfolio's net assets will not be affected. If you compare the Portfolio's "Net Decrease from Dividends and Distributions" to "Reinvested Dividends and Distributions," you will notice that dividends and distributions have little effect on the Portfolio's net assets. This is because the majority of the Portfolio's investors reinvest their dividends and/or distributions.

The reinvestment of dividends and distributions is included under "Capital Share Transactions." "Capital Shares" refers to the money investors contribute to the Portfolio through purchases or withdrawals via redemptions. The Portfolio's net assets will increase and decrease in value as investors purchase and redeem shares from the Portfolio.

Financial Highlights

This schedule provides a per-share breakdown of the components that affect the Portfolio's NAV for current and past reporting periods as well as total return, asset size, ratios, and portfolio turnover rate.

The first line in the table reflects the NAV per share at the beginning of the reporting period. The next line reports the net investment income/(loss) per share. Following is the per share total of net gains/(losses), realized and unrealized. Per share dividends and distributions to investors are then subtracted to arrive at the NAV per share at the end of the period. The next line reflects the total return for the period. The total return may include adjustments in accordance with

generally accepted accounting principles required at the period end for financial reporting purposes. As a result, the total return may differ from the total return reflected for individual shareholder transactions. Also included are ratios of expenses and net investment income to average net assets.

The Portfolio's expenses may be reduced through expense offsets and expense reimbursements. The ratios shown reflect expenses before and after any such offsets and reimbursements.

The ratio of net investment income/(loss) summarizes the income earned less expenses, divided by the average net assets of the Portfolio during the reporting period. Do not confuse this ratio with the Portfolio's yield. The net investment income ratio is not a true measure of the Portfolio's yield because it does not take into account the dividends distributed to the Portfolio's investors.

The next figure is the portfolio turnover rate, which measures the buying and selling activity in the Portfolio. Portfolio turnover is affected by market conditions, changes in the asset size of the Portfolio, fluctuating volume of shareholder purchase and redemption orders, the nature of the Portfolio's investments, and the investment style and/or outlook of the portfolio manager(s) and/or investment personnel. A 100% rate implies that an amount equal to the value of the entire portfolio was replaced once during the fiscal year; a 50% rate means that an amount equal to the value of half the portfolio is traded in a year; and a 200% rate means that an amount equal to the value of the entire portfolio is traded every six months.

Janus Henderson VIT Balanced Portfolio
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Notes

Janus Henderson VIT Balanced Portfolio
Notes

Knowledge Shared

At Janus Henderson, we believe in the sharing of expert insight for better investment and business decisions. We call this ethos Knowledge Shared.

Learn more by visiting janushenderson.com.

Janus Henderson
INVESTORS

This report is submitted for the general information of shareholders of the Portfolio. It is not an offer or solicitation for the Portfolio and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

Janus Henderson Distributors

109-24-81113 08-20

SEMIANNUAL REPORT
June 30, 2020

Janus Henderson VIT Enterprise Portfolio

Janus Aspen Series

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the insurance company that offers your variable life insurance contract or variable annuity contract, may determine that it will no longer send you paper copies of the Portfolio's shareholder reports, unless you specifically request paper copies of the reports. Beginning on January 1, 2021, for shareholders who are not insurance contract holders, paper copies of the Portfolio's shareholder reports will no longer be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and your insurance company or plan sponsor, broker-dealer, or financial intermediary will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company or plan sponsor, broker-dealer, or financial intermediary.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Portfolio electronically by contacting your insurance company or plan sponsor, broker-dealer, or other financial intermediary.

You may elect to receive all future reports in paper free of charge by contacting your insurance company or plan sponsor, broker dealer or other financial intermediary. Your election to receive reports in paper will apply to all funds held in your account with your insurance company or plan sponsor, broker dealer or other financial intermediary.

HIGHLIGHTS

- Portfolio management perspective
- Investment strategy behind your portfolio
- Portfolio performance, characteristics and holdings

Janus Henderson
INVESTORS

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Janus Henderson VIT Enterprise Portfolio (unaudited)(closed to certain new investors)

PORTFOLIO SNAPSHOT

We believe that investing in companies with sustainable growth and high return on invested capital can drive consistent returns and allow us to outperform our benchmark and peers over time, with moderate risk. We seek to identify mid-cap companies with high-quality management teams that wisely allocate capital to fund and drive growth over time.


Philip Cody Wheaton
co-portfolio manager


Brian Demain
co-portfolio manager

PERFORMANCE OVERVIEW

During the six months ended June 30, 2019, Janus Henderson VIT Enterprise Portfolio's Institutional Shares and Service Shares returned -6.92% and -7.02, respectively. Meanwhile, the Portfolio's benchmark, the Russell Midcap® Growth Index, returned 4.16%.

INVESTMENT ENVIRONMENT

Mid-cap stocks experienced heightened volatility in the first half of 2020 as the COVID 19 outbreak that began in China spread worldwide, disrupting travel and supply chains. The pandemic halted economic activity and triggered a first quarter equity sell-off of historic proportions. Stocks recovered ground in the second quarter as declining COVID-19 infection rates led many states to reopen their economies in May and June. As a result, investors looked past weak economic data to focus on prospects for recovery later this year. The Federal Reserve (Fed) provided support for the U.S. economy with near-zero interest rates and expanded asset buying.

PERFORMANCE DISCUSSION

In our view, one of the most stunning developments of this unprecedented period has been the extreme outperformance of the most expensive index stocks – both through the market decline in the first quarter and the rebound of the second quarter. Segmenting the Index into deciles based on a price-to-sales basis, the most expensive decile had a total return of 50.2% for the first half of 2020, compared to a 4.2% total return for the Index. Additionally, the second most-expensive decile's total return was 22.6% in the first half of 2020. The remaining 80% of the benchmark's contribution to return was -5.1%.

An unusual combination of factors has contributed to this imbalance, including a winner-take-all economy that allows companies to quickly scale and dominate markets. Fed stimulus has also fueled higher valuations for growth stocks. Many of these companies may take years to reach profitability, and falling interest rates have reduced the market's discounting mechanism. This combination of inexpensive capital and the Fed's willingness to backstop debt markets has likely encouraged investors to take on greater risk. Additionally, heightened uncertainty around COVID-19 has led investors to pay high prices for any stocks they view as either insulated or benefiting from disruptions to the physical economy. This confluence of forces has pushed valuations higher even when companies have not substantially raised their revenue or earnings outlooks. Instead, these valuation increases have been driven by multiple expansion, a dynamic we find worrisome and unsustainable. In our view, these expensive stocks, in many cases, will fail to produce the future growth rates needed to justify current valuations.

While our more cautious approach to these overvalued stocks hurt relative performance, we recognize a wider disconnect with the capitalization-weighted Index itself. The Russell Midcap Growth Index has become increasingly narrow, shrinking from 500 names in 2016 to just 330 today. (It shrunk 18% with the recent June reconstitution.) As the Index has shrunk, more moderate growth stocks have fallen away, while a few high-value names are having an outsized effect. Worrisome to us, as the Index has become more concentrated, is it has also become more expensive. The Index forward price-to-earnings ratio reached 41.7 as of June 30, compared with a multiple of 31 before the June reconstitution, and an average of 20 to 25 over the last seven years. In other words, the recent reconstitution has made the Index 26% more expensive just by reweighting the highest multiple stocks.

While the Index may have changed, our investment approach has not. We remain disciplined growth investors with a focus on risk-adjusted returns. This requires not just finding great companies with the potential for superior long-term growth but also managing risk exposure by not overpaying for them. This balanced, selective approach has worked for us long term, and it has helped us identify a cohort of reasonably valued, dynamic growth companies we believe are ideal for the Portfolio. As a result, while our more cautious approach to high value stocks dampened performance relative to the Russell Midcap Growth Index, our stock picking helped us outperform the broader mid-cap market, as reflected by the Russell Midcap® Index.

DERIVATIVES USE

Please see the Derivative Instruments section in the "Notes to Financial Statements" for a discussion of derivatives used by the Portfolio.

OUTLOOK

Looking ahead, we recognize that heighted uncertainty around COVID-19 may persist in the near term, contributing to some unusual market dynamics. At the same time, we believe a rally fueled by multiple expansion is not sustainable long term. Rather than trying to predict the timing of market shifts, we remain committed to our long-term investment approach that focuses on a three- to five-year time horizon. We would also note that while we will not pay any price for growth, we recognize the pitfalls of value investing in a period of tremendous business disruption. We have no interest in buying stocks that appear undervalued but face considerable structural headwinds. Instead, we have tried to find a middle way, focusing on well-managed, fundamentally strong growth companies with durable competitive advantages and strong earnings trajectories that we believe fully support their valuations. This philosophy has worked to our advantage over the long term, and we believe it is the best way to manage near-term uncertainty and ultimately deliver strong risk-adjusted returns.

Thank you for your investment in Janus Henderson VIT Enterprise Portfolio.

Janus Henderson VIT Enterprise Portfolio (unaudited)(closed to certain new investors)
Portfolio At A Glance
June 30, 2020

5 Top Contributors - Holdings

	Average Weight	Relative Contribution
Wayfair Inc	0.69%	0.66%
Nice Ltd (ADR)	2.71%	0.42%
Catalent Inc	1.28%	0.28%
Crown Castle International Corp	2.16%	0.28%
Royalty Pharma PLC - Class A	0.06%	0.26%

5 Top Detractors - Holdings

	Average Weight	Relative Contribution
Sensata Technologies Holding PLC	1.60%	-0.65%
Magellan Midstream Partners LP	1.60%	-0.58%
Norwegian Cruise Line Holdings Ltd	0.29%	-0.56%
Boston Scientific Corp	1.94%	-0.56%
Cimpress PLC	0.90%	-0.52%

5 Top Contributors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell Midcap Growth Index Average Weight
Communication Services	0.11%	0.50%	4.50%
Materials	0.07%	0.99%	2.63%
Other**	0.00%	5.81%	0.00%
Consumer Staples	-0.04%	0.00%	3.35%
Energy	-0.10%	1.60%	0.92%

5 Top Detractors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell Midcap Growth Index Average Weight
Information Technology	-4.19%	33.87%	35.21%
Health Care	-3.40%	17.96%	16.34%
Financials	-1.78%	11.81%	4.31%
Industrials	-1.17%	16.59%	16.11%
Consumer Discretionary	-0.46%	6.85%	13.83%

Relative contribution reflects how the portolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown. For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, excluding fixed income securities, gross of advisory fees, may exclude certain derivatives and will differ from actual performance. Performance attribution reflects returns gross of advisory fees and may differ from actual returns as they are based on end of day holdings. Attribution is calculated by geometrically linking daily returns for the portfolio and index.

* Based on sector classification according to the Global Industry Classification Standard ("GICS") codes, which are the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.

** Not a GICS classified sector.

Janus Henderson VIT Enterprise Portfolio (unaudited)(closed to certain new investors)
Portfolio At A Glance
June 30, 2020

5 Largest Equity Holdings - (% of Net Assets)

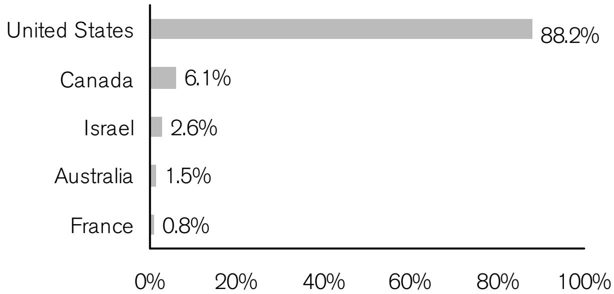
Constellation Software Inc/Canada	
Software	2.9%
Nice Ltd (ADR)	
Software	2.6%
Microchip Technology Inc	
Semiconductor & Semiconductor Equipment	2.5%
SS&C Technologies Holdings Inc	
Software	2.4%
Aon PLC	
Insurance	2.2%
	12.6%

Asset Allocation - (% of Net Assets)

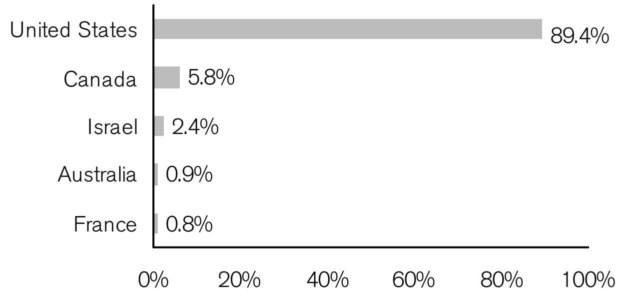
Common Stocks	94.5%
Investment Companies	5.0%
Investments Purchased with Cash Collateral from Securities Lending	1.0%
Limited Partnership Interests	0.4%
Other	(0.9)%
	100.0%

Top Country Allocations - Long Positions - (% of Investment Securities)

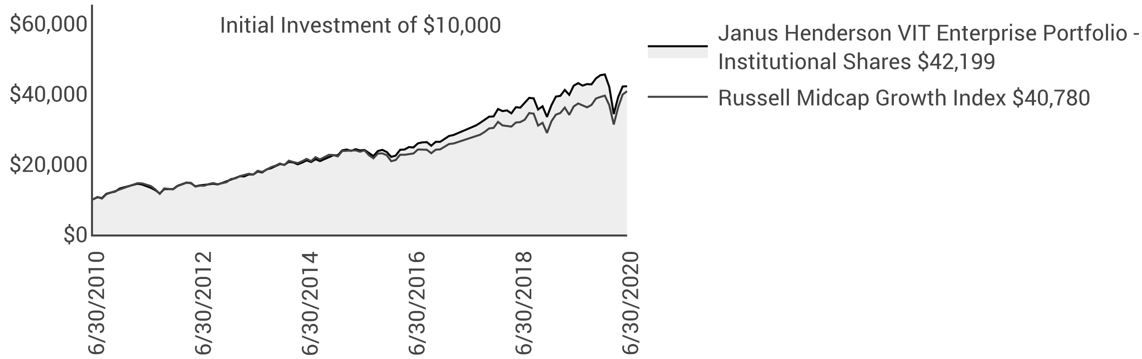
As of June 30, 2020



As of December 31, 2019



Janus Henderson VIT Enterprise Portfolio (unaudited)(closed to certain new investors)
Performance



Average Annual Total Return - for the periods ended June 30, 2020 | **Expense Ratios**

	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Total Annual Fund Operating Expenses‡
Institutional Shares(1)	-6.92%	-0.35%	12.01%	15.49%	10.93%	0.72%
Service Shares(1)	-7.02%	-0.59%	11.73%	15.20%	10.65%	0.97%
Russell Midcap Growth Index	4.16%	11.91%	11.60%	15.09%	10.09%	
Morningstar Quartile - Institutional Shares	-	4th	1st	1st	2nd	
Morningstar Ranking - based on total returns for Mid-Cap Growth Funds	-	553/608	163/564	96/509	47/150	

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit janushenderson.com/VITperformance.

Performance may be affected by risks that include those associated with non-diversification, portfolio turnover, short sales, potential conflicts of interest, foreign and emerging markets, initial public offerings (IPOs), high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), derivatives, and commodity-linked investments. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

Returns do not reflect the deduction of fees, charges or expenses of any insurance product or qualified plan. If applied, returns would have been lower.

Returns include reinvestment of all dividends and distributions and do not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares. The returns do not include adjustments in accordance with generally accepted accounting principles required at the period end for financial reporting purposes.

Performance for Service Shares prior to December 31, 1999 reflects the performance of Institutional Shares, adjusted to reflect the expenses of Service Shares.

Ranking is for the share class shown only; other classes may have different performance characteristics.

There is no assurance that the investment process will consistently lead to successful investing.

See Notes to Schedule of Investments and Other Information for index definitions.

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

See "Useful Information About Your Portfolio Report."

See important disclosures on the next page.

Janus Henderson VIT Enterprise Portfolio (unaudited)(closed to certain new investors)
Performance

*The Portfolio's inception date – September 13, 1993

‡ As stated in the prospectus. See Financial Highlights for actual expense ratios during the reporting period.

(1) Closed to certain new investors.

Janus Henderson VIT Enterprise Portfolio (unaudited)(closed to certain new investors)
Expense Examples

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; 12b-1 distribution and shareholder servicing fees (applicable to Service Shares only); transfer agent fees and expenses payable pursuant to the Transfer Agency Agreement; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The example is based upon an investment of $1,000 invested at the beginning of the period and held for the six-months indicated, unless noted otherwise in the table and footnotes below.

Actual Expenses

The information in the table under the heading "Actual" provides information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, 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 in the appropriate column for your share class under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The information in the table under the heading "Hypothetical (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based upon the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. 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 may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Additionally, for an analysis of the fees associated with an investment in either share class or other similar funds, please visit www.finra.org/fundanalyzer.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as any charges at the separate account level or contract level. These fees are fully described in the Portfolio's prospectuses. Therefore, the hypothetical examples are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Net Annualized Expense Ratio (1/1/20 - 6/30/20)
Institutional Shares	$1,000.00	$930.80	$3.41	$1,000.00	$1,021.33	$3.57	0.71%
Service Shares	$1,000.00	$929.80	$4.61	$1,000.00	$1,020.09	$4.82	0.96%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period). Expenses in the examples include the effect of applicable fee waivers and/or expense reimbursements, if any. Had such waivers and/or reimbursements not been in effect, your expenses would have been higher. Please refer to the Notes to Financial Statements or the Portfolio's prospectuses for more information regarding waivers and/or reimbursements.

Janus Henderson VIT Enterprise Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	*Value*
Common Stocks – 94.5%		
Aerospace & Defense – 2.9%		
HEICO Corp	66,397	$5,394,092
L3Harris Technologies Inc	105,294	17,865,233
Teledyne Technologies Inc*	58,119	18,072,103
		41,331,428
Airlines – 0.6%		
Ryanair Holdings PLC (ADR)*	135,999	9,022,174
Auto Components – 0.4%		
Visteon Corp*	80,376	5,505,756
Banks – 0.6%		
SVB Financial Group*	37,050	7,985,387
Biotechnology – 1.4%		
Ascendis Pharma A/S (ADR)*	24,707	3,654,165
Neurocrine Biosciences Inc*	66,089	8,062,858
Sarepta Therapeutics Inc*	53,767	8,621,001
		20,338,024
Capital Markets – 3.5%		
Cboe Global Markets Inc	105,467	9,837,962
LPL Financial Holdings Inc	319,066	25,014,774
MSCI Inc	23,957	7,997,326
TD Ameritrade Holding Corp	208,925	7,600,692
		50,450,754
Commercial Services & Supplies – 2.7%		
Cimpress PLC*	150,495	11,488,788
Edenred	251,829	11,000,699
Ritchie Bros Auctioneers Inc	377,759	15,431,455
		37,920,942
Containers & Packaging – 1.0%		
Sealed Air Corp	451,026	14,816,204
Diversified Consumer Services – 1.5%		
frontdoor Inc*	181,704	8,054,938
ServiceMaster Global Holdings Inc*	382,086	13,636,649
		21,691,587
Electric Utilities – 0.7%		
Alliant Energy Corp	196,004	9,376,831
Electrical Equipment – 1.5%		
Sensata Technologies Holding PLC*	581,594	21,652,745
Electronic Equipment, Instruments & Components – 5.0%		
Dolby Laboratories Inc	240,399	15,835,082
Flex Ltd*	1,352,370	13,861,793
National Instruments Corp	424,583	16,435,608
TE Connectivity Ltd	313,876	25,596,588
		71,729,071
Entertainment – 0.4%		
Liberty Media Corp-Liberty Formula One*	188,106	5,964,841
Equity Real Estate Investment Trusts (REITs) – 3.4%		
Crown Castle International Corp	163,409	27,346,496
Lamar Advertising Co	314,915	21,023,725
		48,370,221
Health Care Equipment & Supplies – 8.3%		
Boston Scientific Corp*	733,376	25,748,831
Cooper Cos Inc	88,909	25,218,149
Dentsply Sirona Inc	240,712	10,605,771
ICU Medical Inc*	55,143	10,163,406
STERIS PLC	156,627	24,032,847
Teleflex Inc	39,161	14,253,821
Varian Medical Systems Inc*	72,022	8,824,135
		118,846,960

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – (continued)		
Hotels, Restaurants & Leisure – 1.7%		
Aramark	333,527	$7,527,704
Dunkin' Brands Group Inc	253,335	16,525,042
		24,052,746
Industrial Conglomerates – 0.5%		
Carlisle Cos Inc	60,476	7,237,163
Information Technology Services – 11.5%		
Amdocs Ltd	369,156	22,474,217
Broadridge Financial Solutions Inc	230,043	29,029,126
Euronet Worldwide Inc*	55,068	5,276,616
Fidelity National Information Services Inc	188,370	25,258,533
Global Payments Inc	181,579	30,799,430
GoDaddy Inc*	382,310	28,034,792
WEX Inc*	138,445	22,844,809
		163,717,523
Insurance – 6.5%		
Aon PLC	163,736	31,535,554
Intact Financial Corp	252,478	24,033,212
Willis Towers Watson PLC	85,231	16,786,245
WR Berkley Corp	368,251	21,097,100
		93,452,111
Internet & Direct Marketing Retail – 1.4%		
Wayfair Inc*,#	98,436	19,451,938
Life Sciences Tools & Services – 5.2%		
IQVIA Holdings Inc*	142,379	20,200,733
PerkinElmer Inc	304,273	29,846,139
PRA Health Sciences Inc*	103,949	10,113,198
Waters Corp*	79,450	14,332,780
		74,492,850
Machinery – 3.0%		
Ingersoll Rand Inc*	354,303	9,963,000
Middleby Corp*	86,192	6,803,997
Rexnord Corp	451,039	13,147,787
Wabtec Corp	230,728	13,283,011
		43,197,795
Oil, Gas & Consumable Fuels – 1.5%		
Magellan Midstream Partners LP	506,502	21,865,691
Pharmaceuticals – 3.5%		
Bristol-Myers Squibb Co	157,065	9,235,422
Catalent Inc*	289,724	21,236,769
Elanco Animal Health Inc*	427,846	9,177,297
Royalty Pharma PLC - Class A*	203,963	9,902,404
		49,551,892
Professional Services – 4.0%		
CoStar Group Inc*	26,849	19,080,779
IHS Markit Ltd	164,698	12,434,699
Verisk Analytics Inc	149,139	25,383,458
		56,898,936
Semiconductor & Semiconductor Equipment – 8.6%		
KLA Corp	152,971	29,749,800
Lam Research Corp	71,717	23,197,581
Microchip Technology Inc	341,587	35,972,527
ON Semiconductor Corp*	993,366	19,688,514
Xilinx Inc	143,235	14,092,892
		122,701,314
Software – 10.5%		
Atlassian Corp PLC*	118,781	21,412,651
Ceridian HCM Holding Inc*	138,634	10,989,517
Constellation Software Inc/Canada	36,314	41,008,816

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – (continued)		
Software – (continued)		
Dynatrace Inc*	148,136	$6,014,322
Nice Ltd (ADR)*	197,967	37,463,275
SS&C Technologies Holdings Inc	596,849	33,710,032
		150,598,613
Specialty Retail – 1.5%		
CarMax Inc*	232,130	20,787,242
Textiles, Apparel & Luxury Goods – 0.5%		
Gildan Activewear Inc	503,751	7,803,103
Trading Companies & Distributors – 0.7%		
Ferguson PLC	124,438	10,177,968
Total Common Stocks (cost $825,920,389)		1,350,989,810
Limited Partnership Interests – 0.4%		
Biotechnology – 0.4%		
RPI International Holdings LP§ (cost $2,783,572)	135,120	5,904,068
Investment Companies – 5.0%		
Money Markets – 5.0%		
Janus Henderson Cash Liquidity Fund LLC, 0.1535%∞,£ (cost $70,874,908)	70,873,303	70,880,390
Investments Purchased with Cash Collateral from Securities Lending – 1.0%		
Investment Companies – 0.8%		
Janus Henderson Cash Collateral Fund LLC, 0.0368%∞,£	11,899,932	11,899,932
Time Deposits – 0.2%		
Royal Bank of Canada, 0.0900%, 7/1/20	$2,974,983	2,974,983
Total Investments Purchased with Cash Collateral from Securities Lending (cost $14,874,915)		14,874,915
Total Investments (total cost $914,453,784) – 100.9%		1,442,649,183
Liabilities, net of Cash, Receivables and Other Assets – (0.9)%		(13,211,527)
Net Assets – 100%		$1,429,437,656

Summary of Investments by Country - (Long Positions) (unaudited)

Country	*Value*	*% of Investment Securities*
United States	$1,271,819,633	88.2 %
Canada	88,276,586	6.1
Israel	37,463,275	2.6
Australia	21,412,651	1.5
France	11,000,699	0.8
Ireland	9,022,174	0.6
Denmark	3,654,165	0.2
Total	$1,442,649,183	100.0 %

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Schedules of Affiliated Investments – (% of Net Assets)

	Dividend Income	Realized Gain/(Loss)	Change in Unrealized Appreciation/ Depreciation	Value at 6/30/20
Investment Companies - 5.0%				
Money Markets - 5.0%				
Janus Henderson Cash Liquidity Fund LLC, 0.1535%ºº	$ 406,580	$ 5,632	$ 7,044	$ 70,880,390
Investments Purchased with Cash Collateral from Securities Lending - 0.8%				
Investment Companies - 0.8%				
Janus Henderson Cash Collateral Fund LLC, 0.0368%ºº	8,655[Δ]	-	-	11,899,932
Total Affiliated Investments - 5.8%	$ 415,235	$ 5,632	$ 7,044	$ 82,780,322

	Value at 12/31/19	Purchases	Sales Proceeds	Value at 6/30/20
Investment Companies - 5.0%				
Money Markets - 5.0%				
Janus Henderson Cash Liquidity Fund LLC, 0.1535%ºº	106,440,118	88,005,359	(123,577,763)	70,880,390
Investments Purchased with Cash Collateral from Securities Lending - 0.8%				
Investment Companies - 0.8%				
Janus Henderson Cash Collateral Fund LLC, 0.0368%ºº	3,921,920	103,041,817	(95,063,805)	11,899,932

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Schedule of Forward Foreign Currency Exchange Contracts, Open

Counterparty/ Foreign Currency	*Settlement Date*	*Foreign Currency Amount (Sold)/ Purchased*		*USD Currency Amount (Sold)/ Purchased*		*Market Value and Unrealized Appreciation/ (Depreciation)*
Barclays Capital, Inc.:						
Canadian Dollar	7/16/20	(2,572,000)	$	1,832,868		(62,018)
Citibank, National Association:						
Canadian Dollar	9/24/20	(5,865,000)		4,300,500		(21,100)
Euro	9/24/20	(4,748,000)		5,340,112		(3,354)
						(24,454)
Credit Suisse International:						
Canadian Dollar	9/10/20	(11,974,000)		8,872,522		49,772
HSBC Securities (USA), Inc.:						
Canadian Dollar	9/24/20	(10,802,000)		7,910,007		(49,402)
Euro	9/24/20	(3,692,800)		4,149,551		(6,377)
						(55,779)
JPMorgan Chase Bank, National Association:						
Euro	7/16/20	(8,843,000)		9,556,354		(381,275)
Total					$	(473,754)

The following table, grouped by derivative type, provides information about the fair value and location of derivatives within the Statement of Assets and Liabilities as of June 30, 2020.

Fair Value of Derivative Instruments (not accounted for as hedging instruments) as of June 30, 2020

	Currency Contracts
Asset Derivatives:	
Forward foreign currency exchange contracts	$ 49,772
Liability Derivatives:	
Forward foreign currency exchange contracts	$523,526

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Schedule of Investments (unaudited)
June 30, 2020

The following tables provide information about the effect of derivatives and hedging activities on the Portfolio's Statement of Operations for the period ended June 30, 2020.

The effect of Derivative Instruments (not accounted for as hedging instruments) on the Statement of Operations for the period ended June 30, 2020

Amount of Realized Gain/(Loss) Recognized on Derivatives

Derivative	*Currency Contracts*
Forward foreign currency exchange contracts	$1,396,271

Amount of Change in Unrealized Appreciation/Depreciation Recognized on Derivatives

Derivative	*Currency Contracts*
Forward foreign currency exchange contracts	$ 55,089

Please see the "Net Realized Gain/(Loss) on Investments" and "Change in Unrealized Net Appreciation/Depreciation" sections of the Portfolio's Statement of Operations.

Average Ending Monthly Market Value of Derivative Instruments During the Period Ended June 30, 2020

	Market Value[(a)]
Forward foreign currency exchange contracts, sold	$ 44,409,861

(a) Forward foreign currency exchange contracts are reported as the average ending monthly currency amount sold.

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Russell Midcap® Growth Index	Russell Midcap® Growth Index reflects the performance of U.S. mid-cap equities with higher price-to-book ratios and higher forecasted growth values.
ADR	American Depositary Receipt
LLC	Limited Liability Company
LP	Limited Partnership
PLC	Public Limited Company

*	Non-income producing security.
ºº	Rate shown is the 7-day yield as of June 30, 2020.
#	Loaned security; a portion of the security is on loan at June 30, 2020.
£	The Portfolio may invest in certain securities that are considered affiliated companies. As defined by the Investment Company Act of 1940, as amended, an affiliated company is one in which the Portfolio owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control.
Δ	Net of income paid to the securities lending agent and rebates paid to the borrowing counterparties.

§ Schedule of Restricted Securities (as of June 30, 2020)

	Acquisition Date	*Cost*	*Value*	*Value as a % of Net Assets*
RPI International Holdings LP	2/4/20	$ 2,783,572	$ 5,904,068	0.4%

The Portfolio has registration rights for certain restricted securities held as of June 30, 2020. The issuer incurs all registration costs.

The following is a summary of the inputs that were used to value the Portfolio's investments in securities and other financial instruments as of June 30, 2020. See Notes to Financial Statements for more information.

Valuation Inputs Summary

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Assets			
Investments In Securities:			
Common Stocks			
Commercial Services & Supplies	$ 26,920,243	$ 11,000,699	$ -
Trading Companies & Distributors	-	10,177,968	-
All Other	1,302,890,900	-	-
Limited Partnership Interests	-	5,904,068	-
Investment Companies	-	70,880,390	-
Investments Purchased with Cash Collateral from Securities Lending	-	14,874,915	-
Total Investments in Securities	$ 1,329,811,143	$ 112,838,040	$ -
Other Financial Instruments[(a)]:			
Forward Foreign Currency Exchange Contracts	-	49,772	-
Total Assets	$ 1,329,811,143	$ 112,887,812	$ -
Liabilities			
Other Financial Instruments[(a)]:			
Forward Foreign Currency Exchange Contracts	$ -	$ 523,526	$ -

(a) Other financial instruments include forward foreign currency exchange, futures, written options, written swaptions, and swap contracts. Forward foreign currency exchange contracts are reported at their unrealized appreciation/(depreciation) at measurement date, which represents the change in the contract's value from trade date. Futures, certain written options on futures, and centrally cleared swap contracts are reported at their variation margin at measurement date, which represents the amount due to/from the Portfolio at that date. Written options, written swaptions, and other swap contracts are reported at their market value at measurement date.

Janus Henderson VIT Enterprise Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2020

Assets:		
Unaffiliated investments, at value(1)(2)	$	1,359,868,861
Affiliated investments, at value(3)		82,780,322
Forward foreign currency exchange contracts		49,772
Closed foreign currency contracts		22,233
Non-interested Trustees' deferred compensation		29,375
Receivables:		
Investments sold		3,763,658
Portfolio shares sold		705,382
Dividends		431,314
Dividends from affiliates		11,686
Other assets		6,832
Total Assets		1,447,669,435
Liabilities:		
Due to custodian		541
Foreign cash due to custodian		51
Collateral for securities loaned (Note 3)		14,874,915
Forward foreign currency exchange contracts		523,526
Closed foreign currency contracts		740,028
Payables:		
Advisory fees		754,291
Portfolio shares repurchased		683,218
Investments purchased		288,434
12b-1 Distribution and shareholder servicing fees		153,394
Transfer agent fees and expenses		63,103
Non-interested Trustees' deferred compensation fees		29,375
Professional fees		18,489
Non-interested Trustees' fees and expenses		7,487
Custodian fees		3,348
Affiliated portfolio administration fees payable		2,946
Accrued expenses and other payables		88,633
Total Liabilities		18,231,779
Net Assets	$	1,429,437,656
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	873,665,691
Total distributable earnings (loss)		555,771,965
Total Net Assets	$	1,429,437,656
Net Assets - Institutional Shares	$	684,352,728
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		9,323,593
Net Asset Value Per Share	$	73.40
Net Assets - Service Shares	$	745,084,928
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		10,920,425
Net Asset Value Per Share	$	68.23

(1) Includes cost of $831,678,944.
(2) Includes $14,582,150 of securities on loan. See Note 3 in Notes to Financial Statements.
(3) Includes cost of $82,774,840.

See Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2020

Investment Income:		
Dividends	$	7,220,594
Dividends from affiliates		406,580
Affiliated securities lending income, net		8,655
Unaffiliated securities lending income, net		862
Other income		13
Foreign tax withheld		(123,372)
Total Investment Income		7,513,332
Expenses:		
Advisory fees		4,506,406
12b-1 Distribution and shareholder servicing fees:		
Service Shares		900,975
Transfer agent administrative fees and expenses:		
Institutional Shares		171,868
Service Shares		180,195
Other transfer agent fees and expenses:		
Institutional Shares		18,773
Service Shares		10,074
Shareholder reports expense		32,464
Professional fees		21,977
Affiliated portfolio administration fees		17,603
Non-interested Trustees' fees and expenses		13,147
Registration fees		12,431
Custodian fees		8,627
Other expenses		61,436
Total Expenses		5,955,976
Net Investment Income/(Loss)		1,557,356
Net Realized Gain/(Loss) on Investments:		
Investments and foreign currency transactions		22,695,331
Investments in affiliates		5,632
Forward foreign currency exchange contracts		1,396,271
Total Net Realized Gain/(Loss) on Investments		24,097,234
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation		(137,312,752)
Investments in affiliates		7,044
Forward foreign currency exchange contracts		55,089
Total Change in Unrealized Net Appreciation/Depreciation		(137,250,619)
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	(111,596,029)

See Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Statements of Changes in Net Assets

	Period ended June 30, 2020 (unaudited)	Year ended December 31, 2019
Operations:		
Net investment income/(loss)	$ 1,557,356	$ 3,462,396
Net realized gain/(loss) on investments	24,097,234	111,811,975
Change in unrealized net appreciation/depreciation	(137,250,619)	298,949,675
Net Increase/(Decrease) in Net Assets Resulting from Operations	(111,596,029)	414,224,046
Dividends and Distributions to Shareholders:		
Institutional Shares	(51,851,531)	(41,927,038)
Service Shares	(59,611,141)	(45,398,321)
Net Decrease from Dividends and Distributions to Shareholders	(111,462,672)	(87,325,359)
Capital Share Transactions:		
Institutional Shares	1,653,833	50,633,453
Service Shares	38,390,896	68,470,182
Net Increase/(Decrease) from Capital Share Transactions	40,044,729	119,103,635
Net Increase/(Decrease) in Net Assets	(183,013,972)	446,002,322
Net Assets:		
Beginning of period	1,612,451,628	1,166,449,306
End of period	$ 1,429,437,656	$ 1,612,451,628

See Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$85.46	$67.02	$70.65	$59.27	$57.33	$61.75
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.13	0.29	0.21	0.11	0.28	0.27
Net realized and unrealized gain/(loss)	(6.21)	23.06	(0.16)	15.67	6.50	2.55
Total from Investment Operations	(6.08)	23.35	0.05	15.78	6.78	2.82
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.06)	(0.16)	(0.18)	(0.17)	(0.09)	(0.40)
Distributions (from capital gains)	(5.92)	(4.75)	(3.50)	(4.23)	(4.75)	(6.84)
Total Dividends and Distributions	(5.98)	(4.91)	(3.68)	(4.40)	(4.84)	(7.24)
Net Asset Value, End of Period	$73.40	$85.46	$67.02	$70.65	$59.27	$57.33
Total Return*	(6.92)%	35.48%	(0.41)%	27.42%	12.36%	4.05%
Net Assets, End of Period (in thousands)	$684,353	$791,044	$577,477	$618,750	$459,250	$418,158
Average Net Assets for the Period (in thousands)	$695,586	$707,052	$641,390	$556,940	$435,190	$427,941
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.71%	0.72%	0.72%	0.73%	0.72%	0.68%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.71%	0.72%	0.72%	0.73%	0.72%	0.68%
Ratio of Net Investment Income/(Loss)	0.35%	0.37%	0.29%	0.17%	0.48%	0.44%
Portfolio Turnover Rate	7%	14%	14%	14%	20%	22%

Service Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$79.93	$63.00	$66.67	$56.22	$54.67	$59.26
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.04	0.09	0.03	(0.05)	0.12	0.11
Net realized and unrealized gain/(loss)	(5.82)	21.63	(0.12)	14.82	6.19	2.45
Total from Investment Operations	(5.78)	21.72	(0.09)	14.77	6.31	2.56
Less Dividends and Distributions:						
Dividends (from net investment income)	—	(0.04)	(0.08)	(0.09)	(0.01)	(0.31)
Distributions (from capital gains)	(5.92)	(4.75)	(3.50)	(4.23)	(4.75)	(6.84)
Total Dividends and Distributions	(5.92)	(4.79)	(3.58)	(4.32)	(4.76)	(7.15)
Net Asset Value, End of Period	$68.23	$79.93	$63.00	$66.67	$56.22	$54.67
Total Return*	(7.02)%	35.14%	(0.65)%	27.09%	12.10%	3.77%
Net Assets, End of Period (in thousands)	$745,085	$821,408	$588,973	$555,550	$419,251	$321,482
Average Net Assets for the Period (in thousands)	$729,242	$734,274	$612,433	$489,237	$373,400	$299,393
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.96%	0.97%	0.97%	0.98%	0.97%	0.94%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.96%	0.97%	0.97%	0.98%	0.97%	0.94%
Ratio of Net Investment Income/(Loss)	0.10%	0.12%	0.04%	(0.08)%	0.22%	0.19%
Portfolio Turnover Rate	7%	14%	14%	14%	20%	22%

* Total return includes adjustments in accordance with generally accepted accounting principles required at the year or period end and are not annualized for periods of less than one full year. Total return does not include fees, charges, or expenses imposed by the variable annuity and life insurance contracts for which Janus Aspen Series serves as an underlying investment vehicle.

** Annualized for periods of less than one full year.

(1) Per share amounts are calculated based on average shares outstanding during the year or period.

See Notes to Financial Statements.

1. Organization and Significant Accounting Policies

Janus Henderson VIT Enterprise Portfolio (the "Portfolio") is a series of Janus Aspen Series (the "Trust"), which is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company, and therefore has applied the specialized accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. The Trust offers 11 portfolios, each of which offers multiple share classes, with differing investment objectives and policies. The Portfolio seeks long-term growth of capital. The Portfolio is classified as diversified, as defined in the 1940 Act.

The Portfolio currently offers two classes of shares: Institutional Shares and Service Shares. Each class represents an interest in the same portfolio of investments. Institutional Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans. Service Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans that require a fee from Portfolio assets to procure distribution and administrative services to contract owners and plan participants.

Shareholders, including other portfolios, participating insurance companies, as well as accounts, may from time to time own (beneficially or of record) a significant percentage of the Portfolio's Shares and can be considered to "control" the Portfolio when that ownership exceeds 25% of the Portfolio's assets (and which may differ from control as determined in accordance with United States of America generally accepted accounting priciples ("US GAAP")).

The following accounting policies have been followed by the Portfolio and are in conformity with US GAAP.

Investment Valuation

Securities held by the Portfolio are valued in accordance with policies and procedures established by and under the supervision of the Trustees (the "Valuation Procedures"). Equity securities traded on a domestic securities exchange are generally valued at the closing prices on the primary market or exchange on which they trade. If such price is lacking for the trading period immediately preceding the time of determination, such securities are valued at their current bid price. Equity securities that are traded on a foreign exchange are generally valued at the closing prices on such markets. In the event that there is no current trading volume on a particular security in such foreign exchange, the bid price from the primary exchange is generally used to value the security. Securities that are traded on the over-the-counter ("OTC") markets are generally valued at their closing or latest bid prices as available. Foreign securities and currencies are converted to U.S. dollars using the applicable exchange rate in effect at the close of the New York Stock Exchange ("NYSE"). The Portfolio will determine the market value of individual securities held by it by using prices provided by one or more approved professional pricing services or, as needed, by obtaining market quotations from independent broker-dealers. Most debt securities are valued in accordance with the evaluated bid price supplied by the pricing service that is intended to reflect market value. The evaluated bid price supplied by the pricing service is an evaluation that may consider factors such as security prices, yields, maturities and ratings. Certain short-term securities maturing within 60 days or less may be evaluated and valued on an amortized cost basis provided that the amortized cost determined approximates market value. Securities for which market quotations or evaluated prices are not readily available or deemed unreliable are valued at fair value determined in good faith under the Valuation Procedures. Circumstances in which fair value pricing may be utilized include, but are not limited to: (i) a significant event that may affect the securities of a single issuer, such as a merger, bankruptcy, or significant issuer-specific development; (ii) an event that may affect an entire market, such as a natural disaster or significant governmental action; (iii) a nonsignificant event such as a market closing early or not opening, or a security trading halt; and (iv) pricing of a nonvalued security and a restricted or nonpublic security. Special valuation considerations may apply with respect to "odd-lot" fixed-income transactions which, due to their small size, may receive evaluated prices by pricing services which reflect a large block trade and not what actually could be obtained for the odd-lot position. The Portfolio uses systematic fair valuation models provided by independent third parties to value international equity securities in order to adjust for stale pricing, which may occur between the close of certain foreign exchanges and the close of the NYSE.

Valuation Inputs Summary

FASB ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements regarding fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that

market participants would use in pricing an asset or liability and establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. These inputs are summarized into three broad levels:

Level 1 – Unadjusted quoted prices in active markets the Portfolio has the ability to access for identical assets or liabilities.

Level 2 – Observable inputs other than unadjusted quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Assets or liabilities categorized as Level 2 in the hierarchy generally include: debt securities fair valued in accordance with the evaluated bid or ask prices supplied by a pricing service; securities traded on OTC markets and listed securities for which no sales are reported that are fair valued at the latest bid price (or yield equivalent thereof) obtained from one or more dealers transacting in a market for such securities or by a pricing service approved by the Portfolio's Trustees; certain short-term debt securities with maturities of 60 days or less that are fair valued at amortized cost; and equity securities of foreign issuers whose fair value is determined by using systematic fair valuation models provided by independent third parties in order to adjust for stale pricing which may occur between the close of certain foreign exchanges and the close of the NYSE. Other securities that may be categorized as Level 2 in the hierarchy include, but are not limited to, preferred stocks, bank loans, swaps, investments in unregistered investment companies, options, and forward contracts.

Level 3 – Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Portfolio's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Portfolio since the beginning of the fiscal year.

The inputs or methodology used for fair valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2020 to fair value the Portfolio's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" in the Notes to Schedule of Investments and Other Information.

Investment Transactions and Investment Income

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded as soon as the Portfolio is informed of the dividend, if such information is obtained subsequent to the ex-dividend date. Dividends from foreign securities may be subject to withholding taxes in foreign jurisdictions. Interest income is recorded daily on the accrual basis and includes amortization of premiums and accretion of discounts. The Portfolio classifies gains and losses on prepayments received as an adjustment to interest income. Debt securities may be placed in non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivables when collection of all or a portion of interest has become doubtful. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes. Income, as well as gains and losses, both realized and unrealized, are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets.

Expenses

The Portfolio bears expenses incurred specifically on its behalf. Each class of shares bears a portion of general expenses, which are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets. Expenses directly attributable to a specific class of shares are charged against the operations of such class.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Indemnifications

In the normal course of business, the Portfolio may enter into contracts that contain provisions for indemnification of other parties against certain potential liabilities. The Portfolio's maximum exposure under these arrangements is unknown, and would involve future claims that may be made against the Portfolio that have not yet occurred. Currently, the risk of material loss from such claims is considered remote.

Foreign Currency Translations

The Portfolio does not isolate that portion of the results of operations resulting from the effect of changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held at the date of the financial statements. Net unrealized appreciation or depreciation of investments and foreign currency translations arise from changes in the value of assets and liabilities, including investments in securities held at the date of the financial statements, resulting from changes in the exchange rates and changes in market prices of securities held.

Currency gains and losses are also calculated on payables and receivables that are denominated in foreign currencies. The payables and receivables are generally related to foreign security transactions and income translations.

Foreign currency-denominated assets and forward currency contracts may involve more risks than domestic transactions, including currency risk, counterparty risk, political and economic risk, regulatory risk and equity risk. Risks may arise from unanticipated movements in the value of foreign currencies relative to the U.S. dollar.

Dividends and Distributions

The Portfolio may make semiannual distributions of substantially all of its investment income and an annual distribution of its net realized capital gains (if any).

The Portfolio may make certain investments in real estate investment trusts ("REITs") which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REITs' taxable earnings and profits, resulting in the excess portion of such dividends being designated as a return of capital. If the Portfolio distributes such amounts, such distributions could constitute a return of capital to shareholders for federal income tax purposes.

Federal Income Taxes

The Portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income in accordance with the requirements of Subchapter M of the Internal Revenue Code. Management has analyzed the Portfolio's tax positions taken for all open federal income tax years, generally a three-year period, and has concluded that no provision for federal income tax is required in the Portfolio's financial statements. The Portfolio is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

2. Derivative Instruments

The Portfolio may invest in various types of derivatives, which may at times result in significant derivative exposure. A derivative is a financial instrument whose performance is derived from the performance of another asset. The Portfolio may invest in derivative instruments including, but not limited to: futures contracts, put options, call options, options on futures contracts, options on foreign currencies, options on recovery locks, options on security and commodity indices, swaps, forward contracts, structured investments, and other equity-linked derivatives. Each derivative instrument that was held by the Portfolio during the period ended June 30, 2020 is discussed in further detail below. A summary of derivative activity by the Portfolio is reflected in the tables at the end of the Schedule of Investments.

The Portfolio may use derivative instruments for hedging purposes (to offset risks associated with an investment, currency exposure, or market conditions), to adjust currency exposure relative to a benchmark index, or for speculative purposes (to earn income and seek to enhance returns). When the Portfolio invests in a derivative for speculative purposes, the Portfolio will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the derivative's cost. The Portfolio may not use any derivative to gain exposure to an asset or class of assets that it would be prohibited by its investment restrictions from purchasing directly. The Portfolio's ability to use derivative instruments may also be limited by tax considerations.

Investments in derivatives in general are subject to market risks that may cause their prices to fluctuate over time. Investments in derivatives may not directly correlate with the price movements of the underlying instrument. As a result, the use of derivatives may expose the Portfolio to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. The use of derivatives may result in larger losses or smaller gains than otherwise would be the case. Derivatives can be volatile and may involve significant risks.

In pursuit of its investment objective, the Portfolio may seek to use derivatives to increase or decrease exposure to the following market risk factors:

- **Commodity Risk** – the risk related to the change in value of commodities or commodity-linked investments due to changes in the overall market movements, volatility of the underlying benchmark, changes in interest rates, or other factors affecting a particular industry or commodity such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.
- **Counterparty Risk** – the risk that the counterparty (the party on the other side of the transaction) on a derivative transaction will be unable to honor its financial obligation to the Portfolio.
- **Credit Risk** – the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.
- **Currency Risk** – the risk that changes in the exchange rate between currencies will adversely affect the value (in U.S. dollar terms) of an investment.
- **Equity Risk** – the risk related to the change in value of equity securities as they relate to increases or decreases in the general market.
- **Index Risk** – if the derivative is linked to the performance of an index, it will be subject to the risks associated with changes in that index. If the index changes, the Portfolio could receive lower interest payments or experience a reduction in the value of the derivative to below what the Portfolio paid. Certain indexed securities, including inverse securities (which move in an opposite direction to the index), may create leverage, to the extent that they increase or decrease in value at a rate that is a multiple of the changes in the applicable index.
- **Interest Rate Risk** – the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise, which may cause the Portfolio’s NAV to likewise decrease.
- **Leverage Risk** – the risk associated with certain types of leveraged investments or trading strategies pursuant to which relatively small market movements may result in large changes in the value of an investment. The Portfolio creates leverage by investing in instruments, including derivatives, where the investment loss can exceed the original amount invested. Certain investments or trading strategies, such as short sales, that involve leverage can result in losses that greatly exceed the amount originally invested.
- **Liquidity Risk** – the risk that certain securities may be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

Derivatives may generally be traded OTC or on an exchange. Derivatives traded OTC are agreements that are individually negotiated between parties and can be tailored to meet a purchaser’s needs. OTC derivatives are not guaranteed by a clearing agency and may be subject to increased credit risk.

In an effort to mitigate credit risk associated with derivatives traded OTC, the Portfolio may enter into collateral agreements with certain counterparties whereby, subject to certain minimum exposure requirements, the Portfolio may require the counterparty to post collateral if the Portfolio has a net aggregate unrealized gain on all OTC derivative contracts with a particular counterparty. Additionally, the Portfolio may deposit cash and/or treasuries as collateral with the counterparty and/or custodian daily (based on the daily valuation of the financial asset) if the Portfolio has a net aggregate unrealized loss on OTC derivative contracts with a particular counterparty. All liquid securities and restricted cash are considered to cover in an amount at all times equal to or greater than the Portfolio’s commitment with respect to certain exchange-traded derivatives, centrally cleared derivatives, forward foreign currency exchange contracts, short sales, and/or securities with extended settlement dates. There is no guarantee that counterparty exposure is reduced and these arrangements are dependent on Janus Capital Management LLC's ("Janus Capital") ability to establish and maintain appropriate systems and trading.

Forward Foreign Currency Exchange Contracts

A forward foreign currency exchange contract ("forward currency contract") is an obligation to buy or sell a specified currency at a future date at a negotiated rate (which may be U.S. dollars or a foreign currency). The Portfolio may enter into forward currency contracts for hedging purposes, including, but not limited to, reducing exposure to changes in foreign currency exchange rates on foreign portfolio holdings and locking in the U.S. dollar cost of firm purchase and sale commitments for securities denominated in or exposed to foreign currencies. The Portfolio may also invest in forward currency contracts for non-hedging purposes such as seeking to enhance returns. The Portfolio is subject to currency risk and counterparty risk in the normal course of pursuing its investment objective through its investments in forward currency contracts.

Forward currency contracts are valued by converting the foreign value to U.S. dollars by using the current spot U.S. dollar exchange rate and/or forward rate for that currency. Exchange and forward rates as of the close of the NYSE shall be used to value the forward currency contracts. The unrealized appreciation/(depreciation) for forward currency contracts is reported in the Statement of Assets and Liabilities as a receivable or payable and in the Statement of Operations for the change in unrealized net appreciation/depreciation (if applicable). The gain or loss arising from the difference between the U.S. dollar cost of the original contract and the value of the foreign currency in U.S. dollars upon closing a forward currency contract is reported on the Statement of Operations (if applicable).

During the period, the Portfolio entered into forward currency contracts with the obligation to sell foreign currencies in the future at an agreed upon rate in order to decrease exposure to currency risk associated with foreign currency denominated securities held by the Portfolio.

3. Other Investments and Strategies

Additional Investment Risk

In the aftermath of the 2007-2008 financial crisis, the financial sector experienced reduced liquidity in credit and other fixed-income markets, and an unusually high degree of volatility, both domestically and internationally. In response to the crisis, the United States and certain foreign governments, along with the U.S. Federal Reserve and certain foreign central banks, took a number of unprecedented steps designed to support the financial markets. For example, the enactment of the Dodd-Frank Act in 2010 provided for widespread regulation of financial institutions, consumer financial products and services, broker-dealers, over-the-counter derivatives, investment advisers, credit rating agencies, and mortgage lending, which expanded federal oversight in the financial sector, including the investment management industry. More recently, in response to the COVID-19 pandemic, the U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets, including reducing interest rates to record low levels. The withdrawal of this support, a failure of measures put in place in response to such economic uncertainty, or investor perception that such efforts were not sufficient could each negatively affect financial markets generally, and the value and liquidity of specific securities. In addition, policy and legislative changes in the United States and in other countries continue to impact many aspects of financial regulation.

Widespread disease, including pandemics and epidemics, and natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Fund's investments. Economies and financial markets throughout the world have become increasingly interconnected, which increases the likelihood that events or conditions in one region or country will adversely affect markets or issuers in other regions or countries, including the United States. These disruptions could prevent a Fund from executing advantageous investment decisions in a timely manner and negatively impact a Fund's ability to achieve its investment objective(s). Any such event(s) could have a significant adverse impact on the value of a Fund. In addition, these disruptions could also impair the information technology and other operational systems upon which the Fund's service providers, including Janus Capital or the subadviser (as applicable), rely, and could otherwise disrupt the ability of employees of the Fund's service providers to perform essential tasks on behalf of the Fund.

A number of countries in the European Union ("EU") have experienced, and may continue to experience, severe economic and financial difficulties. In particular, many EU nations are susceptible to economic risks associated with high levels of debt. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts. Many other issuers have faced difficulties obtaining credit or refinancing existing obligations.

Financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit. As a result, financial markets in the EU have experienced extreme volatility and declines in asset values and liquidity. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. The risk of investing in securities in the European markets may also be heightened due to the referendum in which the United Kingdom voted to exit the EU (commonly known as “Brexit”). The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, during which the United Kingdom will remain subject to EU laws and regulations. There is considerable uncertainty relating to the potential consequences of the United Kingdom’s exit and how negotiations for new trade agreements will be conducted or concluded.

Certain areas of the world have historically been prone to and economically sensitive to environmental events such as, but not limited to, hurricanes, earthquakes, typhoons, flooding, tidal waves, tsunamis, erupting volcanoes, wildfires or droughts, tornadoes, mudslides, or other weather-related phenomena. Such disasters, and the resulting physical or economic damage, could have a severe and negative impact on the Portfolio’s investment portfolio and, in the longer term, could impair the ability of issuers in which the Portfolio invests to conduct their businesses as they would under normal conditions. Adverse weather conditions may also have a particularly significant negative effect on issuers in the agricultural sector and on insurance and reinsurance companies that insure or reinsure against the impact of natural disasters.

Counterparties

Portfolio transactions involving a counterparty are subject to the risk that the counterparty or a third party will not fulfill its obligation to the Portfolio (“counterparty risk”). Counterparty risk may arise because of the counterparty’s financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market activities and developments, or other reasons, whether foreseen or not. A counterparty’s inability to fulfill its obligation may result in significant financial loss to the Portfolio. The Portfolio may be unable to recover its investment from the counterparty or may obtain a limited recovery, and/or recovery may be delayed. The extent of the Portfolio’s exposure to counterparty risk with respect to financial assets and liabilities approximates its carrying value. See the "Offsetting Assets and Liabilities" section of this Note for further details.

The Portfolio may be exposed to counterparty risk through participation in various programs, including, but not limited to, lending its securities to third parties, cash sweep arrangements whereby the Portfolio’s cash balance is invested in one or more types of cash management vehicles, as well as investments in, but not limited to, repurchase agreements, debt securities, and derivatives, including various types of swaps, futures and options. The Portfolio intends to enter into financial transactions with counterparties that Janus Capital believes to be creditworthy at the time of the transaction. There is always the risk that Janus Capital’s analysis of a counterparty’s creditworthiness is incorrect or may change due to market conditions. To the extent that the Portfolio focuses its transactions with a limited number of counterparties, it will have greater exposure to the risks associated with one or more counterparties.

Offsetting Assets and Liabilities

The Portfolio presents gross and net information about transactions that are either offset in the financial statements or subject to an enforceable master netting arrangement or similar agreement with a designated counterparty, regardless of whether the transactions are actually offset in the Statement of Assets and Liabilities.

In order to better define its contractual rights and to secure rights that will help the Portfolio mitigate its counterparty risk, the Portfolio has entered into an International Swaps and Derivatives Association, Inc. Master Agreement (“ISDA Master Agreement”) or similar agreement with its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between the Portfolio and a counterparty that governs OTC derivatives and forward foreign currency exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, in the event of a default and/or termination event, the Portfolio may offset with each counterparty certain derivative financial instruments’ payables and/or receivables with collateral held and/or posted and create one single net payment.

The following tables present gross amounts of recognized assets and/or liabilities and the net amounts after deducting collateral that has been pledged by counterparties or has been pledged to counterparties (if applicable). For corresponding information grouped by type of instrument, see the “Fair Value of Derivative Instruments (not accounted for as hedging instruments) as of June 30, 2020” table located in the Portfolio’s Schedule of Investments.

Offsetting of Financial Assets and Derivative Assets

Counterparty		Gross Amounts of Recognized Assets		Offsetting Asset or Liability[(a)]		Collateral Pledged[(b)]		Net Amount
Credit Suisse International	$	49,772	$	—	$	—	$	49,772
JPMorgan Chase Bank, National Association		14,582,150		(381,275)		(14,200,875)		—
Total	$	14,631,922	$	(381,275)	$	(14,200,875)	$	49,772

Offsetting of Financial Liabilities and Derivative Liabilities

Counterparty		Gross Amounts of Recognized Liabilities		Offsetting Asset or Liability[(a)]		Collateral Pledged[(b)]		Net Amount
Barclays Capital, Inc.	$	62,018	$	—	$	—	$	62,018
Citibank, National Association		24,454		—		—		24,454
HSBC Securities (USA), Inc.		55,779		—		—		55,779
JPMorgan Chase Bank, National Association		381,275		(381,275)		—		—
Total	$	523,526	$	(381,275)	$	—	$	142,251

(a) Represents the amount of assets or liabilities that could be offset with the same counterparty under master netting or similar agreements that management elects not to offset on the Statement of Assets and Liabilities.

(b) Collateral pledged is limited to the net outstanding amount due to/from an individual counterparty. The actual collateral amounts pledged may exceed these amounts and may fluctuate in value.

JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. For financial reporting purposes, the Portfolio does not offset financial instruments' payables and receivables and related collateral on the Statement of Assets and Liabilities. Securities on loan will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the Securities and Exchange Commission (the “SEC”). See “Securities Lending” in the “Notes to Financial Statements” for additional information.

The Portfolio generally does not exchange collateral on its forward foreign currency contracts with its counterparties; however, all liquid securities and restricted cash are considered to cover in an amount at all times equal to or greater than the Portfolio’s commitment with respect to these contracts. Certain securities may be segregated at the Portfolio’s custodian. These segregated securities are denoted on the accompanying Schedule of Investments and are evaluated daily to ensure their cover and/or market value equals or exceeds the Portfolio’s corresponding forward foreign currency exchange contract's obligation value.

The Portfolio may require the counterparty to pledge securities as collateral daily (based on the daily valuation of the financial asset) if the Portfolio has a net aggregate unrealized gain on OTC derivative contracts with a particular counterparty. The Portfolio may deposit cash as collateral with the counterparty and/or custodian daily (based on the daily valuation of the financial asset) if the Portfolio has a net aggregate unrealized loss on OTC derivative contracts with a particular counterparty. The collateral amounts are subject to minimum exposure requirements and initial margin requirements. Collateral amounts are monitored and subsequently adjusted up or down as valuations fluctuate by at least the minimum exposure requirement. Collateral may reduce the risk of loss.

Real Estate Investing

The Portfolio may invest in equity and debt securities of real estate-related companies. Such companies may include those in the real estate industry or real estate-related industries. These securities may include common stocks, corporate bonds, preferred stocks, and other equity securities, including, but not limited to, mortgage-backed securities, real estate-backed securities, securities of REITs and similar REIT-like entities. A REIT is a trust that invests in real estate-related projects, such as properties, mortgage loans, and construction loans. REITs are generally categorized as equity, mortgage, or hybrid REITs. A REIT may be listed on an exchange or traded OTC.

Restricted Security Transactions

Restricted securities held by the Portfolio may not be sold except in exempt transactions or in a public offering registered under the Securities Act of 1933, as amended. The risk of investing in such securities is generally greater than the risk of investing in the securities of widely held, publicly traded companies. Lack of a secondary market and resale restrictions may result in the inability of the Portfolio to sell a security at a fair price and may substantially delay the sale of the security. In addition, these securities may exhibit greater price volatility than securities for which secondary markets exist.

Securities Lending

Under procedures adopted by the Trustees, the Portfolio may seek to earn additional income by lending securities to certain qualified broker-dealers and institutions. Effective December 16, 2019, JPMorgan Chase Bank, National Association replaced Deutsche Bank AG as securities lending agent for the Portfolio. JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. The Portfolio may lend portfolio securities in an amount equal to up to 1/3 of its total assets as determined at the time of the loan origination. There is the risk of delay in recovering a loaned security or the risk of loss in collateral rights if the borrower fails financially. In addition, Janus Capital makes efforts to balance the benefits and risks from granting such loans. All loans will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the SEC. If the Portfolio is unable to recover a security on loan, the Portfolio may use the collateral to purchase replacement securities in the market. There is a risk that the value of the collateral could decrease below the cost of the replacement security by the time the replacement investment is made, resulting in a loss to the Portfolio. In certain circumstances individual loan transactions could yield negative returns.

Upon receipt of cash collateral, Janus Capital may invest it in affiliated or non-affiliated cash management vehicles, whether registered or unregistered entities, as permitted by the 1940 Act and rules promulgated thereunder. Janus Capital currently intends to primarily invest the cash collateral in a cash management vehicle for which Janus Capital serves as investment adviser, Janus Henderson Cash Collateral Fund LLC. An investment in Janus Henderson Cash Collateral Fund LLC is generally subject to the same risks that shareholders experience when investing in similarly structured vehicles, such as the potential for significant fluctuations in assets as a result of the purchase and redemption activity of the securities lending program, a decline in the value of the collateral, and possible liquidity issues. Such risks may delay the return of the cash collateral and cause the Portfolio to violate its agreement to return the cash collateral to a borrower in a timely manner. As adviser to the Portfolio and Janus Henderson Cash Collateral Fund LLC, Janus Capital has an inherent conflict of interest as a result of its fiduciary duties to both the Portfolio and Janus Henderson Cash Collateral Fund LLC. Additionally, Janus Capital receives an investment advisory fee of 0.05% for managing Janus Henderson Cash Collateral Fund LLC, but it may not receive a fee for managing certain other affiliated cash management vehicles in which the Portfolio may invest, and therefore may have an incentive to allocate preferred investment opportunities to investment vehicles for which it is receiving a fee.

The value of the collateral must be at least 102% of the market value of the loaned securities that are denominated in U.S. dollars and 105% of the market value of the loaned securities that are not denominated in U.S. dollars. Loaned securities and related collateral are marked-to-market each business day based upon the market value of the loaned securities at the close of business, employing the most recent available pricing information. Collateral levels are then adjusted based on this mark-to-market evaluation.

The cash collateral invested by Janus Capital is disclosed in the Schedule of Investments (if applicable). Income earned from the investment of the cash collateral, net of rebates paid to, or fees paid by, borrowers and less the fees paid to the lending agent are included as “Affiliated securities lending income, net” on the Statement of Operations. As of June 30, 2020, securities lending transactions accounted for as secured borrowings with an overnight and continuous contractual maturity are $14,582,150. Gross amounts of recognized liabilities for securities lending (collateral received) as of June 30, 2020 is $14,874,915, resulting in the net amount due to the counterparty of $292,765.

Income earned from the investment of the cash collateral, net of rebates paid to, or fees paid by, borrowers and less the fees paid to the lending agent are included as “Affiliated securities lending income, net” on the Statement of Operations.

4. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital an investment advisory fee which is calculated daily and paid monthly. The Portfolio’s contractual investment advisory fee rate (expressed as an annual rate) is 0.64% of its average daily net assets.

Janus Services LLC (“Janus Services”), a wholly-owned subsidiary of Janus Capital, is the Portfolio’s transfer agent. Janus Services receives an administrative services fee at an annual rate of 0.05% of the average daily net assets of the Portfolio for arranging for the provision by participating insurance companies and qualified plan service providers of administrative services, including recordkeeping, subaccounting, order processing, or other shareholder services provided on behalf of contract holders or plan participants investing in the Portfolio. Other shareholder services may include the provision of order confirmations, periodic account statements, forwarding prospectuses, shareholder reports, and other materials to existing investors, and answering inquiries regarding accounts. Janus Services expects to use this entire fee to compensate insurance companies and qualified plan service providers for providing these services to their customers who invest in the Portfolio. Any unused portion will be reimbursed to the applicable share class at least annually.

In addition, Janus Services provides or arranges for the provision of certain other internal administrative, recordkeeping, and shareholder relations services for the Portfolio. Janus Services is not compensated for these internal services related to the shares, except for out-of-pocket costs. These amounts are disclosed as “Other transfer agent fees and expenses” on the Statement of Operations.

Under a distribution and shareholder servicing plan (the “Plan”) adopted in accordance with Rule 12b-1 under the 1940 Act, the Service Shares may pay the Trust’s distributor, Janus Distributors LLC (“Janus Distributors”), a wholly-owned subsidiary of Janus Capital, a fee for the sale and distribution and/or shareholder servicing of the Service Shares at an annual rate of up to 0.25% of the average daily net assets of the Service Shares. Under the terms of the Plan, the Trust is authorized to make payments to Janus Distributors for remittance to insurance companies and qualified plan service providers as compensation for distribution and/or shareholder services performed by such entities. These amounts are disclosed as “12b-1 Distribution and shareholder servicing fees” on the Statement of Operations. Payments under the Plan are not tied exclusively to actual 12b-1 distribution and servicing fees, and the payments may exceed 12b-1 distribution and servicing fees actually incurred. If any of the Portfolio’s actual 12b-1 distribution and servicing fees incurred during a calendar year are less than the payments made during a calendar year, the Portfolio will be refunded the difference. Refunds, if any, are included in “12b-1 Distribution and shareholder servicing fees” in the Statement of Operations.

Janus Capital serves as administrator to the Portfolio pursuant to an administration agreement between Janus Capital and the Trust. Under the administration agreement, Janus Capital is obligated to provide or arrange for the provision of certain administration, compliance, and accounting services to the Portfolio, including providing office space for the Portfolio, and is reimbursed by the Portfolio for certain of its costs in providing these services (to the extent Janus Capital seeks reimbursement and such costs are not otherwise waived). In addition, employees of Janus Capital and/or its affiliates may serve as officers of the Trust. The Portfolio pays for some or all of the salaries, fees, and expenses of Janus Capital employees and Portfolio officers, with respect to certain specified administration functions they perform on behalf of the Portfolio. The Portfolio pays these costs based on out-of-pocket expenses incurred by Janus Capital, and these costs are separate and apart from advisory fees and other expenses paid in connection with the investment advisory services Janus Capital (or any subadvisor, as applicable) provides to the Portfolio. These amounts are disclosed as “Affiliated portfolio administration fees” on the Statement of Operations. In addition, some expenses related to compensation payable to the Portfolio’s Chief Compliance Officer and certain compliance staff, all of whom are employees of Janus Capital and/or its affiliates, are shared with the Portfolio. Total compensation of $20,422 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2020. The Portfolio's portion is reported as part of “Other expenses” on the Statement of Operations.

The Board of Trustees has adopted a deferred compensation plan (the “Deferred Plan”) for independent Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Portfolio. All deferred fees are credited to an account established in the name of the Trustees. The amounts credited to the account then increase or decrease, as the case may be, in accordance with the performance of one or more of the Janus Henderson funds that are selected by the Trustees. The account balance continues to fluctuate in accordance with the performance of the selected fund or funds until final payment of all amounts are credited to the account. The fluctuation of the account balance is recorded by the Portfolio as unrealized appreciation/(depreciation) and is included as of June 30, 2020 on the Statement of Assets and Liabilities in the asset, “Non-interested Trustees' deferred compensation,” and liability, “Non-interested Trustees' deferred compensation fees.” Additionally, the recorded unrealized appreciation/(depreciation) is included in “Total distributable earnings (loss)” on the Statement of Assets and Liabilities. Deferred compensation expenses for the period ended June 30, 2020 are included in “Non-interested Trustees' fees and expenses” on the Statement of Operations. Trustees are allowed to change their designation of mutual funds from time to time. Amounts will be deferred until distributed in accordance with the Deferred Plan. Deferred fees of $220,425 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2020.

Pursuant to the provisions of the 1940 Act and related rules, the Portfolio may participate in an affiliated or non-affiliated cash sweep program. In the cash sweep program, uninvested cash balances of the Portfolio may be used to purchase shares of affiliated or non-affiliated money market funds or cash management pooled investment vehicles that operate as money market funds. The Portfolio is eligible to participate in the cash sweep program (the “Investing Funds”). As adviser, Janus Capital has an inherent conflict of interest because of its fiduciary duties to the affiliated money market funds or cash management pooled investment vehicles and the Investing Funds. Janus Henderson Cash Liquidity Fund LLC (the “Sweep Vehicle”) is an affiliated unregistered cash management pooled investment vehicle that invests primarily in highly-rated short-term fixed-income securities. The Sweep Vehicle operates pursuant to the provisions of the 1940 Act that govern the operation of money market funds and prices its shares at NAV reflecting market-based values of its portfolio securities (i.e., a “floating” NAV) rounded to the fourth decimal place (e.g., $1.0000). The Sweep Vehicle is permitted to impose a liquidity fee (of up to 2%) on redemptions from the Sweep Vehicle or a redemption gate that temporarily suspends redemptions from the Sweep Vehicle for up to 10 business days during a 90 day period. There are no restrictions on the Portfolio's ability to withdraw investments from the Sweep Vehicle at will, and there are no unfunded capital commitments due from the Portfolio to the Sweep Vehicle. The Sweep Vehicle does not charge any management fee, sales charge or service fee.

Any purchases and sales, realized gains/losses and recorded dividends from affiliated investments during the period ended June 30, 2020 can be found in the “Schedules of Affiliated Investments” located in the Schedule of Investments.

The Portfolio is permitted to purchase or sell securities (“cross-trade”) between itself and other funds or accounts managed by Janus Capital in accordance with Rule 17a-7 under the Investment Company Act of 1940 (“Rule 17a-7”), when the transaction is consistent with the investment objectives and policies of the Portfolio and in accordance with the Internal Cross Trade Procedures adopted by the Trust's Board of Trustees. These procedures have been designed to ensure that any cross-trade of securities by the Portfolio from or to another fund or account that is or could be considered an affiliate of the Portfolio under certain limited circumstances by virtue of having a common investment adviser, common Officer, or common Trustee complies with Rule 17a-7. Under these procedures, each cross-trade is effected at the current market price to save costs where allowed. During the period ended June 30, 2020, the Portfolio engaged in cross trades amounting to $37,688 in purchases.

5. Federal Income Tax

Income and capital gains distributions are determined in accordance with income tax regulations that may differ from US GAAP. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, foreign currency transactions, net investment losses, and capital loss carryovers.

The Portfolio has elected to treat gains and losses on forward foreign currency contracts as capital gains and losses, if applicable. Other foreign currency gains and losses on debt instruments are treated as ordinary income for federal income tax purposes pursuant to Section 988 of the Internal Revenue Code.

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of June 30, 2020 are noted below. The primary differences between book and tax appreciation or depreciation of investments are wash sale loss deferrals and investments in partnerships.

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ 912,670,749	$564,322,255	$(34,343,821)	$ 529,978,434

Information on the tax components of derivatives as of June 30, 2020 is as follows:

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ -	$ 49,772	$ (523,526)	$ (473,754)

Tax cost of investments and unrealized appreciation/(depreciation) may also include timing differences that do not constitute adjustments to tax basis.

6. Capital Share Transactions

	Period ended June 30, 2020		*Year ended December 31, 2019*	
	Shares	*Amount*	*Shares*	*Amount*
Institutional Shares:				
Shares sold	664,034	$ 49,470,004	1,542,514	$123,201,744
Reinvested dividends and distributions	726,925	51,851,531	533,515	41,927,038
Shares repurchased	(1,324,069)	(99,667,702)	(1,435,966)	(114,495,329)
Net Increase/(Decrease)	66,890	$ 1,653,833	640,063	$ 50,633,453
Service Shares:				
Shares sold	1,494,703	$102,582,505	2,323,035	$172,829,765
Reinvested dividends and distributions	898,977	59,611,141	617,488	45,398,321
Shares repurchased	(1,749,587)	(123,802,750)	(2,013,680)	(149,757,904)
Net Increase/(Decrease)	644,093	$ 38,390,896	926,843	$ 68,470,182

7. Purchases and Sales of Investment Securities

For the period ended June 30, 2020, the aggregate cost of purchases and proceeds from sales of investment securities (excluding any short-term securities, short-term options contracts, TBAs, and in-kind transactions, as applicable) was as follows:

Purchases of Securities	*Proceeds from Sales of Securities*	*Purchases of Long-Term U.S. Government Obligations*	*Proceeds from Sales of Long-Term U.S. Government Obligations*
$97,448,172	$ 134,473,562	$ -	$ -

8. Recent Accounting Pronouncements

The FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820),* in August 2018. The new guidance removes, modifies and enhances the disclosures to Topic 820. For public entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. An entity is permitted, and Management has decided, to early adopt the removed and modified disclosures in these financial statements. Management is also evaluating the implications related to the new disclosure requirements and has not yet determined the impact to the financial statements.

9. Other Matters

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. The impact of COVID-19 has been, and may continue to be, highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Portfolio's investments. This may impact liquidity in the marketplace, which in turn may affect the Portfolio's ability to meet redemption requests. Public health crises caused by the COVID-19 pandemic may exacerbate other pre-existing political, social, and economic risks in certain countries or globally. The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a Portfolio from executing advantageous investment decisions in a timely manner and negatively impact a Portfolio's ability to achieve its investment objective.

10. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2020 and through the date of issuance of the Portfolio's financial statements and determined that there were no material events or transactions that would require recognition or disclosure in the Portfolio's financial statements.

Proxy Voting Policies and Voting Record

A description of the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities is available without charge: (i) upon request, by calling 1-800-525-1093; (ii) on the Portfolio's website at janushenderson.com/proxyvoting; and (iii) on the SEC's website at http://www.sec.gov. Additionally, information regarding the Portfolio's proxy voting record for the most recent twelve-month period ended June 30 is also available, free of charge, through janushenderson.com/proxyvoting and from the SEC's website at http://www.sec.gov.

Full Holdings

The Portfolio is required to disclose its complete holdings as an exhibit to Form N-PORT within 60 days of the end of the first and third fiscal quarters, and in the annual report and semiannual report to Portfolio shareholders. Historically, the Portfolio filed its complete portfolio holdings (schedule of investments) with the SEC for the first and third quarters each fiscal year on Form N-Q. The Portfolio's Form N-PORT and Form N-Q filings: (i) are available on the SEC's website at http://www.sec.gov; (ii) may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (information on the Public Reference Room may be obtained by calling 1-800-SEC-0330); and (iii) are available without charge, upon request, by calling a Janus Henderson representative at 1-877-335-2687 (toll free) . Portfolio holdings consisting of at least the names of the holdings are generally available on a monthly basis with a 30-day lag. Holdings are generally posted approximately two business days thereafter under Full Holdings for the Portfolio at janushenderson.com/vit.

APPROVAL OF ADVISORY AGREEMENTS DURING THE PERIOD

The Trustees of Janus Aspen Series, each of whom serves as an "independent" Trustee (the "Trustees"), oversee the management of each Portfolio of Janus Aspen Series (each, a "VIT Portfolio," and collectively, the "VIT Portfolios"), as well as each Fund of Janus Investment Fund (together with the VIT Portfolios, the "Janus Henderson Funds," and each, a "Janus Henderson Fund"). As required by law, the Trustees determine annually whether to continue the investment advisory agreement for each Janus Henderson Fund and the subadvisory agreements for the Janus Henderson Funds that utilize subadvisers.

In connection with their most recent consideration of those agreements for each Janus Henderson Fund, the Trustees received and reviewed information provided by Janus Capital and the respective subadvisers in response to requests of the Trustees and their independent legal counsel. They also received and reviewed information and analysis provided by, and in response to requests of, their independent fee consultant. Throughout their consideration of the agreements, the Trustees were advised by their independent legal counsel. The Trustees met with management to consider the agreements, and also met separately in executive session with their independent legal counsel and their independent fee consultant.

At a meeting held on December 5, 2019, based on the Trustees' evaluation of the information provided by Janus Capital, the subadvisers, and the independent fee consultant, as well as other information, the Trustees determined that the overall arrangements between each Janus Henderson Fund and Janus Capital and each subadviser, as applicable, were fair and reasonable in light of the nature, extent and quality of the services provided by Janus Capital, its affiliates and the subadvisers, the fees charged for those services, and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting, the Trustees unanimously approved the continuation of the investment advisory agreement for each Janus Henderson Fund, and the subadvisory agreement for each subadvised Janus Henderson Fund, for the period from February 1, 2020 through February 1, 2021, subject to earlier termination as provided for in each agreement.

In considering the continuation of those agreements, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors described below, none of which by itself was considered dispositive. However, the material factors and conclusions that formed the basis for the Trustees' determination to approve the continuation of the agreements are discussed separately below. Also included is a summary of the independent fee consultant's conclusions and opinions that arose during, and were included as part of, the Trustees' consideration of the agreements. "Management fees," as used herein, reflect actual annual advisory fees and, for the purpose of peer comparisons, any administration fees (excluding out of pocket costs), net of any waivers, paid by a fund as a percentage of average net assets.

Nature, Extent and Quality of Services

The Trustees reviewed the nature, extent and quality of the services provided by Janus Capital and the subadvisers to the Janus Henderson Funds, taking into account the investment objective, strategies and policies of each Janus Henderson Fund, and the knowledge the Trustees gained from their regular meetings with management on at least a quarterly basis and their ongoing review of information related to the Janus Henderson Funds. In addition, the Trustees reviewed the resources and key personnel of Janus Capital and each subadviser, particularly noting those employees who provide investment and risk management services to the Janus Henderson Funds. The Trustees also considered other services provided to the Janus Henderson Funds by Janus Capital or the subadvisers, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions. The Trustees considered Janus Capital's role as administrator to the Janus Henderson Funds, noting that Janus Capital generally does not receive a fee for its services but is reimbursed for its out-of-pocket costs. The Trustees considered the role of Janus Capital in monitoring adherence to the Janus Henderson Funds' investment restrictions, providing support services for the Trustees and Trustee committees, and overseeing communications with shareholders and the activities of other service providers, including monitoring compliance with various policies and procedures of the Janus Henderson Funds and with applicable securities laws and regulations.

In this regard, the independent fee consultant noted that Janus Capital provides a number of different services for the Janus Henderson Funds and fund shareholders, ranging from investment management services to various other servicing functions, and that, in its view, Janus Capital is a capable provider of those services. The independent fee consultant also provided its belief that Janus Capital has developed a number of institutional competitive advantages that should enable it to provide superior investment and service performance over the long term.

The Trustees concluded that the nature, extent and quality of the services provided by Janus Capital or the subadviser to each Janus Henderson Fund were appropriate and consistent with the terms of the respective advisory and subadvisory agreements, and that, taking into account steps taken to address those Janus Henderson Funds whose performance lagged that of their peers for certain periods, the Janus Henderson Funds were likely to benefit from the continued provision of those services. They also concluded that Janus Capital and each subadviser had sufficient personnel, with the appropriate education and experience, to serve the Janus Henderson Funds effectively and had demonstrated its ability to attract well-qualified personnel.

Performance of the Funds

The Trustees considered the performance results of each Janus Henderson Fund over various time periods. They noted that they considered Janus Henderson Fund performance data throughout the year, including periodic meetings with each Janus Henderson Fund's portfolio manager(s), and also reviewed information comparing each Janus Henderson Fund's performance with the performance of comparable funds and peer groups identified by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent data provider, and with the Janus Henderson Fund's benchmark index. In this regard, the independent fee consultant found that the overall Janus Henderson Funds' performance has been reasonable: for the 36 months ended September 30, 2019, approximately 69% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar, and for the 12 months ended September 30, 2019, approximately 71% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar.

The Trustees considered the performance of each Janus Henderson Fund, noting that performance may vary by share class, and noted the following with respect to the VIT Portfolios:

- For Janus Henderson Balanced Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance.

- For Janus Henderson Forty Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the third Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital and Intech had taken or were taking to improve performance, and the performance trend was improving.

In consideration of each Janus Henderson Fund's performance, the Trustees concluded that, taking into account the factors relevant to performance, as well as other considerations, including steps taken to improve performance, the Janus Henderson Fund's performance warranted continuation of such Janus Henderson Fund's investment advisory and subadvisory agreement(s).

Costs of Services Provided

The Trustees examined information regarding the fees and expenses of each Janus Henderson Fund in comparison to similar information for other comparable funds as provided by Broadridge, an independent data provider. They also reviewed an analysis of that information provided by their independent fee consultant and noted that the rate of management fees (investment advisory and any administration, but excluding out-of-pocket costs) for many of the Janus Henderson Funds, after applicable waivers, was below the average management fee rate of the respective peer group of funds selected by an independent data provider. The Trustees also examined information regarding the subadvisory fees charged for subadvisory services, as applicable, noting that all such fees were paid by Janus Capital out of its management fees collected from such Janus Henderson Fund.

The independent fee consultant provided its belief that the management fees charged by Janus Capital to each of the Janus Henderson Funds under the current investment advisory and administration agreements are reasonable in relation to the services provided by Janus Capital. The independent fee consultant found: (1) the total expenses and management fees of the Janus Henderson Funds to be reasonable relative to other mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of their respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 7% under the average management fees for their Expense Groups. The Trustees also considered the total expenses for each share class of

each Janus Henderson Fund compared to the average total expenses for its Broadridge Expense Group peers and to average total expenses for its Broadridge Expense Universe.

For certain Janus Henderson Funds, the independent fee consultant also performed a systematic "focus list" analysis of expenses which assessed fund fees in the context of fund performance being delivered. Based on this analysis, the independent fee consultant found that the combination of service quality/performance and expenses on these individual Janus Henderson Funds was reasonable in light of performance trends, performance histories, and existence of performance fees, breakpoints, and/or expense waivers on such Janus Henderson Funds.

The Trustees considered the methodology used by Janus Capital and each subadviser in determining compensation payable to portfolio managers, the competitive environment for investment management talent, and the competitive market for mutual funds in different distribution channels.

The Trustees also reviewed management fees charged by Janus Capital and each subadviser to comparable separate account clients and to comparable non-affiliated funds subadvised by Janus Capital or by a subadviser (for which Janus Capital or the subadviser provides only or primarily portfolio management services). Although in most instances subadvisory and separate account fee rates for various investment strategies were lower than management fee rates for Janus Henderson Funds having a similar strategy, the Trustees considered that Janus Capital noted that, under the terms of the management agreements with the Janus Henderson Funds, Janus Capital performs significant additional services for the Janus Henderson Funds that it does not provide to those other clients, including administration services, oversight of the Janus Henderson Funds' other service providers, trustee support, regulatory compliance and numerous other services, and that, in serving the Janus Henderson Funds, Janus Capital assumes many legal risks and other costs that it does not assume in servicing its other clients. Moreover, they noted that the independent fee consultant found that: (1) the management fees Janus Capital charges to the Janus Henderson Funds are reasonable in relation to the management fees Janus Capital charges to funds subadvised by Janus Capital and to the fees Janus Capital charges to its institutional separate account clients; (2) these subadvised and institutional separate accounts have different service and infrastructure needs; and (3) Janus Henderson mutual fund investors enjoy reasonable fees relative to the fees charged to Janus Henderson subadvised fund and separate account investors; (4) 11 of 12 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) six of nine Janus Henderson Funds have lower management fees than similar separate accounts managed by Janus Capital.

The Trustees considered the fees for each Janus Henderson Fund for its fiscal year ended in 2018, including the VIT Portfolios, and noted the following with regard to each VIT Portfolio's total expenses, net of applicable fee waivers (the VIT Portfolio's "total expenses"):

- For Janus Henderson Balanced Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.
- For Janus Henderson Forty Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.

- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for its sole share class.

The Trustees reviewed information on the overall profitability to Janus Capital and its affiliates of their relationship with the Janus Henderson Funds, and considered profitability data of other publicly traded mutual fund advisers. The Trustees recognized that profitability comparisons among fund managers are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund manager is affected by numerous factors, including the organizational structure of the particular fund manager, differences in complex size, difference in product mix, difference in types of business (mutual fund, institutional and other), differences in the types of funds and other accounts it manages, possible other lines of business, the methodology for allocating expenses, and the fund manager's capital structure and cost of capital.

Additionally, the Trustees considered the estimated profitability to Janus Capital from the investment management services it provided to each Janus Henderson Fund. In their review, the Trustees considered whether Janus Capital and each subadviser receive adequate incentives and resources to manage the Janus Henderson Funds effectively. In reviewing profitability, the Trustees noted that the estimated profitability for an individual Janus Henderson Fund is necessarily a product of the allocation methodology utilized by Janus Capital to allocate its expenses as part of the estimated profitability calculation. In this regard, the Trustees noted that the independent fee consultant found that (1) the expense allocation methodology and rationales utilized by Janus Capital were reasonable and (2) no clear correlation between expense allocations and operating margins. The Trustees also considered that the estimated profitability for an individual Janus Henderson Fund was influenced by a number of factors, including not only the allocation methodology selected, but also the presence of fee waivers and expense caps, and whether the Janus Henderson Fund's investment management agreement contained breakpoints or a performance fee component. The Trustees determined, after taking into account these factors, among others, that Janus Capital's estimated profitability with respect to each Janus Henderson Fund was not unreasonable in relation to the services provided, and that the variation in the range of such estimated profitability among the Janus Henderson Funds was not a material factor in the Board's approval of the reasonableness of any Janus Henderson Fund's investment management fees.

The Trustees concluded that the management fees payable by each Janus Henderson Fund to Janus Capital and its affiliates, as well as the fees paid by Janus Capital to the subadvisers of subadvised Janus Henderson Funds, were reasonable in relation to the nature, extent, and quality of the services provided, taking into account the fees charged by other advisers for managing comparable mutual funds with similar strategies, the fees Janus Capital and the subadvisers charge to other clients, and, as applicable, the impact of fund performance on management fees payable by the Janus Henderson Funds. The Trustees also concluded that each Janus Henderson Fund's total expenses were reasonable, taking into account the size of the Janus Henderson Fund, the quality of services provided by Janus Capital and any subadviser, the investment performance of the Janus Henderson Fund, and any expense limitations agreed to or provided by Janus Capital.

Economies of Scale

The Trustees considered information about the potential for Janus Capital to realize economies of scale as the assets of the Janus Henderson Funds increase. They noted that their independent fee consultant published a report to the Trustees in November 2019 which provided its research and analysis into economies of scale. They also noted that, although many Janus Henderson Funds pay advisory fees at a base fixed rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 64% of these Janus Henderson Funds' share classes have contractual management fees (gross of waivers) below their Broadridge expense group averages. They also noted the following: (1) that for those Janus Henderson Funds whose expenses are being reduced by the contractual expense limitations of Janus Capital, Janus Capital is subsidizing certain of these Janus Henderson Funds because they have not reached adequate scale; (2) as the assets of some of the Janus Henderson Funds have declined in the past few years, certain Janus Henderson Funds have benefited from having advisory fee rates that have remained constant rather than increasing as assets declined; (3) performance fee structures have been implemented for various Janus Henderson Funds that have caused the effective rate of advisory fees payable by such a

Janus Henderson Fund to vary depending on the investment performance of the Janus Henderson Fund relative to its benchmark index over the measurement period; and (4) a few Janus Henderson Funds have fee schedules with breakpoints and reduced fee rates above certain asset levels. The Trustees also noted that the Janus Henderson Funds share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of all of the Janus Henderson Funds.

The Trustees also considered the independent fee consultant's conclusion that, given the limitations of various analytical approaches to economies of scale and their conflicting results, it is difficult to analytically confirm or deny the existence of economies of scale in the Janus Henderson complex. In this regard, the independent consultant concluded that (1) to the extent there were economies of scale at Janus Capital, Janus Capital's general strategy of setting fixed management fees below peers appeared to share any such economies with investors even on smaller Janus Henderson Funds which have not yet achieved those economies and (2) by setting lower fixed fees from the start on these Janus Henderson Funds, Janus Capital appeared to be investing to increase the likelihood that these Janus Henderson Funds will grow to a level to achieve any scale economies that may exist. Further, the independent fee consultant provided its belief that Janus Henderson Fund investors are well-served by the fee levels and performance fee structures in place on the Janus Henderson Funds in light of any economies of scale that may be present at Janus Capital.

Based on all of the information reviewed, including the recent and past research and analysis conducted by the Trustees' independent fee consultant, the Trustees concluded that the current fee structure of each Janus Henderson Fund was reasonable and that the current rates of fees do reflect a sharing between Janus Capital and the Janus Henderson Fund of any economies of scale that may be present at the current asset level of the Janus Henderson Fund.

Other Benefits to Janus Capital

The Trustees also considered benefits that accrue to Janus Capital and its affiliates and subadvisers to the Janus Henderson Funds from their relationships with the Janus Henderson Funds. They recognized that two affiliates of Janus Capital separately serve the Janus Henderson Funds as transfer agent and distributor, respectively, and the transfer agent receives compensation directly from the non-money market funds for services provided, and that such compensation contributes to the overall profitability of Janus Capital and its affiliates that results from their relationship with the Janus Henderson Funds. The Trustees also considered Janus Capital's past and proposed use of commissions paid by the Janus Henderson Funds on portfolio brokerage transactions to obtain proprietary and third-party research products and services benefiting the Janus Henderson Fund and/or other clients of Janus Capital and/or Janus Capital, and/or a subadviser to a Janus Henderson Fund. The Trustees concluded that Janus Capital's and the subadvisers' use of these types of client commission arrangements to obtain proprietary and third-party research products and services was consistent with regulatory requirements and guidelines and was likely to benefit each Janus Henderson Fund. The Trustees also concluded that, other than the services provided by Janus Capital and its affiliates and subadvisers pursuant to the agreements and the fees to be paid by each Janus Henderson Fund therefor, the Janus Henderson Funds and Janus Capital and the subadvisers may potentially benefit from their relationship with each other in other ways. They concluded that Janus Capital and its affiliates share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of the Janus Henderson Funds and other clients serviced by Janus Capital and its affiliates. They also concluded that Janus Capital and/or the subadvisers benefit from the receipt of research products and services acquired through commissions paid on portfolio transactions of the Janus Henderson Funds and that the Janus Henderson Funds benefit from Janus Capital's and/or the subadvisers' receipt of those products and services as well as research products and services acquired through commissions paid by other clients of Janus Capital and/or other clients of the subadvisers. They further concluded that the success of any Janus Henderson Fund could attract other business to Janus Capital, the subadvisers or other Janus Henderson funds, and that the success of Janus Capital and the subadvisers could enhance Janus Capital's and the subadvisers' ability to serve the Janus Henderson Funds.

LIQUIDITY RISK MANAGEMENT PROGRAM

Janus Henderson Funds (other than the money market funds) have adopted and implemented a written liquidity risk management program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"). Rule 22e-4, requires open-end funds to adopt and implement a written liquidity risk management program that is reasonably designed to assess and manage liquidity risk, which is the risk that a fund could not meet redemption requests without significant dilution of remaining investors' interest in the fund. The LRMP

incorporates the following elements: (i) assessment, management, and periodic review of liquidity risk; (ii) classification of portfolio investments; (iii) the establishment and monitoring of a highly liquid investment minimum, as applicable; (iv) a 15% limitation on a Portfolio's illiquid investments; (v) redemptions in-kind; and (vi) board oversight.

The Trustees have designated Janus Capital Management LLC, the Portfolio's investment adviser ("Janus Capital"), as the Program Administrator for the LRMP responsible for administering the LRMP and carrying out the specific responsibilities of the LRMP. A working group comprised of various groups within Janus Capital's business is responsible for administering the LRMP and carrying out the specific responsibilities of different aspects of the LRMP.

The Liquidity Rule requires the Trustees to review at least annually a written report provided by the Program Administrator that addresses the operation of the LRMP and assesses its adequacy and the effectiveness of its implementation, including, if applicable, the operation of the highly liquid investment minimum, and any material changes to the LRMP (the "Program Administrator Report"). During the semi-annual period ended June 30, 2020, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from December 1, 2018 through December 31, 2019 (the "Reporting Period"). No significant liquidity events impacting the Portfolio were noted in the Program Administrator Report, and the Portfolio was able to process redemptions during the normal course of business during the Reporting Period. In addition, the Program Administrator expressed its belief in the Program Administrator Report that:

- the LRMP is reasonably designed and adequate to assess and manage the Portfolio's liquidity risk, taking into account the Portfolio's particular risks and circumstances, and includes policies and procedures reasonably designed to implement each required component of the Liquidity Rule; and
- the LRMP, including the Highly Liquid Investment Minimum where applicable, was implemented and operated effectively to achieve the goal of assessing and managing the Portfolio's liquidity risk.

There can be no assurance that the LRMP will achieve its objectives in the future. Please refer to your Fund's prospectus for more information regarding the risks to which an investment in the Fund may be subject.

Janus Henderson VIT Enterprise Portfolio
Useful Information About Your Portfolio Report (unaudited)

Management Commentary

The Management Commentary in this report includes valuable insight as well as statistical information to help you understand how your Portfolio's performance and characteristics stack up against those of comparable indices.

If the Portfolio invests in foreign securities, this report may include information about country exposure. Country exposure is based primarily on the country of risk. A company may be allocated to a country based on other factors such as location of the company's principal office, the location of the principal trading market for the company's securities, or the country where a majority of the company's revenues are derived.

Please keep in mind that the opinions expressed in the Management Commentary are just that: opinions. They are a reflection based on best judgment at the time this report was compiled, which was June 30, 2020. As the investing environment changes, so could opinions. These views are unique and are not necessarily shared by fellow employees or by Janus Henderson in general.

Performance Overviews

Performance overview graphs compare the performance of a hypothetical $10,000 investment in the Portfolio with one or more widely used market indices. When comparing the performance of the Portfolio with an index, keep in mind that market indices are not available for investment and do not reflect deduction of expenses.

Average annual total returns are quoted for a Portfolio with more than one year of performance history. Average annual total return is calculated by taking the growth or decline in value of an investment over a period of time, including reinvestment of dividends and distributions, then calculating the annual compounded percentage rate that would have produced the same result had the rate of growth been constant throughout the period. Average annual total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Cumulative total returns are quoted for a Portfolio with less than one year of performance history. Cumulative total return is the growth or decline in value of an investment over time, independent of the period of time involved. Cumulative total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Pursuant to federal securities rules, expense ratios shown in the performance chart reflect subsidized (if applicable) and unsubsidized ratios. The total annual fund operating expenses ratio is gross of any fee waivers, reflecting the Portfolio's unsubsidized expense ratio. The net annual fund operating expenses ratio (if applicable) includes contractual waivers of Janus Capital and reflects the Portfolio's subsidized expense ratio. Ratios may be higher or lower than those shown in the "Financial Highlights" in this report.

Schedule of Investments

Following the performance overview section is the Portfolio's Schedule of Investments. This schedule reports the types of securities held in the Portfolio on the last day of the reporting period. Securities are usually listed by type (common stock, corporate bonds, U.S. Government obligations, etc.) and by industry classification (banking, communications, insurance, etc.). Holdings are subject to change without notice.

The value of each security is quoted as of the last day of the reporting period. The value of securities denominated in foreign currencies is converted into U.S. dollars.

If the Portfolio invests in foreign securities, it will also provide a summary of investments by country. This summary reports the Portfolio exposure to different countries by providing the percentage of securities invested in each country. The country of each security represents the country of risk. The Portfolio's Schedule of Investments relies upon the industry group and country classifications published by Barclays and/or MSCI Inc.

Tables listing details of individual forward currency contracts, futures, written options, swaptions, and swaps follow the Portfolio's Schedule of Investments (if applicable).

Statement of Assets and Liabilities

This statement is often referred to as the "balance sheet." It lists the assets and liabilities of the Portfolio on the last day of the reporting period.

The Portfolio's assets are calculated by adding the value of the securities owned, the receivable for securities sold but not yet settled, the receivable for dividends declared but not yet received on securities owned, and the receivable for Portfolio shares sold to investors but not yet settled. The Portfolio's liabilities include payables for securities purchased but not yet settled, Portfolio shares redeemed but not yet paid, and expenses owed but not yet paid. Additionally, there may be other assets and liabilities such as unrealized gain or loss on forward currency contracts.

The section entitled "Net Assets Consist of" breaks down the components of the Portfolio's net assets. Because the Portfolio must distribute substantially all earnings, you will notice that a significant portion of net assets is shareholder capital.

The last section of this statement reports the net asset value ("NAV") per share on the last day of the reporting period. The NAV is calculated by dividing the Portfolio's net assets for each share class (assets minus liabilities) by the number of shares outstanding.

Statement of Operations

This statement details the Portfolio's income, expenses, realized gains and losses on securities and currency transactions, and changes in unrealized appreciation or depreciation of Portfolio holdings.

The first section in this statement, entitled "Investment Income," reports the dividends earned from securities and interest earned from interest-bearing securities in the Portfolio.

The next section reports the expenses incurred by the Portfolio, including the advisory fee paid to the investment adviser, transfer agent fees and expenses, and printing and postage for mailing statements, financial reports and prospectuses. Expense offsets and expense reimbursements, if any, are also shown.

The last section lists the amounts of realized gains or losses from investment and foreign currency transactions, and changes in unrealized appreciation or depreciation of investments and foreign currency-denominated assets and liabilities. The Portfolio will realize a gain (or loss) when it sells its position in a particular security. A change in unrealized gain (or loss) refers to the change in net appreciation or depreciation of the Portfolio during the reporting period. "Net Realized and Unrealized Gain/(Loss) on Investments" is affected both by changes in the market value of Portfolio holdings and by gains (or losses) realized during the reporting period.

Statements of Changes in Net Assets

These statements report the increase or decrease in the Portfolio's net assets during the reporting period. Changes in the Portfolio's net assets are attributable to investment operations, dividends and distributions to investors, and capital share transactions. This is important to investors because it shows exactly what caused the Portfolio's net asset size to change during the period.

The first section summarizes the information from the Statement of Operations regarding changes in net assets due to the Portfolio's investment operations. The Portfolio's net assets may also change as a result of dividend and capital gains distributions to investors. If investors receive their dividends and/or distributions in cash, money is taken out of the Portfolio to pay the dividend and/or distribution. If investors reinvest their dividends and/or distributions, the Portfolio's net assets will not be affected. If you compare the Portfolio's "Net Decrease from Dividends and Distributions" to "Reinvested Dividends and Distributions," you will notice that dividends and distributions have little effect on the Portfolio's net assets. This is because the majority of the Portfolio's investors reinvest their dividends and/or distributions.

The reinvestment of dividends and distributions is included under "Capital Share Transactions." "Capital Shares" refers to the money investors contribute to the Portfolio through purchases or withdrawals via redemptions. The Portfolio's net assets will increase and decrease in value as investors purchase and redeem shares from the Portfolio.

Financial Highlights

This schedule provides a per-share breakdown of the components that affect the Portfolio's NAV for current and past reporting periods as well as total return, asset size, ratios, and portfolio turnover rate.

The first line in the table reflects the NAV per share at the beginning of the reporting period. The next line reports the net investment income/(loss) per share. Following is the per share total of net gains/(losses), realized and unrealized. Per share dividends and distributions to investors are then subtracted to arrive at the NAV per share at the end of the period. The next line reflects the total return for the period. The total return may include adjustments in accordance with

generally accepted accounting principles required at the period end for financial reporting purposes. As a result, the total return may differ from the total return reflected for individual shareholder transactions. Also included are ratios of expenses and net investment income to average net assets.

The Portfolio's expenses may be reduced through expense offsets and expense reimbursements. The ratios shown reflect expenses before and after any such offsets and reimbursements.

The ratio of net investment income/(loss) summarizes the income earned less expenses, divided by the average net assets of the Portfolio during the reporting period. Do not confuse this ratio with the Portfolio's yield. The net investment income ratio is not a true measure of the Portfolio's yield because it does not take into account the dividends distributed to the Portfolio's investors.

The next figure is the portfolio turnover rate, which measures the buying and selling activity in the Portfolio. Portfolio turnover is affected by market conditions, changes in the asset size of the Portfolio, fluctuating volume of shareholder purchase and redemption orders, the nature of the Portfolio's investments, and the investment style and/or outlook of the portfolio manager(s) and/or investment personnel. A 100% rate implies that an amount equal to the value of the entire portfolio was replaced once during the fiscal year; a 50% rate means that an amount equal to the value of half the portfolio is traded in a year; and a 200% rate means that an amount equal to the value of the entire portfolio is traded every six months.

Knowledge Shared

At Janus Henderson, we believe in the sharing of expert insight for better investment and business decisions. We call this ethos Knowledge Shared.

Learn more by visiting janushenderson.com.

Janus Henderson
INVESTORS

This report is submitted for the general information of shareholders of the Portfolio. It is not an offer or solicitation for the Portfolio and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

Janus Henderson Distributors

109-24-81116 08-20

SEMIANNUAL REPORT
June 30, 2020

Janus Henderson VIT Forty Portfolio

Janus Aspen Series

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the insurance company that offers your variable life insurance contract or variable annuity contract, may determine that it will no longer send you paper copies of the Portfolio's shareholder reports, unless you specifically request paper copies of the reports. Beginning on January 1, 2021, for shareholders who are not insurance contract holders, paper copies of the Portfolio's shareholder reports will no longer be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and your insurance company or plan sponsor, broker-dealer, or financial intermediary will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company or plan sponsor, broker-dealer, or financial intermediary.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Portfolio electronically by contacting your insurance company or plan sponsor, broker-dealer, or other financial intermediary.

You may elect to receive all future reports in paper free of charge by contacting your insurance company or plan sponsor, broker dealer or other financial intermediary. Your election to receive reports in paper will apply to all funds held in your account with your insurance company or plan sponsor, broker dealer or other financial intermediary.

HIGHLIGHTS

- Portfolio management perspective
- Investment strategy behind your portfolio
- Portfolio performance, characteristics and holdings

Janus Henderson
INVESTORS

Table of Contents

Janus Henderson VIT Forty Portfolio (unaudited)

PORTFOLIO SNAPSHOT

We believe that constructing a concentrated portfolio of quality growth companies will allow us to outperform our benchmark over time. We define quality as companies that enjoy sustainable "moats" around their businesses, potentially allowing them to grow faster, with higher returns, than their competitors. We believe the market often underestimates these companies' sustainable competitive advantage periods.

Doug Rao
co-portfolio manager

Nick Schommer
co-portfolio manager

PERFORMANCE OVERVIEW

For the six-month period ended June 30, 2020, the Portfolio's Institutional Shares and Service Shares returned 10.84% and 10.68%, respectively, versus a return of 9.81% for the Portfolio's primary benchmark, the Russell 1000® Growth Index. The Portfolio's secondary benchmark, the S&P 500® Index, returned -3.08% for the period.

INVESTMENT ENVIRONMENT

The Russell 1000 Growth Index staged an impressive rebound on the heels of a near-total shutdown of the economy as the U.S. government and Federal Reserve (Fed) implemented massive stimulus and liquidity measures to backstop markets. Growth stocks, driven primarily by large-cap technology firms, significantly outperformed value stocks and the broader market. The unemployment rate, which had previously risen to an extremely high level, eventually showed signs of recovery but remained elevated. Relatively positive economic data toward the end of the period, including an uptick in consumer spending, pointed to a nascent recovery; however, the development of virus hot spots, particularly in the Southern and Western regions of the country, underscored the challenges that remain as the economy reopens amid the ongoing COVID-19 pandemic.

PERFORMANCE DISCUSSION

The Portfolio outperformed its primary benchmark, the Russell 1000 Growth Index, and its secondary benchmark, the S&P 500 Index, during the period. As part of our investment strategy, we seek companies that have built clear, sustainable competitive moats around their businesses, which should help them grow market share within their respective industries over time. Important competitive advantages could include a strong brand, network effects from a product or service that would be hard for a competitor to replicate, a lower cost structure than competitors in the industry, a distribution advantage or patent protection over valuable intellectual property. We think emphasizing these sustainable competitive advantages can be a meaningful driver of outperformance over longer time horizons because the market often underestimates the duration of growth for these companies and the long-term potential return to shareholders.

Avalara was a top contributor for the period relative to the benchmark. The Software as a Service company is a provider of tax calculation solutions for medium-size e-commerce businesses. Companies that sell goods online are now required to collect the appropriate sales tax for each state they sell into, even if they do not have a physical presence in that state. This requirement, combined with the complexity of the U.S. tax code, makes Avalara's software an essential service for many online businesses. The stock was up during the period after reporting strong earnings and a growing customer base through a challenging economic environment.

Netflix, Inc., another top contributor, has been a clear beneficiary of shelter-in-place orders, with a fairly low-priced product that has seen a spike in demand amid social distancing. As business activity slowed and advertising decreased, Netflix's business model also benefited due to its ad-free structure, while competitors more reliant on advertising revenue were negatively impacted.

Amazon was another top contributor, as almost every business line has continued to benefit from the disrupted environment. E-commerce (traditional and Whole Foods) benefited from increased deliveries. Amazon's extensive and sophisticated direct-to-consumer distribution network and Prime Video streaming were welcomed by consumers in this environment. Amazon Web Services (AWS) also benefited from an accelerated transition to the cloud, driven by the need to provide knowledge workers remote access to corporate information technology (IT) applications.

Boston Scientific, a cardiovascular-focused medical device company, was among the top detractors. The company has suffered as some surgeries have been pushed back until the COVID-19 pandemic slows down. Procedures like heart surgery are not seen as elective, but many operations have been delayed in the near term.

Another detractor relative to the benchmark was defense contractor L3Harris Technologies. Defense stocks in general held up better during the initial market sell-off but have struggled more recently. Huge levels of fiscal stimulus will likely lead to strained government budgets for the foreseeable future. As a result, fears that defense spending will be negatively impacted weighed on the stock during the period.

Elanco Animal Health also detracted from relative performance. The stock declined after the company reported lower-than-expected quarterly revenues and withdrew fiscal year guidance because of COVID-19. Elanco is a top participant in the expanding animal food and health market. The firm's planned acquisition of Bayer Animal Health remains targeted for a midyear close and should help diversify Elanco's portfolio and distribution channels.

OUTLOOK

Massive fiscal and monetary stimulus measures have thus far helped cushion the blow from shelter-in-place orders and provided much-needed liquidity for markets, Main Street businesses and consumers. As a result, the individual savings rate has gone up dramatically, and many companies with impaired balance sheets have likewise been able to raise inexpensive capital and deleverage. Interest rates (and therefore company cost of capital) are likely to remain at or near zero for the foreseeable future. This could eventually lead to price extremes for both equities and fixed income and will present investors with significant challenges in assessing corporate valuations.

The economy has shown signs of a budding recovery as it reopens, but it is clear that COVID-19 infection rates will need to be kept in check, as large spikes could necessitate renewed shutdowns and create risks to the developing recovery. Thus, the path back to normalcy will likely be extended and volatile until there is an effective and widely implemented vaccine. Adding to short-term market volatility is a recent spike in retail trading volume and accounts, spurred by zero-cost commissions across the retail brokerage industry and an increase in hours spent at home for individual investors.

While we can't predict macroeconomic outlooks, nor the trajectory of COVID-19, we believe many of the themes we have discussed in the past, specifically the widespread digitization of sectors across the economy, will not only persist but also get stronger over the coming months and years. Now more than ever, we think it is important to own companies that can benefit from long-term secular trends and that can continue to invest and grow. These are firms that have durable business models with deeply rooted competitive advantages, including strong balance sheets. Such qualities should allow these companies to allocate capital to growth opportunities despite a recessionary environment.

Thank you for your investment in Janus Henderson VIT Forty Portfolio.

Janus Henderson VIT Forty Portfolio (unaudited)
Portfolio At A Glance
June 30, 2020

5 Top Contributors - Holdings

	Average Weight	Relative Contribution
Avalara Inc	1.09%	0.62%
Netflix Inc	2.84%	0.55%
Amazon.com Inc	7.24%	0.51%
Adobe Inc	3.43%	0.46%
ASML Holding NV	2.13%	0.31%

5 Top Detractors - Holdings

	Average Weight	Relative Contribution
Boston Scientific Corp	3.28%	-1.11%
Walt Disney Co	1.71%	-0.68%
L3Harris Technologies Inc	2.99%	-0.61%
Elanco Animal Health Inc	1.05%	-0.61%
Mastercard Inc	5.81%	-0.43%

5 Top Contributors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell 1000 Growth Index Average Weight
Information Technology	1.21%	38.10%	39.94%
Consumer Discretionary	1.02%	13.43%	14.35%
Industrials	0.54%	6.97%	8.18%
Consumer Staples	0.49%	1.21%	4.48%
Real Estate	0.25%	3.01%	2.37%

5 Top Detractors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell 1000 Growth Index Average Weight
Health Care	-1.93%	13.07%	14.54%
Materials	-0.47%	3.49%	1.25%
Financials	-0.34%	3.85%	2.96%
Other**	0.04%	2.42%	0.00%
Energy	0.12%	0.00%	0.18%

Relative contribution reflects how the portolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown. For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, excluding fixed income securities, gross of advisory fees, may exclude certain derivatives and will differ from actual performance. Performance attribution reflects returns gross of advisory fees and may differ from actual returns as they are based on end of day holdings. Attribution is calculated by geometrically linking daily returns for the portfolio and index.

* Based on sector classification according to the Global Industry Classification Standard ("GICS") codes, which are the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.

** Not a GICS classified sector.

Janus Henderson VIT Forty Portfolio (unaudited)
Portfolio At A Glance
June 30, 2020

5 Largest Equity Holdings - (% of Net Assets)

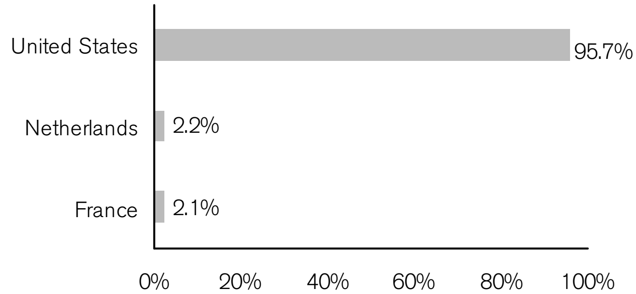
Microsoft Corp	
Software	9.0%
Amazon.com Inc	
Internet & Direct Marketing Retail	8.7%
Apple Inc	
Technology Hardware, Storage & Peripherals	5.9%
Mastercard Inc	
Information Technology Services	5.8%
Alphabet Inc - Class C	
Interactive Media & Services	3.9%
	33.3%

Asset Allocation - (% of Net Assets)

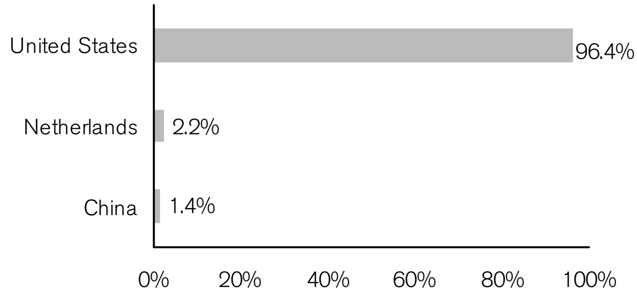
Common Stocks	99.5%
Investments Purchased with Cash Collateral from Securities Lending	0.9%
Investment Companies	0.8%
Other	(1.2)%
	100.0%

Top Country Allocations - Long Positions - (% of Investment Securities)

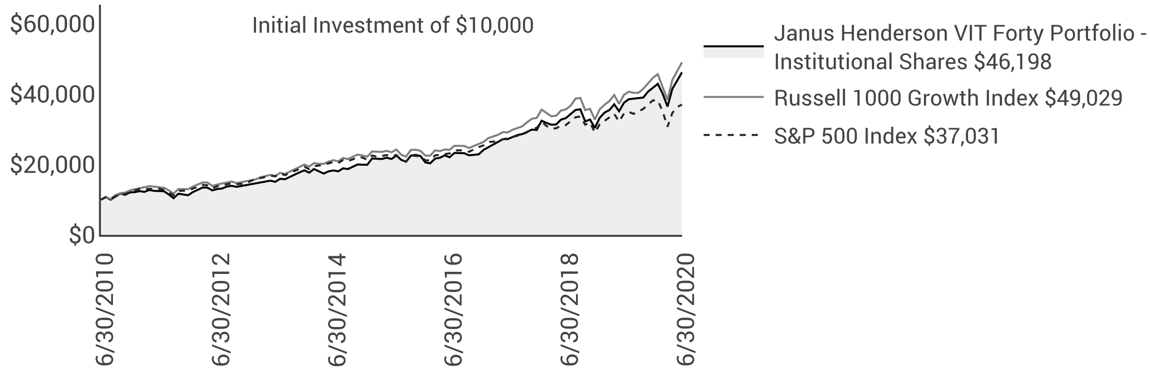
As of June 30, 2020



As of December 31, 2019



Janus Henderson VIT Forty Portfolio (unaudited)
Performance



Average Annual Total Return - for the periods ended June 30, 2020	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Expense Ratios Total Annual Fund Operating Expenses‡
Institutional Shares	10.84%	23.10%	16.48%	16.54%	12.25%	0.77%
Service Shares	10.68%	22.79%	16.19%	16.24%	11.94%	1.02%
Russell 1000 Growth Index	9.81%	23.28%	15.89%	17.23%	8.62%	
S&P 500 Index	-3.08%	7.51%	10.73%	13.99%	8.05%	
Morningstar Quartile - Institutional Shares	-	1st	1st	2nd	1st	
Morningstar Ranking - based on total returns for Large Growth Funds	-	319/1,366	161/1,251	305/1,100	14/587	

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit janushenderson.com/VITperformance.

This Portfolio has a performance-based management fee that may adjust up or down based on the Portfolio's performance.

Performance may be affected by risks that include those associated with non-diversification, portfolio turnover, short sales, potential conflicts of interest, foreign and emerging markets, initial public offerings (IPOs), high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), derivatives, and commodity-linked investments. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

Returns do not reflect the deduction of fees, charges or expenses of any insurance product or qualified plan. If applied, returns would have been lower.

Returns include reinvestment of all dividends and distributions and do not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares. The returns do not include adjustments in accordance with generally accepted accounting principles required at the period end for financial reporting purposes.

Performance for Service Shares prior to December 31, 1999 reflects the performance of Institutional Shares, adjusted to reflect the expenses of Service Shares.

Ranking is for the share class shown only; other classes may have different performance characteristics.

There is no assurance that the investment process will consistently lead to successful investing.

See Notes to Schedule of Investments and Other Information for index definitions.

See important disclosures on the next page.

Janus Henderson VIT Forty Portfolio (unaudited)
Performance

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

See “Useful Information About Your Portfolio Report.”

*The Portfolio’s inception date – May 1 ,1997

‡ As stated in the prospectus. See Financial Highlights for actual expense ratios during the reporting period.

Janus Henderson VIT Forty Portfolio (unaudited)
Expense Examples

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; 12b-1 distribution and shareholder servicing fees (applicable to Service Shares only); transfer agent fees and expenses payable pursuant to the Transfer Agency Agreement; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The example is based upon an investment of $1,000 invested at the beginning of the period and held for the six-months indicated, unless noted otherwise in the table and footnotes below.

Actual Expenses

The information in the table under the heading "Actual" provides information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, 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 in the appropriate column for your share class under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The information in the table under the heading "Hypothetical (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based upon the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. 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 may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Additionally, for an analysis of the fees associated with an investment in either share class or other similar funds, please visit www.finra.org/fundanalyzer.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as any charges at the separate account level or contract level. These fees are fully described in the Portfolio's prospectuses. Therefore, the hypothetical examples are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Net Annualized Expense Ratio (1/1/20 - 6/30/20)
Institutional Shares	$1,000.00	$1,108.40	$4.09	$1,000.00	$1,020.98	$3.92	0.78%
Service Shares	$1,000.00	$1,106.80	$5.34	$1,000.00	$1,019.79	$5.12	1.02%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period). Expenses in the examples include the effect of applicable fee waivers and/or expense reimbursements, if any. Had such waivers and/or reimbursements not been in effect, your expenses would have been higher. Please refer to the Notes to Financial Statements or the Portfolio's prospectuses for more information regarding waivers and/or reimbursements.

Janus Henderson VIT Forty Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – 99.5%		
Aerospace & Defense – 2.2%		
L3Harris Technologies Inc	118,258	$20,064,835
Capital Markets – 2.3%		
Blackstone Group Inc	377,230	21,373,852
Chemicals – 2.0%		
Sherwin-Williams Co	32,071	18,532,227
Construction Materials – 0.8%		
Vulcan Materials Co	60,230	6,977,646
Electronic Equipment, Instruments & Components – 0.6%		
Cognex Corp	97,030	5,794,632
Entertainment – 4.0%		
Netflix Inc*	56,422	25,674,267
Walt Disney Co	101,830	11,355,063
		37,029,330
Equity Real Estate Investment Trusts (REITs) – 3.0%		
American Tower Corp	107,415	27,771,074
Health Care Equipment & Supplies – 8.6%		
Boston Scientific Corp*	894,478	31,405,123
Danaher Corp	143,461	25,368,209
Edwards Lifesciences Corp*	92,124	6,366,690
Intuitive Surgical Inc*	28,895	16,465,238
		79,605,260
Household Products – 1.9%		
Procter & Gamble Co	149,413	17,865,312
Information Technology Services – 7.3%		
Mastercard Inc	181,878	53,781,325
PayPal Holdings Inc*	77,802	13,555,442
		67,336,767
Interactive Media & Services – 9.2%		
Alphabet Inc - Class C*	25,682	36,304,332
Facebook Inc*	105,041	23,851,660
Match Group Inc*,#	104,099	11,143,798
Snap Inc*	581,763	13,665,613
		84,965,403
Internet & Direct Marketing Retail – 9.9%		
Amazon.com Inc*	29,018	80,055,439
Booking Holdings Inc*	7,125	11,345,422
		91,400,861
Pharmaceuticals – 4.4%		
Elanco Animal Health Inc*	453,220	9,721,569
Merck & Co Inc	207,128	16,017,208
Zoetis Inc	107,998	14,800,046
		40,538,823
Professional Services – 2.1%		
CoStar Group Inc*	27,655	19,653,579
Semiconductor & Semiconductor Equipment – 8.5%		
ASML Holding NV	56,609	20,833,810
Lam Research Corp	29,219	9,451,178
Microchip Technology Inc	74,542	7,850,018
NVIDIA Corp	50,564	19,209,769
Texas Instruments Inc	165,868	21,060,260
		78,405,035
Software – 17.4%		
Adobe Inc*	74,698	32,516,786
Avalara Inc*	89,312	11,886,534
Microsoft Corp	407,075	82,843,833
salesforce.com Inc*	180,945	33,896,427
		161,143,580

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – (continued)		
Specialty Retail – 2.6%		
Home Depot Inc	96,149	$24,086,286
Technology Hardware, Storage & Peripherals – 5.9%		
Apple Inc	148,379	54,128,659
Textiles, Apparel & Luxury Goods – 4.4%		
Lululemon Athletica Inc*	21,321	6,652,365
LVMH Moet Hennessy Louis Vuitton SE	44,143	19,332,971
NIKE Inc	147,294	14,442,177
		40,427,513
Wireless Telecommunication Services – 2.4%		
T-Mobile US Inc*	214,575	22,347,986
Total Common Stocks (cost $525,472,235)		919,448,660
Investment Companies – 0.8%		
Money Markets – 0.8%		
Janus Henderson Cash Liquidity Fund LLC, 0.1535%[∞,£] (cost $7,687,698)	7,687,556	7,688,325
Investments Purchased with Cash Collateral from Securities Lending – 0.9%		
Investment Companies – 0.7%		
Janus Henderson Cash Collateral Fund LLC, 0.0368%[∞,£]	6,398,181	6,398,181
Time Deposits – 0.2%		
Royal Bank of Canada, 0.0900%, 7/1/20	$1,599,545	1,599,545
Total Investments Purchased with Cash Collateral from Securities Lending (cost $7,997,726)		7,997,726
Total Investments (total cost $541,157,659) – 101.2%		935,134,711
Liabilities, net of Cash, Receivables and Other Assets – (1.2)%		(10,901,244)
Net Assets – 100%		$924,233,467

Summary of Investments by Country - (Long Positions) (unaudited)

Country	*Value*	*% of Investment Securities*
United States	$894,967,930	95.7 %
Netherlands	20,833,810	2.2
France	19,332,971	2.1
Total	$935,134,711	100.0 %

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Schedule of Investments (unaudited)
June 30, 2020

Schedules of Affiliated Investments – (% of Net Assets)

		Dividend Income		*Realized Gain/(Loss)*		*Change in Unrealized Appreciation/ Depreciation*		*Value at 6/30/20*
Investment Companies - 0.8%								
Money Markets - 0.8%								
Janus Henderson Cash Liquidity Fund LLC, 0.1535%ºº	$	97,840	$	5,174	$	850	$	7,688,325
Investments Purchased with Cash Collateral from Securities Lending - 0.7%								
Investment Companies - 0.7%								
Janus Henderson Cash Collateral Fund LLC, 0.0368%ºº		278,585Δ		-		-		6,398,181
Total Affiliated Investments - 1.5%	$	376,425	$	5,174-	$	850	$	14,086,506

	Value at 12/31/19	*Purchases*	*Sales Proceeds*	*Value at 6/30/20*
Investment Companies - 0.8%				
Money Markets - 0.8%				
Janus Henderson Cash Liquidity Fund LLC, 0.1535%ºº	17,377,343	157,584,891	(167,279,933)	7,688,325
Investments Purchased with Cash Collateral from Securities Lending - 0.7%				
Investment Companies - 0.7%				
Janus Henderson Cash Collateral Fund LLC, 0.0368%ºº	-	19,515,652	(13,117,471)	6,398,181

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Notes to Schedule of Investments and Other Information (unaudited)

Russell 1000® Growth Index	Russell 1000® Growth Index reflects the performance of U.S. large-cap equities with higher price-to-book ratios and higher forecasted growth values.
S&P 500® Index	S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.
LLC	Limited Liability Company

*	Non-income producing security.
ºº	Rate shown is the 7-day yield as of June 30, 2020.
#	Loaned security; a portion of the security is on loan at June 30, 2020.
£	The Portfolio may invest in certain securities that are considered affiliated companies. As defined by the Investment Company Act of 1940, as amended, an affiliated company is one in which the Portfolio owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control.
Δ	Net of income paid to the securities lending agent and rebates paid to the borrowing counterparties.

The following is a summary of the inputs that were used to value the Portfolio's investments in securities and other financial instruments as of June 30, 2020. See Notes to Financial Statements for more information.

Valuation Inputs Summary

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Assets			
Investments In Securities:			
Common Stocks			
Textiles, Apparel & Luxury Goods	$ 21,094,542	$ 19,332,971	$ -
All Other	879,021,147	-	-
Investment Companies	-	7,688,325	-
Investments Purchased with Cash Collateral from Securities Lending	-	7,997,726	-
Total Assets	$ 900,115,689	$ 35,019,022	$ -

Janus Henderson VIT Forty Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2020

Assets:		
Unaffiliated investments, at value(1)(2)	$	921,048,205
Affiliated investments, at value(3)		14,086,506
Cash		347
Non-interested Trustees' deferred compensation		19,045
Receivables:		
Dividends		340,016
Portfolio shares sold		176,377
Foreign tax reclaims		7,160
Dividends from affiliates		2,159
Other assets		93,149
Total Assets		935,772,964
Liabilities:		
Collateral for securities loaned (Note 2)		7,997,726
Payables:		
Portfolio shares repurchased		2,791,461
Advisory fees		475,478
12b-1 Distribution and shareholder servicing fees		109,260
Transfer agent fees and expenses		39,604
Non-interested Trustees' deferred compensation fees		19,045
Non-affiliated portfolio administration fees payable		18,898
Professional fees		17,335
Non-interested Trustees' fees and expenses		4,277
Affiliated portfolio administration fees payable		1,857
Custodian fees		1,693
Accrued expenses and other payables		62,863
Total Liabilities		11,539,497
Net Assets	$	924,233,467
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	479,180,586
Total distributable earnings (loss)		445,052,881
Total Net Assets	$	924,233,467
Net Assets - Institutional Shares	$	381,570,831
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		8,418,855
Net Asset Value Per Share	$	45.32
Net Assets - Service Shares	$	542,662,636
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		12,869,814
Net Asset Value Per Share	$	42.17

(1) Includes cost of $527,071,780.
(2) Includes $7,831,492 of securities on loan. See Note 2 in Notes to Financial Statements.
(3) Includes cost of $14,085,879.

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2020

Investment Income:		
Dividends	$	3,383,310
Affiliated securities lending income, net		278,585
Dividends from affiliates		97,840
Unaffiliated securities lending income, net		3,142
Foreign tax withheld		(13,670)
Total Investment Income		3,749,207
Expenses:		
Advisory fees		2,964,550
12b-1 Distribution and shareholder servicing fees:		
Service Shares		626,658
Transfer agent administrative fees and expenses:		
Institutional Shares		87,260
Service Shares		125,332
Other transfer agent fees and expenses:		
Institutional Shares		8,511
Service Shares		5,762
Shareholder reports expense		20,346
Professional fees		19,834
Registration fees		11,740
Affiliated portfolio administration fees		10,630
Non-interested Trustees' fees and expenses		7,710
Custodian fees		5,539
Other expenses		45,664
Total Expenses		3,939,536
Net Investment Income/(Loss)		(190,329)
Net Realized Gain/(Loss) on Investments:		
Investments and foreign currency transactions		51,282,171
Investments in affiliates		5,174
Total Net Realized Gain/(Loss) on Investments		51,287,345
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation		37,904,505
Investments in affiliates		850
Total Change in Unrealized Net Appreciation/Depreciation		37,905,355
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	89,002,371

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Statements of Changes in Net Assets

		Period ended June 30, 2020 (unaudited)		Year ended December 31, 2019
Operations:				
Net investment income/(loss)	$	(190,329)	$	678,107
Net realized gain/(loss) on investments		51,287,345		71,678,445
Change in unrealized net appreciation/depreciation		37,905,355		183,133,171
Net Increase/(Decrease) in Net Assets Resulting from Operations		89,002,371		255,489,723
Dividends and Distributions to Shareholders				
Institutional Shares		(28,629,140)		(27,749,524)
Service Shares		(43,209,494)		(42,198,627)
Net Decrease from Dividends and Distributions to Shareholders		(71,838,634)		(69,948,151)
Capital Share Transactions:				
Institutional Shares		11,410,846		(6,219,350)
Service Shares		8,545,667		(11,662,110)
Net Increase/(Decrease) from Capital Share Transactions		19,956,513		(17,881,460)
Net Increase/(Decrease) in Net Assets		37,120,250		167,660,112
Net Assets:				
Beginning of period		887,113,217		719,453,105
End of period	$	924,233,467	$	887,113,217

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$44.38	$35.20	$39.76	$32.19	$36.37	$40.27
Income/(Loss) from Investment Operations:						
Net investment income/(loss)[(1)]	0.02	0.09	0.07	0.02	0.05	0.03
Net realized and unrealized gain/(loss)	4.58	12.55	1.31	9.58	0.58	4.77
Total from Investment Operations	4.60	12.64	1.38	9.60	0.63	4.80
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.14)	(0.06)	—	—	—	—
Distributions (from capital gains)	(3.52)	(3.40)	(5.94)	(2.03)	(4.81)	(8.70)
Total Dividends and Distributions	(3.66)	(3.46)	(5.94)	(2.03)	(4.81)	(8.70)
Net Asset Value, End of Period	$45.32	$44.38	$35.20	$39.76	$32.19	$36.37
Total Return*	10.84%	37.16%	1.98%	30.31%	2.20%	12.22%
Net Assets, End of Period (in thousands)	$381,571	$362,001	$292,132	$309,258	$257,009	$295,725
Average Net Assets for the Period (in thousands)	$352,946	$337,416	$327,962	$297,125	$273,374	$298,904
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.78%	0.77%	0.71%	0.82%	0.72%	0.69%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.78%	0.77%	0.71%	0.82%	0.72%	0.69%
Ratio of Net Investment Income/(Loss)	0.10%	0.23%	0.17%	0.05%	0.15%	0.08%
Portfolio Turnover Rate	26%	35%	41%	39%	53%	55%

Service Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$41.53	$33.15	$37.84	$30.79	$35.08	$39.21
Income/(Loss) from Investment Operations:						
Net investment income/(loss)[(1)]	(0.03)	(0.01)	(0.03)	(0.07)	(0.03)	(0.06)
Net realized and unrealized gain/(loss)	4.27	11.80	1.28	9.15	0.55	4.63
Total from Investment Operations	4.24	11.79	1.25	9.08	0.52	4.57
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.08)	(0.01)	—	—	—	—
Distributions (from capital gains)	(3.52)	(3.40)	(5.94)	(2.03)	(4.81)	(8.70)
Total Dividends and Distributions	(3.60)	(3.41)	(5.94)	(2.03)	(4.81)	(8.70)
Net Asset Value, End of Period	$42.17	$41.53	$33.15	$37.84	$30.79	$35.08
Total Return*	10.71%	36.85%	1.72%	29.99%	1.94%	11.94%
Net Assets, End of Period (in thousands)	$542,663	$525,112	$427,321	$466,969	$430,510	$501,003
Average Net Assets for the Period (in thousands)	$506,966	$495,465	$487,559	$457,168	$464,943	$501,868
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	1.02%	1.02%	0.96%	1.06%	0.97%	0.94%
Ratio of Net Expenses (After Waivers and Expense Offsets)	1.02%	1.02%	0.96%	1.06%	0.97%	0.94%
Ratio of Net Investment Income/(Loss)	(0.15)%	(0.02)%	(0.08)%	(0.19)%	(0.09)%	(0.17)%
Portfolio Turnover Rate	26%	35%	41%	39%	53%	55%

* Total return includes adjustments in accordance with generally accepted accounting principles required at the year or period end and are not annualized for periods of less than one full year. Total return does not include fees, charges, or expenses imposed by the variable annuity and life insurance contracts for which Janus Aspen Series serves as an underlying investment vehicle.

** Annualized for periods of less than one full year.

(1) Per share amounts are calculated based on average shares outstanding during the year or period.

See Notes to Financial Statements.

1. Organization and Significant Accounting Policies

Janus Henderson VIT Forty Portfolio (the "Portfolio") is a series of Janus Aspen Series (the "Trust"), which is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company, and therefore has applied the specialized accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. The Trust offers 11 portfolios, each of which offers multiple share classes, with differing investment objectives and policies. The Portfolio seeks long-term growth of capital. The Portfolio is classified as nondiversified, as defined in the 1940 Act.

The Portfolio currently offers two classes of shares: Institutional Shares and Service Shares. Each class represents an interest in the same portfolio of investments. Institutional Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans. Service Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans that require a fee from Portfolio assets to procure distribution and administrative services to contract owners and plan participants.

Shareholders, including other portfolios, participating insurance companies, as well as accounts, may from time to time own (beneficially or of record) a significant percentage of the Portfolio's Shares and can be considered to "control" the Portfolio when that ownership exceeds 25% of the Portfolio's assets (and which may differ from control as determined in accordance with United States of America generally accepted accounting priciples ("US GAAP")).

The following accounting policies have been followed by the Portfolio and are in conformity with US GAAP.

Investment Valuation

Securities held by the Portfolio are valued in accordance with policies and procedures established by and under the supervision of the Trustees (the "Valuation Procedures"). Equity securities traded on a domestic securities exchange are generally valued at the closing prices on the primary market or exchange on which they trade. If such price is lacking for the trading period immediately preceding the time of determination, such securities are valued at their current bid price. Equity securities that are traded on a foreign exchange are generally valued at the closing prices on such markets. In the event that there is no current trading volume on a particular security in such foreign exchange, the bid price from the primary exchange is generally used to value the security. Securities that are traded on the over-the-counter ("OTC") markets are generally valued at their closing or latest bid prices as available. Foreign securities and currencies are converted to U.S. dollars using the applicable exchange rate in effect at the close of the New York Stock Exchange ("NYSE"). The Portfolio will determine the market value of individual securities held by it by using prices provided by one or more approved professional pricing services or, as needed, by obtaining market quotations from independent broker-dealers. Most debt securities are valued in accordance with the evaluated bid price supplied by the pricing service that is intended to reflect market value. The evaluated bid price supplied by the pricing service is an evaluation that may consider factors such as security prices, yields, maturities and ratings. Certain short-term securities maturing within 60 days or less may be evaluated and valued on an amortized cost basis provided that the amortized cost determined approximates market value. Securities for which market quotations or evaluated prices are not readily available or deemed unreliable are valued at fair value determined in good faith under the Valuation Procedures. Circumstances in which fair value pricing may be utilized include, but are not limited to: (i) a significant event that may affect the securities of a single issuer, such as a merger, bankruptcy, or significant issuer-specific development; (ii) an event that may affect an entire market, such as a natural disaster or significant governmental action; (iii) a nonsignificant event such as a market closing early or not opening, or a security trading halt; and (iv) pricing of a nonvalued security and a restricted or nonpublic security. Special valuation considerations may apply with respect to "odd-lot" fixed-income transactions which, due to their small size, may receive evaluated prices by pricing services which reflect a large block trade and not what actually could be obtained for the odd-lot position. The Portfolio uses systematic fair valuation models provided by independent third parties to value international equity securities in order to adjust for stale pricing, which may occur between the close of certain foreign exchanges and the close of the NYSE.

Valuation Inputs Summary

FASB ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements regarding fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that

market participants would use in pricing an asset or liability and establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. These inputs are summarized into three broad levels:

Level 1 – Unadjusted quoted prices in active markets the Portfolio has the ability to access for identical assets or liabilities.

Level 2 – Observable inputs other than unadjusted quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Assets or liabilities categorized as Level 2 in the hierarchy generally include: debt securities fair valued in accordance with the evaluated bid or ask prices supplied by a pricing service; securities traded on OTC markets and listed securities for which no sales are reported that are fair valued at the latest bid price (or yield equivalent thereof) obtained from one or more dealers transacting in a market for such securities or by a pricing service approved by the Portfolio's Trustees; certain short-term debt securities with maturities of 60 days or less that are fair valued at amortized cost; and equity securities of foreign issuers whose fair value is determined by using systematic fair valuation models provided by independent third parties in order to adjust for stale pricing which may occur between the close of certain foreign exchanges and the close of the NYSE. Other securities that may be categorized as Level 2 in the hierarchy include, but are not limited to, preferred stocks, bank loans, swaps, investments in unregistered investment companies, options, and forward contracts.

Level 3 – Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Portfolio's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Portfolio since the beginning of the fiscal year.

The inputs or methodology used for fair valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2020 to fair value the Portfolio's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" in the Notes to Schedule of Investments and Other Information.

Investment Transactions and Investment Income

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded as soon as the Portfolio is informed of the dividend, if such information is obtained subsequent to the ex-dividend date. Dividends from foreign securities may be subject to withholding taxes in foreign jurisdictions. Interest income is recorded daily on the accrual basis and includes amortization of premiums and accretion of discounts. The Portfolio classifies gains and losses on prepayments received as an adjustment to interest income. Debt securities may be placed in non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivables when collection of all or a portion of interest has become doubtful. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes.

Expenses

The Portfolio bears expenses incurred specifically on its behalf. Each class of shares bears a portion of general expenses, which are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets. Expenses directly attributable to a specific class of shares are charged against the operations of such class.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Indemnifications

In the normal course of business, the Portfolio may enter into contracts that contain provisions for indemnification of other parties against certain potential liabilities. The Portfolio's maximum exposure under these arrangements is unknown, and would involve future claims that may be made against the Portfolio that have not yet occurred. Currently, the risk of material loss from such claims is considered remote.

Foreign Currency Translations

The Portfolio does not isolate that portion of the results of operations resulting from the effect of changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held at the date of the financial statements. Net unrealized appreciation or depreciation of investments and foreign currency translations arise from changes in the value of assets and liabilities, including investments in securities held at the date of the financial statements, resulting from changes in the exchange rates and changes in market prices of securities held.

Currency gains and losses are also calculated on payables and receivables that are denominated in foreign currencies. The payables and receivables are generally related to foreign security transactions and income translations.

Foreign currency-denominated assets and forward currency contracts may involve more risks than domestic transactions, including currency risk, counterparty risk, political and economic risk, regulatory risk and equity risk. Risks may arise from unanticipated movements in the value of foreign currencies relative to the U.S. dollar.

Dividends and Distributions

The Portfolio may make semiannual distributions of substantially all of its investment income and an annual distribution of its net realized capital gains (if any).

The Portfolio may make certain investments in real estate investment trusts ("REITs") which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REITs' taxable earnings and profits, resulting in the excess portion of such dividends being designated as a return of capital. If the Portfolio distributes such amounts, such distributions could constitute a return of capital to shareholders for federal income tax purposes.

Federal Income Taxes

The Portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income in accordance with the requirements of Subchapter M of the Internal Revenue Code. Management has analyzed the Portfolio's tax positions taken for all open federal income tax years, generally a three-year period, and has concluded that no provision for federal income tax is required in the Portfolio's financial statements. The Portfolio is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

2. Other Investments and Strategies

Additional Investment Risk

In the aftermath of the 2007-2008 financial crisis, the financial sector experienced reduced liquidity in credit and other fixed-income markets, and an unusually high degree of volatility, both domestically and internationally. In response to the crisis, the United States and certain foreign governments, along with the U.S. Federal Reserve and certain foreign central banks, took a number of unprecedented steps designed to support the financial markets. For example, the enactment of the Dodd-Frank Act in 2010 provided for widespread regulation of financial institutions, consumer financial products and services, broker-dealers, over-the-counter derivatives, investment advisers, credit rating agencies, and mortgage lending, which expanded federal oversight in the financial sector, including the investment management industry. More recently, in response to the COVID-19 pandemic, the U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets, including reducing interest rates to record low levels. The withdrawal of this support, a failure of measures put in place in response to such economic uncertainty, or investor perception that such efforts were not sufficient could each negatively affect financial markets generally, and the value and liquidity of specific securities. In addition, policy and legislative changes in the United States and in other countries continue to impact many aspects of financial regulation.

Widespread disease, including pandemics and epidemics, and natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, have been and can be highly disruptive to

economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Fund's investments. Economies and financial markets throughout the world have become increasingly interconnected, which increases the likelihood that events or conditions in one region or country will adversely affect markets or issuers in other regions or countries, including the United States. These disruptions could prevent a Fund from executing advantageous investment decisions in a timely manner and negatively impact a Fund's ability to achieve its investment objective(s). Any such event(s) could have a significant adverse impact on the value of a Fund. In addition, these disruptions could also impair the information technology and other operational systems upon which the Fund's service providers, including Janus Capital or the subadviser (as applicable), rely, and could otherwise disrupt the ability of employees of the Fund's service providers to perform essential tasks on behalf of the Fund.

A number of countries in the European Union ("EU") have experienced, and may continue to experience, severe economic and financial difficulties. In particular, many EU nations are susceptible to economic risks associated with high levels of debt. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts. Many other issuers have faced difficulties obtaining credit or refinancing existing obligations. Financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit. As a result, financial markets in the EU have experienced extreme volatility and declines in asset values and liquidity. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. The risk of investing in securities in the European markets may also be heightened due to the referendum in which the United Kingdom voted to exit the EU (commonly known as "Brexit"). The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, during which the United Kingdom will remain subject to EU laws and regulations. There is considerable uncertainty relating to the potential consequences of the United Kingdom's exit and how negotiations for new trade agreements will be conducted or concluded.

Certain areas of the world have historically been prone to and economically sensitive to environmental events such as, but not limited to, hurricanes, earthquakes, typhoons, flooding, tidal waves, tsunamis, erupting volcanoes, wildfires or droughts, tornadoes, mudslides, or other weather-related phenomena. Such disasters, and the resulting physical or economic damage, could have a severe and negative impact on the Portfolio's investment portfolio and, in the longer term, could impair the ability of issuers in which the Portfolio invests to conduct their businesses as they would under normal conditions. Adverse weather conditions may also have a particularly significant negative effect on issuers in the agricultural sector and on insurance and reinsurance companies that insure or reinsure against the impact of natural disasters.

Counterparties

Portfolio transactions involving a counterparty are subject to the risk that the counterparty or a third party will not fulfill its obligation to the Portfolio ("counterparty risk"). Counterparty risk may arise because of the counterparty's financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market activities and developments, or other reasons, whether foreseen or not. A counterparty's inability to fulfill its obligation may result in significant financial loss to the Portfolio. The Portfolio may be unable to recover its investment from the counterparty or may obtain a limited recovery, and/or recovery may be delayed. The extent of the Portfolio's exposure to counterparty risk with respect to financial assets and liabilities approximates its carrying value.

The Portfolio may be exposed to counterparty risk through participation in various programs, including, but not limited to, lending its securities to third parties, cash sweep arrangements whereby the Portfolio's cash balance is invested in one or more types of cash management vehicles, as well as investments in, but not limited to, repurchase agreements, debt securities, and derivatives, including various types of swaps, futures and options. The Portfolio intends to enter into financial transactions with counterparties that Janus Capital believes to be creditworthy at the time of the transaction. There is always the risk that Janus Capital's analysis of a counterparty's creditworthiness is incorrect or may change due to market conditions. To the extent that the Portfolio focuses its transactions with a limited number of counterparties, it will have greater exposure to the risks associated with one or more counterparties.

Real Estate Investing

The Portfolio may invest in equity and debt securities of real estate-related companies. Such companies may include those in the real estate industry or real estate-related industries. These securities may include common stocks, corporate bonds, preferred stocks, and other equity securities, including, but not limited to, mortgage-backed securities, real estate-backed securities, securities of REITs and similar REIT-like entities. A REIT is a trust that invests in real estate-related projects, such as properties, mortgage loans, and construction loans. REITs are generally categorized as equity, mortgage, or hybrid REITs. A REIT may be listed on an exchange or traded OTC.

Offsetting Assets and Liabilities

The Portfolio presents gross and net information about transactions that are either offset in the financial statements or subject to an enforceable master netting arrangement or similar agreement with a designated counterparty, regardless of whether the transactions are actually offset in the Statement of Assets and Liabilities.

The following table presents gross amounts of recognized assets and/or liabilities and the net amounts after deducting collateral that has been pledged by counterparties or has been pledged to counterparties (if applicable). For corresponding information grouped by type of instrument, see the Portfolio's Schedule of Investments.

Offsetting of Financial Assets and Derivative Assets

Counterparty	*Gross Amounts of Recognized Assets*	*Offsetting Asset or Liability*[(a)]	*Collateral Pledged*[(b)]	*Net Amount*
JPMorgan Chase Bank, National Association	$ 7,831,492	$ —	$ (7,831,492)	$ —

(a) Represents the amount of assets or liabilities that could be offset with the same counterparty under master netting or similar agreements that management elects not to offset on the Statement of Assets and Liabilities.

(b) Collateral pledged is limited to the net outstanding amount due to/from an individual counterparty. The actual collateral amounts pledged may exceed these amounts and may fluctuate in value.

JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. For financial reporting purposes, the Portfolio does not offset financial instruments' payables and receivables and related collateral on the Statement of Assets and Liabilities. Securities on loan will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the Securities and Exchange Commission (the "SEC"). See "Securities Lending" in the "Notes to Financial Statements" for additional information.

Securities Lending

Under procedures adopted by the Trustees, the Portfolio may seek to earn additional income by lending securities to certain qualified broker-dealers and institutions. Effective December 16, 2019, JPMorgan Chase Bank, National Association replaced Deutsche Bank AG as securities lending agent for the Portfolio. JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. The Portfolio may lend portfolio securities in an amount equal to up to 1/3 of its total assets as determined at the time of the loan origination. There is the risk of delay in recovering a loaned security or the risk of loss in collateral rights if the borrower fails financially. In addition, Janus Capital makes efforts to balance the benefits and risks from granting such loans. All loans will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the SEC. If the Portfolio is unable to recover a security on loan, the Portfolio may use the collateral to purchase replacement securities in the market. There is a risk that the value of the collateral could decrease below the cost of the replacement security by the time the replacement investment is made, resulting in a loss to the Portfolio. In certain circumstances individual loan transactions could yield negative returns.

Upon receipt of cash collateral, Janus Capital may invest it in affiliated or non-affiliated cash management vehicles, whether registered or unregistered entities, as permitted by the 1940 Act and rules promulgated thereunder. Janus Capital currently intends to primarily invest the cash collateral in a cash management vehicle for which Janus Capital serves as investment adviser, Janus Henderson Cash Collateral Fund LLC. An investment in Janus Henderson Cash

Collateral Fund LLC is generally subject to the same risks that shareholders experience when investing in similarly structured vehicles, such as the potential for significant fluctuations in assets as a result of the purchase and redemption activity of the securities lending program, a decline in the value of the collateral, and possible liquidity issues. Such risks may delay the return of the cash collateral and cause the Portfolio to violate its agreement to return the cash collateral to a borrower in a timely manner. As adviser to the Portfolio and Janus Henderson Cash Collateral Fund LLC, Janus Capital has an inherent conflict of interest as a result of its fiduciary duties to both the Portfolio and Janus Henderson Cash Collateral Fund LLC. Additionally, Janus Capital receives an investment advisory fee of 0.05% for managing Janus Henderson Cash Collateral Fund LLC, but it may not receive a fee for managing certain other affiliated cash management vehicles in which the Portfolio may invest, and therefore may have an incentive to allocate preferred investment opportunities to investment vehicles for which it is receiving a fee.

The value of the collateral must be at least 102% of the market value of the loaned securities that are denominated in U.S. dollars and 105% of the market value of the loaned securities that are not denominated in U.S. dollars. Loaned securities and related collateral are marked-to-market each business day based upon the market value of the loaned securities at the close of business, employing the most recent available pricing information. Collateral levels are then adjusted based on this mark-to-market evaluation.

The cash collateral invested by Janus Capital is disclosed in the Schedule of Investments (if applicable). Income earned from the investment of the cash collateral, net of rebates paid to, or fees paid by, borrowers and less the fees paid to the lending agent are included as “Affiliated securities lending income, net” on the Statement of Operations. As of June 30, 2020, securities lending transactions accounted for as secured borrowings with an overnight and continuous contractual maturity are $7,831,492. Gross amounts of recognized liabilities for securities lending (collateral received) as of June 30, 2020 is $7,997,726, resulting in the net amount due to the counterparty of $166,234.

3. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital Management LLC (“Janus Capital”) an investment advisory fee which is calculated daily and paid monthly. The Portfolio’s "base" fee rate prior to any performance adjustment (expressed as an annual rate) is 0.64%.

The investment advisory fee rate is determined by calculating a base fee and applying a performance adjustment. The base fee rate is the same as the contractual investment advisory fee rate. The performance adjustment either increases or decreases the base fee depending on how well the Portfolio has performed relative to its benchmark index. The Portfolio's benchmark index used in the calculation is the Russell 1000® Growth Index.

The calculation of the performance adjustment applies as follows:

Investment Advisory Fee = Base Fee Rate +/- Performance Adjustment

The investment advisory fee rate paid to Janus Capital by the Portfolio consists of two components: (1) a base fee calculated by applying the contractual fixed rate of the advisory fee to the Portfolio’s average daily net assets during the previous month (“Base Fee Rate”), plus or minus (2) a performance-fee adjustment (“Performance Adjustment”) calculated by applying a variable rate of up to 0.15% (positive or negative) to the Portfolio’s average daily net assets based on the Portfolio’s relative performance compared to the cumulative investment record of its benchmark index over a 36-month performance measurement period or shorter time period, as applicable. The investment performance of a Portfolio’s Service Shares, for the performance measurement period is used to calculate the Performance Adjustment. No Performance Adjustment is applied unless the difference between the Portfolio’s investment performance and the cumulative investment record of the Portfolio’s benchmark index is 0.50% or greater (positive or negative) during the applicable performance measurement period.

The Portfolio’s prospectuses and statement(s) of additional information contain additional information about performance-based fees. The amount shown as advisory fees on the Statement of Operations reflects the Base Fee Rate plus/minus any Performance Adjustment. For the period ended June 30, 2020, the performance adjusted investment advisory fee rate before any waivers and/or reimbursements of expenses is 0.70%.

Janus Services LLC (“Janus Services”), a wholly-owned subsidiary of Janus Capital, is the Portfolio’s transfer agent. Janus Services receives an administrative services fee at an annual rate of 0.05% of the average daily net assets of the Portfolio for arranging for the provision by participating insurance companies and qualified plan service providers of administrative services, including recordkeeping, subaccounting, order processing, or other shareholder services provided on behalf of contract holders or plan participants investing in the Portfolio. Other shareholder services may include the provision of order confirmations, periodic account statements, forwarding prospectuses, shareholder reports, and other materials to existing investors, and answering inquiries regarding accounts. Janus Services expects to use this entire fee to compensate insurance companies and qualified plan service providers for providing these services to their customers who invest in the Portfolio. Any unused portion will be reimbursed to the applicable share class at least annually.

In addition, Janus Services provides or arranges for the provision of certain other internal administrative, recordkeeping, and shareholder relations services for the Portfolio. Janus Services is not compensated for these internal services related to the shares, except for out-of-pocket costs. These amounts are disclosed as “Other transfer agent fees and expenses” on the Statement of Operations.

Under a distribution and shareholder servicing plan (the “Plan”) adopted in accordance with Rule 12b-1 under the 1940 Act, the Service Shares may pay the Trust’s distributor, Janus Distributors LLC (“Janus Distributors”), a wholly-owned subsidiary of Janus Capital, a fee for the sale and distribution and/or shareholder servicing of the Service Shares at an annual rate of up to 0.25% of the average daily net assets of the Service Shares. Under the terms of the Plan, the Trust is authorized to make payments to Janus Distributors for remittance to insurance companies and qualified plan service providers as compensation for distribution and/or shareholder services performed by such entities. These amounts are disclosed as “12b-1 Distribution and shareholder servicing fees” on the Statement of Operations. Payments under the Plan are not tied exclusively to actual 12b-1 distribution and servicing fees, and the payments may exceed 12b-1 distribution and servicing fees actually incurred. If any of the Portfolio’s actual 12b-1 distribution and servicing fees incurred during a calendar year are less than the payments made during a calendar year, the Portfolio will be refunded the difference. Refunds, if any, are included in “12b-1 Distribution and shareholder servicing fees” in the Statement of Operations.

Janus Capital serves as administrator to the Portfolio pursuant to an administration agreement between Janus Capital and the Trust. Under the administration agreement, Janus Capital is obligated to provide or arrange for the provision of certain administration, compliance, and accounting services to the Portfolio, including providing office space for the Portfolio, and is reimbursed by the Portfolio for certain of its costs in providing these services (to the extent Janus Capital seeks reimbursement and such costs are not otherwise waived). In addition, employees of Janus Capital and/or its affiliates may serve as officers of the Trust. The Portfolio pays for some or all of the salaries, fees, and expenses of Janus Capital employees and Portfolio officers, with respect to certain specified administration functions they perform on behalf of the Portfolio. The Portfolio pays these costs based on out-of-pocket expenses incurred by Janus Capital, and these costs are separate and apart from advisory fees and other expenses paid in connection with the investment advisory services Janus Capital (or any subadvisor, as applicable) provides to the Portfolio. These amounts are disclosed as “Affiliated portfolio administration fees” on the Statement of Operations. In addition, some expenses related to compensation payable to the Portfolio’s Chief Compliance Officer and certain compliance staff, all of whom are employees of Janus Capital and/or its affiliates, are shared with the Portfolio. Total compensation of $20,422 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2020. The Portfolio's portion is reported as part of “Other expenses” on the Statement of Operations.

The Board of Trustees has adopted a deferred compensation plan (the “Deferred Plan”) for independent Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Portfolio. All deferred fees are credited to an account established in the name of the Trustees. The amounts credited to the account then increase or decrease, as the case may be, in accordance with the performance of one or more of the Janus Henderson funds that are selected by the Trustees. The account balance continues to fluctuate in accordance with the performance of the selected fund or funds until final payment of all amounts are credited to the account. The fluctuation of the account balance is recorded by the Portfolio as unrealized appreciation/(depreciation) and is included as of June 30, 2020 on the Statement of Assets and Liabilities in the asset, “Non-interested Trustees’ deferred compensation,” and liability, “Non-interested Trustees’ deferred compensation fees.” Additionally, the recorded unrealized appreciation/(depreciation) is included in “Total distributable earnings (loss)” on the Statement of Assets and Liabilities. Deferred compensation expenses for the period ended June 30, 2020 are included in “Non-interested Trustees’ fees and expenses” on the Statement of Operations. Trustees are allowed to change their designation of mutual funds from time to time. Amounts will be deferred until distributed in accordance with the Deferred Plan. Deferred fees of $220,425 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2020.

Pursuant to the provisions of the 1940 Act and related rules, the Portfolio may participate in an affiliated or non-affiliated cash sweep program. In the cash sweep program, uninvested cash balances of the Portfolio may be used to purchase shares of affiliated or non-affiliated money market funds or cash management pooled investment vehicles that operate as money market funds. The Portfolio is eligible to participate in the cash sweep program (the "Investing Funds"). As adviser, Janus Capital has an inherent conflict of interest because of its fiduciary duties to the affiliated money market funds or cash management pooled investment vehicles and the Investing Funds. Janus Henderson Cash Liquidity Fund LLC (the "Sweep Vehicle") is an affiliated unregistered cash management pooled investment vehicle that invests primarily in highly-rated short-term fixed-income securities. The Sweep Vehicle operates pursuant to the provisions of the 1940 Act that govern the operation of money market funds and prices its shares at NAV reflecting market-based values of its portfolio securities (i.e., a "floating" NAV) rounded to the fourth decimal place (e.g., $1.0000). The Sweep Vehicle is permitted to impose a liquidity fee (of up to 2%) on redemptions from the Sweep Vehicle or a redemption gate that temporarily suspends redemptions from the Sweep Vehicle for up to 10 business days during a 90 day period. There are no restrictions on the Portfolio's ability to withdraw investments from the Sweep Vehicle at will, and there are no unfunded capital commitments due from the Portfolio to the Sweep Vehicle. The Sweep Vehicle does not charge any management fee, sales charge or service fee.

Any purchases and sales, realized gains/losses and recorded dividends from affiliated investments during the period ended June 30, 2020 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

The Portfolio is permitted to purchase or sell securities ("cross-trade") between itself and other funds or accounts managed by Janus Capital in accordance with Rule 17a-7 under the Investment Company Act of 1940 ("Rule 17a-7"), when the transaction is consistent with the investment objectives and policies of the Portfolio and in accordance with the Internal Cross Trade Procedures adopted by the Trust's Board of Trustees. These procedures have been designed to ensure that any cross-trade of securities by the Portfolio from or to another fund or account that is or could be considered an affiliate of the Portfolio under certain limited circumstances by virtue of having a common investment adviser, common Officer, or common Trustee complies with Rule 17a-7. Under these procedures, each cross-trade is effected at the current market price to save costs where allowed. During the period ended June 30, 2020, the Portfolio engaged in cross trades amounting to $1,075,151 in sales, resulting in a net realized loss of $565,414. The net realized loss is included within the "Net Realized Gain/(Loss) on Investments" section of the Portfolio's Statement of Operations.

4. Federal Income Tax

Income and capital gains distributions are determined in accordance with income tax regulations that may differ from US GAAP. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, foreign currency transactions, net investment losses, and capital loss carryovers.

The Portfolio has elected to treat gains and losses on forward foreign currency contracts as capital gains and losses, if applicable. Other foreign currency gains and losses on debt instruments are treated as ordinary income for federal income tax purposes pursuant to Section 988 of the Internal Revenue Code.

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of June 30, 2020 are noted below. The primary differences between book and tax appreciation or depreciation of investments are wash sale loss deferrals and investments in partnerships.

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ 543,831,297	$398,248,584	$ (6,945,170)	$ 391,303,414

5. Capital Share Transactions

	Period ended June 30, 2020		Year ended December 31, 2019	
	Shares	Amount	Shares	Amount
Institutional Shares:				
Shares sold	671,671	$29,694,016	1,174,768	$ 48,016,950
Reinvested dividends and distributions	667,502	28,629,140	703,924	27,749,524
Shares repurchased	(1,076,765)	(46,912,310)	(2,021,587)	(81,985,824)
Net Increase/(Decrease)	262,408	$11,410,846	(142,895)	$ (6,219,350)
Service Shares:				
Shares sold	570,659	$23,537,173	919,315	$ 34,835,599
Reinvested dividends and distributions	1,082,945	43,209,494	1,143,734	42,198,627
Shares repurchased	(1,428,767)	(58,201,000)	(2,307,562)	(88,696,336)
Net Increase/(Decrease)	224,837	$ 8,545,667	(244,513)	$(11,662,110)

6. Purchases and Sales of Investment Securities

For the period ended June 30, 2020, the aggregate cost of purchases and proceeds from sales of investment securities (excluding any short-term securities, short-term options contracts, TBAs, and in-kind transactions, as applicable) was as follows:

Purchases of Securities	Proceeds from Sales of Securities	Purchases of Long-Term U.S. Government Obligations	Proceeds from Sales of Long-Term U.S. Government Obligations
$218,319,160	$ 258,876,098	$ -	$ -

7. Recent Accounting Pronouncements

The FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820),* in August 2018. The new guidance removes, modifies and enhances the disclosures to Topic 820. For public entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. An entity is permitted, and Management has decided, to early adopt the removed and modified disclosures in these financial statements. Management is also evaluating the implications related to the new disclosure requirements and has not yet determined the impact to the financial statements.

8. Other Matters

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. The impact of COVID-19 has been, and may continue to be, highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Portfolio's investments. This may impact liquidity in the marketplace, which in turn may affect the Portfolio's ability to meet redemption requests. Public health crises caused by the COVID-19 pandemic may exacerbate other pre-existing political, social, and economic risks in certain countries or globally. The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a Portfolio from executing advantageous investment decisions in a timely manner and negatively impact a Portfolio's ability to achieve its investment objective.

9. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2020 and through the date of issuance of the Portfolio’s financial statements and determined that there were no material events or transactions that would require recognition or disclosure in the Portfolio’s financial statements.

Proxy Voting Policies and Voting Record

A description of the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities is available without charge: (i) upon request, by calling 1-800-525-1093; (ii) on the Portfolio's website at janushenderson.com/proxyvoting; and (iii) on the SEC's website at http://www.sec.gov. Additionally, information regarding the Portfolio's proxy voting record for the most recent twelve-month period ended June 30 is also available, free of charge, through janushenderson.com/proxyvoting and from the SEC's website at http://www.sec.gov.

Full Holdings

The Portfolio is required to disclose its complete holdings as an exhibit to Form N-PORT within 60 days of the end of the first and third fiscal quarters, and in the annual report and semiannual report to Portfolio shareholders. Historically, the Portfolio filed its complete portfolio holdings (schedule of investments) with the SEC for the first and third quarters each fiscal year on Form N-Q. The Portfolio's Form N-PORT and Form N-Q filings: (i) are available on the SEC's website at http://www.sec.gov; (ii) may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (information on the Public Reference Room may be obtained by calling 1-800-SEC-0330); and (iii) are available without charge, upon request, by calling a Janus Henderson representative at 1-877-335-2687 (toll free) . Portfolio holdings consisting of at least the names of the holdings are generally available on a monthly basis with a 30-day lag. Holdings are generally posted approximately two business days thereafter under Full Holdings for the Portfolio at janushenderson.com/vit.

APPROVAL OF ADVISORY AGREEMENTS DURING THE PERIOD

The Trustees of Janus Aspen Series, each of whom serves as an "independent" Trustee (the "Trustees"), oversee the management of each Portfolio of Janus Aspen Series (each, a "VIT Portfolio," and collectively, the "VIT Portfolios"), as well as each Fund of Janus Investment Fund (together with the VIT Portfolios, the "Janus Henderson Funds," and each, a "Janus Henderson Fund"). As required by law, the Trustees determine annually whether to continue the investment advisory agreement for each Janus Henderson Fund and the subadvisory agreements for the Janus Henderson Funds that utilize subadvisers.

In connection with their most recent consideration of those agreements for each Janus Henderson Fund, the Trustees received and reviewed information provided by Janus Capital and the respective subadvisers in response to requests of the Trustees and their independent legal counsel. They also received and reviewed information and analysis provided by, and in response to requests of, their independent fee consultant. Throughout their consideration of the agreements, the Trustees were advised by their independent legal counsel. The Trustees met with management to consider the agreements, and also met separately in executive session with their independent legal counsel and their independent fee consultant.

At a meeting held on December 5, 2019, based on the Trustees' evaluation of the information provided by Janus Capital, the subadvisers, and the independent fee consultant, as well as other information, the Trustees determined that the overall arrangements between each Janus Henderson Fund and Janus Capital and each subadviser, as applicable, were fair and reasonable in light of the nature, extent and quality of the services provided by Janus Capital, its affiliates and the subadvisers, the fees charged for those services, and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting, the Trustees unanimously approved the continuation of the investment advisory agreement for each Janus Henderson Fund, and the subadvisory agreement for each subadvised Janus Henderson Fund, for the period from February 1, 2020 through February 1, 2021, subject to earlier termination as provided for in each agreement.

In considering the continuation of those agreements, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors described below, none of which by itself was considered dispositive. However, the material factors and conclusions that formed the basis for the Trustees' determination to approve the continuation of the agreements are discussed separately below. Also included is a summary of the independent fee consultant's conclusions and opinions that arose during, and were included as part of, the Trustees' consideration of the agreements. "Management fees," as used herein, reflect actual annual advisory fees and, for the purpose of peer comparisons, any administration fees (excluding out of pocket costs), net of any waivers, paid by a fund as a percentage of average net assets.

Nature, Extent and Quality of Services

The Trustees reviewed the nature, extent and quality of the services provided by Janus Capital and the subadvisers to the Janus Henderson Funds, taking into account the investment objective, strategies and policies of each Janus Henderson Fund, and the knowledge the Trustees gained from their regular meetings with management on at least a quarterly basis and their ongoing review of information related to the Janus Henderson Funds. In addition, the Trustees reviewed the resources and key personnel of Janus Capital and each subadviser, particularly noting those employees who provide investment and risk management services to the Janus Henderson Funds. The Trustees also considered other services provided to the Janus Henderson Funds by Janus Capital or the subadvisers, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions. The Trustees considered Janus Capital's role as administrator to the Janus Henderson Funds, noting that Janus Capital generally does not receive a fee for its services but is reimbursed for its out-of-pocket costs. The Trustees considered the role of Janus Capital in monitoring adherence to the Janus Henderson Funds' investment restrictions, providing support services for the Trustees and Trustee committees, and overseeing communications with shareholders and the activities of other service providers, including monitoring compliance with various policies and procedures of the Janus Henderson Funds and with applicable securities laws and regulations.

In this regard, the independent fee consultant noted that Janus Capital provides a number of different services for the Janus Henderson Funds and fund shareholders, ranging from investment management services to various other servicing functions, and that, in its view, Janus Capital is a capable provider of those services. The independent fee consultant also provided its belief that Janus Capital has developed a number of institutional competitive advantages that should enable it to provide superior investment and service performance over the long term.

The Trustees concluded that the nature, extent and quality of the services provided by Janus Capital or the subadviser to each Janus Henderson Fund were appropriate and consistent with the terms of the respective advisory and subadvisory agreements, and that, taking into account steps taken to address those Janus Henderson Funds whose performance lagged that of their peers for certain periods, the Janus Henderson Funds were likely to benefit from the continued provision of those services. They also concluded that Janus Capital and each subadviser had sufficient personnel, with the appropriate education and experience, to serve the Janus Henderson Funds effectively and had demonstrated its ability to attract well-qualified personnel.

Performance of the Funds

The Trustees considered the performance results of each Janus Henderson Fund over various time periods. They noted that they considered Janus Henderson Fund performance data throughout the year, including periodic meetings with each Janus Henderson Fund's portfolio manager(s), and also reviewed information comparing each Janus Henderson Fund's performance with the performance of comparable funds and peer groups identified by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent data provider, and with the Janus Henderson Fund's benchmark index. In this regard, the independent fee consultant found that the overall Janus Henderson Funds' performance has been reasonable: for the 36 months ended September 30, 2019, approximately 69% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar, and for the 12 months ended September 30, 2019, approximately 71% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar.

The Trustees considered the performance of each Janus Henderson Fund, noting that performance may vary by share class, and noted the following with respect to the VIT Portfolios:

- For Janus Henderson Balanced Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance.

- For Janus Henderson Forty Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the third Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital and Intech had taken or were taking to improve performance, and the performance trend was improving.

In consideration of each Janus Henderson Fund's performance, the Trustees concluded that, taking into account the factors relevant to performance, as well as other considerations, including steps taken to improve performance, the Janus Henderson Fund's performance warranted continuation of such Janus Henderson Fund's investment advisory and subadvisory agreement(s).

Costs of Services Provided

The Trustees examined information regarding the fees and expenses of each Janus Henderson Fund in comparison to similar information for other comparable funds as provided by Broadridge, an independent data provider. They also reviewed an analysis of that information provided by their independent fee consultant and noted that the rate of management fees (investment advisory and any administration, but excluding out-of-pocket costs) for many of the Janus Henderson Funds, after applicable waivers, was below the average management fee rate of the respective peer group of funds selected by an independent data provider. The Trustees also examined information regarding the subadvisory fees charged for subadvisory services, as applicable, noting that all such fees were paid by Janus Capital out of its management fees collected from such Janus Henderson Fund.

The independent fee consultant provided its belief that the management fees charged by Janus Capital to each of the Janus Henderson Funds under the current investment advisory and administration agreements are reasonable in relation to the services provided by Janus Capital. The independent fee consultant found: (1) the total expenses and management fees of the Janus Henderson Funds to be reasonable relative to other mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of their respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 7% under the average management fees for their Expense Groups. The Trustees also considered the total expenses for each share class of

each Janus Henderson Fund compared to the average total expenses for its Broadridge Expense Group peers and to average total expenses for its Broadridge Expense Universe.

For certain Janus Henderson Funds, the independent fee consultant also performed a systematic "focus list" analysis of expenses which assessed fund fees in the context of fund performance being delivered. Based on this analysis, the independent fee consultant found that the combination of service quality/performance and expenses on these individual Janus Henderson Funds was reasonable in light of performance trends, performance histories, and existence of performance fees, breakpoints, and/or expense waivers on such Janus Henderson Funds.

The Trustees considered the methodology used by Janus Capital and each subadviser in determining compensation payable to portfolio managers, the competitive environment for investment management talent, and the competitive market for mutual funds in different distribution channels.

The Trustees also reviewed management fees charged by Janus Capital and each subadviser to comparable separate account clients and to comparable non-affiliated funds subadvised by Janus Capital or by a subadviser (for which Janus Capital or the subadviser provides only or primarily portfolio management services). Although in most instances subadvisory and separate account fee rates for various investment strategies were lower than management fee rates for Janus Henderson Funds having a similar strategy, the Trustees considered that Janus Capital noted that, under the terms of the management agreements with the Janus Henderson Funds, Janus Capital performs significant additional services for the Janus Henderson Funds that it does not provide to those other clients, including administration services, oversight of the Janus Henderson Funds' other service providers, trustee support, regulatory compliance and numerous other services, and that, in serving the Janus Henderson Funds, Janus Capital assumes many legal risks and other costs that it does not assume in servicing its other clients. Moreover, they noted that the independent fee consultant found that: (1) the management fees Janus Capital charges to the Janus Henderson Funds are reasonable in relation to the management fees Janus Capital charges to funds subadvised by Janus Capital and to the fees Janus Capital charges to its institutional separate account clients; (2) these subadvised and institutional separate accounts have different service and infrastructure needs; and (3) Janus Henderson mutual fund investors enjoy reasonable fees relative to the fees charged to Janus Henderson subadvised fund and separate account investors; (4) 11 of 12 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) six of nine Janus Henderson Funds have lower management fees than similar separate accounts managed by Janus Capital.

The Trustees considered the fees for each Janus Henderson Fund for its fiscal year ended in 2018, including the VIT Portfolios, and noted the following with regard to each VIT Portfolio's total expenses, net of applicable fee waivers (the VIT Portfolio's "total expenses"):

- For Janus Henderson Balanced Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.
- For Janus Henderson Forty Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.

- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for its sole share class.

The Trustees reviewed information on the overall profitability to Janus Capital and its affiliates of their relationship with the Janus Henderson Funds, and considered profitability data of other publicly traded mutual fund advisers. The Trustees recognized that profitability comparisons among fund managers are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund manager is affected by numerous factors, including the organizational structure of the particular fund manager, differences in complex size, difference in product mix, difference in types of business (mutual fund, institutional and other), differences in the types of funds and other accounts it manages, possible other lines of business, the methodology for allocating expenses, and the fund manager's capital structure and cost of capital.

Additionally, the Trustees considered the estimated profitability to Janus Capital from the investment management services it provided to each Janus Henderson Fund. In their review, the Trustees considered whether Janus Capital and each subadviser receive adequate incentives and resources to manage the Janus Henderson Funds effectively. In reviewing profitability, the Trustees noted that the estimated profitability for an individual Janus Henderson Fund is necessarily a product of the allocation methodology utilized by Janus Capital to allocate its expenses as part of the estimated profitability calculation. In this regard, the Trustees noted that the independent fee consultant found that (1) the expense allocation methodology and rationales utilized by Janus Capital were reasonable and (2) no clear correlation between expense allocations and operating margins. The Trustees also considered that the estimated profitability for an individual Janus Henderson Fund was influenced by a number of factors, including not only the allocation methodology selected, but also the presence of fee waivers and expense caps, and whether the Janus Henderson Fund's investment management agreement contained breakpoints or a performance fee component. The Trustees determined, after taking into account these factors, among others, that Janus Capital's estimated profitability with respect to each Janus Henderson Fund was not unreasonable in relation to the services provided, and that the variation in the range of such estimated profitability among the Janus Henderson Funds was not a material factor in the Board's approval of the reasonableness of any Janus Henderson Fund's investment management fees.

The Trustees concluded that the management fees payable by each Janus Henderson Fund to Janus Capital and its affiliates, as well as the fees paid by Janus Capital to the subadvisers of subadvised Janus Henderson Funds, were reasonable in relation to the nature, extent, and quality of the services provided, taking into account the fees charged by other advisers for managing comparable mutual funds with similar strategies, the fees Janus Capital and the subadvisers charge to other clients, and, as applicable, the impact of fund performance on management fees payable by the Janus Henderson Funds. The Trustees also concluded that each Janus Henderson Fund's total expenses were reasonable, taking into account the size of the Janus Henderson Fund, the quality of services provided by Janus Capital and any subadviser, the investment performance of the Janus Henderson Fund, and any expense limitations agreed to or provided by Janus Capital.

Economies of Scale

The Trustees considered information about the potential for Janus Capital to realize economies of scale as the assets of the Janus Henderson Funds increase. They noted that their independent fee consultant published a report to the Trustees in November 2019 which provided its research and analysis into economies of scale. They also noted that, although many Janus Henderson Funds pay advisory fees at a base fixed rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 64% of these Janus Henderson Funds' share classes have contractual management fees (gross of waivers) below their Broadridge expense group averages. They also noted the following: (1) that for those Janus Henderson Funds whose expenses are being reduced by the contractual expense limitations of Janus Capital, Janus Capital is subsidizing certain of these Janus Henderson Funds because they have not reached adequate scale; (2) as the assets of some of the Janus Henderson Funds have declined in the past few years, certain Janus Henderson Funds have benefited from having advisory fee rates that have remained constant rather than increasing as assets declined; (3) performance fee structures have been implemented for various Janus Henderson Funds that have caused the effective rate of advisory fees payable by such a

Janus Henderson Fund to vary depending on the investment performance of the Janus Henderson Fund relative to its benchmark index over the measurement period; and (4) a few Janus Henderson Funds have fee schedules with breakpoints and reduced fee rates above certain asset levels. The Trustees also noted that the Janus Henderson Funds share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of all of the Janus Henderson Funds.

The Trustees also considered the independent fee consultant's conclusion that, given the limitations of various analytical approaches to economies of scale and their conflicting results, it is difficult to analytically confirm or deny the existence of economies of scale in the Janus Henderson complex. In this regard, the independent consultant concluded that (1) to the extent there were economies of scale at Janus Capital, Janus Capital's general strategy of setting fixed management fees below peers appeared to share any such economies with investors even on smaller Janus Henderson Funds which have not yet achieved those economies and (2) by setting lower fixed fees from the start on these Janus Henderson Funds, Janus Capital appeared to be investing to increase the likelihood that these Janus Henderson Funds will grow to a level to achieve any scale economies that may exist. Further, the independent fee consultant provided its belief that Janus Henderson Fund investors are well-served by the fee levels and performance fee structures in place on the Janus Henderson Funds in light of any economies of scale that may be present at Janus Capital.

Based on all of the information reviewed, including the recent and past research and analysis conducted by the Trustees' independent fee consultant, the Trustees concluded that the current fee structure of each Janus Henderson Fund was reasonable and that the current rates of fees do reflect a sharing between Janus Capital and the Janus Henderson Fund of any economies of scale that may be present at the current asset level of the Janus Henderson Fund.

Other Benefits to Janus Capital

The Trustees also considered benefits that accrue to Janus Capital and its affiliates and subadvisers to the Janus Henderson Funds from their relationships with the Janus Henderson Funds. They recognized that two affiliates of Janus Capital separately serve the Janus Henderson Funds as transfer agent and distributor, respectively, and the transfer agent receives compensation directly from the non-money market funds for services provided, and that such compensation contributes to the overall profitability of Janus Capital and its affiliates that results from their relationship with the Janus Henderson Funds. The Trustees also considered Janus Capital's past and proposed use of commissions paid by the Janus Henderson Funds on portfolio brokerage transactions to obtain proprietary and third-party research products and services benefiting the Janus Henderson Fund and/or other clients of Janus Capital and/or Janus Capital, and/or a subadviser to a Janus Henderson Fund. The Trustees concluded that Janus Capital's and the subadvisers' use of these types of client commission arrangements to obtain proprietary and third-party research products and services was consistent with regulatory requirements and guidelines and was likely to benefit each Janus Henderson Fund. The Trustees also concluded that, other than the services provided by Janus Capital and its affiliates and subadvisers pursuant to the agreements and the fees to be paid by each Janus Henderson Fund therefor, the Janus Henderson Funds and Janus Capital and the subadvisers may potentially benefit from their relationship with each other in other ways. They concluded that Janus Capital and its affiliates share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of the Janus Henderson Funds and other clients serviced by Janus Capital and its affiliates. They also concluded that Janus Capital and/or the subadvisers benefit from the receipt of research products and services acquired through commissions paid on portfolio transactions of the Janus Henderson Funds and that the Janus Henderson Funds benefit from Janus Capital's and/or the subadvisers' receipt of those products and services as well as research products and services acquired through commissions paid by other clients of Janus Capital and/or other clients of the subadvisers. They further concluded that the success of any Janus Henderson Fund could attract other business to Janus Capital, the subadvisers or other Janus Henderson funds, and that the success of Janus Capital and the subadvisers could enhance Janus Capital's and the subadvisers' ability to serve the Janus Henderson Funds.

LIQUIDITY RISK MANAGEMENT PROGRAM

Janus Henderson Funds (other than the money market funds) have adopted and implemented a written liquidity risk management program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"). Rule 22e-4, requires open-end funds to adopt and implement a written liquidity risk management program that is reasonably designed to assess and manage liquidity risk, which is the risk that a fund could not meet redemption requests without significant dilution of remaining investors' interest in the fund. The LRMP

incorporates the following elements: (i) assessment, management, and periodic review of liquidity risk; (ii) classification of portfolio investments; (iii) the establishment and monitoring of a highly liquid investment minimum, as applicable; (iv) a 15% limitation on a Portfolio's illiquid investments; (v) redemptions in-kind; and (vi) board oversight.

The Trustees have designated Janus Capital Management LLC, the Portfolio's investment adviser ("Janus Capital"), as the Program Administrator for the LRMP responsible for administering the LRMP and carrying out the specific responsibilities of the LRMP. A working group comprised of various groups within Janus Capital's business is responsible for administering the LRMP and carrying out the specific responsibilities of different aspects of the LRMP.

The Liquidity Rule requires the Trustees to review at least annually a written report provided by the Program Administrator that addresses the operation of the LRMP and assesses its adequacy and the effectiveness of its implementation, including, if applicable, the operation of the highly liquid investment minimum, and any material changes to the LRMP (the "Program Administrator Report"). During the semi-annual period ended June 30, 2020, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from December 1, 2018 through December 31, 2019 (the "Reporting Period"). No significant liquidity events impacting the Portfolio were noted in the Program Administrator Report, and the Portfolio was able to process redemptions during the normal course of business during the Reporting Period. In addition, the Program Administrator expressed its belief in the Program Administrator Report that:

- the LRMP is reasonably designed and adequate to assess and manage the Portfolio's liquidity risk, taking into account the Portfolio's particular risks and circumstances, and includes policies and procedures reasonably designed to implement each required component of the Liquidity Rule; and
- the LRMP, including the Highly Liquid Investment Minimum where applicable, was implemented and operated effectively to achieve the goal of assessing and managing the Portfolio's liquidity risk.

There can be no assurance that the LRMP will achieve its objectives in the future. Please refer to your Fund's prospectus for more information regarding the risks to which an investment in the Fund may be subject.

Management Commentary

The Management Commentary in this report includes valuable insight as well as statistical information to help you understand how your Portfolio's performance and characteristics stack up against those of comparable indices.

If the Portfolio invests in foreign securities, this report may include information about country exposure. Country exposure is based primarily on the country of risk. A company may be allocated to a country based on other factors such as location of the company's principal office, the location of the principal trading market for the company's securities, or the country where a majority of the company's revenues are derived.

Please keep in mind that the opinions expressed in the Management Commentary are just that: opinions. They are a reflection based on best judgment at the time this report was compiled, which was June 30, 2020. As the investing environment changes, so could opinions. These views are unique and are not necessarily shared by fellow employees or by Janus Henderson in general.

Performance Overviews

Performance overview graphs compare the performance of a hypothetical $10,000 investment in the Portfolio with one or more widely used market indices. When comparing the performance of the Portfolio with an index, keep in mind that market indices are not available for investment and do not reflect deduction of expenses.

Average annual total returns are quoted for a Portfolio with more than one year of performance history. Average annual total return is calculated by taking the growth or decline in value of an investment over a period of time, including reinvestment of dividends and distributions, then calculating the annual compounded percentage rate that would have produced the same result had the rate of growth been constant throughout the period. Average annual total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Cumulative total returns are quoted for a Portfolio with less than one year of performance history. Cumulative total return is the growth or decline in value of an investment over time, independent of the period of time involved. Cumulative total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Pursuant to federal securities rules, expense ratios shown in the performance chart reflect subsidized (if applicable) and unsubsidized ratios. The total annual fund operating expenses ratio is gross of any fee waivers, reflecting the Portfolio's unsubsidized expense ratio. The net annual fund operating expenses ratio (if applicable) includes contractual waivers of Janus Capital and reflects the Portfolio's subsidized expense ratio. Ratios may be higher or lower than those shown in the "Financial Highlights" in this report.

Schedule of Investments

Following the performance overview section is the Portfolio's Schedule of Investments. This schedule reports the types of securities held in the Portfolio on the last day of the reporting period. Securities are usually listed by type (common stock, corporate bonds, U.S. Government obligations, etc.) and by industry classification (banking, communications, insurance, etc.). Holdings are subject to change without notice.

The value of each security is quoted as of the last day of the reporting period. The value of securities denominated in foreign currencies is converted into U.S. dollars.

If the Portfolio invests in foreign securities, it will also provide a summary of investments by country. This summary reports the Portfolio exposure to different countries by providing the percentage of securities invested in each country. The country of each security represents the country of risk. The Portfolio's Schedule of Investments relies upon the industry group and country classifications published by Barclays and/or MSCI Inc.

Tables listing details of individual forward currency contracts, futures, written options, swaptions, and swaps follow the Portfolio's Schedule of Investments (if applicable).

Statement of Assets and Liabilities

This statement is often referred to as the "balance sheet." It lists the assets and liabilities of the Portfolio on the last day of the reporting period.

The Portfolio's assets are calculated by adding the value of the securities owned, the receivable for securities sold but not yet settled, the receivable for dividends declared but not yet received on securities owned, and the receivable for Portfolio shares sold to investors but not yet settled. The Portfolio's liabilities include payables for securities purchased but not yet settled, Portfolio shares redeemed but not yet paid, and expenses owed but not yet paid. Additionally, there may be other assets and liabilities such as unrealized gain or loss on forward currency contracts.

The section entitled "Net Assets Consist of" breaks down the components of the Portfolio's net assets. Because the Portfolio must distribute substantially all earnings, you will notice that a significant portion of net assets is shareholder capital.

The last section of this statement reports the net asset value ("NAV") per share on the last day of the reporting period. The NAV is calculated by dividing the Portfolio's net assets for each share class (assets minus liabilities) by the number of shares outstanding.

Statement of Operations

This statement details the Portfolio's income, expenses, realized gains and losses on securities and currency transactions, and changes in unrealized appreciation or depreciation of Portfolio holdings.

The first section in this statement, entitled "Investment Income," reports the dividends earned from securities and interest earned from interest-bearing securities in the Portfolio.

The next section reports the expenses incurred by the Portfolio, including the advisory fee paid to the investment adviser, transfer agent fees and expenses, and printing and postage for mailing statements, financial reports and prospectuses. Expense offsets and expense reimbursements, if any, are also shown.

The last section lists the amounts of realized gains or losses from investment and foreign currency transactions, and changes in unrealized appreciation or depreciation of investments and foreign currency-denominated assets and liabilities. The Portfolio will realize a gain (or loss) when it sells its position in a particular security. A change in unrealized gain (or loss) refers to the change in net appreciation or depreciation of the Portfolio during the reporting period. "Net Realized and Unrealized Gain/(Loss) on Investments" is affected both by changes in the market value of Portfolio holdings and by gains (or losses) realized during the reporting period.

Statements of Changes in Net Assets

These statements report the increase or decrease in the Portfolio's net assets during the reporting period. Changes in the Portfolio's net assets are attributable to investment operations, dividends and distributions to investors, and capital share transactions. This is important to investors because it shows exactly what caused the Portfolio's net asset size to change during the period.

The first section summarizes the information from the Statement of Operations regarding changes in net assets due to the Portfolio's investment operations. The Portfolio's net assets may also change as a result of dividend and capital gains distributions to investors. If investors receive their dividends and/or distributions in cash, money is taken out of the Portfolio to pay the dividend and/or distribution. If investors reinvest their dividends and/or distributions, the Portfolio's net assets will not be affected. If you compare the Portfolio's "Net Decrease from Dividends and Distributions" to "Reinvested Dividends and Distributions," you will notice that dividends and distributions have little effect on the Portfolio's net assets. This is because the majority of the Portfolio's investors reinvest their dividends and/or distributions.

The reinvestment of dividends and distributions is included under "Capital Share Transactions." "Capital Shares" refers to the money investors contribute to the Portfolio through purchases or withdrawals via redemptions. The Portfolio's net assets will increase and decrease in value as investors purchase and redeem shares from the Portfolio.

Financial Highlights

This schedule provides a per-share breakdown of the components that affect the Portfolio's NAV for current and past reporting periods as well as total return, asset size, ratios, and portfolio turnover rate.

The first line in the table reflects the NAV per share at the beginning of the reporting period. The next line reports the net investment income/(loss) per share. Following is the per share total of net gains/(losses), realized and unrealized. Per share dividends and distributions to investors are then subtracted to arrive at the NAV per share at the end of the period. The next line reflects the total return for the period. The total return may include adjustments in accordance with

generally accepted accounting principles required at the period end for financial reporting purposes. As a result, the total return may differ from the total return reflected for individual shareholder transactions. Also included are ratios of expenses and net investment income to average net assets.

The Portfolio's expenses may be reduced through expense offsets and expense reimbursements. The ratios shown reflect expenses before and after any such offsets and reimbursements.

The ratio of net investment income/(loss) summarizes the income earned less expenses, divided by the average net assets of the Portfolio during the reporting period. Do not confuse this ratio with the Portfolio's yield. The net investment income ratio is not a true measure of the Portfolio's yield because it does not take into account the dividends distributed to the Portfolio's investors.

The next figure is the portfolio turnover rate, which measures the buying and selling activity in the Portfolio. Portfolio turnover is affected by market conditions, changes in the asset size of the Portfolio, fluctuating volume of shareholder purchase and redemption orders, the nature of the Portfolio's investments, and the investment style and/or outlook of the portfolio manager(s) and/or investment personnel. A 100% rate implies that an amount equal to the value of the entire portfolio was replaced once during the fiscal year; a 50% rate means that an amount equal to the value of half the portfolio is traded in a year; and a 200% rate means that an amount equal to the value of the entire portfolio is traded every six months.

Janus Henderson VIT Forty Portfolio
Notes

Notes

Knowledge Shared

At Janus Henderson, we believe in the sharing of expert insight for better investment and business decisions. We call this ethos Knowledge Shared.

Learn more by visiting janushenderson.com.

Janus Henderson
INVESTORS

This report is submitted for the general information of shareholders of the Portfolio. It is not an offer or solicitation for the Portfolio and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

Janus Henderson Distributors

109-24-81115 08-20

SEMIANNUAL REPORT
June 30, 2020

Janus Henderson VIT Global Research Portfolio

Janus Aspen Series

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the insurance company that offers your variable life insurance contract or variable annuity contract, may determine that it will no longer send you paper copies of the Portfolio's shareholder reports, unless you specifically request paper copies of the reports. Beginning on January 1, 2021, for shareholders who are not insurance contract holders, paper copies of the Portfolio's shareholder reports will no longer be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and your insurance company or plan sponsor, broker-dealer, or financial intermediary will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company or plan sponsor, broker-dealer, or financial intermediary.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Portfolio electronically by contacting your insurance company or plan sponsor, broker-dealer, or other financial intermediary.

You may elect to receive all future reports in paper free of charge by contacting your insurance company or plan sponsor, broker dealer or other financial intermediary. Your election to receive reports in paper will apply to all funds held in your account with your insurance company or plan sponsor, broker dealer or other financial intermediary.

HIGHLIGHTS

- Portfolio management perspective
- Investment strategy behind your portfolio
- Portfolio performance, characteristics and holdings

Janus Henderson
INVESTORS

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Janus Henderson VIT Global Research Portfolio (unaudited)

PORTFOLIO SNAPSHOT

By investing in the best ideas from each global research sector team, this global all-cap growth portfolio seeks long-term growth of capital with volatility similar to its peers. Our analysts scour the globe to identify industry-leading companies with brand power, enduring business models and strong competitive positioning.

Team-Based Approach
Led by Matthew Peron,
Director of Research

Performance Overview

Janus Henderson VIT Global Research Portfolio's Institutional Shares and Service Shares returned -3.70% and -3.82%, respectively, over the six-month period ended June 30, 2020, outperforming its primary benchmark, the MSCI World Index®, and its secondary benchmark, the MSCI All Country World Index®, which returned -5.77% and -6.25%, respectively.

Market Environment

After falling precipitously in the first quarter due to severe economic uncertainty triggered by the COVID-19 pandemic, global markets recouped much of their losses in the second quarter as the rate of infections leveled off and several countries reopened their economies. Unprecedented monetary and fiscal stimulus, as well as progress toward developing a vaccine, contributed to the rebound. Despite signs of economic improvement late in the period, however, the pace of a global economic recovery lagged that of the market recovery.

Performance Discussion

While we aim to outperform over shorter periods, our goal is to provide consistent outperformance long term by focusing on what we consider our strength: picking stocks and avoiding macroeconomic risks. Stocks are selected by our seven global sector teams, which employ a bottom-up, fundamental approach to identify what we believe are the best global opportunities.

Positive stock selection within the financials and communications sectors drove outperformance for the period. Conversely, our energy and technology holdings detracted from the Portfolio's relative results.

Top relative contributors included technology holdings ASML and Adobe. As a leading manufacturer of chip-making equipment, ASML benefited from continued robust demand for semiconductors in multiple end markets, notably servers. Strong growth in digital media – across both creative and document clouds – drove gains for software maker Adobe, which reported record revenue for its most recent quarter. Work from home accelerated demand for certain of these products. Additionally, Adobe showed strong operating margin leverage.

Amazon also contributed to relative gains. Nearly all its business lines continued to benefit from the disrupted environment caused by the pandemic. E-commerce, both traditional and Whole Foods grocers, saw increased demand for deliveries. Amazon's extensive direct-to-consumer distribution network proved to be a significant area of strength. Its Amazon Web Services (AWS) cloud computing platform has seen continued strength, driven in part by an increase in the number of people working from home.

While pleased to outperform the benchmark this period, we were disappointed by the weak relative results of select holdings, including Apple. The technology hardware and services company was part of a cohort of mega cap technology stocks that drove equity markets during the period. We are positive on the stock, but our weighting, while material, was underweight the Portfolio' primary benchmark. As a result, we were unable to benefit from the rally in Apple's stock to the same degree as our primary benchmark.

Relative detractors also included companies that experienced the greatest disruption to their businesses due to the pandemic. For example, Norwegian Cruise Line saw a significant increase in cancellations and decrease in new bookings as a result of travel bans. Given the severity of the stock's decline and looming uncertainty about when the virus will be contained, we sold our position.

Air travel also declined sharply. Our exposure to jet engine manufacturer Safran consequently detracted from relative returns. As major airlines grounded planes, investors became concerned that Safran's aftermarket revenues (engine service and spare parts) would decrease. We believe company fundamentals remain strong and that aerospace will be one of the first industries to recover from the downturn.

Outlook

While we were encouraged by the stock market's rebound during the second quarter, in our view, recent gains do not reflect economic reality. Notably, while several key economies enjoyed stronger-than-expected increases in manufacturing output in June, global manufacturing activity remains in a contractionary mode, suggesting the road to a broad recovery will be uneven and gradual.

What market gains did reflect was that the same mega cap technology and communications stocks that drove indices to record highs in February remained the leaders during the second quarter. Although we expect these stocks to stay in favor, we anticipate the recovery will eventually broaden and include companies whose prospects are underappreciated, including those with business models that could add value in a post-COVID-19 world or experience rebounding demand as pandemic-related lockdowns ease. Conversely, other businesses could see end markets wither away as consumer and enterprise behaviors permanently change.

In each of these scenarios, we believe long-term stock performance will be determined by a company's underlying merits rather than by the sector in which it is categorized. With this in mind, we continue to rely on the rigorous fundamental research of our equity analysts and the capital structure expertise of our fixed income team to scrutinize the long-term viability of a company's growth prospects and financial strength.

To that end, we have identified a number of companies with stock prices that, in our opinion, do not fully reflect their exposure to secular growth themes or ability to participate in an economic recovery. At the same time, we reduced our exposure to business models that we believe may be fundamentally challenged as the economy struggles to regain its footing. While it is too early to identify a clear path out of the COVID-19-impacted downturn, we believe our fine-tuning of the Portfolio has positioned it for a variety of economic outcomes.

Thank you for your investment in Janus Henderson VIT Global Research Portfolio.

Janus Henderson VIT Global Research Portfolio (unaudited)
Portfolio At A Glance
June 30, 2020

5 Top Contributors - Holdings

	Average Weight	Relative Contribution
Adobe Inc	2.12%	0.54%
Amazon.com Inc	3.46%	0.50%
ASML Holding NV	1.88%	0.43%
Netflix Inc	1.45%	0.39%
Tencent Holdings Ltd	0.98%	0.34%

5 Top Detractors - Holdings

	Average Weight	Relative Contribution
Apple Inc	0.02%	-0.91%
Norwegian Cruise Line Holdings Ltd	0.26%	-0.48%
Safran SA	1.30%	-0.45%
Microsoft Corp	1.79%	-0.43%
Suncor Energy Inc	0.77%	-0.41%

3 Top Contributors - Sectors*

	Relative Contribution	Portfolio Average Weight	MSCI World Index Average Weight
Financials	2.60%	19.59%	19.34%
Communications	1.63%	10.67%	10.43%
Other**	-0.19%	0.49%	0.02%

5 Top Detractors - Sectors*

	Relative Contribution	Portfolio Average Weight	MSCI World Index Average Weight
Energy	-0.66%	7.32%	7.39%
Technology	-0.43%	15.15%	15.59%
Industrials	-0.34%	16.01%	16.08%
Healthcare	-0.27%	13.84%	14.04%
Consumer	-0.23%	16.93%	17.11%

Relative contribution reflects how the portolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown. For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, excluding fixed income securities, gross of advisory fees, may exclude certain derivatives and will differ from actual performance. Performance attribution reflects returns gross of advisory fees and may differ from actual returns as they are based on end of day holdings. Attribution is calculated by geometrically linking daily returns for the portfolio and index.

* The sectors listed above reflect those covered by the six analyst teams who comprise the Janus Henderson Research Team.

** Not a GICS classified sector.

Janus Henderson VIT Global Research Portfolio (unaudited)
Portfolio At A Glance
June 30, 2020

5 Largest Equity Holdings - (% of Net Assets)

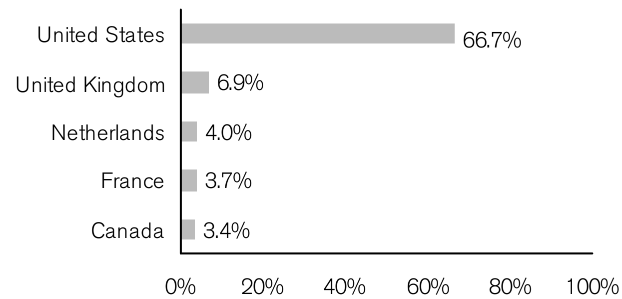
Amazon.com Inc	
Internet & Direct Marketing Retail	4.0%
Microsoft Corp	
Software	3.4%
Apple Inc	
Technology Hardware, Storage & Peripherals	2.7%
Alphabet Inc - Class C	
Interactive Media & Services	2.5%
Adobe Inc	
Software	2.3%
	14.9%

Asset Allocation - (% of Net Assets)

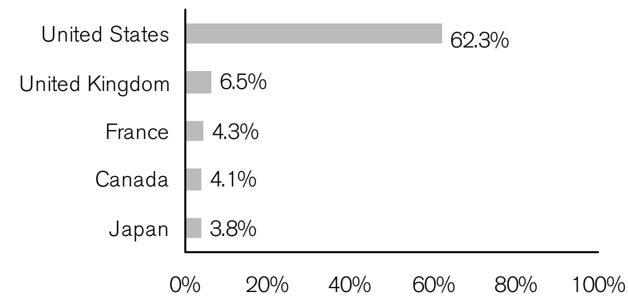
Common Stocks	99.6%
Investments Purchased with Cash	
Collateral from Securities Lending	0.5%
Rights	0.0%
Other	(0.1)%
	100.0%

Top Country Allocations - Long Positions - (% of Investment Securities)

As of June 30, 2020

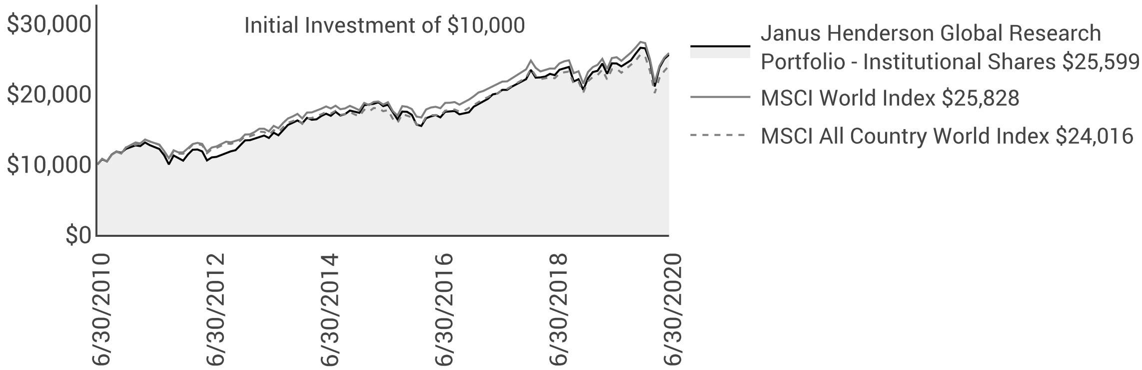


As of December 31, 2019



Janus Henderson VIT Global Research Portfolio (unaudited)

Performance



Average Annual Total Return - for the periods ended June 30, 2020	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Expense Ratios: Total Annual Fund Operating Expenses‡
Institutional Shares	-3.70%	5.05%	6.96%	9.86%	8.20%	0.79%
Service Shares	-3.82%	4.78%	6.70%	9.58%	7.92%	1.04%
MSCI World Index	-5.77%	2.84%	6.90%	9.95%	6.86%	
MSCI All Country World Index	-6.25%	2.11%	6.46%	9.16%	N/A**	
Morningstar Quartile - Institutional Shares	-	2nd	2nd	2nd	2nd	
Morningstar Ranking - based on total returns for World Large Stock Funds	-	316/890	273/730	191/515	65/144	

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit janushenderson.com/VITperformance.

This Portfolio has a performance-based management fee that may adjust up or down based on the Portfolio's performance.

Performance may be affected by risks that include those associated with non-diversification, portfolio turnover, short sales, potential conflicts of interest, foreign and emerging markets, initial public offerings (IPOs), high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), derivatives, and commodity-linked investments. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

Returns do not reflect the deduction of fees, charges or expenses of any insurance product or qualified plan. If applied, returns would have been lower.

Returns include reinvestment of all dividends and distributions and do not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares. The returns do not include adjustments in accordance with generally accepted accounting principles required at the period end for financial reporting purposes.

Performance for Service Shares prior to December 31, 1999 reflects the performance of Institutional Shares adjusted to reflect the expenses of Service Shares.

Ranking is for the share class shown only; other classes may have different performance characteristics.

There is no assurance that the investment process will consistently lead to successful investing.

See Notes to Schedule of Investments and Other Information for index definitions.

See important disclosures on the next page.

Janus Henderson VIT Global Research Portfolio (unaudited)
Performance

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

See "Useful Information About Your Portfolio Report."

Effective April 13, 2020, Matthew Peron is the Portfolio Manager of the Portfolio and provides general oversight of the Research Team.

*The Portfolio's inception date – September 13, 1993

‡ As stated in the prospectus. See Financial Highlights for actual expense ratios during the reporting period.

**Since inception return is not shown for the index because the index's inception date differs significantly from the Portfolio's inception date.

Janus Henderson VIT Global Research Portfolio (unaudited)
Expense Examples

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; 12b-1 distribution and shareholder servicing fees (applicable to Service Shares only); transfer agent fees and expenses payable pursuant to the Transfer Agency Agreement; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The example is based upon an investment of $1,000 invested at the beginning of the period and held for the six-months indicated, unless noted otherwise in the table and footnotes below.

Actual Expenses

The information in the table under the heading “Actual” provides information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, 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 in the appropriate column for your share class under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The information in the table under the heading “Hypothetical (5% return before expenses)” provides information about hypothetical account values and hypothetical expenses based upon the Portfolio’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio’s actual return. 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 may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Additionally, for an analysis of the fees associated with an investment in either share class or other similar funds, please visit www.finra.org/fundanalyzer.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as any charges at the separate account level or contract level. These fees are fully described in the Portfolio’s prospectuses. Therefore, the hypothetical examples are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Net Annualized Expense Ratio (1/1/20 - 6/30/20)
Institutional Shares	$1,000.00	$963.00	$4.10	$1,000.00	$1,020.69	$4.22	0.84%
Service Shares	$1,000.00	$961.80	$5.32	$1,000.00	$1,019.44	$5.47	1.09%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period). Expenses in the examples include the effect of applicable fee waivers and/or expense reimbursements, if any. Had such waivers and/or reimbursements not been in effect, your expenses would have been higher. Please refer to the Notes to Financial Statements or the Portfolio’s prospectuses for more information regarding waivers and/or reimbursements.

Janus Henderson VIT Global Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – 99.6%		
Aerospace & Defense – 2.8%		
CAE Inc	274,798	$4,457,825
L3Harris Technologies Inc	44,207	7,500,602
Safran SA*	78,016	7,803,466
		19,761,893
Airlines – 0.6%		
Ryanair Holdings PLC (ADR)*	60,328	4,002,160
Auto Components – 0.7%		
Aptiv PLC	65,187	5,079,371
Automobiles – 0.3%		
Maruti Suzuki India Ltd	27,689	2,152,353
Banks – 3.3%		
BNP Paribas SA*	74,830	2,966,246
Citigroup Inc	93,258	4,765,484
HDFC Bank Ltd	272,691	3,887,363
JPMorgan Chase & Co	122,431	11,515,860
		23,134,953
Beverages – 3.3%		
Constellation Brands Inc	74,476	13,029,576
Pernod Ricard SA	65,396	10,277,386
		23,306,962
Biotechnology – 3.6%		
AbbVie Inc	79,898	7,844,386
Ascendis Pharma A/S (ADR)*	16,916	2,501,876
Global Blood Therapeutics Inc*	29,778	1,879,885
Mirati Therapeutics Inc*	21,079	2,406,589
Neurocrine Biosciences Inc*	33,321	4,065,162
Sarepta Therapeutics Inc*	20,137	3,228,767
Vertex Pharmaceuticals Inc*	11,513	3,342,339
		25,269,004
Building Products – 1.2%		
Daikin Industries Ltd	51,800	8,330,918
Capital Markets – 3.0%		
Blackstone Group Inc	121,011	6,856,483
Hong Kong Exchanges & Clearing Ltd	87,300	3,720,707
London Stock Exchange Group PLC	64,075	6,627,075
Morgan Stanley	81,917	3,956,591
		21,160,856
Chemicals – 2.0%		
Air Products & Chemicals Inc	30,174	7,285,814
Sherwin-Williams Co	11,055	6,388,132
		13,673,946
Construction Materials – 0.2%		
Vulcan Materials Co	14,207	1,645,881
Consumer Finance – 1.5%		
Nexi SpA (144A)*	391,752	6,766,759
Synchrony Financial	172,231	3,816,639
		10,583,398
Electronic Equipment, Instruments & Components – 2.3%		
Hexagon AB*	160,868	9,379,553
Keyence Corp	15,500	6,472,494
		15,852,047
Entertainment – 2.3%		
Liberty Media Corp-Liberty Formula One*	171,583	5,440,897
Netflix Inc*	23,704	10,786,268
		16,227,165
Equity Real Estate Investment Trusts (REITs) – 2.0%		
American Tower Corp	19,667	5,084,706
Crown Castle International Corp	28,825	4,823,864

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – (continued)		
Equity Real Estate Investment Trusts (REITs) – (continued)		
Equinix Inc	5,786	$4,063,508
		13,972,078
Health Care Equipment & Supplies – 2.5%		
Abbott Laboratories	91,045	8,324,244
Boston Scientific Corp*	182,410	6,404,415
Dentsply Sirona Inc	53,536	2,358,796
		17,087,455
Health Care Providers & Services – 1.4%		
Centene Corp*	63,097	4,009,814
Humana Inc	14,419	5,590,967
		9,600,781
Hotels, Restaurants & Leisure – 2.5%		
GVC Holdings PLC	633,168	5,800,405
McDonald's Corp	35,887	6,620,075
Sands China Ltd	1,328,400	5,198,461
		17,618,941
Independent Power and Renewable Electricity Producers – 2.1%		
NRG Energy Inc	261,378	8,510,468
Vistra Energy Corp	345,495	6,433,117
		14,943,585
Industrial Conglomerates – 0.9%		
Honeywell International Inc	45,449	6,571,471
Information Technology Services – 4.6%		
Fidelity National Information Services Inc	56,610	7,590,835
Mastercard Inc	39,838	11,780,097
Visa Inc	65,027	12,561,266
		31,932,198
Insurance – 4.9%		
AIA Group Ltd	944,000	8,786,099
Aon PLC	35,131	6,766,231
Beazley PLC	355,692	1,804,940
Intact Financial Corp	52,026	4,952,320
Progressive Corp	104,869	8,401,056
Prudential PLC	207,786	3,128,672
		33,839,318
Interactive Media & Services – 5.3%		
Alphabet Inc - Class C*	12,219	17,272,901
Facebook Inc*	54,837	12,451,838
Tencent Holdings Ltd	108,500	6,969,548
		36,694,287
Internet & Direct Marketing Retail – 4.8%		
Alibaba Group Holding Ltd (ADR)*	27,494	5,930,456
Amazon.com Inc*	10,088	27,830,976
		33,761,432
Life Sciences Tools & Services – 0.9%		
Thermo Fisher Scientific Inc	16,913	6,128,256
Machinery – 1.1%		
Parker-Hannifin Corp	40,914	7,498,309
Metals & Mining – 1.4%		
Rio Tinto PLC	113,673	6,395,321
Teck Resources Ltd	305,446	3,199,825
		9,595,146
Multi-Utilities – 1.9%		
National Grid PLC	394,709	4,832,502
RWE AG	242,994	8,500,157
		13,332,659
Oil, Gas & Consumable Fuels – 2.7%		
Canadian Natural Resources Ltd	85,908	1,490,447

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – (continued)		
Oil, Gas & Consumable Fuels – (continued)		
Cheniere Energy Inc*	59,686	$2,884,028
Enterprise Products Partners LP	127,260	2,312,314
Marathon Petroleum Corp	98,101	3,667,015
Suncor Energy Inc	230,665	3,889,732
TOTAL SA#	120,023	4,571,247
		18,814,783
Personal Products – 1.8%		
Unilever NV	242,098	12,838,684
Pharmaceuticals – 5.7%		
AstraZeneca PLC	65,678	6,845,585
Bristol-Myers Squibb Co	77,772	4,572,994
Catalent Inc*	81,255	5,955,991
Elanco Animal Health Inc*	168,004	3,603,686
Merck & Co Inc	112,954	8,734,733
Novartis AG	88,388	7,682,119
Takeda Pharmaceutical Co Ltd	71,550	2,554,021
		39,949,129
Road & Rail – 1.7%		
CSX Corp	98,796	6,890,033
Uber Technologies Inc*	156,144	4,852,956
		11,742,989
Semiconductor & Semiconductor Equipment – 5.8%		
ASML Holding NV	40,885	14,986,305
Microchip Technology Inc	61,092	6,433,599
Taiwan Semiconductor Manufacturing Co Ltd	822,000	8,701,239
Texas Instruments Inc	78,718	9,994,824
		40,115,967
Software – 9.7%		
Adobe Inc*	37,567	16,353,291
Autodesk Inc*	29,960	7,166,132
Constellation Software Inc/Canada	5,110	5,770,641
Microsoft Corp	116,691	23,747,785
salesforce.com Inc*	47,671	8,930,208
SS&C Technologies Holdings Inc	99,183	5,601,856
		67,569,913
Technology Hardware, Storage & Peripherals – 2.7%		
Apple Inc	52,299	19,078,675
Textiles, Apparel & Luxury Goods – 1.8%		
adidas AG*	23,682	6,195,161
NIKE Inc	67,239	6,592,784
		12,787,945
Tobacco – 1.8%		
British American Tobacco PLC	331,051	12,717,362
Trading Companies & Distributors – 1.4%		
Ferguson PLC	122,926	10,054,300
Wireless Telecommunication Services – 1.1%		
T-Mobile US Inc*	72,317	7,531,816
Total Common Stocks (cost $516,871,166)		695,958,386
Rights – 0%		
Wireless Telecommunication Services – 0%		
T-Mobile US Inc* (cost $0)	81,648	13,717
Investments Purchased with Cash Collateral from Securities Lending – 0.5%		
Investment Companies – 0.4%		
Janus Henderson Cash Collateral Fund LLC, 0.0368%∞,£	2,643,840	2,643,840

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Investments Purchased with Cash Collateral from Securities Lending – (continued)		
Time Deposits – 0.1%		
Royal Bank of Canada, 0.0900%, 7/1/20	$660,960	$660,960
Total Investments Purchased with Cash Collateral from Securities Lending (cost $3,304,800)		3,304,800
Total Investments (total cost $520,175,966) – 100.1%		699,276,903
Liabilities, net of Cash, Receivables and Other Assets – (0.1)%		(867,505)
Net Assets – 100%		$698,409,398

Summary of Investments by Country - (Long Positions) (unaudited)

Country	*Value*	*% of Investment Securities*
United States	$466,189,473	66.7 %
United Kingdom	48,151,862	6.9
Netherlands	27,824,989	4.0
France	25,618,345	3.7
Canada	23,760,790	3.4
Hong Kong	17,705,267	2.5
Japan	17,357,433	2.5
Germany	14,695,318	2.1
China	12,900,004	1.8
Sweden	9,379,553	1.3
Taiwan	8,701,239	1.2
Switzerland	7,682,119	1.1
Italy	6,766,759	1.0
India	6,039,716	0.9
Ireland	4,002,160	0.6
Denmark	2,501,876	0.3
Total	$699,276,903	100.0 %

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

Schedules of Affiliated Investments – (% of Net Assets)

		Dividend Income		*Realized Gain/(Loss)*		*Change in Unrealized Appreciation/ Depreciation*		*Value at 6/30/20*
Investment Companies - N/A								
Money Markets - N/A								
Janus Henderson Cash Liquidity Fund LLC, 0.1535%°°	$	8,869	$	373	$	-	$	-
Investments Purchased with Cash Collateral from Securities Lending - 0.4%								
Investment Companies - 0.4%								
Janus Henderson Cash Collateral Fund LLC, 0.0368%°°		176Δ		-		-		2,643,840
Total Affiliated Investments - 0.4%	$	9,045	$	373	$	-	$	2,643,840

	Value at 12/31/19	*Purchases*	*Sales Proceeds*	*Value at 6/30/20*
Investment Companies - N/A				
Money Markets - N/A				
Janus Henderson Cash Liquidity Fund LLC, 0.1535%°°	-	36,716,322	(36,716,695)	-
Investments Purchased with Cash Collateral from Securities Lending - 0.4%				
Investment Companies - 0.4%				
Janus Henderson Cash Collateral Fund LLC, 0.0368%°°	-	2,715,120	(71,280)	2,643,840

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Notes to Schedule of Investments and Other Information (unaudited)

MSCI All Country World Index^{SM}	MSCI All Country World Index^{SM} reflects the equity market performance of global developed and emerging markets.
MSCI World Index^{SM}	MSCI World Index^{SM} reflects the equity market performance of global developed markets.

ADR	American Depositary Receipt
LLC	Limited Liability Company
LP	Limited Partnership
PLC	Public Limited Company

144A	Securities sold under Rule 144A of the Securities Act of 1933, as amended, are subject to legal and/or contractual restrictions on resale and may not be publicly sold without registration under the 1933 Act. Unless otherwise noted, these securities have been determined to be liquid under guidelines established by the Board of Trustees. The total value of 144A securities as of the period ended June 30, 2020 is $6,766,759, which represents 1.0% of net assets.
*	Non-income producing security.
ºº	Rate shown is the 7-day yield as of June 30, 2020.
#	Loaned security; a portion of the security is on loan at June 30, 2020.
£	The Portfolio may invest in certain securities that are considered affiliated companies. As defined by the Investment Company Act of 1940, as amended, an affiliated company is one in which the Portfolio owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control.
Δ	Net of income paid to the securities lending agent and rebates paid to the borrowing counterparties.

Janus Henderson VIT Global Research Portfolio
Notes to Schedule of Investments and Other Information (unaudited)

The following is a summary of the inputs that were used to value the Portfolio's investments in securities and other financial instruments as of June 30, 2020. See Notes to Financial Statements for more information.

Valuation Inputs Summary

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Assets			
Investments In Securities:			
Common Stocks			
Aerospace & Defense	$ 11,958,427	$ 7,803,466	$ -
Automobiles	-	2,152,353	-
Banks	16,281,344	6,853,609	-
Beverages	13,029,576	10,277,386	-
Building Products	-	8,330,918	-
Capital Markets	10,813,074	10,347,782	-
Consumer Finance	3,816,639	6,766,759	-
Electronic Equipment, Instruments & Components	-	15,852,047	-
Hotels, Restaurants & Leisure	6,620,075	10,998,866	-
Insurance	20,119,607	13,719,711	-
Interactive Media & Services	29,724,739	6,969,548	-
Metals & Mining	3,199,825	6,395,321	-
Multi-Utilities	-	13,332,659	-
Oil, Gas & Consumable Fuels	14,243,536	4,571,247	-
Personal Products	-	12,838,684	-
Pharmaceuticals	22,867,404	17,081,725	-
Semiconductor & Semiconductor Equipment	16,428,423	23,687,544	-
Textiles, Apparel & Luxury Goods	6,592,784	6,195,161	-
Tobacco	-	12,717,362	-
Trading Companies & Distributors	-	10,054,300	-
All Other	313,316,485	-	-
Rights	13,717	-	-
Investments Purchased with Cash Collateral from Securities Lending	-	3,304,800	-
Total Assets	$ 489,025,655	$ 210,251,248	$ -

Janus Henderson VIT Global Research Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2020

Assets:		
Unaffiliated investments, at value(1)(2)	$	696,633,063
Affiliated investments, at value(3)		2,643,840
Non-interested Trustees' deferred compensation		14,355
Receivables:		
Investments sold		29,725,643
Dividends		527,205
Portfolio shares sold		285,771
Foreign tax reclaims		229,239
Other assets		2,982
Total Assets		730,062,098
Liabilities:		
Due to custodian		65,919
Collateral for securities loaned (Note 2)		3,304,800
Payables:		
Investments purchased		27,237,722
Advisory fees		425,051
Portfolio shares repurchased		407,635
12b-1 Distribution and shareholder servicing fees		41,193
Transfer agent fees and expenses		30,946
Professional fees		17,143
Non-interested Trustees' deferred compensation fees		14,355
Custodian fees		7,180
Non-interested Trustees' fees and expenses		3,521
Affiliated portfolio administration fees payable		1,428
Accrued expenses and other payables		95,807
Total Liabilities		31,652,700
Net Assets	$	698,409,398
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	509,361,345
Total distributable earnings (loss)		189,048,053
Total Net Assets	$	698,409,398
Net Assets - Institutional Shares	$	497,079,620
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		9,710,517
Net Asset Value Per Share	$	51.19
Net Assets - Service Shares	$	201,329,778
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		4,034,018
Net Asset Value Per Share	$	49.91

(1) Includes cost of $517,532,126.
(2) Includes $3,147,182 of securities on loan. See Note 2 in Notes to Financial Statements.
(3) Includes cost of $2,643,840.

See Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2020

Investment Income:		
Dividends	$	5,969,489
Dividends from affiliates		8,869
Affiliated securities lending income, net		176
Unaffiliated securities lending income, net		48
Foreign tax withheld		(299,615)
Total Investment Income		5,678,967
Expenses:		
Advisory fees		2,540,738
12b-1 Distribution and shareholder servicing fees:		
Service Shares		240,729
Transfer agent administrative fees and expenses:		
Institutional Shares		120,387
Service Shares		48,146
Other transfer agent fees and expenses:		
Institutional Shares		12,978
Service Shares		2,663
Professional fees		23,121
Shareholder reports expense		21,393
Custodian fees		18,215
Registration fees		11,586
Affiliated portfolio administration fees		8,426
Non-interested Trustees' fees and expenses		6,231
Other expenses		40,700
Total Expenses		3,095,313
Net Investment Income/(Loss)		2,583,654
Net Realized Gain/(Loss) on Investments:		
Investments and foreign currency transactions		6,359,784
Investments in affiliates		373
Total Net Realized Gain/(Loss) on Investments		6,360,157
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation[1]		(38,360,397)
Total Change in Unrealized Net Appreciation/Depreciation		(38,360,397)
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	(29,416,586)

(1) Includes change in unrealized appreciation/depreciation of $577 due to foreign capital gains tax on investments.

See Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Statements of Changes in Net Assets

		Period ended June 30, 2020 (unaudited)		Year ended December 31, 2019
Operations:				
Net investment income/(loss)	$	2,583,654	$	7,549,236
Net realized gain/(loss) on investments		6,360,157		39,064,185
Change in unrealized net appreciation/depreciation		(38,360,397)		132,017,612
Net Increase/(Decrease) in Net Assets Resulting from Operations		(29,416,586)		178,631,033
Dividends and Distributions to Shareholders				
Institutional Shares		(29,357,266)		(35,853,466)
Service Shares		(12,003,638)		(13,833,812)
Net Decrease from Dividends and Distributions to Shareholders		(41,360,904)		(49,687,278)
Capital Share Transactions:				
Institutional Shares		7,634,515		(16,577,616)
Service Shares		7,213,176		(1,596,518)
Net Increase/(Decrease) from Capital Share Transactions		14,847,691		(18,174,134)
Net Increase/(Decrease) in Net Assets		(55,929,799)		110,769,621
Net Assets:				
Beginning of period		754,339,197		643,569,576
End of period	$	698,409,398	$	754,339,197

See Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$56.59	$47.13	$51.20	$40.63	$40.24	$41.45
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.22	0.60	0.62	0.51	0.45	0.35
Net realized and unrealized gain/(loss)	(2.42)	12.67	(4.09)	10.45	0.37	(1.28)
Total from Investment Operations	(2.20)	13.27	(3.47)	10.96	0.82	(0.93)
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.21)	(0.54)	(0.60)	(0.39)	(0.43)	(0.28)
Distributions (from capital gains)	(2.99)	(3.27)	—	—	—	—
Total Dividends and Distributions	(3.20)	(3.81)	(0.60)	(0.39)	(0.43)	(0.28)
Net Asset Value, End of Period	$51.19	$56.59	$47.13	$51.20	$40.63	$40.24
Total Return*	(3.70)%	29.04%	(6.87)%	27.03%	2.07%	(2.29)%
Net Assets, End of Period (in thousands)	$497,080	$539,915	$463,402	$540,594	$469,321	$509,494
Average Net Assets for the Period (in thousands)	$487,159	$511,859	$533,418	$512,287	$478,402	$560,660
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.84%	0.79%	0.60%	0.64%	0.65%	0.80%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.84%	0.79%	0.60%	0.64%	0.65%	0.80%
Ratio of Net Investment Income/(Loss)	0.83%	1.13%	1.19%	1.05%	1.15%	0.83%
Portfolio Turnover Rate	21%	36%	36%	41%	45%	50%

Service Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$55.27	$46.15	$50.17	$39.87	$39.53	$40.77
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.15	0.45	0.48	0.38	0.35	0.24
Net realized and unrealized gain/(loss)	(2.36)	12.39	(4.00)	10.24	0.36	(1.26)
Total from Investment Operations	(2.21)	12.84	(3.52)	10.62	0.71	(1.02)
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.16)	(0.45)	(0.50)	(0.32)	(0.37)	(0.22)
Distributions (from capital gains)	(2.99)	(3.27)	—	—	—	—
Total Dividends and Distributions	(3.15)	(3.72)	(0.50)	(0.32)	(0.37)	(0.22)
Net Asset Value, End of Period	$49.91	$55.27	$46.15	$50.17	$39.87	$39.53
Total Return*	(3.82)%	28.71%	(7.08)%	26.68%	1.82%	(2.53)%
Net Assets, End of Period (in thousands)	$201,330	$214,425	$180,168	$210,318	$179,125	$202,896
Average Net Assets for the Period (in thousands)	$194,818	$198,883	$206,497	$197,483	$186,563	$218,006
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	1.09%	1.04%	0.85%	0.89%	0.90%	1.05%
Ratio of Net Expenses (After Waivers and Expense Offsets)	1.09%	1.04%	0.85%	0.89%	0.90%	1.05%
Ratio of Net Investment Income/(Loss)	0.58%	0.88%	0.94%	0.81%	0.91%	0.57%
Portfolio Turnover Rate	21%	36%	36%	41%	45%	50%

* Total return includes adjustments in accordance with generally accepted accounting principles required at the year or period end and are not annualized for periods of less than one full year. Total return does not include fees, charges, or expenses imposed by the variable annuity and life insurance contracts for which Janus Aspen Series serves as an underlying investment vehicle.

** Annualized for periods of less than one full year.

(1) Per share amounts are calculated based on average shares outstanding during the year or period.

See Notes to Financial Statements.

1. Organization and Significant Accounting Policies

Janus Henderson VIT Global Research Portfolio (the “Portfolio”) is a series of Janus Aspen Series (the “Trust”), which is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company, and therefore has applied the specialized accounting and reporting guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946. The Trust offers 11 portfolios, each of which offers multiple share classes, with differing investment objectives and policies. The Portfolio seeks long-term growth of capital. The Portfolio is classified as diversified, as defined in the 1940 Act.

The Portfolio currently offers two classes of shares: Institutional Shares and Service Shares. Each class represents an interest in the same portfolio of investments. Institutional Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans. Service Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans that require a fee from Portfolio assets to procure distribution and administrative services to contract owners and plan participants.

Shareholders, including other portfolios, participating insurance companies, as well as accounts, may from time to time own (beneficially or of record) a significant percentage of the Portfolio’s Shares and can be considered to “control” the Portfolio when that ownership exceeds 25% of the Portfolio’s assets (and which may differ from control as determined in accordance with United States of America generally accepted accounting priciples ("US GAAP")).

The following accounting policies have been followed by the Portfolio and are in conformity with US GAAP.

Investment Valuation

Securities held by the Portfolio are valued in accordance with policies and procedures established by and under the supervision of the Trustees (the “Valuation Procedures”). Equity securities traded on a domestic securities exchange are generally valued at the closing prices on the primary market or exchange on which they trade. If such price is lacking for the trading period immediately preceding the time of determination, such securities are valued at their current bid price. Equity securities that are traded on a foreign exchange are generally valued at the closing prices on such markets. In the event that there is no current trading volume on a particular security in such foreign exchange, the bid price from the primary exchange is generally used to value the security. Securities that are traded on the over-the-counter (“OTC”) markets are generally valued at their closing or latest bid prices as available. Foreign securities and currencies are converted to U.S. dollars using the applicable exchange rate in effect at the close of the New York Stock Exchange (“NYSE”). The Portfolio will determine the market value of individual securities held by it by using prices provided by one or more approved professional pricing services or, as needed, by obtaining market quotations from independent broker-dealers. Most debt securities are valued in accordance with the evaluated bid price supplied by the pricing service that is intended to reflect market value. The evaluated bid price supplied by the pricing service is an evaluation that may consider factors such as security prices, yields, maturities and ratings. Certain short-term securities maturing within 60 days or less may be evaluated and valued on an amortized cost basis provided that the amortized cost determined approximates market value. Securities for which market quotations or evaluated prices are not readily available or deemed unreliable are valued at fair value determined in good faith under the Valuation Procedures. Circumstances in which fair value pricing may be utilized include, but are not limited to: (i) a significant event that may affect the securities of a single issuer, such as a merger, bankruptcy, or significant issuer-specific development; (ii) an event that may affect an entire market, such as a natural disaster or significant governmental action; (iii) a nonsignificant event such as a market closing early or not opening, or a security trading halt; and (iv) pricing of a nonvalued security and a restricted or nonpublic security. Special valuation considerations may apply with respect to “odd-lot” fixed-income transactions which, due to their small size, may receive evaluated prices by pricing services which reflect a large block trade and not what actually could be obtained for the odd-lot position. The Portfolio uses systematic fair valuation models provided by independent third parties to value international equity securities in order to adjust for stale pricing, which may occur between the close of certain foreign exchanges and the close of the NYSE.

Valuation Inputs Summary

FASB ASC 820, Fair Value Measurements and Disclosures (“ASC 820”), defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements regarding fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that

market participants would use in pricing an asset or liability and establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. These inputs are summarized into three broad levels:

Level 1 – Unadjusted quoted prices in active markets the Portfolio has the ability to access for identical assets or liabilities.

Level 2 – Observable inputs other than unadjusted quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Assets or liabilities categorized as Level 2 in the hierarchy generally include: debt securities fair valued in accordance with the evaluated bid or ask prices supplied by a pricing service; securities traded on OTC markets and listed securities for which no sales are reported that are fair valued at the latest bid price (or yield equivalent thereof) obtained from one or more dealers transacting in a market for such securities or by a pricing service approved by the Portfolio's Trustees; certain short-term debt securities with maturities of 60 days or less that are fair valued at amortized cost; and equity securities of foreign issuers whose fair value is determined by using systematic fair valuation models provided by independent third parties in order to adjust for stale pricing which may occur between the close of certain foreign exchanges and the close of the NYSE. Other securities that may be categorized as Level 2 in the hierarchy include, but are not limited to, preferred stocks, bank loans, swaps, investments in unregistered investment companies, options, and forward contracts.

Level 3 – Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Portfolio's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Portfolio since the beginning of the fiscal year.

The inputs or methodology used for fair valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2020 to fair value the Portfolio's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" in the Notes to Schedule of Investments and Other Information.

Investment Transactions and Investment Income

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded as soon as the Portfolio is informed of the dividend, if such information is obtained subsequent to the ex-dividend date. Dividends from foreign securities may be subject to withholding taxes in foreign jurisdictions. Interest income is recorded daily on the accrual basis and includes amortization of premiums and accretion of discounts. The Portfolio classifies gains and losses on prepayments received as an adjustment to interest income. Debt securities may be placed in non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivables when collection of all or a portion of interest has become doubtful. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes. Income, as well as gains and losses, both realized and unrealized, are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets.

Expenses

The Portfolio bears expenses incurred specifically on its behalf. Each class of shares bears a portion of general expenses, which are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets. Expenses directly attributable to a specific class of shares are charged against the operations of such class.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Indemnifications

In the normal course of business, the Portfolio may enter into contracts that contain provisions for indemnification of other parties against certain potential liabilities. The Portfolio's maximum exposure under these arrangements is unknown, and would involve future claims that may be made against the Portfolio that have not yet occurred. Currently, the risk of material loss from such claims is considered remote.

Foreign Currency Translations

The Portfolio does not isolate that portion of the results of operations resulting from the effect of changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held at the date of the financial statements. Net unrealized appreciation or depreciation of investments and foreign currency translations arise from changes in the value of assets and liabilities, including investments in securities held at the date of the financial statements, resulting from changes in the exchange rates and changes in market prices of securities held.

Currency gains and losses are also calculated on payables and receivables that are denominated in foreign currencies. The payables and receivables are generally related to foreign security transactions and income translations.

Foreign currency-denominated assets and forward currency contracts may involve more risks than domestic transactions, including currency risk, counterparty risk, political and economic risk, regulatory risk and equity risk. Risks may arise from unanticipated movements in the value of foreign currencies relative to the U.S. dollar.

Dividends and Distributions

The Portfolio may make semiannual distributions of substantially all of its investment income and an annual distribution of its net realized capital gains (if any).

The Portfolio may make certain investments in real estate investment trusts ("REITs") which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REITs' taxable earnings and profits, resulting in the excess portion of such dividends being designated as a return of capital. If the Portfolio distributes such amounts, such distributions could constitute a return of capital to shareholders for federal income tax purposes.

Federal Income Taxes

The Portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income in accordance with the requirements of Subchapter M of the Internal Revenue Code. Management has analyzed the Portfolio's tax positions taken for all open federal income tax years, generally a three-year period, and has concluded that no provision for federal income tax is required in the Portfolio's financial statements. The Portfolio is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

2. Other Investments and Strategies

Additional Investment Risk

In the aftermath of the 2007-2008 financial crisis, the financial sector experienced reduced liquidity in credit and other fixed-income markets, and an unusually high degree of volatility, both domestically and internationally. In response to the crisis, the United States and certain foreign governments, along with the U.S. Federal Reserve and certain foreign central banks, took a number of unprecedented steps designed to support the financial markets. For example, the enactment of the Dodd-Frank Act in 2010 provided for widespread regulation of financial institutions, consumer financial products and services, broker-dealers, over-the-counter derivatives, investment advisers, credit rating agencies, and mortgage lending, which expanded federal oversight in the financial sector, including the investment management industry. More recently, in response to the COVID-19 pandemic, the U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets, including reducing interest rates to record low levels. The withdrawal of this support, a failure of measures put in place in response to such economic uncertainty, or investor perception that such efforts were not sufficient could each negatively affect financial markets generally, and the value and liquidity of specific securities. In addition, policy and legislative changes in the United States and in other countries continue to impact many aspects of financial regulation.

Widespread disease, including pandemics and epidemics, and natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, have been and can be highly disruptive to

economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Fund's investments. Economies and financial markets throughout the world have become increasingly interconnected, which increases the likelihood that events or conditions in one region or country will adversely affect markets or issuers in other regions or countries, including the United States. These disruptions could prevent a Fund from executing advantageous investment decisions in a timely manner and negatively impact a Fund's ability to achieve its investment objective(s). Any such event(s) could have a significant adverse impact on the value of a Fund. In addition, these disruptions could also impair the information technology and other operational systems upon which the Fund's service providers, including Janus Capital or the subadviser (as applicable), rely, and could otherwise disrupt the ability of employees of the Fund's service providers to perform essential tasks on behalf of the Fund.

A number of countries in the European Union ("EU") have experienced, and may continue to experience, severe economic and financial difficulties. In particular, many EU nations are susceptible to economic risks associated with high levels of debt. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts. Many other issuers have faced difficulties obtaining credit or refinancing existing obligations. Financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit. As a result, financial markets in the EU have experienced extreme volatility and declines in asset values and liquidity. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. The risk of investing in securities in the European markets may also be heightened due to the referendum in which the United Kingdom voted to exit the EU (commonly known as "Brexit"). The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, during which the United Kingdom will remain subject to EU laws and regulations. There is considerable uncertainty relating to the potential consequences of the United Kingdom's exit and how negotiations for new trade agreements will be conducted or concluded.

Certain areas of the world have historically been prone to and economically sensitive to environmental events such as, but not limited to, hurricanes, earthquakes, typhoons, flooding, tidal waves, tsunamis, erupting volcanoes, wildfires or droughts, tornadoes, mudslides, or other weather-related phenomena. Such disasters, and the resulting physical or economic damage, could have a severe and negative impact on the Portfolio's investment portfolio and, in the longer term, could impair the ability of issuers in which the Portfolio invests to conduct their businesses as they would under normal conditions. Adverse weather conditions may also have a particularly significant negative effect on issuers in the agricultural sector and on insurance and reinsurance companies that insure or reinsure against the impact of natural disasters.

Counterparties

Portfolio transactions involving a counterparty are subject to the risk that the counterparty or a third party will not fulfill its obligation to the Portfolio ("counterparty risk"). Counterparty risk may arise because of the counterparty's financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market activities and developments, or other reasons, whether foreseen or not. A counterparty's inability to fulfill its obligation may result in significant financial loss to the Portfolio. The Portfolio may be unable to recover its investment from the counterparty or may obtain a limited recovery, and/or recovery may be delayed. The extent of the Portfolio's exposure to counterparty risk with respect to financial assets and liabilities approximates its carrying value.

The Portfolio may be exposed to counterparty risk through participation in various programs, including, but not limited to, lending its securities to third parties, cash sweep arrangements whereby the Portfolio's cash balance is invested in one or more types of cash management vehicles, as well as investments in, but not limited to, repurchase agreements, debt securities, and derivatives, including various types of swaps, futures and options. The Portfolio intends to enter into financial transactions with counterparties that Janus Capital Management LLC ("Janus Capital") believes to be creditworthy at the time of the transaction. There is always the risk that Janus Capital's analysis of a counterparty's creditworthiness is incorrect or may change due to market conditions. To the extent that the Portfolio focuses its transactions with a limited number of counterparties, it will have greater exposure to the risks associated with one or more counterparties.

Emerging Market Investing

Within the parameters of its specific investment policies, the Portfolio may invest in securities of issuers or companies from or with exposure to one or more "developing countries" or "emerging market countries." To the extent that the

Portfolio invests a significant amount of its assets in one or more of these countries, its returns and net asset value may be affected to a large degree by events and economic conditions in such countries. The risks of foreign investing are heightened when investing in emerging markets, which may result in the price of investments in emerging markets experiencing sudden and sharp price swings. In many developing markets, there is less government supervision and regulation of business and industry practices (including the potential lack of strict finance and accounting controls and standards), stock exchanges, brokers, and listed companies, making these investments potentially more volatile in price and less liquid than investments in developed securities markets, resulting in greater risk to investors. There is a risk in developing countries that a future economic or political crisis could lead to price controls, forced mergers of companies, expropriation or confiscatory taxation, imposition or enforcement of foreign ownership limits, seizure, nationalization, sanctions or imposition of restrictions by various governmental entities on investment and trading, or creation of government monopolies, any of which may have a detrimental effect on the Portfolio's investments. In addition, the Portfolio's investments may be denominated in foreign currencies and therefore, changes in the value of a country's currency compared to the U.S. dollar may affect the value of the Portfolio's investments. To the extent that the Portfolio invests a significant portion of its assets in the securities of issuers in or companies of a single country or region, it is more likely to be impacted by events or conditions affecting that country or region, which could have a negative impact on the Portfolio's performance.

Offsetting Assets and Liabilities

The Portfolio presents gross and net information about transactions that are either offset in the financial statements or subject to an enforceable master netting arrangement or similar agreement with a designated counterparty, regardless of whether the transactions are actually offset in the Statement of Assets and Liabilities.

The following table presents gross amounts of recognized assets and/or liabilities and the net amounts after deducting collateral that has been pledged by counterparties or has been pledged to counterparties (if applicable). For corresponding information grouped by type of instrument, see the Portfolio's Schedule of Investments.

Offsetting of Financial Assets and Derivative Assets

Counterparty	*Gross Amounts of Recognized Assets*	*Offsetting Asset or Liability*[(a)]	*Collateral Pledged*[(b)]	*Net Amount*
JPMorgan Chase Bank, National Association	$ 3,147,182	$ —	$ (3,147,182)	$ —

(a) Represents the amount of assets or liabilities that could be offset with the same counterparty under master netting or similar agreements that management elects not to offset on the Statement of Assets and Liabilities.

(b) Collateral pledged is limited to the net outstanding amount due to/from an individual counterparty. The actual collateral amounts pledged may exceed these amounts and may fluctuate in value.

JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. For financial reporting purposes, the Portfolio does not offset financial instruments' payables and receivables and related collateral on the Statement of Assets and Liabilities. Securities on loan will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the Securities and Exchange Commission (the "SEC"). See "Securities Lending" in the "Notes to Financial Statements" for additional information.

Real Estate Investing

The Portfolio may invest in equity and debt securities of real estate-related companies. Such companies may include those in the real estate industry or real estate-related industries. These securities may include common stocks, corporate bonds, preferred stocks, and other equity securities, including, but not limited to, mortgage-backed securities, real estate-backed securities, securities of REITs and similar REIT-like entities. A REIT is a trust that invests in real estate-related projects, such as properties, mortgage loans, and construction loans. REITs are generally categorized as equity, mortgage, or hybrid REITs. A REIT may be listed on an exchange or traded OTC.

Securities Lending

Under procedures adopted by the Trustees, the Portfolio may seek to earn additional income by lending securities to certain qualified broker-dealers and institutions. Effective December 16, 2019, JPMorgan Chase Bank, National Association replaced Deutsche Bank AG as securities lending agent for the Portfolio. JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. The Portfolio may lend portfolio securities in an amount equal to up to 1/3 of its total assets as determined at the time of the loan origination. There is the risk of delay in recovering a loaned security or the risk of loss in collateral rights if the borrower fails financially. In addition, Janus Capital makes efforts to balance the benefits and risks from granting such loans. All loans will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the SEC. If the Portfolio is unable to recover a security on loan, the Portfolio may use the collateral to purchase replacement securities in the market. There is a risk that the value of the collateral could decrease below the cost of the replacement security by the time the replacement investment is made, resulting in a loss to the Portfolio. In certain circumstances individual loan transactions could yield negative returns.

Upon receipt of cash collateral, Janus Capital may invest it in affiliated or non-affiliated cash management vehicles, whether registered or unregistered entities, as permitted by the 1940 Act and rules promulgated thereunder. Janus Capital currently intends to primarily invest the cash collateral in a cash management vehicle for which Janus Capital serves as investment adviser, Janus Henderson Cash Collateral Fund LLC. An investment in Janus Henderson Cash Collateral Fund LLC is generally subject to the same risks that shareholders experience when investing in similarly structured vehicles, such as the potential for significant fluctuations in assets as a result of the purchase and redemption activity of the securities lending program, a decline in the value of the collateral, and possible liquidity issues. Such risks may delay the return of the cash collateral and cause the Portfolio to violate its agreement to return the cash collateral to a borrower in a timely manner. As adviser to the Portfolio and Janus Henderson Cash Collateral Fund LLC, Janus Capital has an inherent conflict of interest as a result of its fiduciary duties to both the Portfolio and Janus Henderson Cash Collateral Fund LLC. Additionally, Janus Capital receives an investment advisory fee of 0.05% for managing Janus Henderson Cash Collateral Fund LLC, but it may not receive a fee for managing certain other affiliated cash management vehicles in which the Portfolio may invest, and therefore may have an incentive to allocate preferred investment opportunities to investment vehicles for which it is receiving a fee.

The value of the collateral must be at least 102% of the market value of the loaned securities that are denominated in U.S. dollars and 105% of the market value of the loaned securities that are not denominated in U.S. dollars. Loaned securities and related collateral are marked-to-market each business day based upon the market value of the loaned securities at the close of business, employing the most recent available pricing information. Collateral levels are then adjusted based on this mark-to-market evaluation.

The cash collateral invested by Janus Capital is disclosed in the Schedule of Investments (if applicable). Income earned from the investment of the cash collateral, net of rebates paid to, or fees paid by, borrowers and less the fees paid to the lending agent are included as “Affiliated securities lending income, net” on the Statement of Operations. As of June 30, 2020, securities lending transactions accounted for as secured borrowings with an overnight and continuous contractual maturity are $3,147,182. Gross amounts of recognized liabilities for securities lending (collateral received) as of June 30, 2020 is $3,304,800, resulting in the net amount due to the counterparty of $157,618.

3. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital an investment advisory fee which is calculated daily and paid monthly. The Portfolio’s "base" fee rate prior to any performance adjustment (expressed as an annual rate) is 0.60%.

The investment advisory fee rate is determined by calculating a base fee and applying a performance adjustment. The base fee rate is the same as the contractual investment advisory fee rate. The performance adjustment either increases or decreases the base fee depending on how well the Portfolio has performed relative to its benchmark index. The Portfolio's benchmark index used in the calculation is the MSCI World Index^{SM}.

The calculation of the performance adjustment applies as follows:

Investment Advisory Fee = Base Fee Rate +/- Performance Adjustment

The investment advisory fee rate paid to Janus Capital by the Portfolio consists of two components: (1) a base fee calculated by applying the contractual fixed rate of the advisory fee to the Portfolio's average daily net assets during the previous month ("Base Fee Rate"), plus or minus (2) a performance-fee adjustment ("Performance Adjustment") calculated by applying a variable rate of up to 0.15% (positive or negative) to the Portfolio's average daily net assets based on the Portfolio's relative performance compared to the cumulative investment record of its benchmark index over a 36-month performance measurement period or shorter time period, as applicable. The investment performance of a Portfolio's Service Shares, for the performance measurement period is used to calculate the Performance Adjustment. No Performance Adjustment is applied unless the difference between the Portfolio's investment performance and the cumulative investment record of the Portfolio's benchmark index is 0.50% or greater (positive or negative) during the applicable performance measurement period.

The Portfolio's prospectuses and statement(s) of additional information contain additional information about performance-based fees. The amount shown as advisory fees on the Statement of Operations reflects the Base Fee Rate plus/minus any Performance Adjustment. For the period ended June 30, 2020, the performance adjusted investment advisory fee rate before any waivers and/or reimbursements of expenses is 0.75%.

Janus Services LLC ("Janus Services"), a wholly-owned subsidiary of Janus Capital, is the Portfolio's transfer agent. Janus Services receives an administrative services fee at an annual rate of 0.05% of the average daily net assets of the Portfolio for arranging for the provision by participating insurance companies and qualified plan service providers of administrative services, including recordkeeping, subaccounting, order processing, or other shareholder services provided on behalf of contract holders or plan participants investing in the Portfolio. Other shareholder services may include the provision of order confirmations, periodic account statements, forwarding prospectuses, shareholder reports, and other materials to existing investors, and answering inquiries regarding accounts. Janus Services expects to use this entire fee to compensate insurance companies and qualified plan service providers for providing these services to their customers who invest in the Portfolio. Any unused portion will be reimbursed to the applicable share class at least annually.

In addition, Janus Services provides or arranges for the provision of certain other internal administrative, recordkeeping, and shareholder relations services for the Portfolio. Janus Services is not compensated for these internal services related to the shares, except for out-of-pocket costs. These amounts are disclosed as "Other transfer agent fees and expenses" on the Statement of Operations.

Under a distribution and shareholder servicing plan (the "Plan") adopted in accordance with Rule 12b-1 under the 1940 Act, the Service Shares may pay the Trust's distributor, Janus Distributors LLC ("Janus Distributors"), a wholly-owned subsidiary of Janus Capital, a fee for the sale and distribution and/or shareholder servicing of the Service Shares at an annual rate of up to 0.25% of the average daily net assets of the Service Shares. Under the terms of the Plan, the Trust is authorized to make payments to Janus Distributors for remittance to insurance companies and qualified plan service providers as compensation for distribution and/or shareholder services performed by such entities. These amounts are disclosed as "12b-1 Distribution and shareholder servicing fees" on the Statement of Operations. Payments under the Plan are not tied exclusively to actual 12b-1 distribution and servicing fees, and the payments may exceed 12b-1 distribution and servicing fees actually incurred. If any of the Portfolio's actual 12b-1 distribution and servicing fees incurred during a calendar year are less than the payments made during a calendar year, the Portfolio will be refunded the difference. Refunds, if any, are included in "12b-1 Distribution and shareholder servicing fees" in the Statement of Operations.

Janus Capital serves as administrator to the Portfolio pursuant to an administration agreement between Janus Capital and the Trust. Under the administration agreement, Janus Capital is obligated to provide or arrange for the provision of certain administration, compliance, and accounting services to the Portfolio, including providing office space for the Portfolio, and is reimbursed by the Portfolio for certain of its costs in providing these services (to the extent Janus Capital seeks reimbursement and such costs are not otherwise waived). In addition, employees of Janus Capital and/or its affiliates may serve as officers of the Trust. The Portfolio pays for some or all of the salaries, fees, and expenses of Janus Capital employees and Portfolio officers, with respect to certain specified administration functions they perform on behalf of the Portfolio. The Portfolio pays these costs based on out-of-pocket expenses incurred by Janus Capital, and these costs are separate and apart from advisory fees and other expenses paid in connection with the investment advisory services Janus Capital (or any subadvisor, as applicable) provides to the Portfolio. These amounts are disclosed as "Affiliated portfolio administration fees" on the Statement of Operations. In addition, some expenses related to compensation payable to the Portfolio's Chief Compliance Officer and certain compliance staff, all of whom are employees of Janus Capital and/or its affiliates, are shared with the Portfolio. Total compensation of $20,422 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2020. The Portfolio's portion is reported as part of “Other expenses” on the Statement of Operations.

The Board of Trustees has adopted a deferred compensation plan (the “Deferred Plan”) for independent Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Portfolio. All deferred fees are credited to an account established in the name of the Trustees. The amounts credited to the account then increase or decrease, as the case may be, in accordance with the performance of one or more of the Janus Henderson funds that are selected by the Trustees. The account balance continues to fluctuate in accordance with the performance of the selected fund or funds until final payment of all amounts are credited to the account. The fluctuation of the account balance is recorded by the Portfolio as unrealized appreciation/(depreciation) and is included as of June 30, 2020 on the Statement of Assets and Liabilities in the asset, “Non-interested Trustees' deferred compensation,” and liability, “Non-interested Trustees' deferred compensation fees.” Additionally, the recorded unrealized appreciation/(depreciation) is included in “Total distributable earnings (loss)” on the Statement of Assets and Liabilities. Deferred compensation expenses for the period ended June 30, 2020 are included in “Non-interested Trustees' fees and expenses” on the Statement of Operations. Trustees are allowed to change their designation of mutual funds from time to time. Amounts will be deferred until distributed in accordance with the Deferred Plan. Deferred fees of $220,425 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2020.

Pursuant to the provisions of the 1940 Act and related rules, the Portfolio may participate in an affiliated or non-affiliated cash sweep program. In the cash sweep program, uninvested cash balances of the Portfolio may be used to purchase shares of affiliated or non-affiliated money market funds or cash management pooled investment vehicles that operate as money market funds. The Portfolio is eligible to participate in the cash sweep program (the “Investing Funds”). As adviser, Janus Capital has an inherent conflict of interest because of its fiduciary duties to the affiliated money market funds or cash management pooled investment vehicles and the Investing Funds. Janus Henderson Cash Liquidity Fund LLC (the “Sweep Vehicle”) is an affiliated unregistered cash management pooled investment vehicle that invests primarily in highly-rated short-term fixed-income securities. The Sweep Vehicle operates pursuant to the provisions of the 1940 Act that govern the operation of money market funds and prices its shares at NAV reflecting market-based values of its portfolio securities (i.e., a “floating” NAV) rounded to the fourth decimal place (e.g., $1.0000). The Sweep Vehicle is permitted to impose a liquidity fee (of up to 2%) on redemptions from the Sweep Vehicle or a redemption gate that temporarily suspends redemptions from the Sweep Vehicle for up to 10 business days during a 90 day period. There are no restrictions on the Portfolio's ability to withdraw investments from the Sweep Vehicle at will, and there are no unfunded capital commitments due from the Portfolio to the Sweep Vehicle. The Sweep Vehicle does not charge any management fee, sales charge or service fee.

Any purchases and sales, realized gains/losses and recorded dividends from affiliated investments during the period ended June 30, 2020 can be found in the “Schedules of Affiliated Investments” located in the Schedule of Investments.

The Portfolio is permitted to purchase or sell securities (“cross-trade”) between itself and other funds or accounts managed by Janus Capital in accordance with Rule 17a-7 under the Investment Company Act of 1940 (“Rule 17a-7”), when the transaction is consistent with the investment objectives and policies of the Portfolio and in accordance with the Internal Cross Trade Procedures adopted by the Trust's Board of Trustees. These procedures have been designed to ensure that any cross-trade of securities by the Portfolio from or to another fund or account that is or could be considered an affiliate of the Portfolio under certain limited circumstances by virtue of having a common investment adviser, common Officer, or common Trustee complies with Rule 17a-7. Under these procedures, each cross-trade is effected at the current market price to save costs where allowed. During the period ended June 30, 2020, the Portfolio engaged in cross trades amounting to $1,321,672 in purchases.

4. Federal Income Tax

Income and capital gains distributions are determined in accordance with income tax regulations that may differ from US GAAP. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, foreign currency transactions, net investment losses, and capital loss carryovers.

The Portfolio has elected to treat gains and losses on forward foreign currency contracts as capital gains and losses, if applicable. Other foreign currency gains and losses on debt instruments are treated as ordinary income for federal income tax purposes pursuant to Section 988 of the Internal Revenue Code.

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of June 30, 2020 are noted below. The primary differences between book and tax appreciation or depreciation of investments are wash sale loss deferrals and investments in partnerships.

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ 518,507,338	$207,575,776	$(26,806,211)	$ 180,769,565

5. Capital Share Transactions

	Period ended June 30, 2020		*Year ended December 31, 2019*	
	Shares	*Amount*	*Shares*	*Amount*
Institutional Shares:				
Shares sold	142,679	$ 7,419,828	211,898	$ 11,104,330
Reinvested dividends and distributions	592,119	29,357,266	700,470	35,853,466
Shares repurchased	(564,449)	(29,142,579)	(1,204,072)	(63,535,412)
Net Increase/(Decrease)	170,349	$ 7,634,515	(291,704)	$(16,577,616)
Service Shares:				
Shares sold	154,225	$ 7,610,131	230,603	$ 11,845,436
Reinvested dividends and distributions	248,317	12,003,638	276,671	13,833,812
Shares repurchased	(248,031)	(12,400,593)	(531,967)	(27,275,766)
Net Increase/(Decrease)	154,511	$ 7,213,176	(24,693)	$ (1,596,518)

6. Purchases and Sales of Investment Securities

For the period ended June 30, 2020, the aggregate cost of purchases and proceeds from sales of investment securities (excluding any short-term securities, short-term options contracts, TBAs, and in-kind transactions, as applicable) was as follows:

Purchases of Securities	*Proceeds from Sales of Securities*	*Purchases of Long-Term U.S. Government Obligations*	*Proceeds from Sales of Long-Term U.S. Government Obligations*
$142,494,168	$ 168,069,513	$ -	$ -

7. Recent Accounting Pronouncements

The FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820),* in August 2018. The new guidance removes, modifies and enhances the disclosures to Topic 820. For public entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. An entity is permitted, and Management has decided, to early adopt the removed and modified disclosures in these financial statements. Management is also evaluating the implications related to the new disclosure requirements and has not yet determined the impact to the financial statements.

8. Other Matters

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. The impact of COVID-19 has been, and may continue to be, highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Portfolio's investments. This may impact liquidity in the marketplace, which in turn may affect the Portfolio's ability to meet redemption requests. Public health crises caused by the COVID-19 pandemic may exacerbate other pre-existing political, social, and economic risks in certain countries or globally. The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a Portfolio from executing advantageous investment decisions in a timely manner and negatively impact a Portfolio's ability to achieve its investment objective.

9. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2020 and through the date of issuance of the Portfolio’s financial statements and determined that there were no material events or transactions that would require recognition or disclosure in the Portfolio’s financial statements.

Janus Henderson VIT Global Research Portfolio
Additional Information (unaudited)

Proxy Voting Policies and Voting Record

A description of the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities is available without charge: (i) upon request, by calling 1-800-525-1093; (ii) on the Portfolio's website at janushenderson.com/proxyvoting; and (iii) on the SEC's website at http://www.sec.gov. Additionally, information regarding the Portfolio's proxy voting record for the most recent twelve-month period ended June 30 is also available, free of charge, through janushenderson.com/proxyvoting and from the SEC's website at http://www.sec.gov.

Full Holdings

The Portfolio is required to disclose its complete holdings as an exhibit to Form N-PORT within 60 days of the end of the first and third fiscal quarters, and in the annual report and semiannual report to Portfolio shareholders. Historically, the Portfolio filed its complete portfolio holdings (schedule of investments) with the SEC for the first and third quarters each fiscal year on Form N-Q. The Portfolio's Form N-PORT and Form N-Q filings: (i) are available on the SEC's website at http://www.sec.gov; (ii) may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (information on the Public Reference Room may be obtained by calling 1-800-SEC-0330); and (iii) are available without charge, upon request, by calling a Janus Henderson representative at 1-877-335-2687 (toll free) . Portfolio holdings consisting of at least the names of the holdings are generally available on a monthly basis with a 30-day lag. Holdings are generally posted approximately two business days thereafter under Full Holdings for the Portfolio at janushenderson.com/vit.

APPROVAL OF ADVISORY AGREEMENTS DURING THE PERIOD

The Trustees of Janus Aspen Series, each of whom serves as an "independent" Trustee (the "Trustees"), oversee the management of each Portfolio of Janus Aspen Series (each, a "VIT Portfolio," and collectively, the "VIT Portfolios"), as well as each Fund of Janus Investment Fund (together with the VIT Portfolios, the "Janus Henderson Funds," and each, a "Janus Henderson Fund"). As required by law, the Trustees determine annually whether to continue the investment advisory agreement for each Janus Henderson Fund and the subadvisory agreements for the Janus Henderson Funds that utilize subadvisers.

In connection with their most recent consideration of those agreements for each Janus Henderson Fund, the Trustees received and reviewed information provided by Janus Capital and the respective subadvisers in response to requests of the Trustees and their independent legal counsel. They also received and reviewed information and analysis provided by, and in response to requests of, their independent fee consultant. Throughout their consideration of the agreements, the Trustees were advised by their independent legal counsel. The Trustees met with management to consider the agreements, and also met separately in executive session with their independent legal counsel and their independent fee consultant.

At a meeting held on December 5, 2019, based on the Trustees' evaluation of the information provided by Janus Capital, the subadvisers, and the independent fee consultant, as well as other information, the Trustees determined that the overall arrangements between each Janus Henderson Fund and Janus Capital and each subadviser, as applicable, were fair and reasonable in light of the nature, extent and quality of the services provided by Janus Capital, its affiliates and the subadvisers, the fees charged for those services, and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting, the Trustees unanimously approved the continuation of the investment advisory agreement for each Janus Henderson Fund, and the subadvisory agreement for each subadvised Janus Henderson Fund, for the period from February 1, 2020 through February 1, 2021, subject to earlier termination as provided for in each agreement.

In considering the continuation of those agreements, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors described below, none of which by itself was considered dispositive. However, the material factors and conclusions that formed the basis for the Trustees' determination to approve the continuation of the agreements are discussed separately below. Also included is a summary of the independent fee consultant's conclusions and opinions that arose during, and were included as part of, the Trustees' consideration of the agreements. "Management fees," as used herein, reflect actual annual advisory fees and, for the purpose of peer comparisons, any administration fees (excluding out of pocket costs), net of any waivers, paid by a fund as a percentage of average net assets.

Nature, Extent and Quality of Services

The Trustees reviewed the nature, extent and quality of the services provided by Janus Capital and the subadvisers to the Janus Henderson Funds, taking into account the investment objective, strategies and policies of each Janus Henderson Fund, and the knowledge the Trustees gained from their regular meetings with management on at least a quarterly basis and their ongoing review of information related to the Janus Henderson Funds. In addition, the Trustees reviewed the resources and key personnel of Janus Capital and each subadviser, particularly noting those employees who provide investment and risk management services to the Janus Henderson Funds. The Trustees also considered other services provided to the Janus Henderson Funds by Janus Capital or the subadvisers, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions. The Trustees considered Janus Capital's role as administrator to the Janus Henderson Funds, noting that Janus Capital generally does not receive a fee for its services but is reimbursed for its out-of-pocket costs. The Trustees considered the role of Janus Capital in monitoring adherence to the Janus Henderson Funds' investment restrictions, providing support services for the Trustees and Trustee committees, and overseeing communications with shareholders and the activities of other service providers, including monitoring compliance with various policies and procedures of the Janus Henderson Funds and with applicable securities laws and regulations.

In this regard, the independent fee consultant noted that Janus Capital provides a number of different services for the Janus Henderson Funds and fund shareholders, ranging from investment management services to various other servicing functions, and that, in its view, Janus Capital is a capable provider of those services. The independent fee consultant also provided its belief that Janus Capital has developed a number of institutional competitive advantages that should enable it to provide superior investment and service performance over the long term.

The Trustees concluded that the nature, extent and quality of the services provided by Janus Capital or the subadviser to each Janus Henderson Fund were appropriate and consistent with the terms of the respective advisory and subadvisory agreements, and that, taking into account steps taken to address those Janus Henderson Funds whose performance lagged that of their peers for certain periods, the Janus Henderson Funds were likely to benefit from the continued provision of those services. They also concluded that Janus Capital and each subadviser had sufficient personnel, with the appropriate education and experience, to serve the Janus Henderson Funds effectively and had demonstrated its ability to attract well-qualified personnel.

Performance of the Funds

The Trustees considered the performance results of each Janus Henderson Fund over various time periods. They noted that they considered Janus Henderson Fund performance data throughout the year, including periodic meetings with each Janus Henderson Fund's portfolio manager(s), and also reviewed information comparing each Janus Henderson Fund's performance with the performance of comparable funds and peer groups identified by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent data provider, and with the Janus Henderson Fund's benchmark index. In this regard, the independent fee consultant found that the overall Janus Henderson Funds' performance has been reasonable: for the 36 months ended September 30, 2019, approximately 69% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar, and for the 12 months ended September 30, 2019, approximately 71% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar.

The Trustees considered the performance of each Janus Henderson Fund, noting that performance may vary by share class, and noted the following with respect to the VIT Portfolios:

- For Janus Henderson Balanced Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance.

- For Janus Henderson Forty Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the third Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital and Intech had taken or were taking to improve performance, and the performance trend was improving.

In consideration of each Janus Henderson Fund's performance, the Trustees concluded that, taking into account the factors relevant to performance, as well as other considerations, including steps taken to improve performance, the Janus Henderson Fund's performance warranted continuation of such Janus Henderson Fund's investment advisory and subadvisory agreement(s).

Costs of Services Provided

The Trustees examined information regarding the fees and expenses of each Janus Henderson Fund in comparison to similar information for other comparable funds as provided by Broadridge, an independent data provider. They also reviewed an analysis of that information provided by their independent fee consultant and noted that the rate of management fees (investment advisory and any administration, but excluding out-of-pocket costs) for many of the Janus Henderson Funds, after applicable waivers, was below the average management fee rate of the respective peer group of funds selected by an independent data provider. The Trustees also examined information regarding the subadvisory fees charged for subadvisory services, as applicable, noting that all such fees were paid by Janus Capital out of its management fees collected from such Janus Henderson Fund.

The independent fee consultant provided its belief that the management fees charged by Janus Capital to each of the Janus Henderson Funds under the current investment advisory and administration agreements are reasonable in relation to the services provided by Janus Capital. The independent fee consultant found: (1) the total expenses and management fees of the Janus Henderson Funds to be reasonable relative to other mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of their respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 7% under the average management fees for their Expense Groups. The Trustees also considered the total expenses for each share class of

each Janus Henderson Fund compared to the average total expenses for its Broadridge Expense Group peers and to average total expenses for its Broadridge Expense Universe.

For certain Janus Henderson Funds, the independent fee consultant also performed a systematic "focus list" analysis of expenses which assessed fund fees in the context of fund performance being delivered. Based on this analysis, the independent fee consultant found that the combination of service quality/performance and expenses on these individual Janus Henderson Funds was reasonable in light of performance trends, performance histories, and existence of performance fees, breakpoints, and/or expense waivers on such Janus Henderson Funds.

The Trustees considered the methodology used by Janus Capital and each subadviser in determining compensation payable to portfolio managers, the competitive environment for investment management talent, and the competitive market for mutual funds in different distribution channels.

The Trustees also reviewed management fees charged by Janus Capital and each subadviser to comparable separate account clients and to comparable non-affiliated funds subadvised by Janus Capital or by a subadviser (for which Janus Capital or the subadviser provides only or primarily portfolio management services). Although in most instances subadvisory and separate account fee rates for various investment strategies were lower than management fee rates for Janus Henderson Funds having a similar strategy, the Trustees considered that Janus Capital noted that, under the terms of the management agreements with the Janus Henderson Funds, Janus Capital performs significant additional services for the Janus Henderson Funds that it does not provide to those other clients, including administration services, oversight of the Janus Henderson Funds' other service providers, trustee support, regulatory compliance and numerous other services, and that, in serving the Janus Henderson Funds, Janus Capital assumes many legal risks and other costs that it does not assume in servicing its other clients. Moreover, they noted that the independent fee consultant found that: (1) the management fees Janus Capital charges to the Janus Henderson Funds are reasonable in relation to the management fees Janus Capital charges to funds subadvised by Janus Capital and to the fees Janus Capital charges to its institutional separate account clients; (2) these subadvised and institutional separate accounts have different service and infrastructure needs; and (3) Janus Henderson mutual fund investors enjoy reasonable fees relative to the fees charged to Janus Henderson subadvised fund and separate account investors; (4) 11 of 12 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) six of nine Janus Henderson Funds have lower management fees than similar separate accounts managed by Janus Capital.

The Trustees considered the fees for each Janus Henderson Fund for its fiscal year ended in 2018, including the VIT Portfolios, and noted the following with regard to each VIT Portfolio's total expenses, net of applicable fee waivers (the VIT Portfolio's "total expenses"):

- For Janus Henderson Balanced Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.
- For Janus Henderson Forty Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.

- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for its sole share class.

The Trustees reviewed information on the overall profitability to Janus Capital and its affiliates of their relationship with the Janus Henderson Funds, and considered profitability data of other publicly traded mutual fund advisers. The Trustees recognized that profitability comparisons among fund managers are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund manager is affected by numerous factors, including the organizational structure of the particular fund manager, differences in complex size, difference in product mix, difference in types of business (mutual fund, institutional and other), differences in the types of funds and other accounts it manages, possible other lines of business, the methodology for allocating expenses, and the fund manager's capital structure and cost of capital.

Additionally, the Trustees considered the estimated profitability to Janus Capital from the investment management services it provided to each Janus Henderson Fund. In their review, the Trustees considered whether Janus Capital and each subadviser receive adequate incentives and resources to manage the Janus Henderson Funds effectively. In reviewing profitability, the Trustees noted that the estimated profitability for an individual Janus Henderson Fund is necessarily a product of the allocation methodology utilized by Janus Capital to allocate its expenses as part of the estimated profitability calculation. In this regard, the Trustees noted that the independent fee consultant found that (1) the expense allocation methodology and rationales utilized by Janus Capital were reasonable and (2) no clear correlation between expense allocations and operating margins. The Trustees also considered that the estimated profitability for an individual Janus Henderson Fund was influenced by a number of factors, including not only the allocation methodology selected, but also the presence of fee waivers and expense caps, and whether the Janus Henderson Fund's investment management agreement contained breakpoints or a performance fee component. The Trustees determined, after taking into account these factors, among others, that Janus Capital's estimated profitability with respect to each Janus Henderson Fund was not unreasonable in relation to the services provided, and that the variation in the range of such estimated profitability among the Janus Henderson Funds was not a material factor in the Board's approval of the reasonableness of any Janus Henderson Fund's investment management fees.

The Trustees concluded that the management fees payable by each Janus Henderson Fund to Janus Capital and its affiliates, as well as the fees paid by Janus Capital to the subadvisers of subadvised Janus Henderson Funds, were reasonable in relation to the nature, extent, and quality of the services provided, taking into account the fees charged by other advisers for managing comparable mutual funds with similar strategies, the fees Janus Capital and the subadvisers charge to other clients, and, as applicable, the impact of fund performance on management fees payable by the Janus Henderson Funds. The Trustees also concluded that each Janus Henderson Fund's total expenses were reasonable, taking into account the size of the Janus Henderson Fund, the quality of services provided by Janus Capital and any subadviser, the investment performance of the Janus Henderson Fund, and any expense limitations agreed to or provided by Janus Capital.

Economies of Scale

The Trustees considered information about the potential for Janus Capital to realize economies of scale as the assets of the Janus Henderson Funds increase. They noted that their independent fee consultant published a report to the Trustees in November 2019 which provided its research and analysis into economies of scale. They also noted that, although many Janus Henderson Funds pay advisory fees at a base fixed rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 64% of these Janus Henderson Funds' share classes have contractual management fees (gross of waivers) below their Broadridge expense group averages. They also noted the following: (1) that for those Janus Henderson Funds whose expenses are being reduced by the contractual expense limitations of Janus Capital, Janus Capital is subsidizing certain of these Janus Henderson Funds because they have not reached adequate scale; (2) as the assets of some of the Janus Henderson Funds have declined in the past few years, certain Janus Henderson Funds have benefited from having advisory fee rates that have remained constant rather than increasing as assets declined; (3) performance fee structures have been implemented for various Janus Henderson Funds that have caused the effective rate of advisory fees payable by such a

Janus Henderson Fund to vary depending on the investment performance of the Janus Henderson Fund relative to its benchmark index over the measurement period; and (4) a few Janus Henderson Funds have fee schedules with breakpoints and reduced fee rates above certain asset levels. The Trustees also noted that the Janus Henderson Funds share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of all of the Janus Henderson Funds.

The Trustees also considered the independent fee consultant's conclusion that, given the limitations of various analytical approaches to economies of scale and their conflicting results, it is difficult to analytically confirm or deny the existence of economies of scale in the Janus Henderson complex. In this regard, the independent consultant concluded that (1) to the extent there were economies of scale at Janus Capital, Janus Capital's general strategy of setting fixed management fees below peers appeared to share any such economies with investors even on smaller Janus Henderson Funds which have not yet achieved those economies and (2) by setting lower fixed fees from the start on these Janus Henderson Funds, Janus Capital appeared to be investing to increase the likelihood that these Janus Henderson Funds will grow to a level to achieve any scale economies that may exist. Further, the independent fee consultant provided its belief that Janus Henderson Fund investors are well-served by the fee levels and performance fee structures in place on the Janus Henderson Funds in light of any economies of scale that may be present at Janus Capital.

Based on all of the information reviewed, including the recent and past research and analysis conducted by the Trustees' independent fee consultant, the Trustees concluded that the current fee structure of each Janus Henderson Fund was reasonable and that the current rates of fees do reflect a sharing between Janus Capital and the Janus Henderson Fund of any economies of scale that may be present at the current asset level of the Janus Henderson Fund.

Other Benefits to Janus Capital

The Trustees also considered benefits that accrue to Janus Capital and its affiliates and subadvisers to the Janus Henderson Funds from their relationships with the Janus Henderson Funds. They recognized that two affiliates of Janus Capital separately serve the Janus Henderson Funds as transfer agent and distributor, respectively, and the transfer agent receives compensation directly from the non-money market funds for services provided, and that such compensation contributes to the overall profitability of Janus Capital and its affiliates that results from their relationship with the Janus Henderson Funds. The Trustees also considered Janus Capital's past and proposed use of commissions paid by the Janus Henderson Funds on portfolio brokerage transactions to obtain proprietary and third-party research products and services benefiting the Janus Henderson Fund and/or other clients of Janus Capital and/or Janus Capital, and/or a subadviser to a Janus Henderson Fund. The Trustees concluded that Janus Capital's and the subadvisers' use of these types of client commission arrangements to obtain proprietary and third-party research products and services was consistent with regulatory requirements and guidelines and was likely to benefit each Janus Henderson Fund. The Trustees also concluded that, other than the services provided by Janus Capital and its affiliates and subadvisers pursuant to the agreements and the fees to be paid by each Janus Henderson Fund therefor, the Janus Henderson Funds and Janus Capital and the subadvisers may potentially benefit from their relationship with each other in other ways. They concluded that Janus Capital and its affiliates share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of the Janus Henderson Funds and other clients serviced by Janus Capital and its affiliates. They also concluded that Janus Capital and/or the subadvisers benefit from the receipt of research products and services acquired through commissions paid on portfolio transactions of the Janus Henderson Funds and that the Janus Henderson Funds benefit from Janus Capital's and/or the subadvisers' receipt of those products and services as well as research products and services acquired through commissions paid by other clients of Janus Capital and/or other clients of the subadvisers. They further concluded that the success of any Janus Henderson Fund could attract other business to Janus Capital, the subadvisers or other Janus Henderson funds, and that the success of Janus Capital and the subadvisers could enhance Janus Capital's and the subadvisers' ability to serve the Janus Henderson Funds.

LIQUIDITY RISK MANAGEMENT PROGRAM

Janus Henderson Funds (other than the money market funds) have adopted and implemented a written liquidity risk management program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"). Rule 22e-4, requires open-end funds to adopt and implement a written liquidity risk management program that is reasonably designed to assess and manage liquidity risk, which is the risk that a fund could not meet redemption requests without significant dilution of remaining investors' interest in the fund. The LRMP

incorporates the following elements: (i) assessment, management, and periodic review of liquidity risk; (ii) classification of portfolio investments; (iii) the establishment and monitoring of a highly liquid investment minimum, as applicable; (iv) a 15% limitation on a Portfolio's illiquid investments; (v) redemptions in-kind; and (vi) board oversight.

The Trustees have designated Janus Capital Management LLC, the Portfolio's investment adviser ("Janus Capital"), as the Program Administrator for the LRMP responsible for administering the LRMP and carrying out the specific responsibilities of the LRMP. A working group comprised of various groups within Janus Capital's business is responsible for administering the LRMP and carrying out the specific responsibilities of different aspects of the LRMP.

The Liquidity Rule requires the Trustees to review at least annually a written report provided by the Program Administrator that addresses the operation of the LRMP and assesses its adequacy and the effectiveness of its implementation, including, if applicable, the operation of the highly liquid investment minimum, and any material changes to the LRMP (the "Program Administrator Report"). During the semi-annual period ended June 30, 2020, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from December 1, 2018 through December 31, 2019 (the "Reporting Period"). No significant liquidity events impacting the Portfolio were noted in the Program Administrator Report, and the Portfolio was able to process redemptions during the normal course of business during the Reporting Period. In addition, the Program Administrator expressed its belief in the Program Administrator Report that:

- the LRMP is reasonably designed and adequate to assess and manage the Portfolio's liquidity risk, taking into account the Portfolio's particular risks and circumstances, and includes policies and procedures reasonably designed to implement each required component of the Liquidity Rule; and
- the LRMP, including the Highly Liquid Investment Minimum where applicable, was implemented and operated effectively to achieve the goal of assessing and managing the Portfolio's liquidity risk.

There can be no assurance that the LRMP will achieve its objectives in the future. Please refer to your Fund's prospectus for more information regarding the risks to which an investment in the Fund may be subject.

Janus Henderson VIT Global Research Portfolio
Useful Information About Your Portfolio Report (unaudited)

Management Commentary

The Management Commentary in this report includes valuable insight as well as statistical information to help you understand how your Portfolio's performance and characteristics stack up against those of comparable indices.

If the Portfolio invests in foreign securities, this report may include information about country exposure. Country exposure is based primarily on the country of risk. A company may be allocated to a country based on other factors such as location of the company's principal office, the location of the principal trading market for the company's securities, or the country where a majority of the company's revenues are derived.

Please keep in mind that the opinions expressed in the Management Commentary are just that: opinions. They are a reflection based on best judgment at the time this report was compiled, which was June 30, 2020. As the investing environment changes, so could opinions. These views are unique and are not necessarily shared by fellow employees or by Janus Henderson in general.

Performance Overviews

Performance overview graphs compare the performance of a hypothetical $10,000 investment in the Portfolio with one or more widely used market indices. When comparing the performance of the Portfolio with an index, keep in mind that market indices are not available for investment and do not reflect deduction of expenses.

Average annual total returns are quoted for a Portfolio with more than one year of performance history. Average annual total return is calculated by taking the growth or decline in value of an investment over a period of time, including reinvestment of dividends and distributions, then calculating the annual compounded percentage rate that would have produced the same result had the rate of growth been constant throughout the period. Average annual total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Cumulative total returns are quoted for a Portfolio with less than one year of performance history. Cumulative total return is the growth or decline in value of an investment over time, independent of the period of time involved. Cumulative total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Pursuant to federal securities rules, expense ratios shown in the performance chart reflect subsidized (if applicable) and unsubsidized ratios. The total annual fund operating expenses ratio is gross of any fee waivers, reflecting the Portfolio's unsubsidized expense ratio. The net annual fund operating expenses ratio (if applicable) includes contractual waivers of Janus Capital and reflects the Portfolio's subsidized expense ratio. Ratios may be higher or lower than those shown in the "Financial Highlights" in this report.

Schedule of Investments

Following the performance overview section is the Portfolio's Schedule of Investments. This schedule reports the types of securities held in the Portfolio on the last day of the reporting period. Securities are usually listed by type (common stock, corporate bonds, U.S. Government obligations, etc.) and by industry classification (banking, communications, insurance, etc.). Holdings are subject to change without notice.

The value of each security is quoted as of the last day of the reporting period. The value of securities denominated in foreign currencies is converted into U.S. dollars.

If the Portfolio invests in foreign securities, it will also provide a summary of investments by country. This summary reports the Portfolio exposure to different countries by providing the percentage of securities invested in each country. The country of each security represents the country of risk. The Portfolio's Schedule of Investments relies upon the industry group and country classifications published by Barclays and/or MSCI Inc.

Tables listing details of individual forward currency contracts, futures, written options, swaptions, and swaps follow the Portfolio's Schedule of Investments (if applicable).

Statement of Assets and Liabilities

This statement is often referred to as the "balance sheet." It lists the assets and liabilities of the Portfolio on the last day of the reporting period.

The Portfolio's assets are calculated by adding the value of the securities owned, the receivable for securities sold but not yet settled, the receivable for dividends declared but not yet received on securities owned, and the receivable for Portfolio shares sold to investors but not yet settled. The Portfolio's liabilities include payables for securities purchased but not yet settled, Portfolio shares redeemed but not yet paid, and expenses owed but not yet paid. Additionally, there may be other assets and liabilities such as unrealized gain or loss on forward currency contracts.

The section entitled "Net Assets Consist of" breaks down the components of the Portfolio's net assets. Because the Portfolio must distribute substantially all earnings, you will notice that a significant portion of net assets is shareholder capital.

The last section of this statement reports the net asset value ("NAV") per share on the last day of the reporting period. The NAV is calculated by dividing the Portfolio's net assets for each share class (assets minus liabilities) by the number of shares outstanding.

Statement of Operations

This statement details the Portfolio's income, expenses, realized gains and losses on securities and currency transactions, and changes in unrealized appreciation or depreciation of Portfolio holdings.

The first section in this statement, entitled "Investment Income," reports the dividends earned from securities and interest earned from interest-bearing securities in the Portfolio.

The next section reports the expenses incurred by the Portfolio, including the advisory fee paid to the investment adviser, transfer agent fees and expenses, and printing and postage for mailing statements, financial reports and prospectuses. Expense offsets and expense reimbursements, if any, are also shown.

The last section lists the amounts of realized gains or losses from investment and foreign currency transactions, and changes in unrealized appreciation or depreciation of investments and foreign currency-denominated assets and liabilities. The Portfolio will realize a gain (or loss) when it sells its position in a particular security. A change in unrealized gain (or loss) refers to the change in net appreciation or depreciation of the Portfolio during the reporting period. "Net Realized and Unrealized Gain/(Loss) on Investments" is affected both by changes in the market value of Portfolio holdings and by gains (or losses) realized during the reporting period.

Statements of Changes in Net Assets

These statements report the increase or decrease in the Portfolio's net assets during the reporting period. Changes in the Portfolio's net assets are attributable to investment operations, dividends and distributions to investors, and capital share transactions. This is important to investors because it shows exactly what caused the Portfolio's net asset size to change during the period.

The first section summarizes the information from the Statement of Operations regarding changes in net assets due to the Portfolio's investment operations. The Portfolio's net assets may also change as a result of dividend and capital gains distributions to investors. If investors receive their dividends and/or distributions in cash, money is taken out of the Portfolio to pay the dividend and/or distribution. If investors reinvest their dividends and/or distributions, the Portfolio's net assets will not be affected. If you compare the Portfolio's "Net Decrease from Dividends and Distributions" to "Reinvested Dividends and Distributions," you will notice that dividends and distributions have little effect on the Portfolio's net assets. This is because the majority of the Portfolio's investors reinvest their dividends and/or distributions.

The reinvestment of dividends and distributions is included under "Capital Share Transactions." "Capital Shares" refers to the money investors contribute to the Portfolio through purchases or withdrawals via redemptions. The Portfolio's net assets will increase and decrease in value as investors purchase and redeem shares from the Portfolio.

Financial Highlights

This schedule provides a per-share breakdown of the components that affect the Portfolio's NAV for current and past reporting periods as well as total return, asset size, ratios, and portfolio turnover rate.

The first line in the table reflects the NAV per share at the beginning of the reporting period. The next line reports the net investment income/(loss) per share. Following is the per share total of net gains/(losses), realized and unrealized. Per share dividends and distributions to investors are then subtracted to arrive at the NAV per share at the end of the period. The next line reflects the total return for the period. The total return may include adjustments in accordance with

generally accepted accounting principles required at the period end for financial reporting purposes. As a result, the total return may differ from the total return reflected for individual shareholder transactions. Also included are ratios of expenses and net investment income to average net assets.

The Portfolio's expenses may be reduced through expense offsets and expense reimbursements. The ratios shown reflect expenses before and after any such offsets and reimbursements.

The ratio of net investment income/(loss) summarizes the income earned less expenses, divided by the average net assets of the Portfolio during the reporting period. Do not confuse this ratio with the Portfolio's yield. The net investment income ratio is not a true measure of the Portfolio's yield because it does not take into account the dividends distributed to the Portfolio's investors.

The next figure is the portfolio turnover rate, which measures the buying and selling activity in the Portfolio. Portfolio turnover is affected by market conditions, changes in the asset size of the Portfolio, fluctuating volume of shareholder purchase and redemption orders, the nature of the Portfolio's investments, and the investment style and/or outlook of the portfolio manager(s) and/or investment personnel. A 100% rate implies that an amount equal to the value of the entire portfolio was replaced once during the fiscal year; a 50% rate means that an amount equal to the value of half the portfolio is traded in a year; and a 200% rate means that an amount equal to the value of the entire portfolio is traded every six months.

Janus Henderson VIT Global Research Portfolio
Notes

Knowledge Shared

At Janus Henderson, we believe in the sharing of expert insight for better investment and business decisions. We call this ethos Knowledge Shared.

Learn more by visiting janushenderson.com.

Janus Henderson
INVESTORS

This report is submitted for the general information of shareholders of the Portfolio. It is not an offer or solicitation for the Portfolio and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

Janus Henderson Distributors

109-24-81112 08-20

SEMIANNUAL REPORT
June 30, 2020

Janus Henderson VIT Research Portfolio

Janus Aspen Series

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the insurance company that offers your variable life insurance contract or variable annuity contract, may determine that it will no longer send you paper copies of the Portfolio's shareholder reports, unless you specifically request paper copies of the reports. Beginning on January 1, 2021, for shareholders who are not insurance contract holders, paper copies of the Portfolio's shareholder reports will no longer be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and your insurance company or plan sponsor, broker-dealer, or financial intermediary will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company or plan sponsor, broker-dealer, or financial intermediary.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Portfolio electronically by contacting your insurance company or plan sponsor, broker-dealer, or other financial intermediary.

You may elect to receive all future reports in paper free of charge by contacting your insurance company or plan sponsor, broker dealer or other financial intermediary. Your election to receive reports in paper will apply to all funds held in your account with your insurance company or plan sponsor, broker dealer or other financial intermediary.

HIGHLIGHTS

- Portfolio management perspective
- Investment strategy behind your portfolio
- Portfolio performance, characteristics and holdings

Janus Henderson
INVESTORS

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Janus Henderson VIT Research Portfolio (unaudited)

PORTFOLIO SNAPSHOT

We seek to create a high-conviction Portfolio reflecting the best ideas of our research team.

Team-Based Approach
Led by Matthew Peron,
Director of Research

PERFORMANCE OVERVIEW

For the six-month period ended June 30, 2020, Janus Henderson VIT Research Portfolio's Institutional Shares and Service Shares returned 7.58% and 7.43%, respectively. Meanwhile, the Portfolio's primary benchmark, the Russell 1000® Growth Index, returned 9.81% and its secondary benchmark, the S&P 500® Index, returned -3.08%.

INVESTMENT ENVIRONMENT

After falling precipitously in the first quarter due to severe economic uncertainty triggered by the COVID-19 pandemic, U.S. equity markets staged a swift recovery in the second quarter as the rate of infections leveled off and several states reopened their economies. Unprecedented monetary and fiscal stimulus, as well as progress toward developing a vaccine, contributed to the market's recovery. Despite signs of economic improvement late in the period, however, the pace of an economic recovery lagged that of the market recovery.

PERFORMANCE DISCUSSION

While we aim to outperform over shorter periods, our goal is to provide consistent outperformance over the long term by focusing on what we consider our strengths: picking stocks and avoiding macroeconomic risks. Stocks are selected by our seven sector teams, which employ a bottom-up, fundamental approach to identify what we believe are the best opportunities. During the period, however, negative stock selection within the industrials and health care sectors detracted meaningfully from the Portfolio's relative performance. Conversely, solid gains posted by our communications holdings buoyed relative results.

On an individual stock basis, the Portfolio's relative detractors included companies that experienced the greatest disruption to their businesses as a result of the pandemic. For example, the impact of the pandemic on travel demand weighed on the stocks of Norwegian Cruise Line Holdings, which suffered from a significant increase in cancellations, and Hilton Worldwide Holdings, which saw a decline in occupancy rates at its properties. Given the severity of Norwegian Cruise Line's decline and looming uncertainty about when the virus will be contained, we sold our position.

The weak performance of tobacco company Altria Group also weighed on relative results. The company saw strong performance in its nicotine products as retailers increased inventories and consumers stocked pantries during the pandemic. However, uncertainty around the impact the struggling economy and high unemployment will have on sales created headwinds for the stock.

A number of holdings made positive contributions to the Portfolio's relative results, particularly those affected by changes in consumer behaviors due to the pandemic. For example, a nesting phenomenon and the associated shift to online commerce lifted the stock of online home-goods retailer Wayfair and online marketplace Etsy. Wayfair has enjoyed a sharp increase in revenue, gaining market share from brick-and-mortar competitors that closed during the COVID-19 pandemic. Etsy is the largest marketplace for handmade and vintage items globally. We like the network effects associated with Etsy's business model and believe management is taking positive steps to improve profitability.

Amazon.com also contributed to relative performance. Nearly all its business lines benefited from the disrupted environment caused by the pandemic. E-commerce, both traditional and Whole Foods grocers, saw increased demand for deliveries. Amazon's extensive direct-to-consumer distribution network proved to be a significant area of strength. Its Amazon Web Services (AWS) cloud computing platform has seen continued strength, driven in part by an increase in the number of people working from home.

OUTLOOK

While we were encouraged by the stock market's rebound during the second quarter, in our view, recent gains do not reflect economic reality. Notably, while several key economies enjoyed stronger-than-expected increases in manufacturing output in June, global manufacturing activity remains in a contractionary mode, suggesting the road to a broad recovery will be uneven and gradual.

What market gains did reflect was that the same mega cap technology and communications stocks that drove indices to record highs in February remained the leaders during the second quarter. Although we expect these stocks to stay in favor, we anticipate the recovery will eventually broaden and include companies whose prospects are underappreciated, including those with business models that could add value in a post-COVID-19 world or experience rebounding demand as pandemic-related lockdowns ease. Conversely, other businesses could see end markets wither away as consumer and enterprise behaviors permanently change.

In each of these scenarios, we believe long-term stock performance will be determined by a company's underlying merits rather than by the sector in which it is categorized. With this in mind, we continue to rely on the rigorous fundamental research of our equity analysts and the capital structure expertise of our fixed income team to scrutinize the long-term viability of a company's growth prospects and financial strength.

To that end, we have identified a number of companies with stock prices that, in our opinion, do not fully reflect their exposure to secular growth themes or ability to participate in an economic recovery. At the same time, we reduced our exposure to business models that we believe may be fundamentally challenged as the economy struggles to regain its footing. While it is too early to identify a clear path out of the COVID-19-impacted downturn, we believe our fine-tuning of the Portfolio has positioned it for a variety of economic outcomes.

Thank you for your investment in Janus Henderson VIT Research Portfolio.

Janus Henderson VIT Research Portfolio (unaudited)
Portfolio At A Glance
June 30, 2020

5 Top Contributors - Holdings

	Average Weight	Relative Contribution
Etsy Inc	0.61%	0.53%
Wayfair Inc	0.51%	0.47%
Amazon.com Inc	7.27%	0.47%
Adobe Inc	3.06%	0.40%
NVIDIA Corp	1.96%	0.35%

5 Top Detractors - Holdings

	Average Weight	Relative Contribution
Norwegian Cruise Line Holdings Ltd	0.28%	-0.65%
Hilton Worldwide Holdings Inc	0.99%	-0.46%
Altria Group Inc	1.64%	-0.44%
Aramark	0.55%	-0.43%
Microsoft Corp	6.40%	-0.40%

5 Top Contributors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell 1000 Growth Index Average Weight
Communication Services	0.24%	12.95%	11.73%
Real Estate	0.20%	3.07%	2.37%
Financials	0.05%	3.17%	2.96%
Energy	0.03%	0.09%	0.18%
Utilities	-0.04%	0.10%	0.00%

5 Top Detractors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell 1000 Growth Index Average Weight
Health Care	-0.78%	14.58%	14.54%
Information Technology	-0.50%	37.43%	39.94%
Consumer Discretionary	-0.38%	13.71%	14.35%
Other**	-0.32%	0.44%	0.00%
Consumer Staples	-0.25%	3.66%	4.48%

Relative contribution reflects how the portolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown. For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, excluding fixed income securities, gross of advisory fees, may exclude certain derivatives and will differ from actual performance. Performance attribution reflects returns gross of advisory fees and may differ from actual returns as they are based on end of day holdings. Attribution is calculated by geometrically linking daily returns for the portfolio and index.

* The sectors listed above reflect those covered by the six analyst teams who comprise the Janus Henderson Research Team.

** Not a GICS classified sector.

Janus Henderson VIT Research Portfolio (unaudited)
Portfolio At A Glance
June 30, 2020

5 Largest Equity Holdings - (% of Net Assets)

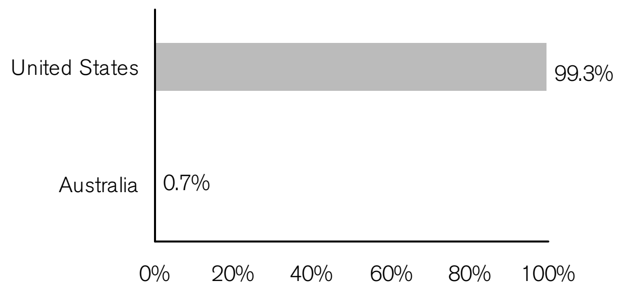
Microsoft Corp	
Software	8.6%
Amazon.com Inc	
Internet & Direct Marketing Retail	8.4%
Apple Inc	
Technology Hardware, Storage & Peripherals	8.3%
Alphabet Inc - Class C	
Interactive Media & Services	4.8%
Facebook Inc	
Interactive Media & Services	4.1%
	34.2%

Asset Allocation - (% of Net Assets)

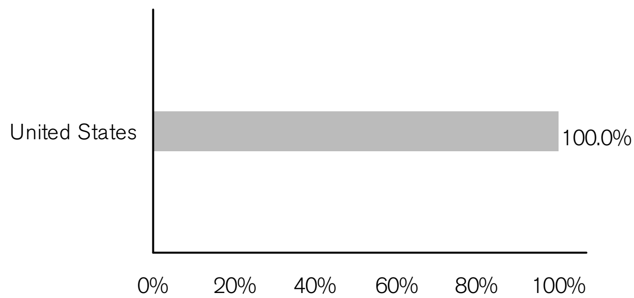
Common Stocks	99.4%
Investment Companies	1.0%
Investments Purchased with Cash Collateral from Securities Lending	0.4%
Rights	0.0%
Other	(0.8)%
	100.0%

Top Country Allocations - Long Positions - (% of Investment Securities)

As of June 30, 2020

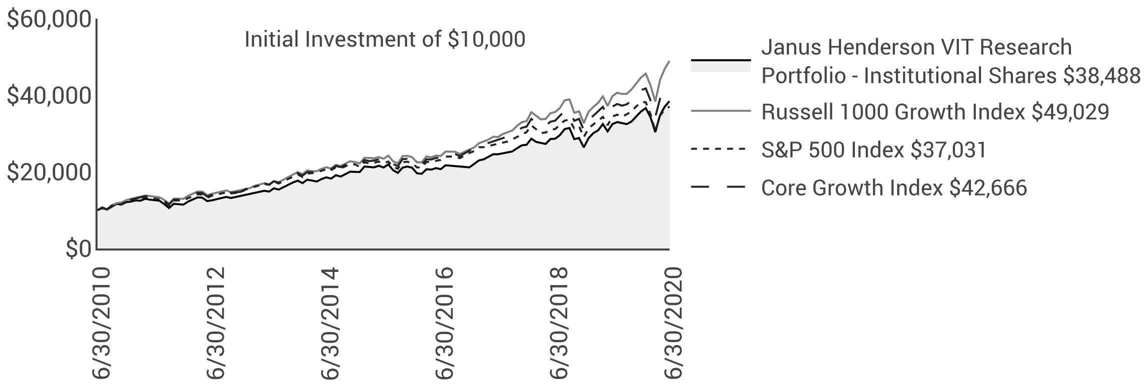


As of December 31, 2019



Janus Henderson VIT Research Portfolio (unaudited)

Performance



Average Annual Total Return - for the periods ended June 30, 2020	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Expense Ratios Total Annual Fund Operating Expenses‡
Institutional Shares	7.58%	18.54%	12.72%	14.43%	9.07%	0.59%
Service Shares	7.43%	18.23%	12.44%	14.14%	8.78%	0.84%
Russell 1000 Growth Index	9.81%	23.28%	15.89%	17.23%	10.09%	
S&P 500 Index	-3.08%	7.51%	10.73%	13.99%	9.50%	
Core Growth Index	3.20%	15.17%	13.30%	15.61%	9.83%	
Morningstar Quartile - Institutional Shares	-	2nd	3rd	3rd	3rd	
Morningstar Ranking - based on total returns for Large Growth Funds	-	695/1,366	715/1,251	741/1,100	282/424	

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit janushenderson.com/VITperformance.

This Portfolio has a performance-based management fee that may adjust up or down based on the Portfolio's performance.

Performance may be affected by risks that include those associated with non-diversification, portfolio turnover, short sales, potential conflicts of interest, foreign and emerging markets, initial public offerings (IPOs), high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), derivatives, and commodity-linked investments. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

Returns do not reflect the deduction of fees, charges or expenses of any insurance product or qualified plan. If applied, returns would have been lower.

Returns include reinvestment of all dividends and distributions and do not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares. The returns do not include adjustments in accordance with generally accepted accounting principles required at the period end for financial reporting purposes.

Performance for Service Shares prior to December 31, 1999 reflects the performance of Institutional Shares, adjusted to reflect the expenses of Service Shares.

Ranking is for the share class shown only; other classes may have different performance characteristics.

There is no assurance that the investment process will consistently lead to successful investing.

See Notes to Schedule of Investments and Other Information for index definitions.

See important disclosures on the next page.

Janus Henderson VIT Research Portfolio (unaudited)
Performance

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

See "Useful Information About Your Portfolio Report."

*The Portfolio's inception date – September 13, 1993

‡ As stated in the prospectus. See Financial Highlights for actual expense ratios during the reporting period.

Janus Henderson VIT Research Portfolio (unaudited)
Expense Examples

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; 12b-1 distribution and shareholder servicing fees (applicable to Service Shares only); transfer agent fees and expenses payable pursuant to the Transfer Agency Agreement; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The example is based upon an investment of $1,000 invested at the beginning of the period and held for the six-months indicated, unless noted otherwise in the table and footnotes below.

Actual Expenses

The information in the table under the heading "Actual" provides information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, 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 in the appropriate column for your share class under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The information in the table under the heading "Hypothetical (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based upon the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. 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 may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Additionally, for an analysis of the fees associated with an investment in either share class or other similar funds, please visit www.finra.org/fundanalyzer.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as any charges at the separate account level or contract level. These fees are fully described in the Portfolio's prospectuses. Therefore, the hypothetical examples are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Beginning Account Value (1/1/20)	Ending Account Value (6/30/20)	Expenses Paid During Period (1/1/20 - 6/30/20)†	Net Annualized Expense Ratio (1/1/20 - 6/30/20)
Institutional Shares	$1,000.00	$1,075.80	$3.05	$1,000.00	$1,021.93	$2.97	0.59%
Service Shares	$1,000.00	$1,074.30	$4.28	$1,000.00	$1,020.74	$4.17	0.83%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period). Expenses in the examples include the effect of applicable fee waivers and/or expense reimbursements, if any. Had such waivers and/or reimbursements not been in effect, your expenses would have been higher. Please refer to the Notes to Financial Statements or the Portfolio's prospectuses for more information regarding waivers and/or reimbursements.

Janus Henderson VIT Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – 99.4%		
Aerospace & Defense – 0.9%		
L3Harris Technologies Inc	30,007	$5,091,288
Auto Components – 0.3%		
Aptiv PLC	18,541	1,444,715
Beverages – 1.2%		
Constellation Brands Inc	39,193	6,856,815
Biotechnology – 4.9%		
AbbVie Inc	108,754	10,677,468
Global Blood Therapeutics Inc*	27,097	1,710,634
Insmed Inc*	55,631	1,532,078
Mirati Therapeutics Inc*	16,320	1,863,254
Neurocrine Biosciences Inc*	29,284	3,572,648
Sarepta Therapeutics Inc*	16,108	2,582,757
Vertex Pharmaceuticals Inc*	19,307	5,605,015
		27,543,854
Capital Markets – 0.4%		
Blackstone Group Inc	42,253	2,394,055
Chemicals – 1.2%		
Air Products & Chemicals Inc	13,080	3,158,297
Sherwin-Williams Co	6,246	3,609,251
		6,767,548
Construction Materials – 0.1%		
Vulcan Materials Co	6,509	754,068
Containers & Packaging – 0.5%		
Ball Corp	39,684	2,757,641
Diversified Consumer Services – 0.6%		
ServiceMaster Global Holdings Inc*	96,932	3,459,503
Electronic Equipment, Instruments & Components – 0.3%		
Cognex Corp	26,354	1,573,861
Entertainment – 2.4%		
Liberty Media Corp-Liberty Formula One*	134,185	4,255,006
Netflix Inc*	19,891	9,051,201
		13,306,207
Equity Real Estate Investment Trusts (REITs) – 3.1%		
American Tower Corp	20,462	5,290,245
Crown Castle International Corp	22,885	3,829,805
Equinix Inc	4,462	3,133,663
VICI Properties Inc	257,982	5,208,657
		17,462,370
Health Care Equipment & Supplies – 2.7%		
Abbott Laboratories	57,381	5,246,345
Boston Scientific Corp*	165,568	5,813,092
Dentsply Sirona Inc	48,944	2,156,473
ICU Medical Inc*	9,744	1,795,917
		15,011,827
Health Care Providers & Services – 2.5%		
Centene Corp*	97,377	6,188,308
Humana Inc	20,502	7,949,650
		14,137,958
Hotels, Restaurants & Leisure – 2.0%		
Aramark	138,681	3,130,030
Hilton Worldwide Holdings Inc	56,635	4,159,841
McDonald's Corp	20,385	3,760,421
		11,050,292
Household Products – 1.1%		
Procter & Gamble Co	48,772	5,831,668
Independent Power and Renewable Electricity Producers – 0.1%		
NRG Energy Inc	10,727	349,271
Industrial Conglomerates – 0.6%		
Honeywell International Inc	22,681	3,279,446

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – (continued)		
Information Technology Services – 6.4%		
Fidelity National Information Services Inc	23,869	$3,200,594
Mastercard Inc	51,973	15,368,416
Visa Inc	89,171	17,225,162
		35,794,172
Insurance – 1.7%		
Aon PLC	29,344	5,651,654
Progressive Corp	46,360	3,713,900
		9,365,554
Interactive Media & Services – 8.8%		
Alphabet Inc - Class C*	18,855	26,653,617
Facebook Inc*	99,355	22,560,540
		49,214,157
Internet & Direct Marketing Retail – 9.6%		
Amazon.com Inc*	16,965	46,803,381
Etsy Inc*	32,807	3,485,088
Wayfair Inc*,#	15,579	3,078,566
		53,367,035
Life Sciences Tools & Services – 1.6%		
IQVIA Holdings Inc*	23,096	3,276,860
Thermo Fisher Scientific Inc	15,763	5,711,565
		8,988,425
Machinery – 1.0%		
Deere & Co	8,198	1,288,316
Ingersoll Rand Inc*	72,111	2,027,761
Parker-Hannifin Corp	12,530	2,296,373
		5,612,450
Multi-Utilities – 0.1%		
Sempra Energy	2,282	267,519
Oil, Gas & Consumable Fuels – 0.1%		
Enterprise Products Partners LP	16,064	291,883
Pharmaceuticals – 3.2%		
Bristol-Myers Squibb Co	72,045	4,236,246
Elanco Animal Health Inc*	129,314	2,773,785
Horizon Therapeutics PLC*	19,268	1,070,915
Merck & Co Inc	127,576	9,865,452
		17,946,398
Professional Services – 1.7%		
CoStar Group Inc*	9,894	7,031,369
Verisk Analytics Inc	14,109	2,401,352
		9,432,721
Road & Rail – 1.0%		
CSX Corp	36,952	2,577,032
Uber Technologies Inc*	97,884	3,042,235
		5,619,267
Semiconductor & Semiconductor Equipment – 7.6%		
Lam Research Corp	23,130	7,481,630
Microchip Technology Inc	50,373	5,304,781
Micron Technology Inc*	48,188	2,482,646
NVIDIA Corp	38,375	14,579,046
Texas Instruments Inc	80,364	10,203,817
Xilinx Inc	23,794	2,341,092
		42,393,012
Software – 20.1%		
Adobe Inc*	42,038	18,299,562
Atlassian Corp PLC*	21,839	3,936,916
Autodesk Inc*	30,652	7,331,652
Avalara Inc*	25,117	3,342,821
Microsoft Corp	235,214	47,868,401

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

	Shares or Principal Amounts	Value
Common Stocks – (continued)		
Software – (continued)		
RingCentral Inc*	16,077	$4,582,106
salesforce.com Inc*	61,000	11,427,130
SS&C Technologies Holdings Inc	32,567	1,839,384
Tyler Technologies Inc*	13,603	4,718,609
Workday Inc*	10,633	1,992,199
Zendesk Inc*	74,395	6,586,189
		111,924,969
Technology Hardware, Storage & Peripherals – 8.3%		
Apple Inc	127,146	46,382,861
Textiles, Apparel & Luxury Goods – 1.3%		
NIKE Inc	74,304	7,285,507
Tobacco – 1.5%		
Altria Group Inc	205,195	8,053,904
Wireless Telecommunication Services – 0.5%		
T-Mobile US Inc*	26,221	2,730,917
Total Common Stocks (cost $341,823,258)		553,743,138
Rights – 0%		
Wireless Telecommunication Services – 0%		
T-Mobile US Inc* (cost $0)	56,069	9,420
Investment Companies – 1.0%		
Money Markets – 1.0%		
Janus Henderson Cash Liquidity Fund LLC, 0.1535%[∞,£] (cost $5,283,000)	5,282,472	5,283,000
Investments Purchased with Cash Collateral from Securities Lending – 0.4%		
Investment Companies – 0.3%		
Janus Henderson Cash Collateral Fund LLC, 0.0368%[∞,£]	1,909,166	1,909,166
Time Deposits – 0.1%		
Royal Bank of Canada, 0.0900%, 7/1/20	$477,291	477,291
Total Investments Purchased with Cash Collateral from Securities Lending (cost $2,386,457)		2,386,457
Total Investments (total cost $349,492,715) – 100.8%		561,422,015
Liabilities, net of Cash, Receivables and Other Assets – (0.8)%		(4,491,291)
Net Assets – 100%		$556,930,724

Summary of Investments by Country - (Long Positions) (unaudited)

Country	*Value*	*% of Investment Securities*
United States	$557,485,099	99.3 %
Australia	3,936,916	0.7
Total	$561,422,015	100.0 %

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Schedule of Investments (unaudited)
June 30, 2020

Schedules of Affiliated Investments – (% of Net Assets)

		Dividend Income		*Realized Gain/(Loss)*		*Change in Unrealized Appreciation/ Depreciation*		*Value at 6/30/20*
Investment Companies – 1.0%								
Money Markets – 1.0%								
Janus Henderson Cash Liquidity Fund LLC, 0.1535%ºº	$	6,944	$	170	$	-	$	5,283,000
Investments Purchased with Cash Collateral from Securities Lending - 0.3%								
Investment Companies - 0.3%								
Janus Henderson Cash Collateral Fund LLC, 0.0368%ºº		2,302Δ		-		-		1,909,166
Total Affiliated Investments - 1.3%	$	9,246	$	170	$	-	$	7,192,166

	Value at 12/31/19	*Purchases*	*Sales Proceeds*	*Value at 6/30/20*
Investment Companies – 1.0%				
Money Markets – 1.0%				
Janus Henderson Cash Liquidity Fund LLC, 0.1535%ºº	3,520,724	29,401,895	(27,639,789)	5,283,000
Investments Purchased with Cash Collateral from Securities Lending - 0.3%				
Investment Companies - 0.3%				
Janus Henderson Cash Collateral Fund LLC, 0.0368%ºº	-	26,968,032	(25,058,866)	1,909,166

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Russell 1000® Growth Index	Russell 1000® Growth Index reflects the performance of U.S. large-cap equities with higher price-to-book ratios and higher forecasted growth values.
Core Growth Index	Core Growth Index is an internally calculated, hypothetical combination of total returns from the Russell 1000® Growth Index (50%) and the S&P 500® Index (50%).
S&P 500® Index	S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.
LLC	Limited Liability Company
LP	Limited Partnership
PLC	Public Limited Company

*	Non-income producing security.
ºº	Rate shown is the 7-day yield as of June 30, 2020.
#	Loaned security; a portion of the security is on loan at June 30, 2020.
£	The Portfolio may invest in certain securities that are considered affiliated companies. As defined by the Investment Company Act of 1940, as amended, an affiliated company is one in which the Portfolio owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control.
Δ	Net of income paid to the securities lending agent and rebates paid to the borrowing counterparties.

The following is a summary of the inputs that were used to value the Portfolio's investments in securities and other financial instruments as of June 30, 2020. See Notes to Financial Statements for more information.

Valuation Inputs Summary

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Assets			
Investments In Securities:			
Common Stocks	$ 553,743,138	$ -	$ -
Rights	9,420	-	-
Investment Companies	-	5,283,000	-
Investments Purchased with Cash Collateral from Securities Lending	-	2,386,457	-
Total Assets	$ 553,752,558	$ 7,669,457	$ -

Janus Henderson VIT Research Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2020

Assets:		
Unaffiliated investments, at value(1)(2)	$	554,229,849
Affiliated investments, at value(3)		7,192,166
Cash		327
Non-interested Trustees' deferred compensation		11,454
Receivables:		
Investments sold		6,755,048
Dividends		435,583
Portfolio shares sold		9,980
Foreign tax reclaims		1,931
Other assets		10,279
Total Assets		568,646,617
Liabilities:		
Collateral for securities loaned (Note 2)		2,386,457
Payables:		
Investments purchased		8,523,679
Portfolio shares repurchased		444,020
Advisory fees		221,026
12b-1 Distribution and shareholder servicing fees		30,000
Transfer agent fees and expenses		24,244
Professional fees		20,770
Non-interested Trustees' deferred compensation fees		11,454
Non-interested Trustees' fees and expenses		2,614
Custodian fees		1,575
Affiliated portfolio administration fees payable		1,118
Accrued expenses and other payables		48,936
Total Liabilities		11,715,893
Net Assets	$	556,930,724
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	335,243,486
Total distributable earnings (loss)		221,687,238
Total Net Assets	$	556,930,724
Net Assets - Institutional Shares	$	407,595,232
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		10,191,292
Net Asset Value Per Share	$	39.99
Net Assets - Service Shares	$	149,335,492
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		3,854,460
Net Asset Value Per Share	$	38.74

(1) Includes cost of $342,300,549.
(2) Includes $2,339,487 of securities on loan. See Note 2 in Notes to Financial Statements.
(3) Includes cost of $7,192,166.

See Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2020

Investment Income:		
Dividends	$	2,603,876
Dividends from affiliates		6,944
Affiliated securities lending income, net		2,302
Unaffiliated securities lending income, net		236
Foreign tax withheld		(8)
Total Investment Income		2,613,350
Expenses:		
Advisory fees		1,282,210
12b-1 Distribution and shareholder servicing fees:		
Service Shares		174,547
Transfer agent administrative fees and expenses:		
Institutional Shares		94,311
Service Shares		34,909
Other transfer agent fees and expenses:		
Institutional Shares		9,375
Service Shares		1,701
Professional fees		22,366
Shareholder reports expense		12,775
Registration fees		12,558
Custodian fees		7,385
Affiliated portfolio administration fees		6,461
Non-interested Trustees' fees and expenses		4,710
Other expenses		37,007
Total Expenses		1,700,315
Net Investment Income/(Loss)		913,035
Net Realized Gain/(Loss) on Investments:		
Investments		10,502,396
Investments in affiliates		170
Total Net Realized Gain/(Loss) on Investments		10,502,566
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation		26,718,974
Total Change in Unrealized Net Appreciation/Depreciation		26,718,974
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	38,134,575

See Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Statements of Changes in Net Assets

	Period ended June 30, 2020 (unaudited)	Year ended December 31, 2019
Operations:		
Net investment income/(loss)	$ 913,035	$ 2,499,915
Net realized gain/(loss) on investments	10,502,566	45,686,411
Change in unrealized net appreciation/depreciation	26,718,974	105,351,482
Net Increase/(Decrease) in Net Assets Resulting from Operations	38,134,575	153,537,808
Dividends and Distributions to Shareholders:		
Institutional Shares	(34,608,888)	(40,472,444)
Service Shares	(12,934,688)	(15,364,380)
Net Decrease from Dividends and Distributions to Shareholders	(47,543,576)	(55,836,824)
Capital Share Transactions:		
Institutional Shares	15,122,018	(851,843)
Service Shares	1,715,778	(2,966,698)
Net Increase/(Decrease) from Capital Share Transactions	16,837,796	(3,818,541)
Net Increase/(Decrease) in Net Assets	7,428,795	93,882,443
Net Assets:		
Beginning of period	549,501,929	455,619,486
End of period	$ 556,930,724	$ 549,501,929

See Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$40.79	$33.70	$36.51	$28.93	$30.84	$35.76
Income/(Loss) from Investment Operations:						
Net investment income/(loss)[(1)]	0.08	0.21	0.19	0.16	0.14	0.17
Net realized and unrealized gain/(loss)	2.83	11.26	(0.94)	7.87	(0.03)	1.92
Total from Investment Operations	2.91	11.47	(0.75)	8.03	0.11	2.09
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.11)	(0.18)	(0.21)	(0.13)	(0.16)	(0.23)
Distributions (from capital gains)	(3.60)	(4.20)	(1.85)	(0.32)	(1.86)	(6.78)
Total Dividends and Distributions	(3.71)	(4.38)	(2.06)	(0.45)	(2.02)	(7.01)
Net Asset Value, End of Period	$39.99	$40.79	$33.70	$36.51	$28.93	$30.84
Total Return*	7.58%	35.52%	(2.58)%	27.88%	0.50%	5.35%
Net Assets, End of Period (in thousands)	$407,595	$398,888	$328,803	$379,048	$330,516	$380,663
Average Net Assets for the Period (in thousands)	$381,505	$374,004	$380,194	$360,896	$353,738	$413,393
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.59%	0.59%	0.58%	0.61%	0.62%	0.71%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.59%	0.59%	0.58%	0.61%	0.62%	0.71%
Ratio of Net Investment Income/(Loss)	0.42%	0.55%	0.50%	0.48%	0.47%	0.49%
Portfolio Turnover Rate	22%	38%	47%	55%	58%	54%

Service Shares

For a share outstanding during the period ended June 30, 2020 (unaudited) and the year ended December 31	2020	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$39.64	$32.87	$35.68	$28.31	$30.24	$35.21
Income/(Loss) from Investment Operations:						
Net investment income/(loss)[(1)]	0.03	0.11	0.09	0.08	0.06	0.08
Net realized and unrealized gain/(loss)	2.73	10.98	(0.92)	7.69	(0.02)	1.89
Total from Investment Operations	2.76	11.09	(0.83)	7.77	0.04	1.97
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.06)	(0.12)	(0.13)	(0.08)	(0.11)	(0.16)
Distributions (from capital gains)	(3.60)	(4.20)	(1.85)	(0.32)	(1.86)	(6.78)
Total Dividends and Distributions	(3.66)	(4.32)	(1.98)	(0.40)	(1.97)	(6.94)
Net Asset Value, End of Period	$38.74	$39.64	$32.87	$35.68	$28.31	$30.24
Total Return*	7.43%	35.22%	(2.84)%	27.55%	0.27%	5.08%
Net Assets, End of Period (in thousands)	$149,335	$150,614	$126,817	$160,439	$143,900	$163,148
Average Net Assets for the Period (in thousands)	$141,231	$141,550	$148,101	$155,006	$151,772	$166,602
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.83%	0.84%	0.83%	0.86%	0.87%	0.97%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.83%	0.84%	0.83%	0.86%	0.87%	0.97%
Ratio of Net Investment Income/(Loss)	0.17%	0.30%	0.25%	0.23%	0.22%	0.25%
Portfolio Turnover Rate	22%	38%	47%	55%	58%	54%

* Total return includes adjustments in accordance with generally accepted accounting principles required at the year or period end and are not annualized for periods of less than one full year. Total return does not include fees, charges, or expenses imposed by the variable annuity and life insurance contracts for which Janus Aspen Series serves as an underlying investment vehicle.

** Annualized for periods of less than one full year.

(1) Per share amounts are calculated based on average shares outstanding during the year or period.

See Notes to Financial Statements.

1. Organization and Significant Accounting Policies

Janus Henderson VIT Research Portfolio (the "Portfolio") is a series of Janus Aspen Series (the "Trust"), which is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company, and therefore has applied the specialized accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. The Trust offers 11 portfolios, each of which offers multiple share classes, with differing investment objectives and policies. The Portfolio seeks long-term growth of capital. The Portfolio is classified as diversified, as defined in the 1940 Act.

The Portfolio currently offers two classes of shares: Institutional Shares and Service Shares. Each class represents an interest in the same portfolio of investments. Institutional Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans. Service Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans that require a fee from Portfolio assets to procure distribution and administrative services to contract owners and plan participants.

Shareholders, including other portfolios, participating insurance companies, as well as accounts, may from time to time own (beneficially or of record) a significant percentage of the Portfolio's Shares and can be considered to "control" the Portfolio when that ownership exceeds 25% of the Portfolio's assets (and which may differ from control as determined in accordance with United States of America generally accepted accounting priciples ("US GAAP")).

The following accounting policies have been followed by the Portfolio and are in conformity with US GAAP.

Investment Valuation

Securities held by the Portfolio are valued in accordance with policies and procedures established by and under the supervision of the Trustees (the "Valuation Procedures"). Equity securities traded on a domestic securities exchange are generally valued at the closing prices on the primary market or exchange on which they trade. If such price is lacking for the trading period immediately preceding the time of determination, such securities are valued at their current bid price. Equity securities that are traded on a foreign exchange are generally valued at the closing prices on such markets. In the event that there is no current trading volume on a particular security in such foreign exchange, the bid price from the primary exchange is generally used to value the security. Securities that are traded on the over-the-counter ("OTC") markets are generally valued at their closing or latest bid prices as available. Foreign securities and currencies are converted to U.S. dollars using the applicable exchange rate in effect at the close of the New York Stock Exchange ("NYSE"). The Portfolio will determine the market value of individual securities held by it by using prices provided by one or more approved professional pricing services or, as needed, by obtaining market quotations from independent broker-dealers. Most debt securities are valued in accordance with the evaluated bid price supplied by the pricing service that is intended to reflect market value. The evaluated bid price supplied by the pricing service is an evaluation that may consider factors such as security prices, yields, maturities and ratings. Certain short-term securities maturing within 60 days or less may be evaluated and valued on an amortized cost basis provided that the amortized cost determined approximates market value. Securities for which market quotations or evaluated prices are not readily available or deemed unreliable are valued at fair value determined in good faith under the Valuation Procedures. Circumstances in which fair value pricing may be utilized include, but are not limited to: (i) a significant event that may affect the securities of a single issuer, such as a merger, bankruptcy, or significant issuer-specific development; (ii) an event that may affect an entire market, such as a natural disaster or significant governmental action; (iii) a nonsignificant event such as a market closing early or not opening, or a security trading halt; and (iv) pricing of a nonvalued security and a restricted or nonpublic security. Special valuation considerations may apply with respect to "odd-lot" fixed-income transactions which, due to their small size, may receive evaluated prices by pricing services which reflect a large block trade and not what actually could be obtained for the odd-lot position. The Portfolio uses systematic fair valuation models provided by independent third parties to value international equity securities in order to adjust for stale pricing, which may occur between the close of certain foreign exchanges and the close of the NYSE.

Valuation Inputs Summary

FASB ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements regarding fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that

market participants would use in pricing an asset or liability and establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. These inputs are summarized into three broad levels:

Level 1 – Unadjusted quoted prices in active markets the Portfolio has the ability to access for identical assets or liabilities.

Level 2 – Observable inputs other than unadjusted quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Assets or liabilities categorized as Level 2 in the hierarchy generally include: debt securities fair valued in accordance with the evaluated bid or ask prices supplied by a pricing service; securities traded on OTC markets and listed securities for which no sales are reported that are fair valued at the latest bid price (or yield equivalent thereof) obtained from one or more dealers transacting in a market for such securities or by a pricing service approved by the Portfolio's Trustees; certain short-term debt securities with maturities of 60 days or less that are fair valued at amortized cost; and equity securities of foreign issuers whose fair value is determined by using systematic fair valuation models provided by independent third parties in order to adjust for stale pricing which may occur between the close of certain foreign exchanges and the close of the NYSE. Other securities that may be categorized as Level 2 in the hierarchy include, but are not limited to, preferred stocks, bank loans, swaps, investments in unregistered investment companies, options, and forward contracts.

Level 3 – Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Portfolio's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Portfolio since the beginning of the fiscal year.

The inputs or methodology used for fair valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2020 to fair value the Portfolio's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" in the Notes to Schedule of Investments and Other Information.

Investment Transactions and Investment Income

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded as soon as the Portfolio is informed of the dividend, if such information is obtained subsequent to the ex-dividend date. Dividends from foreign securities may be subject to withholding taxes in foreign jurisdictions. Interest income is recorded daily on the accrual basis and includes amortization of premiums and accretion of discounts. The Portfolio classifies gains and losses on prepayments received as an adjustment to interest income. Debt securities may be placed in non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivables when collection of all or a portion of interest has become doubtful. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes. Income, as well as gains and losses, both realized and unrealized, are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets.

Expenses

The Portfolio bears expenses incurred specifically on its behalf. Each class of shares bears a portion of general expenses, which are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets. Expenses directly attributable to a specific class of shares are charged against the operations of such class.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Indemnifications

In the normal course of business, the Portfolio may enter into contracts that contain provisions for indemnification of other parties against certain potential liabilities. The Portfolio's maximum exposure under these arrangements is unknown, and would involve future claims that may be made against the Portfolio that have not yet occurred. Currently, the risk of material loss from such claims is considered remote.

Foreign Currency Translations

The Portfolio does not isolate that portion of the results of operations resulting from the effect of changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held at the date of the financial statements. Net unrealized appreciation or depreciation of investments and foreign currency translations arise from changes in the value of assets and liabilities, including investments in securities held at the date of the financial statements, resulting from changes in the exchange rates and changes in market prices of securities held.

Currency gains and losses are also calculated on payables and receivables that are denominated in foreign currencies. The payables and receivables are generally related to foreign security transactions and income translations.

Foreign currency-denominated assets and forward currency contracts may involve more risks than domestic transactions, including currency risk, counterparty risk, political and economic risk, regulatory risk and equity risk. Risks may arise from unanticipated movements in the value of foreign currencies relative to the U.S. dollar.

Dividends and Distributions

The Portfolio may make semiannual distributions of substantially all of its investment income and an annual distribution of its net realized capital gains (if any).

The Portfolio may make certain investments in real estate investment trusts ("REITs") which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REITs' taxable earnings and profits, resulting in the excess portion of such dividends being designated as a return of capital. If the Portfolio distributes such amounts, such distributions could constitute a return of capital to shareholders for federal income tax purposes.

Federal Income Taxes

The Portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income in accordance with the requirements of Subchapter M of the Internal Revenue Code. Management has analyzed the Portfolio's tax positions taken for all open federal income tax years, generally a three-year period, and has concluded that no provision for federal income tax is required in the Portfolio's financial statements. The Portfolio is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

2. Other Investments and Strategies

Additional Investment Risk

In the aftermath of the 2007-2008 financial crisis, the financial sector experienced reduced liquidity in credit and other fixed-income markets, and an unusually high degree of volatility, both domestically and internationally. In response to the crisis, the United States and certain foreign governments, along with the U.S. Federal Reserve and certain foreign central banks, took a number of unprecedented steps designed to support the financial markets. For example, the enactment of the Dodd-Frank Act in 2010 provided for widespread regulation of financial institutions, consumer financial products and services, broker-dealers, over-the-counter derivatives, investment advisers, credit rating agencies, and mortgage lending, which expanded federal oversight in the financial sector, including the investment management industry. More recently, in response to the COVID-19 pandemic, the U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets, including reducing interest rates to record low levels. The withdrawal of this support, a failure of measures put in place in response to such economic uncertainty, or investor perception that such efforts were not sufficient could each negatively affect financial markets generally, and the value and liquidity of specific securities. In addition, policy and legislative changes in the United States and in other countries continue to impact many aspects of financial regulation.

Widespread disease, including pandemics and epidemics, and natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, have been and can be highly disruptive to

economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Fund's investments. Economies and financial markets throughout the world have become increasingly interconnected, which increases the likelihood that events or conditions in one region or country will adversely affect markets or issuers in other regions or countries, including the United States. These disruptions could prevent a Fund from executing advantageous investment decisions in a timely manner and negatively impact a Fund's ability to achieve its investment objective(s). Any such event(s) could have a significant adverse impact on the value of a Fund. In addition, these disruptions could also impair the information technology and other operational systems upon which the Fund's service providers, including Janus Capital or the subadviser (as applicable), rely, and could otherwise disrupt the ability of employees of the Fund's service providers to perform essential tasks on behalf of the Fund.

A number of countries in the European Union ("EU") have experienced, and may continue to experience, severe economic and financial difficulties. In particular, many EU nations are susceptible to economic risks associated with high levels of debt. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts. Many other issuers have faced difficulties obtaining credit or refinancing existing obligations. Financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit. As a result, financial markets in the EU have experienced extreme volatility and declines in asset values and liquidity. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. The risk of investing in securities in the European markets may also be heightened due to the referendum in which the United Kingdom voted to exit the EU (commonly known as "Brexit"). The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, during which the United Kingdom will remain subject to EU laws and regulations. There is considerable uncertainty relating to the potential consequences of the United Kingdom's exit and how negotiations for new trade agreements will be conducted or concluded.

Certain areas of the world have historically been prone to and economically sensitive to environmental events such as, but not limited to, hurricanes, earthquakes, typhoons, flooding, tidal waves, tsunamis, erupting volcanoes, wildfires or droughts, tornadoes, mudslides, or other weather-related phenomena. Such disasters, and the resulting physical or economic damage, could have a severe and negative impact on the Portfolio's investment portfolio and, in the longer term, could impair the ability of issuers in which the Portfolio invests to conduct their businesses as they would under normal conditions. Adverse weather conditions may also have a particularly significant negative effect on issuers in the agricultural sector and on insurance and reinsurance companies that insure or reinsure against the impact of natural disasters.

Counterparties

Portfolio transactions involving a counterparty are subject to the risk that the counterparty or a third party will not fulfill its obligation to the Portfolio ("counterparty risk"). Counterparty risk may arise because of the counterparty's financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market activities and developments, or other reasons, whether foreseen or not. A counterparty's inability to fulfill its obligation may result in significant financial loss to the Portfolio. The Portfolio may be unable to recover its investment from the counterparty or may obtain a limited recovery, and/or recovery may be delayed. The extent of the Portfolio's exposure to counterparty risk with respect to financial assets and liabilities approximates its carrying value.

The Portfolio may be exposed to counterparty risk through participation in various programs, including, but not limited to, lending its securities to third parties, cash sweep arrangements whereby the Portfolio's cash balance is invested in one or more types of cash management vehicles, as well as investments in, but not limited to, repurchase agreements, debt securities, and derivatives, including various types of swaps, futures and options. The Portfolio intends to enter into financial transactions with counterparties that Janus Capital believes to be creditworthy at the time of the transaction. There is always the risk that Janus Capital's analysis of a counterparty's creditworthiness is incorrect or may change due to market conditions. To the extent that the Portfolio focuses its transactions with a limited number of counterparties, it will have greater exposure to the risks associated with one or more counterparties.

Offsetting Assets and Liabilities

The Portfolio presents gross and net information about transactions that are either offset in the financial statements or subject to an enforceable master netting arrangement or similar agreement with a designated counterparty, regardless of whether the transactions are actually offset in the Statement of Assets and Liabilities.

The following table presents gross amounts of recognized assets and/or liabilities and the net amounts after deducting collateral that has been pledged by counterparties or has been pledged to counterparties (if applicable). For corresponding information grouped by type of instrument, see the Portfolio's Schedule of Investments.

Offsetting of Financial Assets and Derivative Assets

Counterparty	*Gross Amounts of Recognized Assets*	*Offsetting Asset or Liability*[(a)]	*Collateral Pledged*[(b)]	*Net Amount*
JPMorgan Chase Bank, National Association	$ 2,339,487	$ —	$ (2,339,487)	$ —

(a) Represents the amount of assets or liabilities that could be offset with the same counterparty under master netting or similar agreements that management elects not to offset on the Statement of Assets and Liabilities.

(b) Collateral pledged is limited to the net outstanding amount due to/from an individual counterparty. The actual collateral amounts pledged may exceed these amounts and may fluctuate in value.

JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. For financial reporting purposes, the Fund does not offset financial instruments' payables and receivables and related collateral on the Statement of Assets and Liabilities. Securities on loan will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the Securities and Exchange Commission (the "SEC"). See "Securities Lending" in the "Notes to Financial Statements" for additional information.

Real Estate Investing

The Portfolio may invest in equity and debt securities of real estate-related companies. Such companies may include those in the real estate industry or real estate-related industries. These securities may include common stocks, corporate bonds, preferred stocks, and other equity securities, including, but not limited to, mortgage-backed securities, real estate-backed securities, securities of REITs and similar REIT-like entities. A REIT is a trust that invests in real estate-related projects, such as properties, mortgage loans, and construction loans. REITs are generally categorized as equity, mortgage, or hybrid REITs. A REIT may be listed on an exchange or traded OTC.

Securities Lending

Under procedures adopted by the Trustees, the Portfolio may seek to earn additional income by lending securities to certain qualified broker-dealers and institutions. Effective December 16, 2019, JPMorgan Chase Bank, National Association replaced Deutsche Bank AG as securities lending agent for the Portfolio. JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. The Portfolio may lend portfolio securities in an amount equal to up to 1/3 of its total assets as determined at the time of the loan origination. There is the risk of delay in recovering a loaned security or the risk of loss in collateral rights if the borrower fails financially. In addition, Janus Capital makes efforts to balance the benefits and risks from granting such loans. All loans will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the SEC. If the Portfolio is unable to recover a security on loan, the Portfolio may use the collateral to purchase replacement securities in the market. There is a risk that the value of the collateral could decrease below the cost of the replacement security by the time the replacement investment is made, resulting in a loss to the Portfolio. In certain circumstances individual loan transactions could yield negative returns.

Upon receipt of cash collateral, Janus Capital may invest it in affiliated or non-affiliated cash management vehicles, whether registered or unregistered entities, as permitted by the 1940 Act and rules promulgated thereunder. Janus Capital currently intends to primarily invest the cash collateral in a cash management vehicle for which Janus Capital serves as investment adviser, Janus Henderson Cash Collateral Fund LLC. An investment in Janus Henderson Cash

Collateral Fund LLC is generally subject to the same risks that shareholders experience when investing in similarly structured vehicles, such as the potential for significant fluctuations in assets as a result of the purchase and redemption activity of the securities lending program, a decline in the value of the collateral, and possible liquidity issues. Such risks may delay the return of the cash collateral and cause the Portfolio to violate its agreement to return the cash collateral to a borrower in a timely manner. As adviser to the Portfolio and Janus Henderson Cash Collateral Fund LLC, Janus Capital has an inherent conflict of interest as a result of its fiduciary duties to both the Portfolio and Janus Henderson Cash Collateral Fund LLC. Additionally, Janus Capital receives an investment advisory fee of 0.05% for managing Janus Henderson Cash Collateral Fund LLC, but it may not receive a fee for managing certain other affiliated cash management vehicles in which the Portfolio may invest, and therefore may have an incentive to allocate preferred investment opportunities to investment vehicles for which it is receiving a fee.

The value of the collateral must be at least 102% of the market value of the loaned securities that are denominated in U.S. dollars and 105% of the market value of the loaned securities that are not denominated in U.S. dollars. Loaned securities and related collateral are marked-to-market each business day based upon the market value of the loaned securities at the close of business, employing the most recent available pricing information. Collateral levels are then adjusted based on this mark-to-market evaluation.

The cash collateral invested by Janus Capital is disclosed in the Schedule of Investments (if applicable). Income earned from the investment of the cash collateral, net of rebates paid to, or fees paid by, borrowers and less the fees paid to the lending agent are included as "Affiliated securities lending income, net" on the Statement of Operations. As of June 30, 2020, securities lending transactions accounted for as secured borrowings with an overnight and continuous contractual maturity are $2,339,487. Gross amounts of recognized liabilities for securities lending (collateral received) as of June 30, 2020 is $2,386,457, resulting in the net amount due to the counterparty of $46,970.

3. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital Management LLC ("Janus Capital") an investment advisory fee which is calculated daily and paid monthly. The Portfolio's "base" fee rate prior to any performance adjustment (expressed as an annual rate) is 0.64%.

The investment advisory fee rate is determined by calculating a base fee and applying a performance adjustment. The base fee rate is the same as the contractual investment advisory fee rate. The performance adjustment either increases or decreases the base fee depending on how well the Portfolio has performed relative to its benchmark index. Prior to May 1, 2017, the Portfolio's benchmark index used in the calculation was the Core Growth Index. Effective May 1, 2017, the Portfolio's performance fee adjustment is calculated based on a combination of the Core Growth Index and Russell 1000® Growth Index for a period of 36 months.

The calculation of the performance adjustment applies as follows:

Investment Advisory Fee = Base Fee Rate +/- Performance Adjustment

The investment advisory fee rate paid to Janus Capital by the Portfolio consists of two components: (1) a base fee calculated by applying the contractual fixed rate of the advisory fee to the Portfolio's average daily net assets during the previous month ("Base Fee Rate"), plus or minus (2) a performance-fee adjustment ("Performance Adjustment") calculated by applying a variable rate of up to 0.15% (positive or negative) to the Portfolio's average daily net assets based on the Portfolio's relative performance compared to the cumulative investment record of its benchmark index over a 36-month performance measurement period or shorter time period, as applicable. The investment performance of a Portfolio's Service Shares for the performance measurement period is used to calculate the Performance Adjustment. No Performance Adjustment is applied unless the difference between the Portfolio's investment performance and the cumulative investment record of the benchmark index is 0.50% or greater (positive or negative) during the applicable performance measurement period.

The Portfolio's prospectuses and statement(s) of additional information contain additional information about performance-based fees. The amount shown as advisory fees on the Statement of Operations reflects the Base Fee Rate plus/minus any Performance Adjustment. For the period ended June 30, 2020, the performance adjusted investment advisory fee rate before any waivers and/or reimbursements of expenses is 0.50%.

Janus Services LLC ("Janus Services"), a wholly-owned subsidiary of Janus Capital, is the Portfolio's transfer agent. Janus Services receives an administrative services fee at an annual rate of 0.05% of the average daily net assets of the

Portfolio for arranging for the provision by participating insurance companies and qualified plan service providers of administrative services, including recordkeeping, subaccounting, order processing, or other shareholder services provided on behalf of contract holders or plan participants investing in the Portfolio. Other shareholder services may include the provision of order confirmations, periodic account statements, forwarding prospectuses, shareholder reports, and other materials to existing investors, and answering inquiries regarding accounts. Janus Services expects to use this entire fee to compensate insurance companies and qualified plan service providers for providing these services to their customers who invest in the Portfolio. Any unused portion will be reimbursed to the applicable share class at least annually.

In addition, Janus Services provides or arranges for the provision of certain other internal administrative, recordkeeping, and shareholder relations services for the Portfolio. Janus Services is not compensated for these internal services related to the shares, except for out-of-pocket costs. These amounts are disclosed as “Other transfer agent fees and expenses” on the Statement of Operations.

Under a distribution and shareholder servicing plan (the “Plan”) adopted in accordance with Rule 12b-1 under the 1940 Act, the Service Shares may pay the Trust’s distributor, Janus Distributors LLC (“Janus Distributors”), a wholly-owned subsidiary of Janus Capital, a fee for the sale and distribution and/or shareholder servicing of the Service Shares at an annual rate of up to 0.25% of the average daily net assets of the Service Shares. Under the terms of the Plan, the Trust is authorized to make payments to Janus Distributors for remittance to insurance companies and qualified plan service providers as compensation for distribution and/or shareholder services performed by such entities. These amounts are disclosed as “12b-1 Distribution and shareholder servicing fees” on the Statement of Operations. Payments under the Plan are not tied exclusively to actual 12b-1 distribution and servicing fees, and the payments may exceed 12b-1 distribution and servicing fees actually incurred. If any of the Portfolio’s actual 12b-1 distribution and servicing fees incurred during a calendar year are less than the payments made during a calendar year, the Portfolio will be refunded the difference. Refunds, if any, are included in “12b-1 Distribution and shareholder servicing fees” in the Statement of Operations.

Janus Capital serves as administrator to the Portfolio pursuant to an administration agreement between Janus Capital and the Trust. Under the administration agreement, Janus Capital is obligated to provide or arrange for the provision of certain administration, compliance, and accounting services to the Portfolio, including providing office space for the Portfolio, and is reimbursed by the Portfolio for certain of its costs in providing these services (to the extent Janus Capital seeks reimbursement and such costs are not otherwise waived). In addition, employees of Janus Capital and/or its affiliates may serve as officers of the Trust. The Portfolio pays for some or all of the salaries, fees, and expenses of Janus Capital employees and Portfolio officers, with respect to certain specified administration functions they perform on behalf of the Portfolio. The Portfolio pays these costs based on out-of-pocket expenses incurred by Janus Capital, and these costs are separate and apart from advisory fees and other expenses paid in connection with the investment advisory services Janus Capital (or any subadvisor, as applicable) provides to the Portfolio. These amounts are disclosed as “Affiliated portfolio administration fees” on the Statement of Operations. In addition, some expenses related to compensation payable to the Portfolio’s Chief Compliance Officer and certain compliance staff, all of whom are employees of Janus Capital and/or its affiliates, are shared with the Portfolio. Total compensation of $20,422 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2020. The Portfolio's portion is reported as part of “Other expenses” on the Statement of Operations.

The Board of Trustees has adopted a deferred compensation plan (the “Deferred Plan”) for independent Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Portfolio. All deferred fees are credited to an account established in the name of the Trustees. The amounts credited to the account then increase or decrease, as the case may be, in accordance with the performance of one or more of the Janus Henderson funds that are selected by the Trustees. The account balance continues to fluctuate in accordance with the performance of the selected fund or funds until final payment of all amounts are credited to the account. The fluctuation of the account balance is recorded by the Portfolio as unrealized appreciation/(depreciation) and is included as of June 30, 2020 on the Statement of Assets and Liabilities in the asset, “Non-interested Trustees’ deferred compensation,” and liability, “Non-interested Trustees’ deferred compensation fees.” Additionally, the recorded unrealized appreciation/(depreciation) is included in “Total distributable earnings (loss)” on the Statement of Assets and Liabilities. Deferred compensation expenses for the period ended June 30, 2020 are included in “Non-interested Trustees’ fees and expenses” on the Statement of Operations. Trustees are allowed to change their designation of mutual funds from time to time. Amounts will be deferred until distributed in accordance with the Deferred Plan. Deferred fees of $220,425 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2020.

Pursuant to the provisions of the 1940 Act and related rules, the Portfolio may participate in an affiliated or non-affiliated cash sweep program. In the cash sweep program, uninvested cash balances of the Portfolio may be used to purchase shares of affiliated or non-affiliated money market funds or cash management pooled investment vehicles that operate as money market funds. The Portfolio is eligible to participate in the cash sweep program (the "Investing Funds"). As adviser, Janus Capital has an inherent conflict of interest because of its fiduciary duties to the affiliated money market funds or cash management pooled investment vehicles and the Investing Funds. Janus Henderson Cash Liquidity Fund LLC (the "Sweep Vehicle") is an affiliated unregistered cash management pooled investment vehicle that invests primarily in highly-rated short-term fixed-income securities. The Sweep Vehicle operates pursuant to the provisions of the 1940 Act that govern the operation of money market funds and prices its shares at NAV reflecting market-based values of its portfolio securities (i.e., a "floating" NAV) rounded to the fourth decimal place (e.g., $1.0000). The Sweep Vehicle is permitted to impose a liquidity fee (of up to 2%) on redemptions from the Sweep Vehicle or a redemption gate that temporarily suspends redemptions from the Sweep Vehicle for up to 10 business days during a 90 day period. There are no restrictions on the Portfolio's ability to withdraw investments from the Sweep Vehicle at will, and there are no unfunded capital commitments due from the Portfolio to the Sweep Vehicle. The Sweep Vehicle does not charge any management fee, sales charge or service fee.

Any purchases and sales, realized gains/losses and recorded dividends from affiliated investments during the period ended June 30, 2020 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

The Portfolio is permitted to purchase or sell securities ("cross-trade") between itself and other funds or accounts managed by Janus Capital in accordance with Rule 17a-7 under the Investment Company Act of 1940 ("Rule 17a-7"), when the transaction is consistent with the investment objectives and policies of the Portfolio and in accordance with the Internal Cross Trade Procedures adopted by the Trust's Board of Trustees. These procedures have been designed to ensure that any cross-trade of securities by the Portfolio from or to another fund or account that is or could be considered an affiliate of the Portfolio under certain limited circumstances by virtue of having a common investment adviser, common Officer, or common Trustee complies with Rule 17a-7. Under these procedures, each cross-trade is effected at the current market price to save costs where allowed. During the period ended June 30, 2020, the Portfolio engaged in cross trades amounting to $834,788 in purchases and $130,068 in sales, resulting in a net realized loss of $99,313. The net realized loss is included within the "Net Realized Gain/(Loss) on Investments" section of the Portfolio's Statement of Operations.

4. Federal Income Tax

Income and capital gains distributions are determined in accordance with income tax regulations that may differ from US GAAP. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, foreign currency transactions, net investment losses, and capital loss carryovers.

The Portfolio has elected to treat gains and losses on forward foreign currency contracts as capital gains and losses, if applicable. Other foreign currency gains and losses on debt instruments are treated as ordinary income for federal income tax purposes pursuant to Section 988 of the Internal Revenue Code.

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of June 30, 2020 are noted below. The primary differences between book and tax appreciation or depreciation of investments are wash sale loss deferrals, straddle deferrals, and investments in partnerships.

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ 351,518,144	$219,072,201	$ (9,168,330)	$ 209,903,871

5. Capital Share Transactions

	Period ended June 30, 2020		*Year ended December 31, 2019*	
	Shares	*Amount*	*Shares*	*Amount*
Institutional Shares:				
Shares sold	112,051	$ 4,454,111	149,935	$ 5,697,516
Reinvested dividends and distributions	907,893	34,608,888	1,104,132	40,472,444
Shares repurchased	(606,557)	(23,940,981)	(1,232,956)	(47,021,803)
Net Increase/(Decrease)	413,387	$ 15,122,018	21,111	$ (851,843)
Service Shares:				
Shares sold	137,005	$ 5,181,321	234,733	$ 8,722,600
Reinvested dividends and distributions	350,249	12,934,688	431,372	15,364,380
Shares repurchased	(432,759)	(16,400,231)	(724,029)	(27,053,678)
Net Increase/(Decrease)	54,495	$ 1,715,778	(57,924)	$ (2,966,698)

6. Purchases and Sales of Investment Securities

For the period ended June 30, 2020, the aggregate cost of purchases and proceeds from sales of investment securities (excluding any short-term securities, short-term options contracts, TBAs, and in-kind transactions, as applicable) was as follows:

Purchases of Securities	*Proceeds from Sales of Securities*	*Purchases of Long-Term U.S. Government Obligations*	*Proceeds from Sales of Long-Term U.S. Government Obligations*
$ 116,867,835	$ 146,674,228	$ -	$ -

7. Recent Accounting Pronouncements

The FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820),* in August 2018. The new guidance removes, modifies and enhances the disclosures to Topic 820. For public entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. An entity is permitted, and Management has decided, to early adopt the removed and modified disclosures in these financial statements. Management is also evaluating the implications related to the new disclosure requirements and has not yet determined the impact to the financial statements.

8. Other Matters

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. The impact of COVID-19 has been, and may continue to be, highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Portfolio's investments. This may impact liquidity in the marketplace, which in turn may affect the Portfolio's ability to meet redemption requests. Public health crises caused by the COVID-19 pandemic may exacerbate other pre-existing political, social, and economic risks in certain countries or globally. The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a Portfolio from executing advantageous investment decisions in a timely manner and negatively impact a Portfolio's ability to achieve its investment objective.

9. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2020 and through the date of issuance of the Portfolio’s financial statements and determined that there were no material events or transactions that would require recognition or disclosure in the Portfolio’s financial statements.

Proxy Voting Policies and Voting Record
A description of the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities is available without charge: (i) upon request, by calling 1-800-525-1093; (ii) on the Portfolio's website at janushenderson.com/proxyvoting; and (iii) on the SEC's website at http://www.sec.gov. Additionally, information regarding the Portfolio's proxy voting record for the most recent twelve-month period ended June 30 is also available, free of charge, through janushenderson.com/proxyvoting and from the SEC's website at http://www.sec.gov.

Full Holdings
The Portfolio is required to disclose its complete holdings as an exhibit to Form N-PORT within 60 days of the end of the first and third fiscal quarters, and in the annual report and semiannual report to Portfolio shareholders. Historically, the Portfolio filed its complete portfolio holdings (schedule of investments) with the SEC for the first and third quarters each fiscal year on Form N-Q. The Portfolio's Form N-PORT and Form N-Q filings: (i) are available on the SEC's website at http://www.sec.gov; (ii) may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (information on the Public Reference Room may be obtained by calling 1-800-SEC-0330); and (iii) are available without charge, upon request, by calling a Janus Henderson representative at 1-877-335-2687 (toll free) . Portfolio holdings consisting of at least the names of the holdings are generally available on a monthly basis with a 30-day lag. Holdings are generally posted approximately two business days thereafter under Full Holdings for the Portfolio at janushenderson.com/vit.

APPROVAL OF ADVISORY AGREEMENTS DURING THE PERIOD

The Trustees of Janus Aspen Series, each of whom serves as an "independent" Trustee (the "Trustees"), oversee the management of each Portfolio of Janus Aspen Series (each, a "VIT Portfolio," and collectively, the "VIT Portfolios"), as well as each Fund of Janus Investment Fund (together with the VIT Portfolios, the "Janus Henderson Funds," and each, a "Janus Henderson Fund"). As required by law, the Trustees determine annually whether to continue the investment advisory agreement for each Janus Henderson Fund and the subadvisory agreements for the Janus Henderson Funds that utilize subadvisers.

In connection with their most recent consideration of those agreements for each Janus Henderson Fund, the Trustees received and reviewed information provided by Janus Capital and the respective subadvisers in response to requests of the Trustees and their independent legal counsel. They also received and reviewed information and analysis provided by, and in response to requests of, their independent fee consultant. Throughout their consideration of the agreements, the Trustees were advised by their independent legal counsel. The Trustees met with management to consider the agreements, and also met separately in executive session with their independent legal counsel and their independent fee consultant.

At a meeting held on December 5, 2019, based on the Trustees' evaluation of the information provided by Janus Capital, the subadvisers, and the independent fee consultant, as well as other information, the Trustees determined that the overall arrangements between each Janus Henderson Fund and Janus Capital and each subadviser, as applicable, were fair and reasonable in light of the nature, extent and quality of the services provided by Janus Capital, its affiliates and the subadvisers, the fees charged for those services, and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting, the Trustees unanimously approved the continuation of the investment advisory agreement for each Janus Henderson Fund, and the subadvisory agreement for each subadvised Janus Henderson Fund, for the period from February 1, 2020 through February 1, 2021, subject to earlier termination as provided for in each agreement.

In considering the continuation of those agreements, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors described below, none of which by itself was considered dispositive. However, the material factors and conclusions that formed the basis for the Trustees' determination to approve the continuation of the agreements are discussed separately below. Also included is a summary of the independent fee consultant's conclusions and opinions that arose during, and were included as part of, the Trustees' consideration of the agreements. "Management fees," as used herein, reflect actual annual advisory fees and, for the purpose of peer comparisons, any administration fees (excluding out of pocket costs), net of any waivers, paid by a fund as a percentage of average net assets.

Nature, Extent and Quality of Services

The Trustees reviewed the nature, extent and quality of the services provided by Janus Capital and the subadvisers to the Janus Henderson Funds, taking into account the investment objective, strategies and policies of each Janus Henderson Fund, and the knowledge the Trustees gained from their regular meetings with management on at least a quarterly basis and their ongoing review of information related to the Janus Henderson Funds. In addition, the Trustees reviewed the resources and key personnel of Janus Capital and each subadviser, particularly noting those employees who provide investment and risk management services to the Janus Henderson Funds. The Trustees also considered other services provided to the Janus Henderson Funds by Janus Capital or the subadvisers, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions. The Trustees considered Janus Capital's role as administrator to the Janus Henderson Funds, noting that Janus Capital generally does not receive a fee for its services but is reimbursed for its out-of-pocket costs. The Trustees considered the role of Janus Capital in monitoring adherence to the Janus Henderson Funds' investment restrictions, providing support services for the Trustees and Trustee committees, and overseeing communications with shareholders and the activities of other service providers, including monitoring compliance with various policies and procedures of the Janus Henderson Funds and with applicable securities laws and regulations.

In this regard, the independent fee consultant noted that Janus Capital provides a number of different services for the Janus Henderson Funds and fund shareholders, ranging from investment management services to various other servicing functions, and that, in its view, Janus Capital is a capable provider of those services. The independent fee consultant also provided its belief that Janus Capital has developed a number of institutional competitive advantages that should enable it to provide superior investment and service performance over the long term.

The Trustees concluded that the nature, extent and quality of the services provided by Janus Capital or the subadviser to each Janus Henderson Fund were appropriate and consistent with the terms of the respective advisory and subadvisory agreements, and that, taking into account steps taken to address those Janus Henderson Funds whose performance lagged that of their peers for certain periods, the Janus Henderson Funds were likely to benefit from the continued provision of those services. They also concluded that Janus Capital and each subadviser had sufficient personnel, with the appropriate education and experience, to serve the Janus Henderson Funds effectively and had demonstrated its ability to attract well-qualified personnel.

Performance of the Funds

The Trustees considered the performance results of each Janus Henderson Fund over various time periods. They noted that they considered Janus Henderson Fund performance data throughout the year, including periodic meetings with each Janus Henderson Fund's portfolio manager(s), and also reviewed information comparing each Janus Henderson Fund's performance with the performance of comparable funds and peer groups identified by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent data provider, and with the Janus Henderson Fund's benchmark index. In this regard, the independent fee consultant found that the overall Janus Henderson Funds' performance has been reasonable: for the 36 months ended September 30, 2019, approximately 69% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar, and for the 12 months ended September 30, 2019, approximately 71% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar.

The Trustees considered the performance of each Janus Henderson Fund, noting that performance may vary by share class, and noted the following with respect to the VIT Portfolios:

- For Janus Henderson Balanced Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance.

- For Janus Henderson Forty Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the third Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital and Intech had taken or were taking to improve performance, and the performance trend was improving.

In consideration of each Janus Henderson Fund's performance, the Trustees concluded that, taking into account the factors relevant to performance, as well as other considerations, including steps taken to improve performance, the Janus Henderson Fund's performance warranted continuation of such Janus Henderson Fund's investment advisory and subadvisory agreement(s).

Costs of Services Provided

The Trustees examined information regarding the fees and expenses of each Janus Henderson Fund in comparison to similar information for other comparable funds as provided by Broadridge, an independent data provider. They also reviewed an analysis of that information provided by their independent fee consultant and noted that the rate of management fees (investment advisory and any administration, but excluding out-of-pocket costs) for many of the Janus Henderson Funds, after applicable waivers, was below the average management fee rate of the respective peer group of funds selected by an independent data provider. The Trustees also examined information regarding the subadvisory fees charged for subadvisory services, as applicable, noting that all such fees were paid by Janus Capital out of its management fees collected from such Janus Henderson Fund.

The independent fee consultant provided its belief that the management fees charged by Janus Capital to each of the Janus Henderson Funds under the current investment advisory and administration agreements are reasonable in relation to the services provided by Janus Capital. The independent fee consultant found: (1) the total expenses and management fees of the Janus Henderson Funds to be reasonable relative to other mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of their respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 7% under the average management fees for their Expense Groups. The Trustees also considered the total expenses for each share class of

each Janus Henderson Fund compared to the average total expenses for its Broadridge Expense Group peers and to average total expenses for its Broadridge Expense Universe.

For certain Janus Henderson Funds, the independent fee consultant also performed a systematic "focus list" analysis of expenses which assessed fund fees in the context of fund performance being delivered. Based on this analysis, the independent fee consultant found that the combination of service quality/performance and expenses on these individual Janus Henderson Funds was reasonable in light of performance trends, performance histories, and existence of performance fees, breakpoints, and/or expense waivers on such Janus Henderson Funds.

The Trustees considered the methodology used by Janus Capital and each subadviser in determining compensation payable to portfolio managers, the competitive environment for investment management talent, and the competitive market for mutual funds in different distribution channels.

The Trustees also reviewed management fees charged by Janus Capital and each subadviser to comparable separate account clients and to comparable non-affiliated funds subadvised by Janus Capital or by a subadviser (for which Janus Capital or the subadviser provides only or primarily portfolio management services). Although in most instances subadvisory and separate account fee rates for various investment strategies were lower than management fee rates for Janus Henderson Funds having a similar strategy, the Trustees considered that Janus Capital noted that, under the terms of the management agreements with the Janus Henderson Funds, Janus Capital performs significant additional services for the Janus Henderson Funds that it does not provide to those other clients, including administration services, oversight of the Janus Henderson Funds' other service providers, trustee support, regulatory compliance and numerous other services, and that, in serving the Janus Henderson Funds, Janus Capital assumes many legal risks and other costs that it does not assume in servicing its other clients. Moreover, they noted that the independent fee consultant found that: (1) the management fees Janus Capital charges to the Janus Henderson Funds are reasonable in relation to the management fees Janus Capital charges to funds subadvised by Janus Capital and to the fees Janus Capital charges to its institutional separate account clients; (2) these subadvised and institutional separate accounts have different service and infrastructure needs; and (3) Janus Henderson mutual fund investors enjoy reasonable fees relative to the fees charged to Janus Henderson subadvised fund and separate account investors; (4) 11 of 12 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) six of nine Janus Henderson Funds have lower management fees than similar separate accounts managed by Janus Capital.

The Trustees considered the fees for each Janus Henderson Fund for its fiscal year ended in 2018, including the VIT Portfolios, and noted the following with regard to each VIT Portfolio's total expenses, net of applicable fee waivers (the VIT Portfolio's "total expenses"):

- For Janus Henderson Balanced Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.
- For Janus Henderson Forty Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.

- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for its sole share class.

The Trustees reviewed information on the overall profitability to Janus Capital and its affiliates of their relationship with the Janus Henderson Funds, and considered profitability data of other publicly traded mutual fund advisers. The Trustees recognized that profitability comparisons among fund managers are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund manager is affected by numerous factors, including the organizational structure of the particular fund manager, differences in complex size, difference in product mix, difference in types of business (mutual fund, institutional and other), differences in the types of funds and other accounts it manages, possible other lines of business, the methodology for allocating expenses, and the fund manager's capital structure and cost of capital.

Additionally, the Trustees considered the estimated profitability to Janus Capital from the investment management services it provided to each Janus Henderson Fund. In their review, the Trustees considered whether Janus Capital and each subadviser receive adequate incentives and resources to manage the Janus Henderson Funds effectively. In reviewing profitability, the Trustees noted that the estimated profitability for an individual Janus Henderson Fund is necessarily a product of the allocation methodology utilized by Janus Capital to allocate its expenses as part of the estimated profitability calculation. In this regard, the Trustees noted that the independent fee consultant found that (1) the expense allocation methodology and rationales utilized by Janus Capital were reasonable and (2) no clear correlation between expense allocations and operating margins. The Trustees also considered that the estimated profitability for an individual Janus Henderson Fund was influenced by a number of factors, including not only the allocation methodology selected, but also the presence of fee waivers and expense caps, and whether the Janus Henderson Fund's investment management agreement contained breakpoints or a performance fee component. The Trustees determined, after taking into account these factors, among others, that Janus Capital's estimated profitability with respect to each Janus Henderson Fund was not unreasonable in relation to the services provided, and that the variation in the range of such estimated profitability among the Janus Henderson Funds was not a material factor in the Board's approval of the reasonableness of any Janus Henderson Fund's investment management fees.

The Trustees concluded that the management fees payable by each Janus Henderson Fund to Janus Capital and its affiliates, as well as the fees paid by Janus Capital to the subadvisers of subadvised Janus Henderson Funds, were reasonable in relation to the nature, extent, and quality of the services provided, taking into account the fees charged by other advisers for managing comparable mutual funds with similar strategies, the fees Janus Capital and the subadvisers charge to other clients, and, as applicable, the impact of fund performance on management fees payable by the Janus Henderson Funds. The Trustees also concluded that each Janus Henderson Fund's total expenses were reasonable, taking into account the size of the Janus Henderson Fund, the quality of services provided by Janus Capital and any subadviser, the investment performance of the Janus Henderson Fund, and any expense limitations agreed to or provided by Janus Capital.

Economies of Scale

The Trustees considered information about the potential for Janus Capital to realize economies of scale as the assets of the Janus Henderson Funds increase. They noted that their independent fee consultant published a report to the Trustees in November 2019 which provided its research and analysis into economies of scale. They also noted that, although many Janus Henderson Funds pay advisory fees at a base fixed rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 64% of these Janus Henderson Funds' share classes have contractual management fees (gross of waivers) below their Broadridge expense group averages. They also noted the following: (1) that for those Janus Henderson Funds whose expenses are being reduced by the contractual expense limitations of Janus Capital, Janus Capital is subsidizing certain of these Janus Henderson Funds because they have not reached adequate scale; (2) as the assets of some of the Janus Henderson Funds have declined in the past few years, certain Janus Henderson Funds have benefited from having advisory fee rates that have remained constant rather than increasing as assets declined; (3) performance fee structures have been implemented for various Janus Henderson Funds that have caused the effective rate of advisory fees payable by such a

Janus Henderson Fund to vary depending on the investment performance of the Janus Henderson Fund relative to its benchmark index over the measurement period; and (4) a few Janus Henderson Funds have fee schedules with breakpoints and reduced fee rates above certain asset levels. The Trustees also noted that the Janus Henderson Funds share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of all of the Janus Henderson Funds.

The Trustees also considered the independent fee consultant's conclusion that, given the limitations of various analytical approaches to economies of scale and their conflicting results, it is difficult to analytically confirm or deny the existence of economies of scale in the Janus Henderson complex. In this regard, the independent consultant concluded that (1) to the extent there were economies of scale at Janus Capital, Janus Capital's general strategy of setting fixed management fees below peers appeared to share any such economies with investors even on smaller Janus Henderson Funds which have not yet achieved those economies and (2) by setting lower fixed fees from the start on these Janus Henderson Funds, Janus Capital appeared to be investing to increase the likelihood that these Janus Henderson Funds will grow to a level to achieve any scale economies that may exist. Further, the independent fee consultant provided its belief that Janus Henderson Fund investors are well-served by the fee levels and performance fee structures in place on the Janus Henderson Funds in light of any economies of scale that may be present at Janus Capital.

Based on all of the information reviewed, including the recent and past research and analysis conducted by the Trustees' independent fee consultant, the Trustees concluded that the current fee structure of each Janus Henderson Fund was reasonable and that the current rates of fees do reflect a sharing between Janus Capital and the Janus Henderson Fund of any economies of scale that may be present at the current asset level of the Janus Henderson Fund.

Other Benefits to Janus Capital

The Trustees also considered benefits that accrue to Janus Capital and its affiliates and subadvisers to the Janus Henderson Funds from their relationships with the Janus Henderson Funds. They recognized that two affiliates of Janus Capital separately serve the Janus Henderson Funds as transfer agent and distributor, respectively, and the transfer agent receives compensation directly from the non-money market funds for services provided, and that such compensation contributes to the overall profitability of Janus Capital and its affiliates that results from their relationship with the Janus Henderson Funds. The Trustees also considered Janus Capital's past and proposed use of commissions paid by the Janus Henderson Funds on portfolio brokerage transactions to obtain proprietary and third-party research products and services benefiting the Janus Henderson Fund and/or other clients of Janus Capital and/or Janus Capital, and/or a subadviser to a Janus Henderson Fund. The Trustees concluded that Janus Capital's and the subadvisers' use of these types of client commission arrangements to obtain proprietary and third-party research products and services was consistent with regulatory requirements and guidelines and was likely to benefit each Janus Henderson Fund. The Trustees also concluded that, other than the services provided by Janus Capital and its affiliates and subadvisers pursuant to the agreements and the fees to be paid by each Janus Henderson Fund therefor, the Janus Henderson Funds and Janus Capital and the subadvisers may potentially benefit from their relationship with each other in other ways. They concluded that Janus Capital and its affiliates share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of the Janus Henderson Funds and other clients serviced by Janus Capital and its affiliates. They also concluded that Janus Capital and/or the subadvisers benefit from the receipt of research products and services acquired through commissions paid on portfolio transactions of the Janus Henderson Funds and that the Janus Henderson Funds benefit from Janus Capital's and/or the subadvisers' receipt of those products and services as well as research products and services acquired through commissions paid by other clients of Janus Capital and/or other clients of the subadvisers. They further concluded that the success of any Janus Henderson Fund could attract other business to Janus Capital, the subadvisers or other Janus Henderson funds, and that the success of Janus Capital and the subadvisers could enhance Janus Capital's and the subadvisers' ability to serve the Janus Henderson Funds.

LIQUIDITY RISK MANAGEMENT PROGRAM

Janus Henderson Funds (other than the money market funds) have adopted and implemented a written liquidity risk management program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"). Rule 22e-4, requires open-end funds to adopt and implement a written liquidity risk management program that is reasonably designed to assess and manage liquidity risk, which is the risk that a fund could not meet redemption requests without significant dilution of remaining investors' interest in the fund. The LRMP

incorporates the following elements: (i) assessment, management, and periodic review of liquidity risk; (ii) classification of portfolio investments; (iii) the establishment and monitoring of a highly liquid investment minimum, as applicable; (iv) a 15% limitation on a Portfolio's illiquid investments; (v) redemptions in-kind; and (vi) board oversight.

The Trustees have designated Janus Capital Management LLC, the Portfolio's investment adviser ("Janus Capital"), as the Program Administrator for the LRMP responsible for administering the LRMP and carrying out the specific responsibilities of the LRMP. A working group comprised of various groups within Janus Capital's business is responsible for administering the LRMP and carrying out the specific responsibilities of different aspects of the LRMP.

The Liquidity Rule requires the Trustees to review at least annually a written report provided by the Program Administrator that addresses the operation of the LRMP and assesses its adequacy and the effectiveness of its implementation, including, if applicable, the operation of the highly liquid investment minimum, and any material changes to the LRMP (the "Program Administrator Report"). During the semi-annual period ended June 30, 2020, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from December 1, 2018 through December 31, 2019 (the "Reporting Period"). No significant liquidity events impacting the Portfolio were noted in the Program Administrator Report, and the Portfolio was able to process redemptions during the normal course of business during the Reporting Period. In addition, the Program Administrator expressed its belief in the Program Administrator Report that:

- the LRMP is reasonably designed and adequate to assess and manage the Portfolio's liquidity risk, taking into account the Portfolio's particular risks and circumstances, and includes policies and procedures reasonably designed to implement each required component of the Liquidity Rule; and
- the LRMP, including the Highly Liquid Investment Minimum where applicable, was implemented and operated effectively to achieve the goal of assessing and managing the Portfolio's liquidity risk.

There can be no assurance that the LRMP will achieve its objectives in the future. Please refer to your Fund's prospectus for more information regarding the risks to which an investment in the Fund may be subject.

Janus Henderson VIT Research Portfolio
Useful Information About Your Portfolio Report (unaudited)

Management Commentary

The Management Commentary in this report includes valuable insight as well as statistical information to help you understand how your Portfolio's performance and characteristics stack up against those of comparable indices.

If the Portfolio invests in foreign securities, this report may include information about country exposure. Country exposure is based primarily on the country of risk. A company may be allocated to a country based on other factors such as location of the company's principal office, the location of the principal trading market for the company's securities, or the country where a majority of the company's revenues are derived.

Please keep in mind that the opinions expressed in the Management Commentary are just that: opinions. They are a reflection based on best judgment at the time this report was compiled, which was June 30, 2020. As the investing environment changes, so could opinions. These views are unique and are not necessarily shared by fellow employees or by Janus Henderson in general.

Performance Overviews

Performance overview graphs compare the performance of a hypothetical $10,000 investment in the Portfolio with one or more widely used market indices. When comparing the performance of the Portfolio with an index, keep in mind that market indices are not available for investment and do not reflect deduction of expenses.

Average annual total returns are quoted for a Portfolio with more than one year of performance history. Average annual total return is calculated by taking the growth or decline in value of an investment over a period of time, including reinvestment of dividends and distributions, then calculating the annual compounded percentage rate that would have produced the same result had the rate of growth been constant throughout the period. Average annual total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Cumulative total returns are quoted for a Portfolio with less than one year of performance history. Cumulative total return is the growth or decline in value of an investment over time, independent of the period of time involved. Cumulative total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Pursuant to federal securities rules, expense ratios shown in the performance chart reflect subsidized (if applicable) and unsubsidized ratios. The total annual fund operating expenses ratio is gross of any fee waivers, reflecting the Portfolio's unsubsidized expense ratio. The net annual fund operating expenses ratio (if applicable) includes contractual waivers of Janus Capital and reflects the Portfolio's subsidized expense ratio. Ratios may be higher or lower than those shown in the "Financial Highlights" in this report.

Schedule of Investments

Following the performance overview section is the Portfolio's Schedule of Investments. This schedule reports the types of securities held in the Portfolio on the last day of the reporting period. Securities are usually listed by type (common stock, corporate bonds, U.S. Government obligations, etc.) and by industry classification (banking, communications, insurance, etc.). Holdings are subject to change without notice.

The value of each security is quoted as of the last day of the reporting period. The value of securities denominated in foreign currencies is converted into U.S. dollars.

If the Portfolio invests in foreign securities, it will also provide a summary of investments by country. This summary reports the Portfolio exposure to different countries by providing the percentage of securities invested in each country. The country of each security represents the country of risk. The Portfolio's Schedule of Investments relies upon the industry group and country classifications published by Barclays and/or MSCI Inc.

Tables listing details of individual forward currency contracts, futures, written options, swaptions, and swaps follow the Portfolio's Schedule of Investments (if applicable).

Statement of Assets and Liabilities

This statement is often referred to as the "balance sheet." It lists the assets and liabilities of the Portfolio on the last day of the reporting period.

The Portfolio's assets are calculated by adding the value of the securities owned, the receivable for securities sold but not yet settled, the receivable for dividends declared but not yet received on securities owned, and the receivable for Portfolio shares sold to investors but not yet settled. The Portfolio's liabilities include payables for securities purchased but not yet settled, Portfolio shares redeemed but not yet paid, and expenses owed but not yet paid. Additionally, there may be other assets and liabilities such as unrealized gain or loss on forward currency contracts.

The section entitled "Net Assets Consist of" breaks down the components of the Portfolio's net assets. Because the Portfolio must distribute substantially all earnings, you will notice that a significant portion of net assets is shareholder capital.

The last section of this statement reports the net asset value ("NAV") per share on the last day of the reporting period. The NAV is calculated by dividing the Portfolio's net assets for each share class (assets minus liabilities) by the number of shares outstanding.

Statement of Operations

This statement details the Portfolio's income, expenses, realized gains and losses on securities and currency transactions, and changes in unrealized appreciation or depreciation of Portfolio holdings.

The first section in this statement, entitled "Investment Income," reports the dividends earned from securities and interest earned from interest-bearing securities in the Portfolio.

The next section reports the expenses incurred by the Portfolio, including the advisory fee paid to the investment adviser, transfer agent fees and expenses, and printing and postage for mailing statements, financial reports and prospectuses. Expense offsets and expense reimbursements, if any, are also shown.

The last section lists the amounts of realized gains or losses from investment and foreign currency transactions, and changes in unrealized appreciation or depreciation of investments and foreign currency-denominated assets and liabilities. The Portfolio will realize a gain (or loss) when it sells its position in a particular security. A change in unrealized gain (or loss) refers to the change in net appreciation or depreciation of the Portfolio during the reporting period. "Net Realized and Unrealized Gain/(Loss) on Investments" is affected both by changes in the market value of Portfolio holdings and by gains (or losses) realized during the reporting period.

Statements of Changes in Net Assets

These statements report the increase or decrease in the Portfolio's net assets during the reporting period. Changes in the Portfolio's net assets are attributable to investment operations, dividends and distributions to investors, and capital share transactions. This is important to investors because it shows exactly what caused the Portfolio's net asset size to change during the period.

The first section summarizes the information from the Statement of Operations regarding changes in net assets due to the Portfolio's investment operations. The Portfolio's net assets may also change as a result of dividend and capital gains distributions to investors. If investors receive their dividends and/or distributions in cash, money is taken out of the Portfolio to pay the dividend and/or distribution. If investors reinvest their dividends and/or distributions, the Portfolio's net assets will not be affected. If you compare the Portfolio's "Net Decrease from Dividends and Distributions" to "Reinvested Dividends and Distributions," you will notice that dividends and distributions have little effect on the Portfolio's net assets. This is because the majority of the Portfolio's investors reinvest their dividends and/or distributions.

The reinvestment of dividends and distributions is included under "Capital Share Transactions." "Capital Shares" refers to the money investors contribute to the Portfolio through purchases or withdrawals via redemptions. The Portfolio's net assets will increase and decrease in value as investors purchase and redeem shares from the Portfolio.

Financial Highlights

This schedule provides a per-share breakdown of the components that affect the Portfolio's NAV for current and past reporting periods as well as total return, asset size, ratios, and portfolio turnover rate.

The first line in the table reflects the NAV per share at the beginning of the reporting period. The next line reports the net investment income/(loss) per share. Following is the per share total of net gains/(losses), realized and unrealized. Per share dividends and distributions to investors are then subtracted to arrive at the NAV per share at the end of the period. The next line reflects the total return for the period. The total return may include adjustments in accordance with

generally accepted accounting principles required at the period end for financial reporting purposes. As a result, the total return may differ from the total return reflected for individual shareholder transactions. Also included are ratios of expenses and net investment income to average net assets.

The Portfolio's expenses may be reduced through expense offsets and expense reimbursements. The ratios shown reflect expenses before and after any such offsets and reimbursements.

The ratio of net investment income/(loss) summarizes the income earned less expenses, divided by the average net assets of the Portfolio during the reporting period. Do not confuse this ratio with the Portfolio's yield. The net investment income ratio is not a true measure of the Portfolio's yield because it does not take into account the dividends distributed to the Portfolio's investors.

The next figure is the portfolio turnover rate, which measures the buying and selling activity in the Portfolio. Portfolio turnover is affected by market conditions, changes in the asset size of the Portfolio, fluctuating volume of shareholder purchase and redemption orders, the nature of the Portfolio's investments, and the investment style and/or outlook of the portfolio manager(s) and/or investment personnel. A 100% rate implies that an amount equal to the value of the entire portfolio was replaced once during the fiscal year; a 50% rate means that an amount equal to the value of half the portfolio is traded in a year; and a 200% rate means that an amount equal to the value of the entire portfolio is traded every six months.

Notes

Janus Henderson VIT Research Portfolio
Notes

Knowledge Shared

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Janus Henderson
INVESTORS

This report is submitted for the general information of shareholders of the Portfolio. It is not an offer or solicitation for the Portfolio and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

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T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2020

T. ROWE PRICE

Government Money Portfolio

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INVEST WITH CONFIDENCE®

HIGHLIGHTS

- The Government Money Portfolio returned 0.25% in the six-month period ended June 30, 2020, versus 0.24% for the Lipper Variable Annuity Underlying U.S. Government Money Market Funds Average.
- The Federal Reserve (Fed) decreased short-term interest rates twice in March: by 50 basis points on March 3 and by an additional 100 basis points on March 15.
- At the end of June, the portfolio's weighted average maturity (WAM) was longer than that of the average competitor. Because of the Fed's deep rate cuts in March, we extended the WAM toward the end of the reporting period to lock in higher rates before they declined.
- We expect the Fed to be on hold for the foreseeable future, as the impact of the coronavirus on the economic outlook is a strong headwind.

Dear Investor

Financial markets recorded widely mixed results during the first half of 2020 as the spread of the coronavirus disrupted global economies. Although stocks and bonds experienced extraordinary volatility, historic levels of fiscal and monetary stimulus helped mitigate the losses.

Market sentiment was positive as we entered the year, and the S&P 500 Index advanced to a record high on February 19. However, stocks began falling as the coronavirus spread in Italy and other countries outside China. The major indexes continued their slide as cases mounted in the U.S. and New York City became the epicenter of the pandemic. Governments throughout the world issued stay-at-home orders to contain the virus, and some sectors, such as travel, restaurants, and shopping malls, nearly came to a halt.

According to the National Bureau of Economic Research, a recession officially began in February, ending the longest expansion in U.S. history. Over 22 million Americans lost their jobs in March and April, and many measures of economic activity, including retail sales and industrial production, experienced record-setting declines. By March 23, the S&P 500 Index had fallen by about a third from the start of the year.

In response to the rapid economic contraction, global central banks took bold accommodative steps, and many governments around the world passed emergency spending packages. The Federal Reserve cut its short-term lending rate to near zero and began massive purchases of government and corporate bonds to stimulate the economy and supply liquidity in the fixed income market.

The federal government also provided trillions of dollars in fiscal help in the form of direct payments to many Americans, expanded unemployment insurance, and subsidies to sectors such as transportation and health care that had been directly impacted by the pandemic. As lockdowns eased late in the period, there were signs of economic recovery, especially in stronger-than-expected payroll data, but surges in new virus cases in some states remained a concern.

Boosted by the stimulus and indications that the economy was mending faster than many expected, nearly all sectors recouped some of their losses by the end of June, and some segments were back in positive territory. For the six-month period, the tech-heavy Nasdaq Composite Index reached record highs and easily outperformed other benchmarks as the pandemic appeared to accelerate trends in retail, social media, and content streaming that benefited the large technology platforms. Large- and mid-cap growth stocks also produced positive returns and outperformed small-caps and value shares, which lost ground.

The S&P 500 Index finished the period with modest losses overall. Within the benchmark, tech and consumer discretionary stocks rallied, but energy shares were down more than 35% (including dividends) amid tumbling oil prices, and the financials sector struggled in a low-yield environment. Non-U.S. equity markets were generally negative and lagged the U.S. benchmarks.

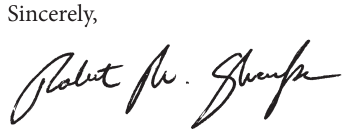
In the fixed income universe, Treasuries were the top performers as yields dropped to record lows during the period, and other U.S. investment-grade bonds were also generally positive. High yield and emerging markets bonds were particularly hard hit during the market sell-off in March, but the sectors staged a strong recovery as investors sought out higher-yielding securities. Emerging markets debt denominated in U.S. dollars outperformed local currency issues, as weakness in certain currencies weighed on local bond performance in U.S. dollar terms.

As we enter the second half of the year, we expect markets to remain volatile. The scale of the stimulus and the potential for medical breakthroughs create the potential for stocks to move higher, but much depends on the course of the virus. Rising tensions between the U.S. and China, social unrest, and the U.S. elections in November could also drive market performance.

Our investment teams will be carefully monitoring these developments, and I believe that our disciplined fundamental research and strategic investing approach will continue to serve our shareholders well in this uncertain environment.

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund's goals are preservation of capital, liquidity, and, consistent with these, the highest possible current income.

FUND COMMENTARY

How did the portfolio perform in the past six months?

The Government Money Portfolio returned 0.25% in the six-month period ended June 30, 2020, versus 0.24% for the Lipper Variable Annuity Underlying U.S. Government Money Market Funds Average. (*Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/20	Total Return
Government Money Portfolio	0.25%
Lipper Variable Annuity Underlying U.S. Government Money Market Funds Average	0.24

What factors influenced the portfolio's performance?

In the early part of the reporting period, the market was debating whether the Fed needed to cut rates further—following three rate cuts in the second half of 2019—to continue the economic expansion. As COVID-19, the disease caused by the coronavirus, emerged as a global risk, institutional investors moved assets from prime money market funds into government money funds. Assets of government money funds increased, leading to higher prices in the government debt market. Institutional prime money funds, on the other hand, saw heavy outflows that put pressure on their government-regulated liquidity buckets.

With the economy decelerating rapidly due to the pandemic and related lockdowns, the Fed moved decisively to do its part in aiding a recovery. Policymakers cut rates by 50 basis points on March 3 and then by another 100 basis points at an unusual Sunday meeting on March 15. These rate cuts brought the fed funds target rate back to the 0.00% to 0.25% range, where it had been from late 2008 until late 2015.

Facing distress in the money market, the Fed also put into place several programs to allay liquidity concerns and placate the market. Specifically, they are the Commercial Paper Funding Facility for issuers to obtain direct funding from the central bank; the Primary Dealer Credit Facility for dealers to finance their inventory through the Fed; and the Money Market Mutual Fund Liquidity Facility (MMLF), which provided a vehicle for prime money funds to sell securities to the Fed. The MMLF was the most appropriate and beneficial program to resolve the impasse caused by money funds hoarding cash to maintain liquidity. It gave the market a buyer when the broker-dealers were unwilling to buy securities.

The yield on the 90-day Treasury bill plunged from 1.55% to 0.16% during the past six months, while the six-month Treasury bill yield dropped from 1.60% to 0.18%. Other short-term interest rates, such as the three-month London interbank offered rate (LIBOR), initially declined to a lesser extent, due in part to some lingering stresses in certain funding markets. However, money market yields eventually fell to very low levels as Fed actions increased liquidity and promoted the normal functioning of financial markets.

While government money funds' assets increased, the supply of Treasury bills also increased due to the Treasury Department's needs to finance various new support programs. Therefore, money market rates moved lower based on the Fed's rate cuts and not on a supply/demand imbalance.

How is the portfolio positioned?

At the end of June, the portfolio's weighted average maturity (WAM) was longer than that of its average competitor. Because of the Fed's deep rate cuts in March, we extended the WAM toward the end of the reporting period to lock in higher rates before they declined.

As a government money fund, the portfolio is required to invest almost exclusively in Treasury bills and other U.S. government securities, as well as repurchase agreements fully collateralized by government securities. Of course, the fund is not subject to the liquidity fees and redemption restrictions (also known as gates) that may be applied to nongovernment money funds during times of severe redemption activity. At the end of June, more than 60% of the portfolio's assets were invested in Treasury bills, while other U.S. government and agency securities accounted for slightly more than one-third of the portfolio. Repurchase agreements represented the rest.

SECURITY DIVERSIFICATION

U.S. Treasury Bills	62%
Other U.S. Government and Agencies	36
Repurchase Agreements	4
Other and Reserves	-2
Total	**100%**

Based on net assets as of 6/30/20.

What is portfolio management's outlook?

The Federal Reserve's projections, and most market participants' expectations, including ours, are for the central bank to be on hold for the foreseeable future. The true impacts of the coronavirus on employment and growth have yet to be seen, and forecasts are dire. To balance the longer average maturities, the fund maintains a high degree of liquidity. As always, our focus remains on principal stability and on investments with the highest credit quality.

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 GOVERNMENT MONEY PORTFOLIO

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

The potential for realizing a loss of principal could derive from:

Credit risks. An issuer of a debt instrument could suffer an adverse change in financial condition that results in a payment default, rating downgrade, or inability to meet a financial obligation. The credit quality of the securities held by the portfolio may change rapidly in certain market environments, which could result in significant net asset value deterioration and the inability to maintain a $1.00 share price.

Interest rate risks. A decline in interest rates may lower the portfolio's yield, or a rise in the overall level of interest rates may cause a decline in the prices of fixed income securities held by the portfolio. The portfolio's yield will vary; it is not fixed for a specific period like the yield on a bank certificate of deposit. This is a disadvantage when interest rates are falling because the portfolio would have to reinvest at lower interest rates. Increases in demand for government securities may cause the yield on those securities to fall or even drop to a negative rate.

Repurchase agreement risks. A counterparty to a repurchase agreement may become insolvent or fail to repurchase securities from the portfolio as required, which could increase its costs or prevent it from immediately accessing its collateral.

BENCHMARK INFORMATION

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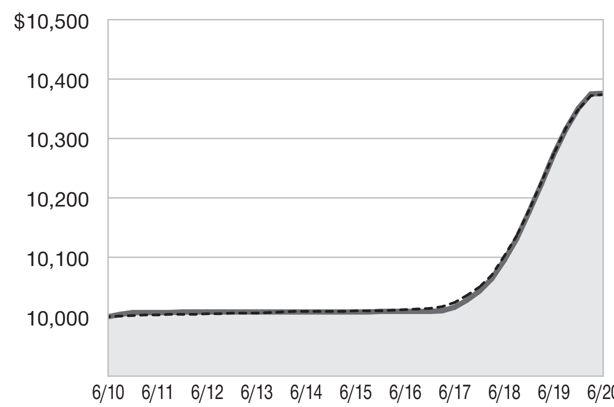
GROWTH OF $10,000

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.

GOVERNMENT MONEY PORTFOLIO



	As of 6/30/20
Government Money Portfolio	$10,376
Lipper Variable Annuity Underlying U.S. Government Money Market Funds Average	10,374

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/20	SEC Yield (7-Day Simple) With Waiver*	SEC Yield (7-Day Simple) Without Waiver*	1 Year	5 Years	10 Years
Government Money Portfolio	0.01%	-0.33%	1.01%	0.73%	0.37%

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. Investment return will vary. 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). 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 reinvested dividends. When assessing performance, investors should consider both short- and long-term returns. A money fund's yield more closely represents its current earnings than does the total return.

*In an effort to maintain a zero or positive net yield for the fund, T. Rowe Price has voluntarily waived all or a portion of the management fee it is entitled to receive from the fund. This voluntary waiver is in addition to any contractual expense ratio limitation in effect for the fund and may be amended or terminated at any time without prior notice. A fee waiver has the effect of increasing the fund's net yield; without it, the fund's 7-day yield would have been lower. Please see the prospectus for more details.

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.

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.

GOVERNMENT MONEY PORTFOLIO

	Beginning Account Value 1/1/20	Ending Account Value 6/30/20	Expenses Paid During Period* 1/1/20 to 6/30/20
Actual	$1,000.00	$1,002.50	$2.09
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.77	2.11

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.42%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (182), and divided by the days in the year (366) to reflect the half-year period.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Investment activities						
Net investment income[1] [2] [3]	–[4]	0.02	0.01	–[4]	–	–
Net realized and unrealized gain/loss	–[4]	–[4]	–[4]	–[4]	–[4]	–[4]
Total from investment activities	–[4]	0.02	0.01	–[4]	–[4]	–[4]
Distributions						
Net investment income	–[4]	(0.02)	(0.01)	–[4]	–	–
Net realized gain	–	–	–	–	–	–[4]
Total distributions	–[4]	(0.02)	(0.01)	–[4]	–	–[4]
NET ASSET VALUE						
End of period	**$ 1.00**	**$ 1.00**	**$ 1.00**	**$ 1.00**	**$ 1.00**	**$ 1.00**
Ratios/Supplemental Data						
Total return[2] [3] [5]	**0.25%**	**1.72%**	**1.33%**	**0.34%**	**0.00%**	**0.01%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates	0.55%[6]	0.55%	0.55%	0.55%	0.55%	0.55%
Net expenses after waivers/payments by Price Associates[3]	0.42%[6]	0.55%	0.55%	0.55%	0.40%	0.23%
Net investment income[3]	0.48%[6]	1.70%	1.32%	0.38%	0.00%	0.00%
Net assets, end of period (in thousands)	$ 37,884	$ 35,348	$ 34,589	$ 33,318	$ 18,880	$ 17,379

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 5 for details of expense-related arrangements with Price Associates.
(3) See Note 5. Includes the effect of voluntary management fee waivers and operating expense reimbursements (0.13%, 0.00%, 0.00%, 0.00%, 0.15% and 0.32% of average net assets) for the six months ended 6/30/20 and the years ended 12/31/19, 12/31/18, 12/31/17, 12/31/16 and 12/31/15, respectively.
(4) Amounts round to less than $0.01 per share.
(5) 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.
(6) Annualized

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

PORTFOLIO OF INVESTMENTS‡

(Amounts in 000s)

	Par	$ Value
U.S. GOVERNMENT AGENCY DEBT 35.9% (1)		
Federal Farm Credit Bank 0.522%, 12/11/20	1,000	997
Federal Farm Credit Bank 0.552%, 12/8/20	500	499
Federal Home Loan Bank 0.16%, 8/25/20	160	160
Federal Home Loan Bank 0.168%, 8/19/20	1,700	1,699
Federal Home Loan Bank 0.188%, 8/12/20	1,000	1,000
Federal Home Loan Bank 0.195%, 8/24/20	200	200
Federal Home Loan Bank 0.20%, 8/5/20	600	600
Federal Home Loan Bank 0.25%, 7/13/20	850	850
Federal Home Loan Bank 0.36%, 7/22/20	625	625
Federal Home Loan Bank 0.421%, 7/14/20	1,800	1,800
Federal Home Loan Bank 0.441%, 9/9/20	400	400
Federal Home Loan Bank 0.481%, 9/16/20	1,000	999
Federal Home Loan Bank, FRN, SOFR + 0.05%, 0.13%, 7/1/20	2,000	2,000
Federal Home Loan Mortgage 1.77%, 7/27/20	750	750
Federal National Mortgage Assn., FRN, SOFR + 0.06%, 0.14%, 7/30/20	1,000	1,000
Total U.S. Government Agency Debt (Cost $13,579)		**13,579**
U.S. GOVERNMENT AGENCY REPURCHASE AGREEMENTS 3.7% (2)		
Credit Agricole, Tri-Party, Dated 6/30/20, 0.09%, Delivery Value of $1,410,004 on 7/1/20, Collateralized by U.S. Government securities, 3.00%, 10/1/49, valued at $1,438,200	1,410	1,410
Total U.S. Government Agency Repurchase Agreements (Cost $1,410)		**1,410**

(Amounts in 000s)

	Par	$ Value
U.S. TREASURY DEBT 62.2%		
U.S. Treasury Bills 0.085%, 7/2/20	1,800	1,800
U.S. Treasury Bills 0.085%, 7/14/20	710	710
U.S. Treasury Bills 0.115%, 8/11/20	500	500
U.S. Treasury Bills 0.115%, 8/18/20	300	300
U.S. Treasury Bills 0.119%, 7/7/20	1,600	1,600
U.S. Treasury Bills 0.12%, 7/9/20	1,500	1,500
U.S. Treasury Bills 0.12%, 8/27/20	1,000	1,000
U.S. Treasury Bills 0.123%, 8/6/20	1,400	1,400
U.S. Treasury Bills 0.125%, 8/13/20	695	695
U.S. Treasury Bills 0.125%, 8/20/20	1,300	1,300
U.S. Treasury Bills 0.125%, 8/25/20	400	400
U.S. Treasury Bills 0.13%, 7/30/20	1,520	1,520
U.S. Treasury Bills 0.145%, 9/3/20	1,300	1,299
U.S. Treasury Bills 0.145%, 9/8/20	800	800
U.S. Treasury Bills 0.15%, 10/1/20	640	640
U.S. Treasury Bills 0.155%, 11/12/20	400	400
U.S. Treasury Bills 0.165%, 7/23/20	1,000	1,000
U.S. Treasury Bills 0.165%, 7/28/20	500	500
U.S. Treasury Bills 0.17%, 9/22/20	300	300
U.S. Treasury Bills 0.17%, 9/24/20	1,000	999
U.S. Treasury Bills 0.17%, 10/6/20	500	500
U.S. Treasury Bills 0.18%, 9/29/20	900	899
U.S. Treasury Bills 0.182%, 9/15/20	1,250	1,249
U.S. Treasury Bills 0.20%, 7/21/20	500	500

	Par	$ Value
(Amounts in 000s)		
U.S. Treasury Bills		
0.265%, 9/10/20	1,759	1,758
Total U.S. Treasury Debt (Cost $23,569)		**23,569**
Total Investments in Securities		
101.8% of Net Assets (Cost $38,558)	**$**	**38,558**

‡ Par is denominated in U.S. dollars unless otherwise noted.
(1) Issuer operates under a Congressional charter; its securities are neither issued nor guaranteed by the U.S. government. The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, including UMBS, currently operate under a federal conservatorship.
(2) See Note 3. Collateralized by U.S. government securities valued at $1,438 at June 30, 2020.
FRN Floating Rate Note
SOFR Secured Overnight Financing Rate

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

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $38,558)	$	38,558
Cash		7
Interest receivable		6
Receivable for shares sold		6
Total assets		38,577
Liabilities		
Payable for investment securities purchased		640
Payable for shares redeemed		27
Investment management and administrative fees payable		26
Total liabilities		693
NET ASSETS	**$**	**37,884**
Net Assets Consist of:		
Paid-in capital applicable to 37,866,019 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized	$	37,884
NET ASSETS	**$**	**37,884**
NET ASSET VALUE PER SHARE	**$**	**1.00**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 6/30/20
Investment Income (Loss)	
Interest income	$ 166
Expenses	
Investment management and administrative expense	102
Voluntary management fee waivers and expense reimbursements	(25)
Net expenses	77
Net investment income	89
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 89**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/20	Year Ended 12/31/19
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 89	$ 594
Distributions to shareholders		
Net earnings	(89)	(594)
Capital share transactions*		
Shares sold	9,972	8,029
Distributions reinvested	88	594
Shares redeemed	(7,524)	(7,864)
Increase in net assets from capital share transactions	2,536	759
Net Assets		
Increase during period	2,536	759
Beginning of period	35,348	34,589
End of period	**$ 37,884**	**$ 35,348**

*Capital share transactions at net asset value of $1.00 per share.

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Fixed Income Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Government Money Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks preservation of capital, liquidity, and, consistent with these, the highest possible current income. Shares of the fund are currently offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies. The fund intends to operate as a government money market fund and has no intention to voluntarily impose liquidity fees on redemptions or temporarily suspend redemptions.

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. Distributions to shareholders are recorded on the ex-dividend date. Income distributions are declared daily and paid monthly. A capital gain distribution may also be declared and paid by the fund annually.

New Accounting Guidance In March 2020, the FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The guidance is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of the ASU on the fund's financial statements.

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

The fund's financial instruments are valued and its 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. The fund's financial instruments 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. 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. 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, including the comparison of amortized cost to market-based value, and approves all fair value determinations.

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

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions 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. 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. For example, securities held by a money market fund are generally high quality and liquid; however, they are reflected as Level 2 because the inputs used to determine fair value are not quoted prices in an active market.

In accordance with Rule 2a-7 under the 1940 Act, the fund values its securities at amortized cost, which approximates fair value. Securities for which amortized cost is deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. On June 30, 2020, all of the fund's financial instruments were classified as Level 2 in the fair value hierarchy.

NOTE 3 - 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.

Repurchase Agreements The fund engages in repurchase agreements, pursuant to which it pays cash to and receives securities from a counterparty that agrees to "repurchase" the securities at a specified time, typically within seven business days, for a specified price. The fund enters into such agreements with well-established securities dealers or banks that are members of the Federal Reserve System and are on Price Associates' approved list. All repurchase agreements are fully collateralized by U.S. government or related agency securities, which are held by the custodian designated by the agreement. Collateral is evaluated daily to ensure that its market value exceeds the delivery value of the repurchase agreements at maturity. Although risk is mitigated by the collateral, the fund could experience a delay in recovering its value and a possible loss of income or value if the counterparty fails to perform in accordance with the terms of the agreement.

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, 2020, the cost of investments for federal income tax purposes was $38,558,000.

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 0.55% 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 extraordinary expenses.

Price Associates may voluntarily waive all or a portion of its management fee and reimburse operating expenses to the extent necessary for the fund to maintain a zero or positive net yield (voluntary waiver). Any amounts waived/paid by Price Associates under this voluntary agreement are not subject to repayment by the fund. Price Associates may amend or terminate this voluntary arrangement at any time without prior notice. For the six months ended June 30, 2020, expenses waived/paid totaled $25,000.

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, 2020, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

NOTE 6 - 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.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; 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 funds 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 funds, their investment advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, 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.

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 and portfolios 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

Effective for reporting periods on or after March 1, 2019, a fund, except a money market 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. Prior to March 1, 2019, a fund, including a money market fund, filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A money market fund files detailed month-end portfolio holdings information on Form N-MFP with the SEC each month and posts a complete schedule of portfolio holdings on its website (troweprice.com) as of each month-end for the previous six months. A fund's Forms N-PORT, N-MFP, and N-Q are available electronically on the SEC's website (sec.gov).

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 9–10, 2020 (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, 2019, 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 benefits that the Advisor (and its affiliates) may have realized from its relationship with the fund, including any research received under "soft dollar" agreements and commission-sharing arrangements with broker-dealers. The Board considered that the Advisor may have received some benefit from soft-dollar arrangements pursuant to which research is received from broker-dealers that execute the fund's portfolio transactions. However, the Board also considered that, effective January 2020, the Advisor began bearing 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. While the Board did not review information regarding profits realized from managing the fund in particular because the fund had either not achieved sufficient portfolio asset size or not recognized sufficient revenues to produce meaningful profit margin percentages, the Board concluded that the Advisor's profits were reasonable in light of the services provided to the T. Rowe Price funds.

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. 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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

is utilized to create 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 the primary investment resources utilized to manage the fund are shared with other actively managed 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 fifth quintile (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 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.

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).

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 May 4, 2020, 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.

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 June 1, 2019, through March 31, 2020. 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.

Certain provisions of the Liquidity Program initially became effective on December 1, 2018, and the full Liquidity Program was formally approved by the Board in April 2019. During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program since its implementation has operated adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

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T. Rowe Price®

100 East Pratt Street
Baltimore, MD 21202

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.

202008-1220416 T. Rowe Price Investment Services, Inc. E306-051 8/20

T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2020

T. ROWE PRICE

Limited-Term Bond Portfolio

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HIGHLIGHTS

- The Limited-Term Bond Portfolio underperformed its benchmark but outperformed its Lipper peer group average in the six months ended June 30, 2020.
- Sector allocation drove underperformance despite credit markets retracing much of the losses experienced in the first quarter of 2020.
- We added to our corporate exposure at attractive spread levels as liquidity returned and new corporate issuance increased.
- As the economy reopens in phases, we expect a slow, steady recovery in the second half of 2020 and into 2021. While some recent growth data have surprised to the upside, this recovery phase will likely be less linear going forward.

Dear Investor

Financial markets recorded widely mixed results during the first half of 2020 as the spread of the coronavirus disrupted global economies. Although stocks and bonds experienced extraordinary volatility, historic levels of fiscal and monetary stimulus helped mitigate the losses.

Market sentiment was positive as we entered the year, and the S&P 500 Index advanced to a record high on February 19. However, stocks began falling as the coronavirus spread in Italy and other countries outside China. The major indexes continued their slide as cases mounted in the U.S. and New York City became the epicenter of the pandemic. Governments throughout the world issued stay-at-home orders to contain the virus, and some sectors, such as travel, restaurants, and shopping malls, nearly came to a halt.

According to the National Bureau of Economic Research, a recession officially began in February, ending the longest expansion in U.S. history. Over 22 million Americans lost their jobs in March and April, and many measures of economic activity, including retail sales and industrial production, experienced record-setting declines. By March 23, the S&P 500 Index had fallen by about a third from the start of the year.

In response to the rapid economic contraction, global central banks took bold accommodative steps, and many governments around the world passed emergency spending packages. The Federal Reserve cut its short-term lending rate to near zero and began massive purchases of government and corporate bonds to stimulate the economy and supply liquidity in the fixed income market.

The federal government also provided trillions of dollars in fiscal help in the form of direct payments to many Americans, expanded unemployment insurance, and subsidies to sectors such as transportation and health care that had been directly impacted by the pandemic. As lockdowns eased late in the period, there were signs of economic recovery, especially in stronger-than-expected payroll data, but surges in new virus cases in some states remained a concern.

Boosted by the stimulus and indications that the economy was mending faster than many expected, nearly all sectors recouped some of their losses by the end of June, and some segments were back in positive territory. For the six-month period, the tech-heavy Nasdaq Composite Index reached record highs and easily outperformed other benchmarks as the pandemic appeared to accelerate trends in retail, social media, and content streaming that benefited the large technology platforms. Large- and mid-cap growth stocks also produced positive returns and outperformed small-caps and value shares, which lost ground.

The S&P 500 Index finished the period with modest losses overall. Within the benchmark, tech and consumer discretionary stocks rallied, but energy shares were down more than 35% (including dividends) amid tumbling oil prices, and the financials sector struggled in a low-yield environment. Non-U.S. equity markets were generally negative and lagged the U.S. benchmarks.

In the fixed income universe, Treasuries were the top performers as yields dropped to record lows during the period, and other U.S. investment-grade bonds were also generally positive. High yield and emerging markets bonds were particularly hard hit during the market sell-off in March, but the sectors staged a strong recovery as investors sought out higher-yielding securities. Emerging markets debt denominated in U.S. dollars outperformed local currency issues, as weakness in certain currencies weighed on local bond performance in U.S. dollar terms.

As we enter the second half of the year, we expect markets to remain volatile. The scale of the stimulus and the potential for medical breakthroughs create the potential for stocks to move higher, but much depends on the course of the virus. Rising tensions between the U.S. and China, social unrest, and the U.S. elections in November could also drive market performance.

Our investment teams will be carefully monitoring these developments, and I believe that our disciplined fundamental research and strategic investing approach will continue to serve our shareholders well in this uncertain environment.

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 income consistent with moderate fluctuations in principal value.

How did the fund perform in the past six months?

The Limited-Term Bond Portfolio returned 2.52% in the six months ended June 30, 2020, underperforming its benchmark, the Bloomberg Barclays 1–3 Year U.S. Government/Credit Bond Index. However, the portfolio outperformed its Lipper peer group average. (Returns for the II Class shares varied slightly, reflecting their different fee structures. *Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/20	Total Return
Limited-Term Bond Portfolio	2.52%
Limited-Term Bond Portfolio–II	2.40
Bloomberg Barclays 1–3 Year U.S. Government/Credit Bond Index	2.88
Lipper Variable Annuity Underlying Short Investment Grade Debt Funds Average	1.77

What factors influenced the fund's performance?

In March, global financial markets were roiled by measures taken to contain the coronavirus outbreak that halted global trade. U.S. Treasury yields and oil prices fell to record lows. The U.S. Federal Reserve cut its target overnight rate by 150 basis points to a range of 0.00%–0.25% and introduced wide-reaching programs to support liquidity. (One hundred basis points equal one percentage point.) At the end of March, the U.S. government passed fiscal stimulus legislation equivalent to almost 10% of gross domestic product. Yields on two-year Treasury notes fell to 0.16% from 1.58% at the start of the period. U.S.-China tensions, negative or low interest rates in most developed markets, and volatile geopolitical and economic developments all adversely affected performance measures. Credit markets, however, rebounded significantly in the second quarter as the Fed's support for financial markets—both actual and pledged—successfully compressed large liquidity premiums that had been priced into credit spreads.

Sector allocation drove underperformance despite credit markets retracing much of the losses experienced in the first quarter of 2020. Overweight allocations to investment-grade corporate bonds and out-of-benchmark exposure in securitized sectors like asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) weighed on relative returns.

While corporate spreads tightened meaningfully from their wide levels, amid swift and significant supportive measures from key central banks, the rebound in corporates did not offset the deep losses seen in the first quarter. (Credit spreads are the yield differences between higher- and lower-quality bonds of the same maturity.) Although securitized credit sectors entered the coronavirus crisis possessing strong fundamentals due to generally solid household balance sheets and a healthy real estate market, our exposure in these sectors—in particular, CMBS and ABS—underperformed as the economy shut down in response to the coronavirus.

Security selection within investment-grade corporate bonds was modestly positive. Many of the portfolio's industrial holdings outperformed. We have added in this area of the market recently after spreads widened and oil prices reached historically low levels. We subsequently benefited when spread levels tightened, oil prices rose, and markets normalized later in the period

A longer-than-benchmark duration posture also added to performance as Treasury rates fell precipitously over the period. (Duration measures a bond's or a bond fund's sensitivity to changes in interest rates.) Additionally, the portfolio maintains material holdings in interest rate derivatives, primarily for hedging risk or managing exposure to certain parts of the yield curve, and these interest rate derivatives had a positive effect overall on absolute returns for the period.

How is the fund positioned?

We were structurally underweight lower-yielding Treasury securities and overweight investment-grade corporate debt, with a focus on short-maturity BBB rated issues for their incremental yield advantage over Treasuries. At the end of the reporting period, 39% of the debt in the portfolio was rated BBB—up from 34% at the end of 2019. Through this positioning, we aim to produce value for investors by reaping the benefit of relatively high coupon payments while still protecting the portfolio from changes in interest rates and volatility with short-term notes.

We added to our corporate allocation at attractive spread levels as liquidity returned and new corporate issuance increased. While new supply in securitized sectors lagged the corporate market, we remained active in new deals in ABS, CMBS, and non-agency mortgage-backed securities, which can be additional sources of high-quality yield for the portfolio.

CREDIT QUALITY DIVERSIFICATION

	Percent of Net Assets 12/31/19	6/30/20
Quality Rating		
U.S. Government Agency Securities*	7%	4%
U.S. Treasury**	16	9
AAA	17	15
AA	6	7
A	16	21
BBB	34	39
BB and Below	4	5
Reserves	0	0
Total	**100%**	**100%**

*U.S. government agency securities include GNMA securities and conventional pass-throughs, collateralized mortgage obligations, and project loans. U.S. government agency securities, unlike Treasuries, are not issued directly by the U.S. government and are generally unrated but have credit support from the U.S. Treasury (in the case of Freddie Mac and Fannie Mae issues) or a direct government guarantee (in the case of Ginnie Mae issues). Unrated securities totaled -0.08% of the portfolio at the end of the reporting period.

**U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

Sources: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, Fitch will be used for securities that are not rated by Moody's or S&P. T. Rowe Price does not evaluate these ratings but simply assigns them to the appropriate credit quality category as determined by the rating agency.

What is portfolio management's outlook?

The economy and markets appear to have moved from a crisis phase into a more typical recessionary phase. As the economy reopens in phases, we expect a slow, steady recovery in the second half of 2020 and into 2021. While some recent growth data have surprised to the upside, this recovery phase will likely be less linear going forward as the primary risk becomes the long tail of the lockdown and its associated solvency risk for consumers and small businesses. Given this, fiscal risk will move to the forefront as the current emergency provisions enacted by Congress will soon need to be extended. This fiscal policy uncertainty is likely to be resolved, particularly in an election year, but not without causing market volatility.

While the fiscal debate plays out, monetary policy can largely work in the background with the appropriate forward guidance. Fed policymakers have repeatedly stated that they want to keep interest rates low as the country works through this unprecedented economic recession. Additionally, they will likely keep policies focused on expanding their balance sheet in place for the foreseeable future to shore up financial markets. The combination of fiscal and monetary support can help the economy weather the impact of a potential second wave of the virus, as there is now a better understanding of virus risks and progress toward a vaccine.

With fiscal and monetary policy remaining accommodative, risks around the outlook and market narrative are now more balanced than they were earlier in the second quarter, which has driven valuations across the opportunity set tighter. That said, credit markets are still recovering at different speeds, and we expect the more cyclical parts of the market along with sectors and securities that were impacted more by the virus to experience significant recoveries alongside the economy into 2021. In this environment, credit selection will continue to be paramount, and any bouts of market volatility should provide investment opportunities.

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 FIXED INCOME SECURITIES

Funds that invest in fixed income securities are subject to price declines due to rising interest rates, with long-term securities generally most sensitive to rate fluctuations. Other risks include credit rating downgrades and defaults on scheduled interest and principal payments. Mortgage-backed securities are subject to prepayment risk, particularly if falling rates lead to heavy refinancing activity, and extension risk, which is an increase in interest rates that causes a fund's average maturity to lengthen unexpectedly due to a drop in mortgage prepayments. This would increase the fund's sensitivity to rising interest rates and its potential for price declines.

BENCHMARK INFORMATION

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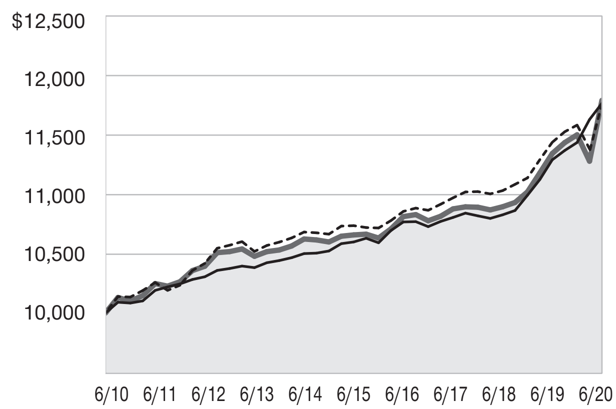
GROWTH OF $10,000

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.

LIMITED-TERM BOND PORTFOLIO



	As of 6/30/20
Limited-Term Bond Portfolio	$11,785
Bloomberg Barclays 1–3 Year U.S. Government/Credit Bond Index	11,760
Lipper Variable Annuity Underlying Short Investment Grade Debt Funds Average	11,778

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 6/30/20	1 Year	5 Years	10 Years
Limited-Term Bond Portfolio	3.94%	2.04%	1.66%
Limited-Term Bond Portfolio–II	3.68	1.79	1.43

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). 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.

LIMITED-TERM BOND PORTFOLIO

	Beginning Account Value 1/1/20	Ending Account Value 6/30/20	Expenses Paid During Period* 1/1/20 to 6/30/20
Limited-Term Bond Portfolio			
Actual	$1,000.00	$1,025.20	$2.52
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.38	2.51
Limited-Term Bond Portfolio–II			
Actual	1,000.00	1,024.00	3.77
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.13	3.77

*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 (182), and divided by the days in the year (366) to reflect the half-year period. The annualized expense ratio of the Limited-Term Bond Portfolio was 0.50%, and the Limited-Term Bond Portfolio–II was 0.75%.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Limited-Term Bond Portfolio Class

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 4.87	$ 4.78	$ 4.82	$ 4.84	$ 4.84	$ 4.88
Investment activities						
Net investment income[1] [2]	0.05	0.11	0.09	0.06	0.05	0.04
Net realized and unrealized gain / loss	0.07	0.10	(0.03)	(0.01)	0.02	(0.02)
Total from investment activities	0.12	0.21	0.06	0.05	0.07	0.02
Distributions						
Net investment income	(0.05)	(0.12)	(0.10)	(0.07)	(0.07)	(0.06)
NET ASSET VALUE						
End of period	**$ 4.94**	**$ 4.87**	**$ 4.78**	**$ 4.82**	**$ 4.84**	**$ 4.84**
Ratios/Supplemental Data						
Total return[2] [3]	**2.52%**	**4.35%**	**1.18%**	**1.05%**	**1.37%**	**0.31%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[4]	0.70%[5]	0.70%	0.60%	0.70%	0.70%	0.70%
Net expenses after waivers/payments by Price Associates	0.50%[5]	0.50%	0.60%	0.70%	0.70%	0.70%
Net investment income	2.17%[5]	2.37%	1.93%	1.29%	1.05%	0.82%
Portfolio turnover rate	36.7%	61.1%	52.6%	55.9%	58.0%	89.2%
Net assets, end of period (in thousands)	$ 174,456	$ 455,521	$ 434,175	$ 443,270	$ 390,964	$ 420,125

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 6 for details of expense-related arrangements with Price Associates.
(3) 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.
(4) See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(5) Annualized

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

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Limited-Term Bond Portfolio-II Class

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 4.85	$ 4.76	$ 4.80	$ 4.82	$ 4.82	$ 4.86
Investment activities						
Net investment income[1] [2]	0.05	0.10	0.08	0.05	0.04	0.03
Net realized and unrealized gain / loss	0.07	0.09	(0.04)	(0.01)	0.01	(0.03)
Total from investment activities	0.12	0.19	0.04	0.04	0.05	–
Distributions						
Net investment income	(0.05)	(0.10)	(0.08)	(0.06)	(0.05)	(0.04)
NET ASSET VALUE						
End of period	**$ 4.92**	**$ 4.85**	**$ 4.76**	**$ 4.80**	**$ 4.82**	**$ 4.82**
Ratios/Supplemental Data						
Total return[2] [3]	**2.40%**	**4.10%**	**0.93%**	**0.81%**	**1.12%**	**0.06%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[4]	0.95%[5]	0.95%	0.84%	0.95%	0.95%	0.95%
Net expenses after waivers/payments by Price Associates	0.75%[5]	0.75%	0.84%	0.95%	0.95%	0.95%
Net investment income	1.90%[5]	2.11%	1.72%	1.09%	0.77%	0.62%
Portfolio turnover rate	36.7%	61.1%	52.6%	55.9%	58.0%	89.2%
Net assets, end of period (in thousands)	$ 15,275	$ 16,613	$ 15,247	$ 7,378	$ 9,979	$ 11,043

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 6 for details of expense-related arrangements with Price Associates.
(3) 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.
(4) See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(5) Annualized

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

PORTFOLIO OF INVESTMENTS‡

(Amounts in 000s)

	Par/Shares	$ Value
CORPORATE BONDS 54.2%		
Financial Institutions 18.7%		
Banking 13.7%		
Banco Santander, FRN, 3M USD LIBOR + 1.12%, 2.431%, 4/12/23	400	395
Bank of America 2.503%, 10/21/22	175	179
Bank of America, FRN, 3M USD LIBOR + 0.65%, 0.947%, 6/25/22	240	240
Bank of America, FRN, 3M USD LIBOR + 0.38%, 1.423%, 1/23/22	245	244
Bank of America, FRN, 3M USD LIBOR + 1.16%, 2.295%, 1/20/23	400	402
Banque Federative du Credit Mutuel 2.125%, 11/21/22 (1)	520	536
Banque Federative du Credit Mutuel 2.20%, 7/20/20 (1)	360	360
Barclays, FRN, 3M USD LIBOR + 1.625%, 2.936%, 1/10/23	275	275
Barclays Bank 1.70%, 5/12/22	365	370
Barclays Bank 2.65%, 1/11/21	385	387
BDO Unibank 2.95%, 3/6/23	1,200	1,230
BPCE, FRN, 3M USD LIBOR + 1.22%, 1.578%, 5/22/22 (1)	400	402
Capital One Financial 2.40%, 10/30/20	230	231
Capital One Financial 3.20%, 1/30/23	195	206
Capital One Financial 3.50%, 6/15/23	140	150
Capital One Financial 3.90%, 1/29/24	145	158
Citibank, VR, 2.844%, 5/20/22 (2)	515	525
Citigroup 2.90%, 12/8/21	400	412
Citigroup, VR, 2.312%, 11/4/22 (2)	330	337
Citigroup, VR, 3.106%, 4/8/26 (2)	240	257
Citizens Bank 3.25%, 2/14/22	435	450
Cooperatieve Rabobank 3.95%, 11/9/22	540	571
Credicorp 2.75%, 6/17/25 (1)	200	199
Credit Agricole, FRN, 3M USD LIBOR + 1.02%, 2.04%, 4/24/23 (1)	470	470
Credit Suisse 1.00%, 5/5/23	635	639
Credit Suisse 2.10%, 11/12/21	530	541
Credit Suisse 2.80%, 4/8/22	450	467
Danske Bank 5.00%, 1/12/22 (1)	385	404
Danske Bank, VR, 3.001%, 9/20/22 (1)(2)	550	558
Deutsche Bank 2.95%, 8/20/20	345	345
Deutsche Bank 3.15%, 1/22/21	310	312
Deutsche Bank 3.375%, 5/12/21	100	101
Deutsche Bank, FRN, 3M USD LIBOR + 1.29%, 1.846%, 2/4/21	350	348
First Niagara Financial Group 7.25%, 12/15/21	145	157
Goldman Sachs Group 5.75%, 1/24/22	490	529
Goldman Sachs Group, FRN, 3M USD LIBOR + 0.78%, 1.54%, 10/31/22	300	300
Goldman Sachs Group, FRN, 3M USD LIBOR + 1.11%, 2.101%, 4/26/22	300	301
HSBC Holdings, VR, 2.099%, 6/4/26 (2)	590	598
ING Groep, FRN, 3M USD LIBOR + 1.15%, 1.456%, 3/29/22	275	277
JPMorgan Chase, VR, 2.083%, 4/22/26 (2)	460	477
Lloyds Banking Group, VR, 1.326%, 6/15/23 (2)	200	200
Mitsubishi UFJ Financial Group 3.218%, 3/7/22	330	344

	Par/Shares	$ Value
(Amounts in 000s)		
Mitsubishi UFJ Financial Group, FRN, 3M USD LIBOR + 0.92%, 1.278%, 2/22/22	230	231
Mitsubishi UFJ Financial Group, FRN, 3M USD LIBOR + 0.65%, 1.641%, 7/26/21	110	110
Mitsubishi UFJ Financial Group, FRN, 3M USD LIBOR + 0.86%, 1.851%, 7/26/23	185	184
Morgan Stanley 2.75%, 5/19/22	280	291
Morgan Stanley 5.50%, 7/24/20	205	206
NatWest Markets 2.375%, 5/21/23 (1)	465	476
PNC Bank 2.95%, 1/30/23	425	447
Regions Bank, FRN, 3M USD LIBOR + 0.50%, 0.934%, 8/13/21	285	284
Regions Bank, VR, 3.374%, 8/13/21 (2)	645	645
Royal Bank of Scotland Group 3.875%, 9/12/23	380	410
Santander U.K. 2.10%, 1/13/23	460	475
Standard Chartered, FRN, 3M USD LIBOR + 1.15%, 2.285%, 1/20/23 (1)	365	365
Standard Chartered, VR, 2.744%, 9/10/22 (1)(2)	315	320
State Street, VR, 2.825%, 3/30/23 (1)(2)	45	47
Swedbank 1.30%, 6/2/23 (1)	365	369
Swedbank 2.65%, 3/10/21 (1)	565	573
Synchrony Financial 2.85%, 7/25/22	897	904
Synchrony Financial 3.75%, 8/15/21	310	315
Truist Bank 2.80%, 5/17/22	280	292
UBS 1.75%, 4/21/22 (1)	400	408
UBS Group 2.95%, 9/24/20 (1)	585	588
UBS Group, FRN, 3M USD LIBOR + 1.22%, 1.578%, 5/23/23 (1)	340	342
Wells Fargo 3.50%, 3/8/22	190	199
Wells Fargo, VR, 1.654%, 6/2/24 (2)	215	218
Wells Fargo, VR, 2.188%, 4/30/26 (2)	205	212
Wells Fargo Bank, VR, 2.082%, 9/9/22 (2)	405	411
Wells Fargo Bank, VR, 3.325%, 7/23/21 (2)	770	772
		25,978
Finance Companies 1.8%		
AerCap Ireland Capital 3.95%, 2/1/22	455	455
AerCap Ireland Capital 4.45%, 12/16/21	380	384
AerCap Ireland Capital 4.50%, 9/15/23	250	249
AerCap Ireland Capital 4.625%, 10/30/20	255	256
Air Lease 2.25%, 1/15/23	205	201
Air Lease 2.50%, 3/1/21	80	80
Air Lease 3.50%, 1/15/22	155	157
Avolon Holdings Funding 2.875%, 2/15/25 (1)	250	210
Avolon Holdings Funding 3.625%, 5/1/22 (1)	385	362
Avolon Holdings Funding 3.95%, 7/1/24 (1)	75	65
Avolon Holdings Funding 5.125%, 10/1/23 (1)	325	301
Park Aerospace Holdings 5.25%, 8/15/22 (1)	215	202
SMBC Aviation Capital Finance 3.55%, 4/15/24 (1)	235	240
SMBC Aviation Capital Finance 4.125%, 7/15/23 (1)	200	208
		3,370
Financial Other 0.5%		
DAE Funding 5.25%, 11/15/21 (1)	950	936
		936

(Amounts in 000s)	Par/Shares	$ Value
Insurance 1.7%		
AIA Group, FRN, 3M USD LIBOR + 0.52%, 0.826%, 9/20/21 (1)	515	512
AIG Global Funding 2.30%, 7/1/22 (1)	180	184
AIG Global Funding 3.35%, 6/25/21 (1)	210	216
American International Group 2.50%, 6/30/25	330	348
American International Group 4.875%, 6/1/22	195	210
American International Group 6.40%, 12/15/20	105	108
Aon 2.20%, 11/15/22	105	109
Aon 2.80%, 3/15/21	390	396
Humana 2.90%, 12/15/22	45	47
Humana 3.15%, 12/1/22	85	89
Humana 3.85%, 10/1/24	145	159
Humana 4.50%, 4/1/25	145	166
Lincoln National 4.00%, 9/1/23	75	82
Marsh & McLennan 3.50%, 12/29/20	215	218
Marsh & McLennan 3.875%, 3/15/24	205	227
Reinsurance Group of America 5.00%, 6/1/21	35	36
Trinity Acquisition 3.50%, 9/15/21	180	184
		3,291
Real Estate Investment Trusts 1.0%		
Brixmor Operating Partnership 3.25%, 9/15/23	310	317
Brixmor Operating Partnership 3.875%, 8/15/22	45	47
Highwoods Realty 3.625%, 1/15/23	145	150
Simon Property Group 2.625%, 6/15/22	255	262
Simon Property Group 3.375%, 10/1/24	280	300

(Amounts in 000s)	Par/Shares	$ Value
Starwood Property Trust 3.625%, 2/1/21	750	739
Ventas Realty 3.10%, 1/15/23	50	51
Ventas Realty 3.25%, 8/15/22	85	87
		1,953
Total Financial Institutions		35,528
Industrial 31.5%		
Basic Industry 1.6%		
Anglo American Capital 3.75%, 4/10/22 (1)	200	206
Anglo American Capital 4.125%, 9/27/22 (1)	430	448
DuPont de Nemours 3.766%, 11/15/20	310	314
International Flavors & Fragrances 3.40%, 9/25/20	115	115
LyondellBasell Industries 6.00%, 11/15/21	610	644
Nucor 2.00%, 6/1/25	80	83
POSCO 2.375%, 11/12/22 (1)	1,175	1,199
		3,009
Capital Goods 2.7%		
Amphenol 2.05%, 3/1/25	220	229
Boral Finance 3.00%, 11/1/22 (1)	40	40
Carrier Global 2.242%, 2/15/25 (1)	455	466
Caterpillar Financial Services, FRN, 3M USD LIBOR + 0.28%, 0.598%, 9/7/21	170	169
CNH Industrial Capital 3.875%, 10/15/21	275	281
CNH Industrial Capital 4.375%, 11/6/20	715	719
General Electric 3.15%, 9/7/22	250	261
General Electric 3.45%, 5/15/24	135	143
Honeywell International 1.35%, 6/1/25	220	226
Otis Worldwide 2.056%, 4/5/25 (1)	260	272

	Par/Shares	$ Value
(Amounts in 000s)		
Republic Services 2.50%, 8/15/24	215	229
Roper Technologies 2.35%, 9/15/24	90	95
Roper Technologies 2.80%, 12/15/21	210	216
Roper Technologies 3.00%, 12/15/20	140	141
Roper Technologies 3.125%, 11/15/22	380	397
Roper Technologies 3.65%, 9/15/23	75	81
Vulcan Materials, FRN, 3M USD LIBOR + 0.65%, 1.00%, 3/1/21	460	457
Yongda Investment 2.25%, 6/16/25	600	604
		5,026
Communications 2.2%		
Charter Communications Operating 4.464%, 7/23/22	880	939
Charter Communications Operating 4.908%, 7/23/25	530	608
Comcast 3.70%, 4/15/24	260	288
Crown Castle International 2.25%, 9/1/21	155	158
Crown Castle International 3.40%, 2/15/21	240	244
Crown Castle Towers 3.72%, 7/15/23 (1)	155	162
Fox 3.05%, 4/7/25	45	49
Fox 3.666%, 1/25/22	70	73
Fox 4.03%, 1/25/24	85	94
Interpublic Group 3.50%, 10/1/20	80	81
RELX Capital 3.50%, 3/16/23	160	170
SBA Tower Trust 2.836%, 1/15/25 (1)	255	263
SBA Tower Trust 3.168%, 4/11/22 (1)	95	96
SBA Tower Trust 3.448%, 3/15/23 (1)	250	258
T-Mobile USA 3.50%, 4/15/25 (1)	120	131

	Par/Shares	$ Value
(Amounts in 000s)		
Verizon Communications 3.376%, 2/15/25	115	127
Verizon Communications 5.15%, 9/15/23	190	216
Vodafone Group 3.75%, 1/16/24	185	202
WPP Finance 2010 3.625%, 9/7/22	75	78
		4,237
Consumer Cyclical 6.1%		
AutoZone 3.625%, 4/15/25	120	134
BMW U.S. Capital, FRN, 3M USD LIBOR + 0.50%, 0.934%, 8/13/21 (1)	230	229
BMW U.S. Capital, FRN, 3M USD LIBOR + 0.41%, 1.721%, 4/12/21 (1)	310	309
Booking Holdings 4.10%, 4/13/25	205	230
Daimler Finance North America 1.75%, 3/10/23 (1)	435	438
Daimler Finance North America 2.30%, 2/12/21 (1)	440	442
DR Horton 2.55%, 12/1/20	145	146
Expedia Group 5.95%, 8/15/20	93	93
Ford Motor Credit 3.47%, 4/5/21	290	286
Ford Motor Credit 3.813%, 10/12/21	320	315
Ford Motor Credit 5.875%, 8/2/21	200	202
Ford Motor Credit, FRN, 3M USD LIBOR + 0.93%, 1.227%, 9/24/20	540	538
General Motors 4.875%, 10/2/23	180	192
General Motors 5.40%, 10/2/23	450	487
General Motors Financial 2.90%, 2/26/25	485	482
General Motors Financial 3.20%, 7/13/20	435	435
General Motors Financial 3.20%, 7/6/21	145	147
General Motors Financial 4.20%, 3/1/21	60	61

	Par/Shares	$ Value
(Amounts in 000s)		
General Motors Financial, FRN, 3M USD LIBOR + 0.85%, 2.17%, 4/9/21	205	204
Harley-Davidson Financial Services 2.55%, 6/9/22 (1)	95	95
Harley-Davidson Financial Services 4.05%, 2/4/22 (1)	330	340
Harley-Davidson Financial Services, FRN, 3M USD LIBOR + 0.94%, 1.284%, 3/2/21 (1)	280	278
Hyundai Capital America 2.375%, 2/10/23 (1)	470	473
Hyundai Capital America 2.45%, 6/15/21 (1)	180	181
Hyundai Capital America 2.85%, 11/1/22 (1)	131	133
Hyundai Capital America 3.00%, 6/20/22 (1)	270	274
Hyundai Capital America 3.95%, 2/1/22 (1)	335	345
McDonald's 1.45%, 9/1/25	145	148
Nissan Motor Acceptance 2.15%, 9/28/20 (1)	305	304
Nissan Motor Acceptance 3.65%, 9/21/21 (1)	120	120
O'Reilly Automotive 3.80%, 9/1/22	115	120
QVC 4.375%, 3/15/23	170	169
QVC 5.125%, 7/2/22	345	348
Ralph Lauren 1.70%, 6/15/22	50	51
Ross Stores 4.60%, 4/15/25	550	631
TJX 3.50%, 4/15/25	185	206
Volkswagen Group of America Finance 2.50%, 9/24/21 (1)	200	204
Volkswagen Group of America Finance 2.70%, 9/26/22 (1)	415	428
Volkswagen Group of America Finance 2.90%, 5/13/22 (1)	215	222
Volkswagen Group of America Finance 3.125%, 5/12/23 (1)	200	210
Volkswagen Group of America Finance 3.875%, 11/13/20 (1)	395	399
Walgreen 3.10%, 9/15/22	105	110
Western Union 2.85%, 1/10/25	295	308
Western Union 3.60%, 3/15/22	170	176
		11,643
Consumer Non-Cyclical 9.9%		
AbbVie 2.30%, 5/14/21	260	264
AbbVie 2.60%, 11/21/24 (1)	715	756
AbbVie 2.90%, 11/6/22	450	471
AbbVie 3.20%, 11/6/22	45	48
AbbVie 3.25%, 10/1/22 (1)	80	82
AbbVie 3.45%, 3/15/22 (1)	260	270
Altria Group 3.49%, 2/14/22	273	285
Altria Group 3.80%, 2/14/24	370	404
Archer-daniels-midland 2.75%, 3/27/25	70	76
BAT Capital 2.764%, 8/15/22	913	944
Baxalta 3.60%, 6/23/22	190	198
Bayer U.S. Finance II 3.50%, 6/25/21 (1)	450	460
Bayer U.S. Finance II, FRN, 3M USD LIBOR + 0.63%, 0.927%, 6/25/21 (1)	490	489
Becton Dickinson & Company 2.894%, 6/6/22	675	698
Becton Dickinson & Company 3.363%, 6/6/24	310	334
Becton Dickinson & Company, FRN, 3M USD LIBOR + 0.875%, 1.181%, 12/29/20	96	96
Bristol-Myers Squibb 2.60%, 5/16/22 (1)	120	125
Bristol-Myers Squibb 2.75%, 2/15/23 (1)	175	184

	Par/Shares	$ Value
(Amounts in 000s)		
Bristol-Myers Squibb 2.90%, 7/26/24 (1)	245	265
Bristol-Myers Squibb 3.25%, 2/20/23 (1)	50	52
Bristol-Myers Squibb 3.625%, 5/15/24 (1)	45	49
Bunge Finance 3.00%, 9/25/22	680	704
Bunge Finance 3.50%, 11/24/20	1,220	1,232
Bunge Finance 4.35%, 3/15/24	30	33
Cardinal Health 2.616%, 6/15/22	55	57
Cardinal Health 3.079%, 6/15/24	180	192
Cardinal Health 3.20%, 3/15/23	185	195
Cardinal Health 3.50%, 11/15/24	215	233
Cargill 1.375%, 7/23/23 (1)	155	158
China Mengniu Dairy 1.875%, 6/17/25	650	648
Cigna 3.00%, 7/15/23 (1)	180	191
Cigna 3.40%, 9/17/21	100	103
Cigna 3.75%, 7/15/23	192	208
Cigna 3.90%, 2/15/22 (1)	140	147
Cigna 4.125%, 9/15/20 (1)	205	206
Cigna, FRN, 3M USD LIBOR + 0.65%, 0.949%, 9/17/21	180	179
CK Hutchison International 17 II 2.75%, 3/29/23	950	982
CVS Health 2.625%, 8/15/24	85	90
CVS Health 3.70%, 3/9/23	610	654
CVS Health, FRN, 3M USD LIBOR + 0.72%, 1.033%, 3/9/21	190	190
Diageo Capital 1.375%, 9/29/25	380	385
EMD Finance 2.95%, 3/19/22 (1)	110	113

	Par/Shares	$ Value
(Amounts in 000s)		
Express Scripts Holding, FRN, 3M USD LIBOR + 0.75%, 1.113%, 11/30/20	445	444
General Mills, FRN, 3M USD LIBOR + 0.54%, 1.716%, 4/16/21	270	271
Hasbro 2.60%, 11/19/22	225	232
Hasbro 3.00%, 11/19/24	310	325
Imperial Brands Finance 2.95%, 7/21/20 (1)	265	265
Imperial Brands Finance 3.75%, 7/21/22 (1)	660	689
McKesson 3.65%, 11/30/20	390	395
Pernod Ricard 4.45%, 1/15/22 (1)	440	464
Perrigo Finance Unlimited 3.50%, 3/15/21	200	204
Perrigo Finance Unlimited 3.50%, 12/15/21	345	359
Perrigo Finance Unlimited 3.90%, 12/15/24	680	722
Philip Morris International 1.125%, 5/1/23	110	112
Reynolds American 4.00%, 6/12/22	30	32
Shire Acquisitions Investments Ireland 2.875%, 9/23/23	30	32
Takeda Pharmaceutical 4.00%, 11/26/21	645	673
Tyson Foods 2.25%, 8/23/21	160	162
		18,831
Energy 5.3%		
Aker BP 3.00%, 1/15/25 (1)	360	350
BP Capital Markets America 2.937%, 4/6/23	170	180
Canadian Natural Resources 2.05%, 7/15/25	335	335
Cenovus Energy 3.00%, 8/15/22	320	306
Cheniere Corpus Christi Holdings 5.875%, 3/31/25	325	364
Cheniere Corpus Christi Holdings 7.00%, 6/30/24	255	290

(Amounts in 000s)	Par/Shares	$ Value
Diamondback Energy 2.875%, 12/1/24	695	696
Diamondback Energy 4.75%, 5/31/25	205	220
Energy Transfer Operating 2.90%, 5/15/25	65	66
Energy Transfer Operating 4.20%, 9/15/23	65	69
Energy Transfer Operating 4.25%, 3/15/23	180	190
Energy Transfer Operating 5.875%, 1/15/24	610	679
Eni, Series X-R 4.00%, 9/12/23 (1)	270	292
Enterprise Products Operating 2.80%, 2/15/21	290	294
Enterprise Products Operating 3.50%, 2/1/22	285	297
EOG Resources 2.625%, 3/15/23	74	77
EQT 3.00%, 10/1/22	555	522
EQT 4.875%, 11/15/21	67	66
Exxon Mobil 2.992%, 3/19/25	565	613
Kinder Morgan 5.00%, 2/15/21 (1)	170	174
Kinder Morgan Energy Partners 3.95%, 9/1/22	30	32
Marathon Oil 2.80%, 11/1/22	497	498
MPLX, FRN, 3M USD LIBOR + 0.90%, 1.213%, 9/9/21	70	69
MPLX, FRN, 3M USD LIBOR + 1.10%, 1.413%, 9/9/22	215	211
Occidental Petroleum 2.60%, 8/13/21	240	235
Phillips 66, FRN, 3M USD LIBOR + 0.60%, 0.96%, 2/26/21	200	199
Sabine Pass Liquefaction 5.625%, 4/15/23	320	350
Sabine Pass Liquefaction 6.25%, 3/15/22	600	639
Schlumberger Holdings 3.75%, 5/1/24 (1)	180	194

(Amounts in 000s)	Par/Shares	$ Value
Sunoco Logistics Partners Operations 3.45%, 1/15/23	30	31
Sunoco Logistics Partners Operations 4.40%, 4/1/21	30	30
Valero Energy 2.70%, 4/15/23	215	223
Western Midstream Operating 4.00%, 7/1/22	465	458
Williams 3.35%, 8/15/22	55	57
Williams 3.70%, 1/15/23	570	601
Williams 4.30%, 3/4/24	75	82
		9,989
Technology 3.1%		
Analog Devices 2.95%, 4/1/25	70	76
Avnet 3.75%, 12/1/21	220	226
Equifax 2.30%, 6/1/21	280	284
Equifax 3.60%, 8/15/21	155	160
Equifax, FRN, 3M USD LIBOR + 0.87%, 1.262%, 8/15/21	170	170
Fiserv 2.75%, 7/1/24	460	490
Global Payments 2.65%, 2/15/25	195	207
Jabil 5.625%, 12/15/20	140	142
Microchip Technology 2.67%, 9/1/23 (1)	250	257
Microchip Technology 3.922%, 6/1/21	565	576
Micron Technology 2.497%, 4/24/23	635	660
Micron Technology 4.64%, 2/6/24	75	83
NXP 2.70%, 5/1/25 (1)	45	47
NXP 3.875%, 9/1/22 (1)	440	465
NXP 4.125%, 6/1/21 (1)	450	463

(Amounts in 000s)	Par/Shares	$ Value
NXP 4.625%, 6/1/23 (1)	430	470
Oracle 2.50%, 4/1/25	320	343
Panasonic 2.536%, 7/19/22 (1)	275	283
PayPal Holdings 1.35%, 6/1/23	375	382
Texas Instruments 1.375%, 3/12/25	135	139
		5,923
Transportation 0.6%		
American Airlines PTT, Series 2017-2, Class B 3.70%, 10/15/25	443	303
Delta Air Lines 2.60%, 12/4/20	110	108
FedEx 3.80%, 5/15/25	195	217
Penske Truck Leasing 3.30%, 4/1/21 (1)	275	279
Penske Truck Leasing 3.65%, 7/29/21 (1)	65	67
United Airlines PTT, Series 2019-2, Class B 3.50%, 5/1/28	260	185
		1,159
Total Industrial		59,817
Utility 4.0%		
Electric 3.4%		
AES 3.30%, 7/15/25 (1)	190	197
American Electric Power, Series I 3.65%, 12/1/21	50	52
CenterPoint Energy 3.60%, 11/1/21	125	130
Dominion Energy 2.579%, 7/1/20	671	671
Edison International 3.125%, 11/15/22	170	174
Enel Finance International 2.875%, 5/25/22 (1)	690	712
Enel Finance International 4.25%, 9/14/23 (1)	335	364
FirstEnergy 2.85%, 7/15/22	235	244

(Amounts in 000s)	Par/Shares	$ Value
NextEra Energy Capital Holdings, FRN, 3M USD LIBOR + 0.55%, 0.921%, 8/28/21	360	360
NRG Energy 3.75%, 6/15/24 (1)	155	164
Pacific Gas & Electric 1.75%, 6/16/22	695	696
PNM Resources 3.25%, 3/9/21	280	284
San Diego Gas & Electric 1.914%, 2/1/22	77	75
Sinosing Services Pte 2.25%, 2/20/25	1,400	1,433
Vistra Operations 3.55%, 7/15/24 (1)	780	800
		6,356
Natural Gas 0.6%		
CenterPoint Energy Resources 4.50%, 1/15/21	180	182
Sempra Energy 2.85%, 11/15/20	460	462
Sempra Energy 2.875%, 10/1/22	155	161
Sempra Energy, FRN, 3M USD LIBOR + 0.50%, 1.719%, 1/15/21	295	295
		1,100
Total Utility		7,456
Total Corporate Bonds (Cost $100,820)		**102,801**
ASSET-BACKED SECURITIES 14.6%		
Car Loan 7.3%		
Ally Auto Receivables Trust, Series 2017-2, Class D 2.93%, 11/15/23	135	136
AmeriCredit Automobile Receivables Trust, Series 2016-3, Class C 2.24%, 4/8/22	385	387
AmeriCredit Automobile Receivables Trust, Series 2017-1, Class C 2.71%, 8/18/22	225	227

	Par/Shares	$ Value
(Amounts in 000s)		
AmeriCredit Automobile Receivables Trust, Series 2017-3, Class B 2.24%, 6/19/23	265	266
AmeriCredit Automobile Receivables Trust, Series 2017-3, Class C 2.69%, 6/19/23	280	286
AmeriCredit Automobile Receivables Trust, Series 2020-1, Class C 1.59%, 10/20/25	435	429
AmeriCredit Automobile Receivables Trust, Series 2020-1, Class D 1.80%, 12/18/25	415	401
ARI Fleet Lease Trust, Series 2017-A, Class A2 1.91%, 4/15/26 (1)	1	1
ARI Fleet Lease Trust, Series 2018-A, Class A2 2.55%, 10/15/26 (1)	132	133
ARI Fleet Lease Trust, Series 2020-A, Class B 2.06%, 11/15/28 (1)	475	464
Avis Budget Rental Car Funding AESOP, Series 2015-1A, Class A 2.50%, 7/20/21 (1)	100	100
Avis Budget Rental Car Funding AESOP, Series 2017-1A, Class B 3.41%, 9/20/23 (1)	390	376
Avis Budget Rental Car Funding AESOP, Series 2018-2A, Class C 4.95%, 3/20/25 (1)	260	247
Avis Budget Rental Car Funding AESOP, Series 2019-1A, Class B 3.70%, 3/20/23 (1)	646	625
Avis Budget Rental Car Funding AESOP, Series 2019-2A, Class A 3.35%, 9/22/25 (1)	475	481
Avis Budget Rental Car Funding AESOP, Series 2019-2A, Class B 3.55%, 9/22/25 (1)	415	409
Avis Budget Rental Car Funding AESOP, Series 2020-1A, Class A 2.33%, 8/20/26 (1)	340	329

	Par/Shares	$ Value
(Amounts in 000s)		
Capital Auto Receivables Asset Trust, Series 2017-1, Class B 2.43%, 5/20/22 (1)	110	111
Capital Auto Receivables Asset Trust, Series 2017-1, Class C 2.70%, 9/20/22 (1)	175	176
Capital Auto Receivables Asset Trust, Series 2018-2, Class B 3.48%, 10/20/23 (1)	255	259
Capital Auto Receivables Asset Trust, Series 2018-2, Class C 3.69%, 12/20/23 (1)	320	328
CarMax Auto Owner Trust, Series 2017-4, Class C 2.70%, 10/16/23	150	152
Enterprise Fleet Financing, Series 2017-3, Class A2 2.13%, 5/22/23 (1)	143	143
Enterprise Fleet Financing, Series 2018-2, Class A2 3.14%, 2/20/24 (1)	294	297
Enterprise Fleet Financing, Series 2019-1, Class A2 2.98%, 10/20/24 (1)	292	297
GM Financial Automobile Leasing Trust, Series 2018-1, Class C 3.11%, 12/20/21	295	297
GM Financial Automobile Leasing Trust, Series 2018-2, Class C 3.50%, 4/20/22	325	328
GM Financial Consumer Automobile Receivables Trust, Series 2020-2, Class A3 1.49%, 12/16/24	210	215
Hyundai Auto Receivables Trust, Series 2017-A, Class B 2.38%, 4/17/23	220	223
Hyundai Auto Receivables Trust, Series 2019-A, Class B 2.94%, 5/15/25	460	480
Nissan Auto Receivables Owner Trust, Series 2020-A, Class A3 1.38%, 12/16/24	265	270
Santander Drive Auto Receivables Trust, Series 2016-1, Class D 4.02%, 4/15/22	257	257

	Par/Shares	$ Value
(Amounts in 000s)		
Santander Drive Auto Receivables Trust, Series 2016-3, Class C 2.46%, 3/15/22	18	18
Santander Drive Auto Receivables Trust, Series 2017-1, Class C 2.58%, 5/16/22	2	2
Santander Drive Auto Receivables Trust, Series 2018-1, Class C 2.96%, 3/15/24	155	156
Santander Drive Auto Receivables Trust, Series 2018-2, Class C 3.35%, 7/17/23	295	299
Santander Drive Auto Receivables Trust, Series 2018-4, Class B 3.27%, 1/17/23	180	181
Santander Drive Auto Receivables Trust, Series 2019-1, Class B 3.21%, 9/15/23	265	268
Santander Drive Auto Receivables Trust, Series 2019-2, Class B 2.79%, 1/16/24	390	396
Santander Retail Auto Lease Trust, Series 2017-A, Class C 2.96%, 11/21/22 (1)	240	241
Santander Retail Auto Lease Trust, Series 2019-C, Class A3 1.86%, 2/21/23 (1)	380	387
Santander Retail Auto Lease Trust, Series 2019-C, Class B 2.17%, 11/20/23 (1)	310	311
Santander Retail Auto Lease Trust, Series 2019-C, Class C 2.39%, 11/20/23 (1)	515	510
Santander Retail Auto Lease Trust, Series 2019-C, Class D 2.88%, 6/20/24 (1)	525	523
Santander Retail Auto Lease Trust, Series 2020-A, Class D 2.52%, 11/20/24 (1)	435	427
World Omni Auto Receivables Trust, Series 2019-C, Class C 2.40%, 6/15/26	460	471
World Omni Auto Receivables Trust, Series 2020-A, Class C 1.64%, 8/17/26	295	294

	Par/Shares	$ Value
(Amounts in 000s)		
World Omni Automobile Lease Securitization Trust, Series 2018-A, Class B 3.06%, 5/15/23	200	201
		13,815
Other Asset-Backed Securities 5.8%		
Allegro III, Series 2015-1A, Class AR, CLO, FRN, 3M USD LIBOR + 0.84%, 1.831%, 7/25/27 (1)	411	407
Applebee's Funding, Series 2019-1A, Class A2I 4.194%, 6/7/49 (1)	430	381
Ascentium Equipment Receivables Trust, Series 2017-1A, Class A3 2.29%, 6/10/21 (1)	51	51
Barings, Series 2013-IA, Class AR, CLO, FRN, 3M USD LIBOR + 0.80%, 1.935%, 1/20/28 (1)	1,064	1,046
BRE Grand Islander Timeshare Issuer, Series 2019-A, Class A 3.28%, 9/26/33 (1)	215	214
CNH Equipment Trust, Series 2018-A, Class B 3.47%, 10/15/25	275	283
Daimler Trucks Retail Trust, Series 2018-1, Class A4 3.03%, 11/15/24 (1)	260	262
Elara HGV Timeshare Issuer, Series 2014-A, Class A 2.53%, 2/25/27 (1)	11	11
Elara HGV Timeshare Issuer, Series 2016-A, Class A 2.73%, 4/25/28 (1)	440	435
Elara HGV Timeshare Issuer, Series 2017-A, Class A 2.69%, 3/25/30 (1)	132	132
Elara HGV Timeshare Issuer, Series 2019-A, Class A 2.61%, 1/25/34 (1)	582	579
Golub Capital Partners, Series 2018-39A, Class A1, CLO, FRN, 3M USD LIBOR + 1.15%, 2.285%, 10/20/28 (1)	640	629
GreatAmerica Leasing Receivables Funding, Series 2018-1, Class A3 2.60%, 6/15/21 (1)	105	106

	Par/Shares	$ Value
(Amounts in 000s)		
Halcyon Loan Advisors Funding, Series 2014-3A, Class B1R, CLO, FRN, 3M USD LIBOR + 1.70%, 2.798%, 10/22/25 (1)	505	495
Hilton Grand Vacations Trust, Series 2014-AA, Class A 1.77%, 11/25/26 (1)	221	220
Hilton Grand Vacations Trust, Series 2017-AA, Class A 2.66%, 12/26/28 (1)	124	123
Hilton Grand Vacations Trust, Series 2017-AA, Class B 2.96%, 12/26/28 (1)	43	40
Kubota Credit Owner Trust, Series 2020-1A, Class A3 1.96%, 3/15/24 (1)	230	234
MVW Owner Trust, Series 2013-1A, Class A 2.15%, 4/22/30 (1)	159	160
MVW Owner Trust, Series 2014-1A, Class A 2.25%, 9/22/31 (1)	22	22
MVW Owner Trust, Series 2015-1A, Class A 2.52%, 12/20/32 (1)	145	143
MVW Owner Trust, Series 2017-1A, Class B 2.75%, 12/20/34 (1)	37	36
MVW Owner Trust, Series 2017-1A, Class C 2.99%, 12/20/34 (1)	61	58
Neuberger Berman XIX, Series 2015-19A, Class A1R2, CLO, FRN, 3M USD LIBOR + 0.80%, 2.019%, 7/15/27 (1)	1,085	1,069
Neuberger Berman XVI, Series 2017-16SA, Class A, CLO, FRN, 3M USD LIBOR + 0.85%, 2.069%, 1/15/28 (1)	662	654
OCP, Series 2015-10A, Class A1R, CLO, FRN, 3M USD LIBOR + 0.82%, 1.811%, 10/26/27 (1)	784	776
OZLM VIII, Series 2014-8A, Class A1RR, CLO, FRN, 3M USD LIBOR + 1.17%, 2.305%, 10/17/29 (1)	707	689
Planet Fitness Master Issuer, Series 2018-1A, Class A2I 4.262%, 9/5/48 (1)	334	335

	Par/Shares	$ Value
(Amounts in 000s)		
Sierra Timeshare Receivables Funding, Series 2015-3A, Class A 2.58%, 9/20/32 (1)	68	68
Sierra Timeshare Receivables Funding, Series 2016-2A, Class A 2.33%, 7/20/33 (1)	50	50
Sierra Timeshare Receivables Funding, Series 2017-1A, Class A 2.91%, 3/20/34 (1)	77	77
Sierra Timeshare Receivables Funding, Series 2019-1A, Class A 3.20%, 1/20/36 (1)	212	216
Verizon Owner Trust, Series 2017-1A, Class C 2.65%, 9/20/21 (1)	215	215
Verizon Owner Trust, Series 2018-1A, Class C 3.20%, 9/20/22 (1)	340	345
Volvo Financial Equipment, Series 2018-1A, Class B 2.91%, 1/17/23 (1)	315	316
Volvo Financial Equipment Master Owner Trust, Series 2017-A, Class A, FRN, 1M USD LIBOR + 0.50%, 0.685%, 11/15/22 (1)	175	175
		11,052
Student Loan 1.5%		
Navient Private Education Refi Loan Trust, Series 2019-CA, Class A1 2.82%, 2/15/68 (1)	394	397
Navient Private Education Refi Loan Trust, Series 2019-EA, Class A1 2.39%, 5/15/68 (1)	248	249
Navient Private Education Refi Loan Trust, Series 2020-DA, Class A 1.69%, 5/15/69 (1)	150	151
Navient Student Loan Trust, Series 2019-2A, Class A1, FRN, 1M USD LIBOR + 0.27%, 0.455%, 2/27/68 (1)	269	268

	Par/Shares	$ Value
(Amounts in 000s)		
Nelnet Student Loan Trust, Series 2005-4, Class A4, FRN, 3M USD LIBOR + 0.18%, 0.486%, 3/22/32	508	473
Nelnet Student Loan Trust, Series 2020-1A, Class A, FRN, 1M USD LIBOR + 0.74%, 0.925%, 3/26/68 (1)	234	230
SLM Student Loan Trust, Series 2008-5, Class A4, FRN, 3M USD LIBOR + 1.70%, 2.691%, 7/25/23	141	138
SLM Student Loan Trust, Series 2008-9, Class A, FRN, 3M USD LIBOR + 1.50%, 2.491%, 4/25/23	100	98
SLM Student Loan Trust, Series 2010-1, Class A, FRN, 1M USD LIBOR + 0.40%, 0.585%, 3/25/25	567	524
SMB Private Education Loan Trust, Series 2014-A, Class A2A 3.05%, 5/15/26 (1)	179	180
SMB Private Education Loan Trust, Series 2015-A, Class A2B, FRN, 1M USD LIBOR + 1.00%, 1.185%, 6/15/27 (1)	135	134
		2,842
Total Asset-Backed Securities (Cost $27,972)		**27,709**

NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 13.5%

	Par/Shares	$ Value
Collateralized Mortgage Obligations 10.5%		
Angel Oak Mortgage Trust I, Series 2019-2, Class A1, CMO, ARM, 3.628%, 3/25/49 (1)	449	460
Angel Oak Mortgage Trust I, Series 2019-2, Class M1, CMO, ARM, 4.065%, 3/25/49 (1)	400	400
Bayview Opportunity Master Fund IVb Trust, Series 2017-SPL4, Class A, CMO, ARM, 3.50%, 1/28/55 (1)	205	209
Citigroup Mortgage Loan Trust, Series 2019-IMC1, Class A1, CMO, ARM, 2.72%, 7/25/49 (1)	466	472
COLT Mortgage Loan Trust, Series 2018-2, Class A1, CMO, ARM, 3.47%, 7/27/48 (1)	303	305
COLT Mortgage Loan Trust, Series 2018-2, Class A2, CMO, ARM, 3.542%, 7/27/48 (1)	147	149
COLT Mortgage Loan Trust, Series 2018-3, Class A2, CMO, ARM, 3.763%, 10/26/48 (1)	120	123
COLT Mortgage Loan Trust, Series 2018-4, Class A1, CMO, ARM, 4.006%, 12/28/48 (1)	229	232
COLT Mortgage Loan Trust, Series 2019-2, Class A1, CMO, ARM, 3.337%, 5/25/49 (1)	263	266
Connecticut Avenue Securities, Series 2017-C02, Class 2ED3, CMO, ARM, 1M USD LIBOR + 1.35%, 1.535%, 9/25/29	488	479
Connecticut Avenue Securities, Series 2017-C03, Class 1M1, CMO, ARM, 1M USD LIBOR + 0.95%, 1.135%, 10/25/29	105	105
Connecticut Avenue Securities, Series 2017-C05, Class 1ED3, CMO, ARM, 1M USD LIBOR + 1.20%, 1.385%, 1/25/30	500	485
Connecticut Avenue Securities, Series 2019-R06, Class 2M1, CMO, ARM, 1M USD LIBOR + 0.75%, 0.935%, 9/25/39 (1)	62	62
Deephaven Residential Mortgage Trust, Series 2017-1A, Class A3, CMO, ARM, 3.485%, 12/26/46 (1)	32	32
Deephaven Residential Mortgage Trust, Series 2017-3A, Class A1, CMO, ARM, 2.577%, 10/25/47 (1)	151	152

(Amounts in 000s)	Par/Shares	$ Value
Deephaven Residential Mortgage Trust, Series 2017-3A, Class A2, CMO, ARM, 2.711%, 10/25/47 (1)	16	16
Deephaven Residential Mortgage Trust, Series 2017-3A, Class A3, CMO, ARM, 2.813%, 10/25/47 (1)	16	16
Deephaven Residential Mortgage Trust, Series 2018-1A, Class A1, CMO, ARM, 2.976%, 12/25/57 (1)	159	161
Deephaven Residential Mortgage Trust, Series 2018-3A, Class A3, CMO, ARM, 3.963%, 8/25/58 (1)	39	39
Deephaven Residential Mortgage Trust, Series 2019-1A, Class A1, CMO, ARM, 3.743%, 1/25/59 (1)	452	454
Deephaven Residential Mortgage Trust, Series 2019-2A, Class A3, CMO, ARM, 3.763%, 4/25/59 (1)	301	302
Deephaven Residential Mortgage Trust, Series 2019-2A, Class M1, CMO, ARM, 3.921%, 4/25/59 (1)	280	272
Deephaven Residential Mortgage Trust, Series 2019-3A, Class A1, CMO, ARM, 2.964%, 7/25/59 (1)	291	296
Ellington Financial Mortgage Trust, Series 2019-2, Class A1, CMO, ARM, 2.739%, 11/25/59 (1)	369	370
Flagstar Mortgage Trust, Series 2020-1INV, Class A11, CMO, ARM, 1M USD LIBOR + 0.85%, 1.035%, 3/25/50 (1)	448	428
Freddie Mac Whole Loan Securities Trust, Series 2017-SC01, Class M1, CMO, ARM, 3.587%, 12/25/46 (1)	167	166
Freddie Mac Whole Loan Securities Trust, Series 2017-SC02, Class M1, CMO, ARM, 3.80%, 5/25/47 (1)	56	56
Galton Funding Mortgage Trust, Series 2018-1, Class A33, CMO, ARM, 3.50%, 11/25/57 (1)	298	304
Galton Funding Mortgage Trust, Series 2019-1, Class A32, CMO, ARM, 4.00%, 2/25/59 (1)	237	244
Galton Funding Mortgage Trust, Series 2019-H1, Class M1, CMO, ARM, 3.339%, 10/25/59 (1)	230	218
Galton Funding Mortgage Trust, Series 2020-H1, Class A1, CMO, ARM, 2.31%, 1/25/60 (1)	401	402
Galton Funding Mortgage Trust, Series 2020-H1, Class M1, CMO, ARM, 2.832%, 1/25/60 (1)	380	341
GS Mortgage-Backed Securities Trust, Series 2014-EB1A, Class 2A1, CMO, ARM, 2.454%, 7/25/44 (1)	23	23
Homeward Opportunities Fund I Trust, Series 2018-1, Class A1, CMO, ARM, 3.766%, 6/25/48 (1)	332	339
Homeward Opportunities Fund I Trust, Series 2018-1, Class A2, CMO, ARM, 3.897%, 6/25/48 (1)	268	273
Homeward Opportunities Fund I Trust, Series 2019-1, Class A3, CMO, ARM, 3.606%, 1/25/59 (1)	402	408
JPMorgan Mortgage Trust, Series 2020-1INV, Class A15, CMO, ARM, 3.50%, 8/25/50 (1)	444	451
Mill City Mortgage Loan Trust, Series 2016-1, Class A1, CMO, ARM, 2.50%, 4/25/57 (1)	62	63
Mill City Mortgage Loan Trust, Series 2017-2, Class A1, CMO, ARM, 2.75%, 7/25/59 (1)	425	435
New Residential Mortgage Loan Trust, Series 2019-NQM3, Class A3, CMO, ARM, 3.086%, 7/25/49 (1)	251	254
New Residential Mortgage Loan Trust, Series 2020-NQM1, Class A1, CMO, ARM, 2.464%, 1/26/60 (1)	433	441

	Par/Shares	$ Value
(Amounts in 000s)		
OBX Trust, Series 2019-EXP2, Class 2A2, CMO, ARM, 1M USD LIBOR + 1.20%, 1.385%, 6/25/59 (1)	150	148
OBX Trust, Series 2020-EXP1, Class 2A2, CMO, ARM, 1M USD LIBOR + 0.95%, 1.135%, 2/25/60 (1)	176	170
OBX Trust, Series 2020-INV, Class A5, CMO, ARM, 3.50%, 12/25/49 (1)	290	300
Sequoia Mortgage Trust, Series 2018-CH1, Class A11, CMO, ARM, 3.50%, 2/25/48 (1)	380	384
Sequoia Mortgage Trust, Series 2018-CH2, Class A21, CMO, ARM, 4.00%, 6/25/48 (1)	254	260
Sequoia Mortgage Trust, Series 2018-CH3, Class A19, CMO, ARM, 4.50%, 8/25/48 (1)	138	144
Sequoia Mortgage Trust, Series 2018-CH4, Class A2, CMO, ARM, 4.00%, 10/25/48 (1)	214	221
Starwood Mortgage Residential Trust, Series 2019-1, Class A3, CMO, ARM, 3.299%, 6/25/49 (1)	340	332
Starwood Mortgage Residential Trust, Series 2019-IMC1, Class A1, CMO, ARM, 3.468%, 2/25/49 (1)	322	331
Starwood Mortgage Residential Trust, Series 2019-INV1, Class A1, CMO, ARM, 2.61%, 9/27/49 (1)	96	96
Starwood Mortgage Residential Trust, Series 2019-INV1, Class A3, CMO, ARM, 2.916%, 9/27/49 (1)	236	234
Structured Agency Credit Risk Debt Notes, Series 2017-DNA1, Class M1, CMO, ARM, 1M USD LIBOR + 1.20%, 1.385%, 7/25/29	28	28
Structured Agency Credit Risk Debt Notes, Series 2017-DNA2, Class M1, CMO, ARM, 1M USD LIBOR + 1.20%, 1.385%, 10/25/29	256	256

	Par/Shares	$ Value
(Amounts in 000s)		
Structured Agency Credit Risk Debt Notes, Series 2017-DNA3, Class M1, CMO, ARM, 1M USD LIBOR + 0.75%, 0.935%, 3/25/30	278	278
Structured Agency Credit Risk Debt Notes, Series 2017-SPI1, Class M1, CMO, ARM, 3.98%, 9/25/47 (1)	1	1
Structured Agency Credit Risk Debt Notes, Series 2018-DNA2, Class M1, CMO, ARM, 1M USD LIBOR + 0.80%, 0.985%, 12/25/30 (1)	161	160
Structured Agency Credit Risk Debt Notes, Series 2018-DNA2, Class M2AS, CMO, ARM, 1M USD LIBOR + 0.95%, 1.135%, 12/25/30 (1)	275	276
Structured Agency Credit Risk Debt Notes, Series 2018-DNA3, Class M1, CMO, ARM, 1M USD LIBOR + 0.75%, 0.935%, 9/25/48 (1)	1	1
Structured Agency Credit Risk Debt Notes, Series 2018-DNA3, Class M2AS, CMO, ARM, 1M USD LIBOR + 0.90%, 1.085%, 9/25/48 (1)	455	449
Structured Agency Credit Risk Debt Notes, Series 2018-HQA2, Class M1, CMO, ARM, 1M USD LIBOR + 0.75%, 0.935%, 10/25/48 (1)	58	58
Structured Agency Credit Risk Debt Notes, Series 2018-HRP2, Class M2, CMO, ARM, 1M USD LIBOR + 1.25%, 1.435%, 2/25/47 (1)	378	373
Structured Agency Credit Risk Debt Notes, Series 2018-SPI2, Class M1, CMO, ARM, 3.809%, 5/25/48 (1)	33	33
Structured Agency Credit Risk Debt Notes, Series 2019-HQA4, Class M1, CMO, ARM, 1M USD LIBOR + 0.77%, 0.955%, 11/25/49 (1)	32	32

(Amounts in 000s)	Par/Shares	$ Value
Towd Point Mortgage Trust, Series 2015-4, Class A1B, CMO, ARM, 2.75%, 4/25/55 (1)	166	168
Towd Point Mortgage Trust, Series 2015-5, Class A1B, CMO, ARM, 2.75%, 5/25/55 (1)	158	159
Towd Point Mortgage Trust, Series 2016-1, Class A1B, CMO, ARM, 2.75%, 2/25/55 (1)	98	99
Towd Point Mortgage Trust, Series 2016-1, Class A3B, CMO, ARM, 3.00%, 2/25/55 (1)	152	156
Towd Point Mortgage Trust, Series 2016-2, Class A1A, CMO, ARM, 2.75%, 8/25/55 (1)	102	104
Towd Point Mortgage Trust, Series 2017-1, Class A1, CMO, ARM, 2.75%, 10/25/56 (1)	373	382
Towd Point Mortgage Trust, Series 2017-2, Class A1, CMO, ARM, 2.75%, 4/25/57 (1)	229	234
Towd Point Mortgage Trust, Series 2017-4, Class A1, CMO, ARM, 2.75%, 6/25/57 (1)	373	384
Towd Point Mortgage Trust, Series 2018-1, Class A1, CMO, ARM, 3.00%, 1/25/58 (1)	219	227
Verus Securitization Trust, Series 2018-2, Class A1, CMO, ARM, 3.677%, 6/1/58 (1)	423	428
Verus Securitization Trust, Series 2018-2, Class A2, CMO, ARM, 3.779%, 6/1/58 (1)	115	115
Verus Securitization Trust, Series 2018-2, Class A3, CMO, ARM, 3.83%, 6/1/58 (1)	73	74
Verus Securitization Trust, Series 2019-2, Class A1, CMO, ARM, 3.211%, 5/25/59 (1)	468	478
Verus Securitization Trust, Series 2019-4, Class A3, CMO, STEP, 3.00%, 11/25/59 (1)	405	412
Verus Securitization Trust, Series 2019-INV1, Class A1, CMO, ARM, 3.402%, 12/25/59 (1)	261	267
Verus Securitization Trust, Series 2019-INV1, Class M1, CMO, ARM, 4.034%, 12/25/59 (1)	140	134
Verus Securitization Trust, Series 2019-INV3, Class A3, CMO, ARM, 3.10%, 11/25/59 (1)	436	434
Verus Securitization Trust, Series 2020-1, Class A3, CMO, ARM, 2.724%, 1/25/60 (1)	423	420
		19,943
Commercial Mortgage-Backed Securities 2.8%		
Banc of America Commercial Mortgage Trust, Series 2017-BNK3, Class A1 1.957%, 2/15/50	68	68
BX Commercial Mortgage Trust, Series 2019-XL, Class B, ARM, 1M USD LIBOR + 1.08%, 1.265%, 10/15/36 (1)	459	451
CD Commercial Mortgage Trust, Series 2017-CD3, Class A1 1.965%, 2/10/50	60	60
Commercial Mortgage Trust, Series 2014-CR19, Class D, ARM, 4.888%, 8/10/47 (1)	250	156
Commercial Mortgage Trust, Series 2014-UBS2, Class B 4.701%, 3/10/47	340	353
Commercial Mortgage Trust, Series 2016-CR28, Class A1 1.77%, 2/10/49	31	31
Commercial Mortgage Trust, Series 2020-CBM, Class D, ARM, 3.754%, 2/10/37 (1)	340	303
Fontainebleau Miami Beach Trust, Series 2019-FBLU, Class C 3.75%, 12/10/36 (1)	895	843

(Amounts in 000s)	Par/Shares	$ Value
Great Wolf Trust, Series 2019-WOLF, Class A, ARM, 1M USD LIBOR + 1.034%, 1.219%, 12/15/36 (1)	325	312
Great Wolf Trust, Series 2019-WOLF, Class C, ARM, 1M USD LIBOR + 1.633%, 1.818%, 12/15/36 (1)	390	361
GS Mortgage Securities Trust, Series 2016-GS3, Class A1 1.429%, 10/10/49	23	23
InTown Hotel Portfolio Trust, Series 2018-STAY, Class A, ARM, 1M USD LIBOR + 0.70%, 0.885%, 1/15/33 (1)	175	164
InTown Hotel Portfolio Trust, Series 2018-STAY, Class C, ARM, 1M USD LIBOR + 1.25%, 1.435%, 1/15/33 (1)	145	134
JPMorgan Chase Commercial Mortgage Securities Trust, Series 2011-C4, Class A4 4.388%, 7/15/46 (1)	122	124
JPMorgan Chase Commercial Mortgage Securities Trust, Series 2019-BKWD, Class C, ARM, 1M USD LIBOR + 1.60%, 1.785%, 9/15/29 (1)	355	332
Morgan Stanley Bank of America Merrill Lynch Trust, Series 2016-C30, Class A1 1.389%, 9/15/49	75	75
Morgan Stanley Capital I Trust, Series 2015-MS1, Class A1 1.638%, 5/15/48	8	8
Morgan Stanley Capital I Trust, Series 2019-MEAD, Class D, ARM, 3.283%, 11/10/36 (1)	710	620
RETL, Series 2019-RVP, Class A, ARM, 1M USD LIBOR + 1.15%, 1.335%, 3/15/36 (1)	135	128
SLIDE, Series 2018-FUN, Class D, ARM, 1M USD LIBOR + 1.85%, 2.035%, 6/15/31 (1)	548	488
Wells Fargo Commercial Mortgage Trust, Series 2013-LC12, Class A1 1.676%, 7/15/46	107	107

(Amounts in 000s)	Par/Shares	$ Value
Wells Fargo Commercial Mortgage Trust, Series 2015-NXS2, Class A2 3.02%, 7/15/58	181	183
		5,324
Residential Mortgage 0.2%		
MetLife Securitization Trust, Series 2017-1A, Class A, CMO, ARM, 3.00%, 4/25/55 (1)	298	310
		310
Total Non-U.S. Government Mortgage-Backed Securities (Cost $25,969)		**25,577**

U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES 4.4%

(Amounts in 000s)	Par/Shares	$ Value
U.S. Government Agency Obligations 3.8% (3)		
Federal Home Loan Mortgage		
3.50%, 3/1/46	194	212
5.00%, 12/1/23 - 7/1/25	46	49
5.50%, 4/1/23 - 10/1/38	17	18
6.00%, 10/1/21 - 1/1/38	126	148
7.00%, 3/1/39	104	122
7.50%, 6/1/38	111	130
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.625%, 3.01%, 6/1/38	32	33
12M USD LIBOR + 1.775%, 3.393%, 5/1/37	7	7
12M USD LIBOR + 1.625%, 3.464%, 4/1/37	11	12
12M USD LIBOR + 1.70%, 3.483%, 5/1/38	10	10
12M USD LIBOR + 1.733%, 3.678%, 10/1/36	12	12
12M USD LIBOR + 1.748%, 3.744%, 2/1/37	5	5
12M USD LIBOR + 1.75%, 3.75%, 2/1/35	11	11
12M USD LIBOR + 1.591%, 3.841%, 9/1/35	4	4
12M USD LIBOR + 1.831%, 3.88%, 1/1/37	3	3
1Y CMT + 2.245%, 3.937%, 1/1/36	11	12
1Y CMT + 2.25%, 3.988%, 10/1/36	3	3

(Amounts in 000s)	Par/Shares	$ Value
12M USD LIBOR + 1.979%, 4.049%, 11/1/36	3	3
12M USD LIBOR + 2.083%, 4.082%, 2/1/38	12	13
12M USD LIBOR + 1.625%, 4.314%, 7/1/38	17	17
12M USD LIBOR + 1.726%, 4.403%, 7/1/35	4	4
Federal Home Loan Mortgage, CMO		
2.00%, 2/15/40	180	185
4.00%, 11/15/36	87	89
Federal Home Loan Mortgage, UMBS		
3.00%, 11/1/34	320	343
4.00%, 12/1/49	81	88
4.50%, 5/1/50	108	117
Federal National Mortgage Assn., ARM		
12M USD LIBOR + 1.655%, 3.213%, 8/1/37	4	4
12M USD LIBOR + 1.626%, 3.285%, 7/1/35	2	2
12M USD LIBOR + 1.34%, 3.34%, 12/1/35	2	2
12M USD LIBOR + 1.609%, 3.346%, 7/1/36	13	14
12M USD LIBOR + 1.83%, 3.609%, 4/1/38	24	25
12M USD LIBOR + 1.865%, 3.661%, 5/1/38	13	14
12M USD LIBOR + 1.569%, 3.692%, 12/1/35	7	7
12M USD LIBOR + 1.77%, 3.77%, 12/1/35	1	1
12M USD LIBOR + 1.788%, 3.788%, 5/1/38	6	6
12M USD LIBOR + 1.892%, 3.852%, 12/1/35	2	2
12M USD LIBOR + 1.853%, 3.896%, 8/1/38	10	11
12M USD LIBOR + 1.78%, 3.905%, 1/1/34	7	7
12M USD LIBOR + 2.04%, 4.105%, 12/1/36	2	3
Federal National Mortgage Assn., CMO,		
4.00%, 6/25/44	478	490
Federal National Mortgage Assn., UMBS		
3.00%, 1/1/27	261	274
3.50%, 11/1/26 - 1/1/48	330	348
4.00%, 11/1/49 - 1/1/50	529	562
4.50%, 11/1/20 - 1/1/50	1,539	1,675
5.00%, 9/1/22 - 6/1/35	592	676
5.50%, 3/1/21 - 5/1/40	448	507
6.00%, 9/1/21 - 4/1/40	747	864
6.50%, 7/1/32 - 12/1/32	91	105
		7,249
U.S. Government Obligations 0.6%		
Government National Mortgage Assn.		
3.50%, 2/20/48	25	27
4.00%, 8/20/48 - 10/20/48	64	68
5.00%, 12/20/34 - 11/20/47	559	629
5.50%, 3/20/48 - 3/20/49	122	133
Government National Mortgage Assn., CMO, ARM, 1M USD LIBOR + 0.30%, 0.49%, 9/20/48	204	203
		1,060
Total U.S. Government & Agency Mortgage-Backed Securities (Cost $8,032)		**8,309**

U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 8.7%

(Amounts in 000s)	Par/Shares	$ Value
U.S. Treasury Obligations 8.7%		
U.S. Treasury Notes 0.125%, 5/31/22	10,450	10,444
U.S. Treasury Notes 0.125%, 5/15/23	1,425	1,423
U.S. Treasury Notes 0.25%, 6/15/23	3,325	3,332
U.S. Treasury Notes 2.375%, 3/15/22 (4)	1,305	1,354
		16,553
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost $16,496)		**16,553**

FOREIGN GOVERNMENT OBLIGATIONS & MUNICIPALITIES 2.1%

(Amounts in 000s)	Par/Shares	$ Value
Government Sponsored 0.3%		
Equate Petrochemical 3.00%, 3/3/22	600	608
		608

	Par/Shares	$ Value
(Amounts in 000s)		
Owned No Guarantee 1.8%		
Axiata		
3.466%, 11/19/20	475	478
Saudi Arabian Oil		
2.75%, 4/16/22 (1)	1,155	1,179
Shanghai Electric Group Global Investment		
2.65%, 11/21/24	1,350	1,399
Syngenta Finance		
3.933%, 4/23/21 (1)	385	389
		3,445
Total Foreign Government Obligations & Municipalities (Cost $3,981)		**4,053**
MUNICIPAL SECURITIES 0.1%		
Connecticut 0.1%		
Connecticut, Series A, GO, 1.998%, 7/1/24	95	98
Connecticut, Series A, GO, 2.00%, 7/1/23	35	36
Connecticut, Series A, GO, 2.098%, 7/1/25	60	63
		197
Total Municipal Securities (Cost $190)		**197**

	Par/Shares	$ Value
(Amounts in 000s)		
SHORT-TERM INVESTMENTS 2.2%		
Commercial Paper 1.5%		
4(2) 1.5% (5)		
Boeing,		
2.185%, 11/16/20	915	908
Boeing,		
2.343%, 11/4/20	975	968
Ford Motor Credit,		
2.934%, 8/4/20	430	429
Ford Motor Credit,		
3.251%, 7/27/20	495	494
		2,799
Money Market Funds 0.7%		
T. Rowe Price Government Reserve Fund, 0.14% (6)(7)	1,314	1,314
		1,314
Total Short-Term Investments (Cost $4,112)		**4,113**
Total Investments in Securities		
99.8% of Net Assets (Cost $187,572)	**$**	**189,312**

‡ Par/Shares and Notional Amount are denominated in U.S. dollars unless otherwise noted.

(1) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to $73,520 and represents 38.7% of net assets.

(2) Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread is provided if the rate is currently floating.

(3) Issuer operates under a Congressional charter; its securities are neither issued nor guaranteed by the U.S. government. The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, including UMBS, currently operate under a federal conservatorship.

(4) At June 30, 2020, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.

(5) Commercial paper exempt from registration under Section 4(2) of the Securities Act of 1933 and may be resold in transactions exempt from registration only to dealers in that program or other "accredited investors". Total value of such securities at period-end amounts to $2,799 and represents 1.5% of net assets.

(6) Affiliated Companies

(7) Seven-day yield

1M USD LIBOR One month USD LIBOR (London interbank offered rate)

3M USD LIBOR Three month USD LIBOR (London interbank offered rate)

12M USD LIBOR Twelve month USD LIBOR (London interbank offered rate)

1Y CMT	One year U.S. Treasury note constant maturity rate
ARM	Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula-based on the rates of the underlying loans.
CLO	Collateralized Loan Obligation
CMO	Collateralized Mortgage Obligation
FRN	Floating Rate Note
GO	General Obligation
PTT	Pass-Through Trust
STEP	Stepped coupon bond for which the coupon rate of interest adjusts on specified date(s); rate shown is effective rate at period-end.
UMBS	Uniform Mortgage-Backed Securities
VR	Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

(Amounts In 000s, except Market Price)

SWAPS (0.1)%

Description	Notional Amount	$ Value	Upfront Payments/ $ (Receipts)	Unrealized $ Gain/(Loss)
BILATERAL SWAPS (0.1)%				
Credit Default Swaps, Protection Bought (0.1)%				
Bank of America, Protection Bought (Relevant Credit: General Mills, 3.15%, 12/15/21), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	417	(15)	(12)	(3)
Barclays Bank, Protection Bought (Relevant Credit: Omnicom Group, 4.45%, 8/15/20), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	1,250	(38)	(36)	(2)
Citibank, Protection Bought (Relevant Credit: General Mills, 3.15%, 12/15/21), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	596	(21)	(17)	(4)
Goldman Sachs, Protection Bought (Relevant Credit: General Mills, 3.15%, 12/15/21), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	1,220	(43)	(34)	(9)
Total Credit Default Swaps, Protection Bought			**(99)**	**(18)**
Credit Default Swaps, Protection Sold (0.0)%				
Bank of America, Protection Sold (Relevant Credit: Boeing, 8.75%, 8/15/21, $108.14*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/21	2,300	(47)	19	(66)
Barclays Bank, Protection Sold (Relevant Credit: Enbridge, 3.50%, 6/10/24, $107.34*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/23	1,750	12	(73)	85
Barclays Bank, Protection Sold (Relevant Credit: General Electric, 2.70%, 10/09/22, $104.09*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/20	1,370	1	4	(3)
Citibank, Protection Sold (Relevant Credit: Devon Energy, 7.95%, 4/15/32, $116.88*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/24	165	(4)	(1)	(3)
Goldman Sachs, Protection Sold (Relevant Credit: General Electric, 2.70%, 10/09/22, $104.09*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/20	1,130	1	3	(2)
Morgan Stanley, Protection Sold (Relevant Credit: Devon Energy, 7.95%, 4/15/32, $116.88*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/24	140	(3)	(1)	(2)
Total Credit Default Swaps, Protection Sold			**(49)**	**9**
Total Bilateral Swaps			**(148)**	**(9)**

* Market Price at June 30, 2020.

Futures Contracts

($000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Short, 95 U.S. Treasury Notes five year contracts	9/20	(11,946)	$ (29)
Short, 40 U.S. Treasury Notes ten year contracts	9/20	(5,567)	(12)
Long, 217 U.S. Treasury Notes two year contracts	9/20	47,920	5
Net payments (receipts) of variation margin to date			**42**
Variation margin receivable (payable) on open futures contracts			**$ 6**

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, 2020. 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	$ —#	$ —	$ 22+

Supplementary Investment Schedule

Affiliate	Value 12/31/19	Purchase Cost	Sales Cost	Value 6/30/20
T. Rowe Price Government Reserve Fund	$ 7,254	¤	¤	$ 1,314^

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

\+ Investment income comprised $22 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 $1,314.

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

STATEMENT OF ASSETS AND LIABILITIES

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

Assets	
Investments in securities, at value (cost $187,572)	$ 189,312
Interest receivable	936
Unrealized gain on bilateral swaps	85
Cash	46
Receivable for shares sold	40
Bilateral swap premiums paid	26
Variation margin receivable on futures contracts	6
Total assets	190,451
Liabilities	
Payable for investment securities purchased	288
Bilateral swap premiums received	174
Investment management and administrative fees payable	150
Unrealized loss on bilateral swaps	94
Payable for shares redeemed	14
Total liabilities	720
NET ASSETS	**$ 189,731**
Net Assets Consist of:	
Total distributable earnings (loss)	$ 1,674
Paid-in capital applicable to 38,439,673 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized	188,057
NET ASSETS	**$ 189,731**
NET ASSET VALUE PER SHARE	
Limited-Term Bond Portfolio Class ($174,455,634 / 35,333,678 shares outstanding)	**$ 4.94**
Limited-Term Bond Portfolio-II Class ($15,275,414 / 3,105,995 shares outstanding)	**$ 4.92**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 6/30/20
Investment Income (Loss)	
Income	
Interest	$ 5,147
Dividend	22
Total income	5,169
Expenses	
Investment management and administrative expense	1,359
Rule 12b-1 fees – Limited-Term Bond Portfolio-II Class	18
Waived / paid by Price Associates	(389)
Net expenses	988
Net investment income	4,181
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	2,425
Futures	1,352
Swaps	316
Net realized gain	4,093
Change in net unrealized gain / loss	
Securities	(1,677)
Futures	(75)
Swaps	(96)
Change in net unrealized gain / loss	(1,848)
Net realized and unrealized gain / loss	2,245
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 6,426**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/20	Year Ended 12/31/19
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 4,181	$ 10,987
Net realized gain	4,093	1,717
Change in net unrealized gain / loss	(1,848)	6,752
Increase in net assets from operations	6,426	19,456
Distributions to shareholders		
Net earnings		
Limited-Term Bond Portfolio Class	(4,069)	(10,835)
Limited-Term Bond Portfolio-II Class	(133)	(288)
Decrease in net assets from distributions	(4,202)	(11,123)
Capital share transactions*		
Shares sold		
Limited-Term Bond Portfolio Class	35,448	68,151
Limited-Term Bond Portfolio-II Class	6,734	9,517
Distributions reinvested		
Limited-Term Bond Portfolio Class	4,041	10,834
Limited-Term Bond Portfolio-II Class	132	288
Shares redeemed		
Limited-Term Bond Portfolio Class	(322,567)	(65,756)
Limited-Term Bond Portfolio-II Class	(8,415)	(8,655)
Increase (decrease) in net assets from capital share transactions	(284,627)	14,379
Net Assets		
Increase (decrease) during period	(282,403)	22,712
Beginning of period	472,134	449,422
End of period	**$ 189,731**	**$ 472,134**

*Share information		
Shares sold		
Limited-Term Bond Portfolio Class	7,304	14,108
Limited-Term Bond Portfolio-II Class	1,391	1,966
Distributions reinvested		
Limited-Term Bond Portfolio Class	832	2,237
Limited-Term Bond Portfolio-II Class	27	60
Shares redeemed		
Limited-Term Bond Portfolio Class	(66,397)	(13,595)
Limited-Term Bond Portfolio-II Class	(1,738)	(1,803)
Increase (decrease) in shares outstanding	(58,581)	2,973

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Fixed Income Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Limited-Term Bond Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. 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 seeks a high level of income consistent with moderate fluctuations in principal value. The fund has two classes of shares: the Limited-Term Bond Portfolio (Limited-Term Bond Portfolio Class) and the Limited-Term Bond Portfolio–II (Limited-Term Bond Portfolio–II Class). Limited-Term Bond 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. Paydown gains and losses are recorded as an adjustment to interest income. 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. 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 are declared by each class daily and paid monthly. A capital gain distribution may also be declared and paid by the fund annually.

Class Accounting Investment income and investment management and administrative expense are allocated to the classes based upon the relative daily net assets of each class's settled shares; realized and unrealized gains and losses are allocated based upon the relative daily net assets of each class's outstanding shares. Limited-Term Bond Portfolio–II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

New Accounting Guidance In March 2020, the FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The guidance is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of the ASU on the fund's financial statements.

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

The fund's financial instruments are valued and each class'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.

Fair Value The fund's financial instruments 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 procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

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

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 Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities. Generally, debt securities are categorized in Level 2 of the fair value hierarchy; however, to the extent the valuations include significant unobservable inputs, the securities would be categorized in Level 3.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. Financial futures contracts are valued at closing settlement prices and are categorized in Level 1 of the fair value hierarchy. Swaps are valued at prices furnished by an independent pricing service or independent swap dealers and generally are categorized in Level 2 of the fair value hierarchy; however, if unobservable inputs are significant to the valuation, the swap would be categorized in Level 3. 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.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. 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.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of troubled or thinly traded debt instruments, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. 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 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 issue. 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. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2020 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Fixed Income Securities[1]	$ —	$ 185,199	$ —	$ 185,199
Short-Term Investments	1,314	2,799	—	4,113
Total Securities	1,314	187,998	—	189,312
Swaps	—	14	—	14
Futures Contracts	6	—	—	6
Total	$ 1,320	$ 188,012	$ —	$ 189,332
Liabilities				
Swaps	$ —	$ 171	$ —	$ 171

[1]Includes Corporate Bonds, Asset-Backed Securities, Non-U.S. Government Mortgage-Backed Securities, U.S. Government & Agency Mortgage-Backed Securities, U.S. Government Agency Obligations (Excluding Mortgage-Backed), Foreign Government Obligations & Municipalities, Municipal Securities.

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2020, 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, such as seeking 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 portfolio duration and 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.

The following table summarizes the fair value of the fund's derivative instruments held as of June 30, 2020, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

($000s)	Location on Statement of Assets and Liabilities	Fair Value
Assets		
Interest rate derivatives	Futures*	$ 5
Credit derivatives	Bilateral Swaps, and Premiums	14
Total		$ 19
Liabilities		
Interest rate derivatives	Futures*	$ 41
Credit derivatives	Bilateral Swaps, and Premiums	171
Total		$ 212

*The fair value presented includes cumulative gain (loss) on open futures contracts; however, the value reflected on the accompanying Statement of Assets and Liabilities is only the unsettled variation margin receivable (payable) at that date.

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended June 30, 2020, 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	Swaps	Total
Realized Gain (Loss)			
Interest rate derivatives	$ 1,352	$ —	$ 1,352
Credit derivatives	—	316	316
Total	$ 1,352	$ 316	$ 1,668
Change in Unrealized Gain (Loss)			
Interest rate derivatives	$ (75)	$ —	$ (75)
Credit derivatives	—	(96)	(96)
Total	$ (75)	$ (96)	$ (171)

Counterparty Risk and Collateral The fund invests in derivatives in various markets, which expose it to differing levels of counterparty risk. Counterparty risk on exchange-traded and centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps, is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Derivatives, such as bilateral swaps, forward currency exchange contracts, and OTC options, that are transacted and settle directly with a counterparty (bilateral derivatives) may expose the fund to greater counterparty risk. To mitigate this risk, the fund has entered into master netting arrangements (MNAs) with certain counterparties that permit net settlement under specified conditions and, for certain counterparties, also require the exchange of collateral to cover mark-to-market exposure. MNAs may be in the form of International Swaps and Derivatives Association master agreements (ISDAs) or foreign exchange letter agreements (FX letters).

MNAs provide the ability to offset amounts the fund owes a counterparty against amounts the counterparty owes the fund (net settlement). Both ISDAs and FX letters generally allow termination of transactions and net settlement upon the occurrence of contractually specified events, such as failure to pay or bankruptcy. In addition, ISDAs specify other events, the occurrence of which would allow one of the parties to terminate. For example, a downgrade in credit rating of a counterparty below a specified rating would allow the fund to terminate, while a decline in the fund's net assets of more than a specified percentage would allow the counterparty to terminate. Upon termination, all transactions with that counterparty would be liquidated and a net termination amount settled. ISDAs include collateral agreements whereas FX letters do not. Collateral requirements are determined daily based on the net aggregate unrealized gain or loss on all bilateral derivatives with a counterparty, subject to minimum transfer amounts that typically range from $100,000 to $250,000. Any additional collateral required due to changes in security values is typically transferred the next business day.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. For bilateral derivatives, collateral posted or received by the fund is held in a segregated account at the fund's custodian. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were traded, and OTC and bilateral derivatives may be unwound with counterparties or transactions assigned to other counterparties to allow the fund to exit the transaction. This ability is subject to the liquidity of underlying positions. As of June 30, 2020, no collateral was pledged by either the fund or counterparties for bilateral derivatives. As of June 30, 2020, securities valued at $155,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

Futures Contracts The fund is subject to interest rate 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 rate and yield curve movements, security prices, foreign currencies, credit quality, and mortgage prepayments; 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 portfolio duration and 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/or interest rates, and potential losses in excess of the fund's initial investment. During the six months ended June 30, 2020, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 29% and 36% of net assets.

Swaps The fund is subject to credit risk in the normal course of pursuing its investment objectives and uses swap contracts to help manage such risk. The fund may use swaps in an effort to manage both long and short exposure to changes in interest rates, inflation rates, and credit quality; to adjust overall exposure to certain markets; to enhance total return or protect the value of portfolio securities; to serve as a cash management tool; or to adjust portfolio duration and credit exposure. Swap agreements can be settled either directly with the counterparty (bilateral swap) or through a central clearinghouse (centrally cleared swap). Fluctuations in the fair value of a contract are reflected in unrealized gain or loss and are reclassified to realized gain or loss upon contract termination or cash settlement. Net periodic receipts or payments required by a contract increase or decrease, respectively, the value of the contract until the contractual payment date, at which time such amounts are reclassified from unrealized to realized gain or loss. For bilateral swaps, cash payments are made or received by the fund on a periodic basis in accordance with contract terms; unrealized gain on contracts and premiums paid are reflected as assets and unrealized loss on contracts and premiums received are reflected as liabilities on the accompanying Statement of Assets and Liabilities. For bilateral swaps, premiums paid or received are amortized over the life of the swap and are recognized as realized gain or loss in the Statement of Operations. For centrally cleared swaps, payments are made or received by the fund each day to settle the daily fluctuation in the value of the contract (variation margin). Accordingly, the value of a centrally cleared swap included in net assets is the 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.

Credit default swaps are agreements where one party (the protection buyer) agrees to make periodic payments to another party (the protection seller) in exchange for protection against specified credit events, such as certain defaults and bankruptcies related to an underlying credit instrument, or issuer or index of such instruments. Upon occurrence of a specified credit event, the protection seller is required to pay the buyer the difference between the notional amount of the swap and the value of the underlying credit, either in the form of a net cash settlement or by paying the gross notional amount and accepting delivery of the relevant underlying credit. For credit default swaps where the underlying credit is an index, a specified credit event may affect all or individual underlying securities included in the index and will be settled based upon the relative weighting of the affected underlying security(ies) within the index. Generally, the payment risk for the seller of protection is inversely related to the current market price or credit rating of the underlying credit or the market value of the contract relative to the notional amount, which are indicators of the markets' valuation of credit quality. As of June 30, 2020, the notional amount of protection sold by the fund totaled $6,855,000 (3.6% of net assets), which reflects the maximum potential amount the fund could be required to pay under such contracts. Risks related to the use of credit default swaps include the possible inability of the fund to accurately assess the current and future creditworthiness of underlying issuers, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

During the six months ended June 30, 2020, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 0% and 6% 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.

Restricted Securities The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

Collateralized Loan Obligations The fund invests in collateralized loan obligations (CLOs) which are entities backed by a diversified pool of syndicated bank loans. The cash flows of the CLO can be split into multiple segments, called "tranches" or "classes", which will vary in risk profile and yield. The riskiest segments, which are the subordinate or "equity" tranches, bear the greatest risk of loss from defaults in the underlying assets of the CLO and serve to protect the other, more senior, tranches. Senior tranches will typically have higher credit ratings and lower yields than the securities underlying the CLO. Despite the protection from the more junior tranches, senior tranches can experience substantial losses.

Mortgage-Backed Securities The fund invests in mortgage-backed securities (MBS or pass-through certificates) that represent an interest in a pool of specific underlying mortgage loans and entitle the fund to the periodic payments of principal and interest from those mortgages. MBS may be issued by government agencies or corporations, or private issuers. Most MBS issued by government agencies are guaranteed; however, the degree of protection differs based on the issuer. MBS are sensitive to changes in economic conditions that affect the rate of prepayments and defaults on the underlying mortgages; accordingly, the value, income, and related cash flows from MBS may be more volatile than other debt instruments.

Other Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated $87,509,000 and $281,207,000, respectively, for the six months ended June 30, 2020. Purchases and sales of U.S. government securities aggregated $51,536,000 and $141,398,000, respectively, for the six months ended June 30, 2020.

NOTE 5 - 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.

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains. As of December 31, 2019, the fund had $3,899,000 of available capital loss carryforwards.

At June 30, 2020, the cost of investments for federal income tax purposes was $187,426,000. Net unrealized gain aggregated $1,693,000 at period-end, of which $3,343,000 related to appreciated investments and $1,650,000 related to depreciated investments.

NOTE 6 - 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 0.70% 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 extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2021 to waive a portion of its management fee in order to limit the fund's management fee to 0.50% 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 $389,000 and allocated ratably in the amounts of $375,000 for the Limited-Term Bond Portfolio Class and $14,000 for the Limited-Term Bond Portfolio-II Class, respectively, for the six months ended June 30, 2020.

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, 2020, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

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.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; 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 funds 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 funds, their investment advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, 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.

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 and portfolios 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

Effective for reporting periods on or after March 1, 2019, a fund, except a money market 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. Prior to March 1, 2019, a fund, including a money market fund, filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A money market fund files detailed month-end portfolio holdings information on Form N-MFP with the SEC each month and posts a complete schedule of portfolio holdings on its website (troweprice.com) as of each month-end for the previous six months. A fund's Forms N-PORT, N-MFP, and N-Q are available electronically on the SEC's website (sec.gov).

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 9–10, 2020 (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, 2019, 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 benefits that the Advisor (and its affiliates) may have realized from its relationship with the fund, including any research received under "soft dollar" agreements and commission-sharing arrangements with broker-dealers. The Board considered that the Advisor may have received some benefit from soft-dollar arrangements pursuant to which research is received from broker-dealers that execute the fund's portfolio transactions. However, the Board also considered that, effective January 2020, the Advisor began bearing 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. 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 0.50% 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 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. 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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create 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 the primary investment resources utilized to manage the fund are shared with other actively managed 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 fourth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the third quintile (Expense Group and Expense Universe).

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 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.

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).

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 May 4, 2020, 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.

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 June 1, 2019, through March 31, 2020. 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.

Certain provisions of the Liquidity Program initially became effective on December 1, 2018, and the full Liquidity Program was formally approved by the Board in April 2019. During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program since its implementation has operated adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

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T. Rowe Price®

100 East Pratt Street
Baltimore, MD 21202

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.

202008-1220460 T. Rowe Price Investment Services, Inc. E303-051 8/20

T. Rowe Price®

SEMIANNUAL REPORT
June 30, 2020

T. ROWE PRICE

Moderate Allocation Portfolio

For more insights from T. Rowe Price investment professionals, go to **troweprice.com**.

INVEST WITH CONFIDENCE®

HIGHLIGHTS

- The Moderate Allocation Portfolio returned -2.28% in the six months ended June 30, 2020, underperforming its combined index portfolio benchmark but outperforming its Lipper peer group average.
- The inclusion of diversifying sectors had a negative impact on relative performance amid heightened volatility. Overall, security selection in the fund's underlying investments detracted, while effective tactical allocation decisions added value.
- Given the velocity of the recent rebound and the notable headwinds in the current market, we moderated our exposure to equities and are now neutral between stocks and bonds. We reduced our exposure to international developed and emerging markets stocks. We increased an overweight to high yield bonds and pared our exposure to nondollar and emerging markets debt.
- We believe that the Moderate Allocation Portfolio's diversification and flexibility to identify investment opportunities across sectors and regions should allow us to generate solid long-term returns in a variety of market environments.

Dear Investor

Financial markets recorded widely mixed results during the first half of 2020 as the spread of the coronavirus disrupted global economies. Although stocks and bonds experienced extraordinary volatility, historic levels of fiscal and monetary stimulus helped mitigate the losses.

Market sentiment was positive as we entered the year, and the S&P 500 Index advanced to a record high on February 19. However, stocks began falling as the coronavirus spread in Italy and other countries outside China. The major indexes continued their slide as cases mounted in the U.S. and New York City became the epicenter of the pandemic. Governments throughout the world issued stay-at-home orders to contain the virus, and some sectors, such as travel, restaurants, and shopping malls, nearly came to a halt.

According to the National Bureau of Economic Research, a recession officially began in February, ending the longest expansion in U.S. history. Over 22 million Americans lost their jobs in March and April, and many measures of economic activity, including retail sales and industrial production, experienced record-setting declines. By March 23, the S&P 500 Index had fallen by about a third from the start of the year.

In response to the rapid economic contraction, global central banks took bold accommodative steps, and many governments around the world passed emergency spending packages. The Federal Reserve cut its short-term lending rate to near zero and began massive purchases of government and corporate bonds to stimulate the economy and supply liquidity in the fixed income market.

The federal government also provided trillions of dollars in fiscal help in the form of direct payments to many Americans, expanded unemployment insurance, and subsidies to sectors such as transportation and health care that had been directly impacted by the pandemic. As lockdowns eased late in the period, there were signs of economic recovery, especially in stronger-than-expected payroll data, but surges in new virus cases in some states remained a concern.

Boosted by the stimulus and indications that the economy was mending faster than many expected, nearly all sectors recouped some of their losses by the end of June, and some segments were back in positive territory. For the six-month period, the tech-heavy Nasdaq Composite Index reached record highs and easily outperformed other benchmarks as the pandemic appeared to accelerate trends in retail, social media, and content streaming that benefited the large technology platforms. Large- and mid-cap growth stocks also produced positive returns and outperformed small-caps and value shares, which lost ground.

The S&P 500 Index finished the period with modest losses overall. Within the benchmark, tech and consumer discretionary stocks rallied, but energy shares were down more than 35% (including dividends) amid tumbling oil prices, and the financials sector struggled in a low-yield environment. Non-U.S. equity markets were generally negative and lagged the U.S. benchmarks.

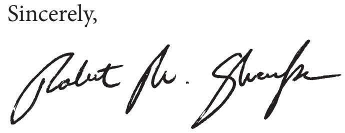
In the fixed income universe, Treasuries were the top performers as yields dropped to record lows during the period, and other U.S. investment-grade bonds were also generally positive. High yield and emerging markets bonds were particularly hard hit during the market sell-off in March, but the sectors staged a strong recovery as investors sought out higher-yielding securities. Emerging markets debt denominated in U.S. dollars outperformed local currency issues, as weakness in certain currencies weighed on local bond performance in U.S. dollar terms.

As we enter the second half of the year, we expect markets to remain volatile. The scale of the stimulus and the potential for medical breakthroughs create the potential for stocks to move higher, but much depends on the course of the virus. Rising tensions between the U.S. and China, social unrest, and the U.S. elections in November could also drive market performance.

Our investment teams will be carefully monitoring these developments, and I believe that our disciplined fundamental research and strategic investing approach will continue to serve our shareholders well in this uncertain environment.

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks the highest total return over time consistent with an emphasis on both capital appreciation and income.

FUND COMMENTARY

How did the fund perform in the past six months?

The Moderate Allocation Portfolio returned -2.28% in the six months ended June 30, 2020. The portfolio underperformed its combined index portfolio benchmark but outperformed its peer group, the Lipper Variable Annuity Underlying Mixed-Asset Target Allocation Moderate Funds Average. (*Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/20	Total Return
Moderate Allocation Portfolio	-2.28%
Morningstar Moderate Target Risk Index	-2.35
Combined Index Portfolio*	-1.19
Lipper Variable Annuity Underlying Mixed-Asset Target Allocation Moderate Funds Average	-2.38

*For a definition of the combined index portfolio, please see the Benchmark Information section.

What factors influenced the fund's performance?

The inclusion of diversifying sectors hurt relative returns, particularly within fixed income. Allocations to emerging markets bonds, high yield bonds, and nondollar bonds were notable detractors. These sectors, which are considered to be higher-risk assets within fixed income, sold off sharply as investors shunned such assets during the precipitous decline in global equity markets in the first quarter of 2020. However, this trend largely reversed as risk appetite improved over the period, which softened the negative impact. Our exposure to real assets stocks had a negative impact on relative performance, though this was mitigated by a favorable underweight allocation and effective security selection within the sector. Demand shocks driven by the coronavirus pandemic and the subsequent decline in economic activity have weighed heavily on energy prices, while concerns over weak commercial real estate demand have also weighed on the sector.

Overall, tactical decisions to overweight and underweight asset classes contributed to relative returns, as our positioning though the crisis added value and helped to offset some of the adverse impact from diversifying allocations in fixed income. As global equity markets declined rapidly during the coronavirus-induced sell-off, we took the opportunity to lean into risk in a measured way. As a result, we were overweight to equities as markets recovered, which lifted relative performance.

Security selection in the portfolio's underlying investments had a mixed impact on relative performance. Most notably, selection among investment-grade bonds detracted. The allocation had an underweight allocation to Treasuries relative to its benchmark, which weighed on performance as yields declined sharply in the first quarter. Selection within the allocations to international developed stocks and emerging markets bonds also had a modest negative impact. Conversely, strong selection among U.S. large-cap value and U.S. small-cap stocks lifted relative returns. These strategies outpaced their respective benchmarks during both the first and second quarters, positively contributing to relative performance across drastically different market environments. Selection within U.S. large-cap growth stocks also added value.

How is the fund positioned?

As of June 30, 2020, we were neutral to global stocks relative to bonds. Entering the year, we had increased our allocation to equities relative to bonds against a backdrop of stabilizing global growth and improving U.S-China trade relations. As equity markets sold off in late February into March due to the coronavirus pandemic, we incrementally added to our exposure given attractive stock valuations. Given the velocity of the recent rebound and the notable headwinds in the current market, we pared our exposure to equities and are now neutral.

Stocks

On a regional basis, we shifted from an underweight to U.S. equities to a neutral position relative to international stocks given the more uncertain global growth environment. The U.S. market has a more defensive sector profile, given higher exposure to the technology and communications sectors that have proven to be more resilient in the current environment. Outside the U.S., more cyclically oriented economies are beginning to show signs of life as economic activity rebounds from depressed levels but may be challenged as the pandemic presents a persistent headwind to growth. Aggressive stimulus measures and the rebound in Chinese demand after coronavirus-related shutdowns could also support international stocks. With the notable exception of China, developing countries face meaningful challenges to contain the coronavirus and have limited tools to support growth.

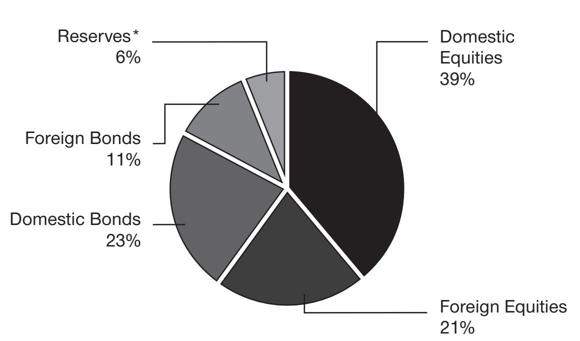
In the U.S., we remain overweight to growth stocks relative to value stocks. Secular growth companies have held up in the sell-off and are less sensitive to the broad macroeconomic environment, unlike more cyclically exposed value-oriented equities. We maintained our overweight to small-cap stocks given more compelling valuations, although we trimmed our position given their higher exposure to consumer spending and limited balance sheet flexibility relative to U.S. large-caps in an uncertain economic environment. Larger companies may be better positioned to weather an economic downturn, but they are also vulnerable to global supply chain disruptions.

We remain underweight to inflation-sensitive real assets equities. The structural oversupply in the energy sector is a concern. While stabilization in China's growth outlook due to containment measures may favor commodities, disruption due to the outbreak may linger for months.

Bonds
Yields for U.S. investment-grade bonds remain near record lows. We increased our position in high yield bonds, as their yields reached attractive entry points for long-term investors. High yield bonds could deliver equity-like returns postcrisis with lower overall volatility.

We moderated our underweight to nondollar bonds, as a weaker U.S. dollar relative to major currencies may be supportive. However, extended duration is a risk for nondollar bonds from the perspective of unhedged U.S. investors, and low/negative yields remain uncompelling versus U.S. yields. We pared our overweight to emerging markets bonds, which continue to offer attractive valuations. Accommodative developed market monetary policies should also be supportive. However, idiosyncratic risks, limited health care infrastructure, and the lack of sufficient economic means to support growth present challenges for emerging markets bonds.

SECURITY DIVERSIFICATION



Based on net assets as of 6/30/20.

*Includes the cash underlying futures positions, such as the Russell 2000 Index futures.

What is portfolio management's outlook?

The financial impact of the coronavirus pandemic reverberated across asset classes and regions in recent months. The economic effect of extensive government-enforced social distancing measures and the subsequent halt in global economic activity led to extreme market volatility. The velocity of the market decline and subsequent rebound is, however, unparalleled as global markets have shrugged off alarming economic data with the hopes that a swift recovery will ensue as commercial activities resume. Optimistic investor sentiment has been reflected in the continued recovery of risk assets. However, we believe caution is warranted. While today's economy is not plagued by the same structural challenges of prior recessions, it is unclear whether markets will continue to disregard the negative data should further shocks materialize. Resurgent tensions between the U.S. and China also bear monitoring, as geopolitical risks have emerged as a potential obstacle to a sustained recovery.

In our view, the myriad risks facing a return to global growth have been balanced so far by an effective and coordinated policy response. The aggressive measures taken by the Federal Reserve and other major central banks have helped to stem the impacts of the pandemic on the global economy. Low interest rates and renewed quantitative easing have buttressed the market rally, while fiscal stimulus measures in the U.S. and several other countries have forestalled worse economic damage. We believe further stimulus would likely be a boon to equity markets, though the scope and timing of these measures remains unclear as policymakers evaluate the trajectory of the recovery.

The current heightened levels of volatility and uncertainty in global markets underscores the value of our thoughtful strategic investing approach. Given the uncertain impact of positive and negative forces on the horizon that can drive global financial markets, we believe that the Moderate Allocation Portfolio's broad diversification and our ability to adjust allocations in response to opportunities and risks will help us deliver solid long-term performance in a variety of environments.

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 STOCKS

As with all stock and bond mutual funds, the fund's share price can fall because of weakness in the stock or bond markets, a particular industry, or specific holdings. Stock markets can decline for many reasons, including adverse political or economic developments, changes in investor psychology, or heavy institutional selling. 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 investment manager's assessment of companies held in a fund may prove incorrect, resulting in losses or poor performance even in rising markets. A sizable cash or fixed income position may hinder the fund from participating fully in a strong, rapidly rising bull market. In addition, significant exposure to bonds increases the risk that the fund's share value could be hurt by rising interest rates or credit downgrades or defaults. Convertible securities are also exposed to price fluctuations of the company's stock.

RISKS OF INTERNATIONAL INVESTING

Funds that invest overseas generally carry more risk than funds that invest strictly in U.S. assets. Funds investing in a single country or in a limited geographic region tend to be riskier than more diversified funds. Risks can result from varying stages of economic and political development; differing regulatory environments, trading days, and accounting standards; and higher transaction costs of non-U.S. markets. Non-U.S. investments are also subject to currency risk, or a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency.

RISKS OF INVESTING IN BONDS

Funds that invest in bonds are subject to interest rate risk, the decline in bond prices that usually accompanies a rise in interest rates. Longer-maturity bonds typically decline more than those with shorter maturities. Funds that invest in bonds are also subject to credit risk, the chance that any fund holding could have its credit rating downgraded or that a bond issuer will default (fail to make timely payments of interest or principal), potentially reducing the fund's income level and share price.

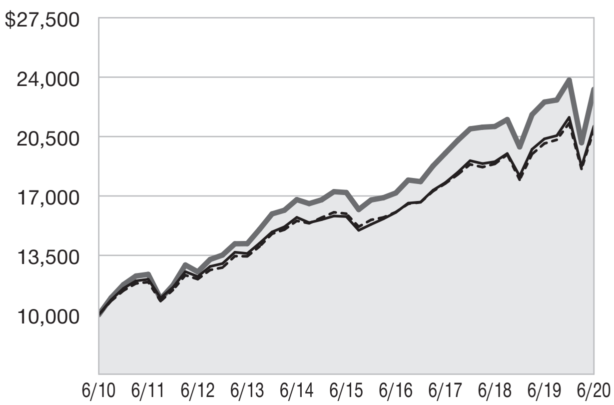
BENCHMARK INFORMATION

Combined index portfolio: An unmanaged blended index benchmark composed of the following underlying indexes as of June 30, 2020: 60% stocks (42% Russell 3000 Index, 18% MSCI All Country World Index ex USA), 30% bonds (Bloomberg Barclays U.S. Aggregate Bond Index), and 10% money market securities (FTSE 3-Month Treasury Bill Index).

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.

MODERATE ALLOCATION PORTFOLIO



	As of 6/30/20
Moderate Allocation Portfolio	$23,283
Morningstar Moderate Target Risk Index	21,121
Lipper Variable Annuity Underlying Mixed-Asset Target Allocation Moderate Funds Average	20,894

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/20	1 Year	5 Years	10 Years
Moderate Allocation Portfolio	3.33%	6.24%	8.82%

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). 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.

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.

MODERATE ALLOCATION PORTFOLIO

	Beginning Account Value 1/1/20	Ending Account Value 6/30/20	Expenses Paid During Period* 1/1/20 to 6/30/20
Actual	$1,000.00	$977.20	$3.54
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.28	3.62

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.72%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (182), and divided by the days in the year (366) to reflect the half-year period.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 20.96	$ 18.31	$ 21.09	$ 19.17	$ 18.73	$ 20.56
Investment activities						
Net investment income[1] [2]	0.15	0.38	0.39	0.30	0.31	0.34
Net realized and unrealized gain/loss	(0.64)	3.22	(1.44)	3.02	0.89	(0.35)
Total from investment activities	(0.49)	3.60	(1.05)	3.32	1.20	(0.01)
Distributions						
Net investment income	(0.14)	(0.40)	(0.38)	(0.32)	(0.32)	(0.36)
Net realized gain	–	(0.55)	(1.35)	(1.08)	(0.44)	(1.46)
Total distributions	(0.14)	(0.95)	(1.73)	(1.40)	(0.76)	(1.82)
NET ASSET VALUE						
End of period	**$ 20.33**	**$ 20.96**	**$ 18.31**	**$ 21.09**	**$ 19.17**	**$ 18.73**
Ratios/Supplemental Data						
Total return[2] [3]	**(2.28)%**	**19.80%**	**(5.08)%**	**17.41%**	**6.45%**	**(0.05)%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[4]	0.90%[5]	0.90%	0.88%	0.90%	0.90%	0.90%
Net expenses after waivers/payments by Price Associates	0.72%[5]	0.72%	0.76%	0.78%	0.77%	0.77%
Net investment income	1.49%[5]	1.88%	1.84%	1.43%	1.63%	1.66%
Portfolio turnover rate	37.0%	91.2%	77.0%	61.8%	75.4%	71.5%
Net assets, end of period (in thousands)	$ 176,457	$ 184,645	$ 166,744	$ 184,401	$ 159,611	$ 163,344

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 6 for details of expense-related arrangements with Price Associates.
(3) 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.
(4) See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(5) Annualized

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

PORTFOLIO OF INVESTMENTS‡

(Cost and value in $000s)

	Shares/Par	$ Value
COMMON STOCKS 53.8%		
Communication Services 5.2%		
Diversified Telecommunication Services 0.3%		
KT (KRW)	2,558	50
Nippon Telegraph & Telephone (JPY)	18,900	440
Telecom Italia (EUR)	135,710	53
		543
Entertainment 0.8%		
Cinemark Holdings	1,520	17
Electronic Arts (1)	76	10
Netflix (1)	1,697	772
Sea, ADR (1)	1,740	187
Spotify Technology (1)	646	167
Walt Disney	2,052	229
Zynga, Class A (1)	6,720	64
		1,446
Interactive Media & Services 3.6%		
Alphabet, Class A (1)	263	373
Alphabet, Class C (1)	1,580	2,234
Baidu, ADR (1)	374	45
Facebook, Class A (1)	9,114	2,070
JOYY, ADR (1)	1,399	124
Match Group (1)	725	234
Match Group, Class A (1)	30	3
NAVER (KRW)	501	113
Snap, Class A (1)	3,720	87
Tencent Holdings (HKD)	15,700	1,006
Z Holdings (JPY)	21,700	106
		6,395
Media 0.3%		
Cable One	60	106
CyberAgent (JPY)	2,700	133
National CineMedia	3,451	10
Stroeer (EUR)	1,245	84
WPP (GBP)	13,932	109
		442
Wireless Telecommunication Services 0.2%		
SoftBank Group (JPY)	2,100	106
Vodafone Group, ADR	9,957	159
		265
Total Communication Services		9,091
Consumer Discretionary 6.6%		
Auto Components 0.4%		
Aptiv	70	6
Autoliv, SDR (SEK)	1,438	94
Denso (JPY)	2,100	82
Gentherm (1)	876	34
Magna International	6,332	282
Stanley Electric (JPY)	3,900	94
Stoneridge (1)	890	18
Sumitomo Rubber Industries (JPY)	4,400	44
Visteon (1)	361	25
		679
Automobiles 0.2%		
Honda Motor (JPY)	2,600	66
Suzuki Motor (JPY)	3,100	106
Toyota Motor (JPY)	4,700	296
		468
Diversified Consumer Services 0.1%		
API Group (1)	2,296	28
API Group, Warrants, 10/10/20 (1)	2,406	2
Bright Horizons Family Solutions (1)	366	43
ServiceMaster Global Holdings (1)	400	14
Strategic Education	82	13
		100
Hotels, Restaurants & Leisure 0.9%		
BJ's Restaurants	1,417	30
Chipotle Mexican Grill (1)	122	128
Chuy's Holdings (1)	1,616	24
Compass Group (GBP)	6,590	91

	Shares/Par	$ Value
(Cost and value in $000s)		
Darden Restaurants	79	6
Denny's (1)	1,700	17
Drive Shack (1)	3,170	6
Dunkin' Brands Group	393	26
Fiesta Restaurant Group (1)	2,229	14
Hilton Worldwide Holdings	3,096	227
Marriott International, Class A	2,769	237
McDonald's	1,661	307
OneSpaWorld Holdings	984	5
Papa John's International	1,250	99
Red Robin Gourmet Burgers (1)	996	10
Restaurant Brands International	52	3
Wynn Resorts	52	4
Yum! Brands	3,833	333
		1,567
Household Durables 0.3%		
Cavco Industries (1)	133	26
Panasonic (JPY)	12,600	110
Persimmon (GBP) (1)	3,776	107
Skyline Champion (1)	1,242	30
Sony (JPY)	2,000	138
Tempur Sealy International (1)	549	39
TRI Pointe Group (1)	1,943	29
		479
Internet & Direct Marketing Retail 3.3%		
A Place for Rover, Acquisition Date: 5/25/18, Cost $- (1)(2)(3)	52	—
Alibaba Group Holding, ADR (1)	6,410	1,383
Amazon.com (1)	1,358	3,746
ASOS (GBP) (1)	3,955	168
Booking Holdings (1)	193	307
Etsy (1)	430	46
Trip.com Group, ADR (1)	146	4
Zalando (EUR) (1)	2,333	166
		5,820
Multiline Retail 0.4%		
Dollar General	2,070	394
Dollar Tree (1)	191	18

	Shares/Par	$ Value
(Cost and value in $000s)		
Next (GBP)	1,462	88
Ollie's Bargain Outlet Holdings (1)	1,374	134
Target	239	29
		663
Specialty Retail 0.6%		
Aaron's	1,360	62
Burlington Stores (1)	543	107
Five Below (1)	162	17
Home Depot	233	58
Kingfisher (GBP)	48,827	134
Michaels (1)	3,420	24
Monro	1,314	72
O'Reilly Automotive (1)	299	126
RH (1)	133	33
Ross Stores	3,566	304
TJX	2,282	116
Vroom (1)	146	8
Vroom, Acquisition Date: 6/30/17 - 11/21/19, Cost $13 (1)(2)	1,344	67
		1,128
Textiles, Apparel & Luxury Goods 0.4%		
Allbirds, Acquisition Date: 10/10/18 - 12/21/18, Cost $6 (1)(2)(3)	580	8
Burberry Group (GBP)	4,977	98
EssilorLuxottica (EUR) (1)	995	128
Kering (EUR)	228	125
Lululemon Athletica (1)	729	227
Moncler (EUR) (1)	3,898	150
NIKE, Class B	228	22
Samsonite International (HKD) (1)(4)	38,100	39
Steven Madden	220	5
		802
Total Consumer Discretionary		11,706
Consumer Staples 2.0%		
Beverages 0.2%		
Boston Beer, Class A (1)	237	127

(Cost and value in $000s)	Shares/Par	$ Value
Constellation Brands, Class A	197	34
Diageo (GBP)	5,460	182
Kirin Holdings (JPY) (4)	4,400	93
		436
Food & Staples Retailing 0.2%		
Grocery Outlet Holding (1)	110	4
Seven & i Holdings (JPY)	5,500	180
Walmart	100	12
Welcia Holdings (JPY)	1,000	81
		277
Food Products 0.9%		
BellRing Brands, Class A (1)	650	13
Cal-Maine Foods (1)	1,231	55
Collier Creek Holdings (1)	1,356	20
Collier Creek Holdings, Class A (1)	230	3
Nestle (CHF)	7,829	868
Nomad Foods (1)	1,707	37
Post Holdings (1)	654	57
Sanderson Farms	354	41
TreeHouse Foods (1)	1,332	58
Tyson Foods, Class A	6,476	387
Wilmar International (SGD)	40,000	118
		1,657
Personal Products 0.5%		
L'Oreal (EUR)	825	266
Pola Orbis Holdings (JPY) (4)	1,600	28
Unilever (GBP)	10,061	543
		837
Tobacco 0.2%		
Altria Group	3,489	137
Philip Morris International	2,502	175
		312
Total Consumer Staples		3,519
Energy 1.4%		
Energy Equipment & Services 0.2%		
Cactus, Class A	500	10

(Cost and value in $000s)	Shares/Par	$ Value
Computer Modelling Group (CAD)	1,650	6
Dril-Quip (1)	421	13
Halliburton	12,032	156
Liberty Oilfield Services, Class A	3,543	19
NexTier Oilfield Solutions (1)	5,700	14
Worley (AUD)	14,390	88
		306
Oil, Gas & Consumable Fuels 1.2%		
Chevron	2,309	206
ConocoPhillips	1,486	62
Devon Energy	1,550	18
Diamondback Energy	1,208	51
Enbridge	7,531	229
EOG Resources	1,436	73
Equinor (NOK) (4)	12,206	176
Exxon Mobil	4,186	187
Hess	994	52
Magnolia Oil & Gas, Class A (1)	4,532	27
New Fortress Energy (1)	236	3
Parsley Energy, Class A	1,099	12
Pioneer Natural Resources	80	8
Royal Dutch Shell, Class B, ADR	2,861	87
Seven Generations Energy, Class A (CAD) (1)(4)	2,820	6
TC Energy	7,168	307
TOTAL (EUR) (4)	6,546	252
Venture Global LNG, Series B, Acquisition Date: 3/8/18, Cost $3 (1)(2)(3)	1	4
Venture Global LNG, Series C, Acquisition Date: 5/25/17 - 3/8/18, Cost $18 (1)(2)(3)	5	19
Williams	16,029	305
		2,084
Total Energy		2,390
Financials 6.8%		
Banks 1.9%		
Atlantic Capital Bancshares (1)	893	11

	Shares/Par	$ Value
(Cost and value in $000s)		
Australia & New Zealand Banking Group (AUD)	7,704	100
Bank of America	33,160	788
BankUnited	2,295	46
BNP Paribas (EUR) (1)	4,502	180
Bridge Bancorp	810	18
Close Brothers Group (GBP)	2,071	28
Columbia Banking System	622	18
CrossFirst Bankshares (1)	1,479	14
DBS Group Holdings (SGD)	5,275	79
DNB (NOK) (1)	16,233	217
Dogwood State Bank, Non-Voting Shares, Acquisition Date: 5/6/19, Cost $3 (1)(2)(3)	307	2
Dogwood State Bank, Voting Shares, Acquisition Date: 5/6/19, Cost $2 (1)(2)(3)	151	1
Dogwood State Bank, Warrants, 5/6/24, Acquisition Date: 5/6/19, Cost $- (1)(2)(3)	46	—
East West Bancorp	1,050	38
Equity Bancshares, Class A (1)	750	13
Erste Group Bank (EUR) (1)	3,017	71
FB Financial	1,275	32
Fifth Third Bancorp	2,517	49
First Bancshares	895	20
Grasshopper Bancorp, Acquisition Date: 10/12/18 - 5/2/19, Cost $5 (1)(2)(3)	528	4
Grasshopper Bancorp, Warrants, 10/12/28, Acquisition Date: 10/12/18, Cost $- (1)(2)(3)	104	—
Heritage Commerce	2,204	17
Heritage Financial	966	19
Home BancShares	4,040	62
ING Groep (EUR)	24,552	171
Intesa Sanpaolo (EUR) (1)	39,357	76
Investors Bancorp	2,610	22
JPMorgan Chase	410	39
Live Oak Bancshares	1,238	18
Lloyds Banking Group (GBP)	279,613	108

	Shares/Par	$ Value
(Cost and value in $000s)		
Mitsubishi UFJ Financial Group (JPY)	24,800	98
National Bank of Canada (CAD) (4)	4,202	190
Origin Bancorp	1,045	23
Pacific Premier Bancorp	1,648	36
Pinnacle Financial Partners	1,236	52
Popular	600	22
Professional Holding, Class A (1)	339	5
Prosperity Bancshares	654	39
Seacoast Banking (1)	1,989	41
Signature Bank	316	34
South State	1,013	48
Standard Chartered (GBP)	7,794	42
Sumitomo Mitsui Trust Holdings (JPY)	2,835	80
Svenska Handelsbanken, A Shares (SEK) (1)	16,527	157
Towne Bank	795	15
Truist Financial	570	21
United Overseas Bank (SGD)	9,800	143
Webster Financial	962	27
Western Alliance Bancorp	1,453	55
		3,389
Capital Markets 1.6%		
Cboe Global Markets	794	74
Charles Schwab	6,759	228
CME Group	973	158
Conyers Park II Acquisition (1)	1,517	18
E*TRADE Financial	6,339	315
Goldman Sachs Group	683	135
Intercontinental Exchange	2,980	273
Macquarie Group (AUD)	2,047	170
Morgan Stanley	23,240	1,122
MSCI	121	40
S&P Global	730	241
State Street	240	15
XP, Class A (1)	685	29
		2,818

	Shares/Par	$ Value
(Cost and value in $000s)		
Consumer Finance 0.2%		
Capital One Financial	4,669	292
Encore Capital Group (1)	1,106	38
PRA Group (1)	1,174	45
SLM	2,090	15
		390
Diversified Financial Services 0.4%		
Challenger (AUD)	19,564	60
Element Fleet Management (CAD) (4)	20,103	150
Equitable Holdings	17,454	337
Mitsubishi UFJ Lease & Finance (JPY)	13,200	63
Open Lending, Class A, Acquisition Date: 6/10/20, Cost $12 (1)(2)	1,174	17
		627
Insurance 2.6%		
AIA Group (HKD)	12,800	120
American International Group	26,997	842
Assurant	601	62
Aviva (GBP)	20,535	70
AXA (EUR) (1)(4)	14,991	315
Axis Capital Holdings	1,154	47
Chubb	2,183	276
Direct Line Insurance Group (GBP)	13,396	45
Hanover Insurance Group	463	47
Hartford Financial Services Group	4,367	168
Marsh & McLennan	4,400	472
MetLife	7,612	278
Munich Re (EUR)	1,320	344
PICC Property & Casualty, H Shares (HKD)	150,000	125
Ping An Insurance Group, H Shares (HKD)	10,500	105
Principal Financial Group	725	30
Prudential Financial	500	30
Safety Insurance Group	302	23
Sampo, A Shares (EUR)	5,076	175

	Shares/Par	$ Value
(Cost and value in $000s)		
Selective Insurance Group	1,309	69
SelectQuote (1)	324	8
SelectQuote, Acquisition Date: 5/6/20, Cost $9 (1)(2)	500	12
State Auto Financial	655	12
Storebrand (NOK) (1)	20,714	108
Sun Life Financial (CAD) (4)	5,496	202
Tokio Marine Holdings (JPY)	4,900	215
Willis Towers Watson	1,367	269
Zurich Insurance Group (CHF)	565	200
		4,669
Thrifts & Mortgage Finance 0.1%		
Capitol Federal Financial	1,797	20
Essent Group	1,235	45
Meridian Bancorp	2,155	25
PennyMac Financial Services	1,565	65
Sterling Bancorp	1,588	6
		161
Total Financials		12,054
Health Care 8.7%		
Biotechnology 1.4%		
AbbVie	6,421	630
ACADIA Pharmaceuticals (1)	315	15
Acceleron Pharma (1)	380	36
Agios Pharmaceuticals (1)	405	22
Aimmune Therapeutics (1)	905	15
Alexion Pharmaceuticals (1)	650	73
Allogene Therapeutics (1)	212	9
Amarin, ADR (1)	750	5
Apellis Pharmaceuticals (1)	180	6
Arcutis Biotherapeutics (1)	133	4
Argenx, ADR (1)	356	80
Ascendis Pharma, ADR (1)	1,049	155
Avidity Biosciences (1)	109	3
Blueprint Medicines (1)	549	43
CareDx (1)	265	9
CRISPR Therapeutics (1)	65	5
CSL (AUD)	339	67
Enanta Pharmaceuticals (1)	50	3

(Cost and value in $000s)

	Shares/Par	$ Value
G1 Therapeutics (1)	308	7
Generation Bio (1)	133	3
Generation Bio, Acquisition Date: 1/9/20, Cost $4 (1)(2)	428	9
Global Blood Therapeutics (1)	953	60
Homology Medicines (1)	459	7
IGM Biosciences (1)	210	15
Immunomedics (1)	780	28
Incyte (1)	1,421	148
Insmed (1)	1,718	47
Intellia Therapeutics (1)	108	2
Iovance Biotherapeutics (1)	150	4
Krystal Biotech (1)	165	7
Legend Biotech, Class A, ADR (1)	69	3
Momenta Pharmaceuticals (1)	1,018	34
Orchard Therapeutics, ADR (1)	1,163	7
Principia Biopharma (1)	325	19
PTC Therapeutics (1)	240	12
Radius Health (1)	1,800	25
Regeneron Pharmaceuticals (1)	54	34
Scholar Rock Holding (1)	339	6
Seattle Genetics (1)	447	76
Tricida (1)	605	17
Ultragenyx Pharmaceutical (1)	700	55
Vertex Pharmaceuticals (1)	2,075	602
Xencor (1)	851	28
Zentalis Pharmaceuticals (1)	150	7
		2,442
Health Care Equipment & Supplies 2.7%		
Abbott Laboratories	564	52
Alcon (CHF) (1)	1,020	59
AtriCure (1)	723	32
Avanos Medical (1)	1,164	34
Axonics Modulation Technologies (1)	255	9
Becton Dickinson & Company	1,694	405
Boston Scientific (1)	7,988	280
Danaher	8,740	1,545
Elekta, B Shares (SEK) (4)	11,643	108

(Cost and value in $000s)

	Shares/Par	$ Value
Exact Sciences (1)	643	56
ICU Medical (1)	256	47
Inari Medical (1)	79	4
Intuitive Surgical (1)	719	410
iRhythm Technologies (1)	543	63
JAND, Class A, Acquisition Date: 3/9/18, Cost $7 (1)(2)(3)	443	9
Koninklijke Philips (EUR) (1)	9,593	448
Medtronic	1,228	113
Mesa Laboratories	67	14
Nevro (1)	289	35
NuVasive (1)	463	26
Pax Labs, Class A, Acquisition Date: 4/18/19, Cost $15 (1)(2)(3)	3,864	7
Penumbra (1)	139	25
Quidel (1)	741	166
Stryker	3,805	686
Teleflex	10	4
Zimmer Biomet Holdings	646	77
		4,714
Health Care Providers & Services 1.7%		
Alignment Healthcare Partners, Acquisition Date: 2/28/20, Cost $9 (1)(2)(3)	764	9
Amedisys (1)	373	74
Anthem	1,897	499
Centene (1)	3,641	231
Cigna	2,850	535
Cross Country Healthcare (1)	1,265	8
CVS Health	2,226	145
Fresenius (EUR) (1)	4,079	203
Hanger (1)	2,123	35
HCA Healthcare	2,782	270
Humana	198	77
Molina Healthcare (1)	677	120
Pennant Group (1)	642	15
U.S. Physical Therapy	435	35
UnitedHealth Group	2,807	828
		3,084

	Shares/Par	$ Value
(Cost and value in $000s)		
Health Care Technology 0.2%		
HMS Holdings (1)	1,424	46
Siemens Healthineers (EUR)	3,391	163
Tabula Rasa HealthCare (1)	160	9
Veeva Systems, Class A (1)	389	91
		309
Life Sciences Tools & Services 0.8%		
Adaptive Biotechnologies (1)	360	18
Agilent Technologies	2,334	206
Bruker	1,361	55
Evotec (EUR) (1)(4)	2,542	70
Thermo Fisher Scientific	2,708	981
		1,330
Pharmaceuticals 1.9%		
Astellas Pharma (JPY)	25,100	419
Bausch Health (1)	5,832	107
Bayer (EUR)	4,187	310
Cara Therapeutics (1)	432	7
Catalent (1)	1,425	104
Elanco Animal Health (1)	7,853	168
GlaxoSmithKline, ADR	6,020	246
Ipsen (EUR)	1,023	87
MyoKardia (1)	573	55
Novartis (CHF) (4)	6,022	525
Novo Nordisk, B Shares (DKK)	1,353	88
Odonate Therapeutics (1)	120	5
Otsuka Holdings (JPY) (4)	3,900	170
Reata Pharmaceuticals, Class A (1)	204	32
Roche Holding (CHF)	1,651	572
Sanofi (EUR)	2,994	305
Takeda Pharmaceutical, ADR	4,060	73
TherapeuticsMD (1)	10,358	13
Turning Point Therapeutics (1)	275	18
Zoetis	632	87
		3,391
Total Health Care		15,270

	Shares/Par	$ Value
(Cost and value in $000s)		
Industrials & Business Services 4.6%		
Aerospace & Defense 0.3%		
Aerojet Rocketdyne Holdings (1)	549	22
Boeing	18	3
BWX Technologies	805	46
Cubic	1,009	48
L3Harris Technologies	120	20
Meggitt (GBP)	29,231	106
Northrop Grumman	11	3
Safran (EUR) (1)	1,198	121
Teledyne Technologies (1)	298	93
		462
Air Freight & Logistics 0.1%		
United Parcel Service, Class B	1,820	202
		202
Airlines 0.0%		
Alclear Holdings, Class B, Acquisition Date: 3/6/18 - 12/13/18, Cost $18 (1)(2)(3)(5)	118	23
United Airlines Holdings (1)	23	1
		24
Building Products 0.1%		
Gibraltar Industries (1)	1,128	54
Johnson Controls International	700	24
PGT Innovations (1)	1,622	25
		103
Commercial Services & Supplies 0.1%		
ADT	1,552	12
Brink's	1,119	51
Cintas	294	78
Heritage-Crystal Clean (1)	932	16
MSA Safety	120	14
Rentokil Initial (GBP)	8,626	55
Team (1)	1,360	8
Tetra Tech	240	19
		253

	Shares/Par	$ Value
(Cost and value in $000s)		
Construction & Engineering 0.1%		
Jacobs Engineering Group	2,384	202
Valmont Industries	41	5
		207
Electrical Equipment 0.6%		
ABB (CHF)	9,093	206
AZZ	1,031	35
Legrand (EUR)	1,417	108
Melrose Industries (GBP)	71,916	101
Mitsubishi Electric (JPY)	18,300	239
Prysmian (EUR)	5,380	125
Rockwell Automation	1,035	221
Thermon Group Holdings (1)	450	7
		1,042
Industrial Conglomerates 1.2%		
CK Hutchison Holdings (HKD)	12,784	83
DCC (GBP)	1,548	129
General Electric	108,646	742
Honeywell International	2,450	354
Roper Technologies	911	354
Siemens (EUR)	4,168	492
		2,154
Machinery 0.8%		
Chart Industries (1)	617	30
Cummins	292	51
Deere	2,070	325
ESCO Technologies	861	73
Federal Signal	650	19
Fortive	779	53
Graco	880	42
Helios Technologies	829	31
Ingersoll Rand (1)	2,022	57
John Bean Technologies	883	76
KION Group (EUR) (1)	2,155	133
Knorr-Bremse (EUR)	993	101
Marel HF (ISK)	972	5
Meritor (1)	2,570	51
Mueller Water Products, Class A	3,230	30

	Shares/Par	$ Value
(Cost and value in $000s)		
Otis Worldwide	800	45
SMC (JPY)	100	51
Stanley Black & Decker	660	92
THK (JPY)	4,700	117
Toro	554	37
		1,419
Marine 0.0%		
Matson	1,688	49
		49
Professional Services 0.5%		
Clarivate (1)	3,624	81
CoStar Group (1)	295	210
Equifax	851	146
IHS Markit	112	8
Recruit Holdings (JPY)	4,700	162
TechnoPro Holdings (JPY)	1,800	104
Teleperformance (EUR)	397	101
Upwork (1)	650	9
		821
Road & Rail 0.5%		
Canadian Pacific Railway	256	65
Central Japan Railway (JPY)	800	124
Kansas City Southern	462	69
Knight-Swift Transportation Holdings	1,805	75
Landstar System	270	30
Norfolk Southern	1,410	248
Saia (1)	220	25
Union Pacific	1,527	258
		894
Trading Companies & Distributors 0.3%		
Ashtead Group (GBP)	2,867	97
Bunzl (GBP)	2,864	77
Mitsubishi (JPY)	4,500	95
SiteOne Landscape Supply (1)	963	110
Sumitomo (JPY)	10,700	123

(Cost and value in $000s)	Shares/Par	$ Value
United Rentals (1)	430	64
		566
Total Industrials & Business Services		8,196
Information Technology 12.7%		
Communications Equipment 0.2%		
LM Ericsson, B Shares (SEK)	23,819	221
Motorola Solutions	1,297	182
		403
Electronic Equipment, Instruments & Components 0.6%		
Belden	150	5
CTS	1,696	34
Hamamatsu Photonics (JPY)	2,600	113
Keysight Technologies (1)	2,654	268
Largan Precision (TWD)	1,000	139
Littelfuse	250	43
Murata Manufacturing (JPY)	2,700	159
National Instruments	1,694	66
Novanta (1)	875	93
Omron (JPY)	1,500	100
		1,020
IT Services 2.8%		
Amadeus IT Group, A Shares (EUR)	2,027	106
ANT International, Class C, Acquisition Date: 6/7/18, Cost $61 (1)(2)(3)	10,922	77
Automatic Data Processing	19	3
Booz Allen Hamilton Holding	804	63
Euronet Worldwide (1)	409	39
Evo Payments, Class A (1)	412	9
Fidelity National Information Services	3,755	503
Fiserv (1)	4,178	408
FleetCor Technologies (1)	273	69
Global Payments	3,329	565
Mastercard, Class A	2,965	877
NTT Data (JPY)	12,400	139
Parsons (1)	498	18
PayPal Holdings (1)	4,617	804

(Cost and value in $000s)	Shares/Par	$ Value
ServiceTitan, Acquisition Date: 11/9/18, Cost $- (1)(2)(3)	19	1
Shift4 Payments, Class A (1)	213	8
StoneCo, Class A (1)	692	27
Twilio, Class A (1)	110	24
Visa, Class A	5,531	1,068
Wix.com (1)	630	161
		4,969
Semiconductors & Semiconductor Equipment 3.5%		
Advanced Micro Devices (1)	2,549	134
Analog Devices	200	24
Applied Materials	13,346	807
ASML Holding	282	104
ASML Holding (EUR)	776	284
Broadcom	1,361	429
Entegris	1,843	109
Inphi (1)	122	14
Intel	5,174	309
KLA	82	16
Lam Research	293	95
Lattice Semiconductor (1)	4,817	137
Marvell Technology Group	6,027	211
Maxim Integrated Products	637	39
Micron Technology (1)	6,997	360
MKS Instruments	140	16
Monolithic Power Systems	70	17
NVIDIA	1,613	613
NXP Semiconductors	5,745	655
PDF Solutions (1)	1,359	27
QUALCOMM	8,735	797
Renesas Electronics (JPY) (1)	8,000	41
Semtech (1)	390	20
Taiwan Semiconductor Manufacturing (TWD)	32,219	344
Texas Instruments	2,628	334
Tokyo Electron (JPY)	500	123
Xilinx	931	92
		6,151

(Cost and value in $000s)

	Shares/Par	$ Value
Software 4.5%		
Atlassian, Class A (1)	644	116
Avalara (1)	110	15
Ceridian HCM Holding (1)	1,099	87
Checkr, Acquisition Date: 6/29/18 - 12/2/19, Cost $5 (1)(2)(3)	198	4
Citrix Systems	310	46
Coupa Software (1)	205	57
Descartes Systems Group (1)	1,732	92
DocuSign (1)	957	165
Five9 (1)	685	76
Intuit	2,111	625
Microsoft	16,856	3,430
nCino, Acquisition Date: 9/16/19, Cost $9 (1)(2)(3)	422	9
Paycom Software (1)	375	116
Proofpoint (1)	507	56
salesforce.com (1)	3,739	700
SAP (EUR)	2,125	297
ServiceNow (1)	1,924	779
Splunk (1)	1,514	301
SS&C Technologies Holdings	1,451	82
Synopsys (1)	2,696	526
Toast, Acquisition Date: 9/14/18, Cost $- (1)(2)(3)	1	—
VMware, Class A (1)	412	64
Workday, Class A (1)	1,508	282
Zendesk (1)	155	14
Zoom Video Communications, Class A (1)	240	61
		8,000
Technology Hardware, Storage & Peripherals 1.1%		
Apple	4,466	1,629
Samsung Electronics (KRW)	7,105	315
		1,944
Total Information Technology		22,487

(Cost and value in $000s)

	Shares/Par	$ Value
Materials 2.2%		
Chemicals 1.2%		
Air Liquide (EUR)	1,230	178
Air Products & Chemicals	16	4
Asahi Kasei (JPY)	14,700	120
BASF (EUR)	2,295	129
Covestro (EUR) (1)	2,227	85
DuPont de Nemours	2,512	134
Element Solutions (1)	3,433	37
Johnson Matthey (GBP)	4,463	116
Linde	4,108	871
Minerals Technologies	760	36
PPG Industries	1,640	174
Quaker Chemical	284	53
Sherwin-Williams	52	30
Tosoh (JPY)	1,700	23
Umicore (EUR)	2,838	134
		2,124
Containers & Packaging 0.4%		
Amcor, CDI (AUD)	9,590	97
International Paper	5,269	185
Packaging Corp. of America	3,863	385
Reynolds Consumer Products	219	8
Westrock	3,044	86
		761
Metals & Mining 0.5%		
Alcoa (1)	1,790	20
Antofagasta (GBP)	10,527	122
BHP Group (AUD)	2,684	67
BHP Group (GBP)	7,219	148
Constellium (1)	2,820	22
ERO Copper (CAD) (1)	2,410	35
Franco-Nevada (CAD)	320	45
Haynes International	780	18
IGO (AUD)	30,885	105
Lundin Mining (CAD)	4,099	22
Northern Star Resources (AUD)	6,176	58
Rio Tinto (AUD)	970	66

(Cost and value in $000s)	Shares/Par	$ Value
South32 (AUD)	42,250	60
		788
Paper & Forest Products 0.1%		
Stella-Jones (CAD)	39	1
Stora Enso, R Shares (EUR)	13,148	157
West Fraser Timber (CAD) (4)	620	22
		180
Total Materials		3,853
Real Estate 1.3%		
Equity Real Estate Investment Trusts 1.2%		
Acadia Realty Trust, REIT	824	11
American Campus Communities, REIT	1,383	48
American Tower, REIT	65	17
Community Healthcare Trust, REIT	280	11
CubeSmart, REIT	1,252	34
Digital Realty Trust, REIT	382	54
Douglas Emmett, REIT	280	9
EastGroup Properties, REIT	749	89
First Industrial Realty Trust, REIT	672	26
Great Portland Estates (GBP)	11,252	88
JBG SMITH Properties, REIT	1,935	57
Paramount Group, REIT	440	3
Prologis, REIT	11,939	1,114
PS Business Parks, REIT	569	75
Regency Centers, REIT	334	15
Rexford Industrial Realty, REIT	1,320	55
Scentre Group (AUD)	33,370	51
Sun Communities, REIT	1,568	213
Weyerhaeuser, REIT	5,012	113
		2,083
Real Estate Management & Development 0.1%		
FirstService	1,001	101
Mitsui Fudosan (JPY)	9,100	162
		263
Total Real Estate		2,346

(Cost and value in $000s)	Shares/Par	$ Value
Utilities 2.2%		
Electric Utilities 1.0%		
Edison International	1,337	73
Entergy	2,542	238
MGE Energy	192	12
NextEra Energy	4,399	1,056
PNM Resources	2,230	86
Southern	7,166	372
		1,837
Gas Utilities 0.1%		
Beijing Enterprises Holdings (HKD)	15,500	52
Chesapeake Utilities	551	46
ONE Gas	1,021	79
Southwest Gas Holdings	1,200	83
		260
Independent Power & Renewable Electricity Producers 0.1%		
AES	1,600	23
Electric Power Development (JPY)	5,400	103
NextEra Energy Partners	610	31
		157
Multi-Utilities 0.9%		
Ameren	4,059	286
Dominion Energy	2,082	169
Engie (EUR) (1)	17,299	215
National Grid (GBP)	12,850	157
NiSource	4,591	104
Sempra Energy	5,342	626
		1,557
Water Utilities 0.1%		
California Water Service Group	664	32
Middlesex Water	483	32

	Shares/Par	$ Value
(Cost and value in $000s)		
SJW Group	707	44
		108
Total Utilities		3,919
Total Miscellaneous Common Stocks 0.1% (6)		165
Total Common Stocks (Cost $59,061)		**94,996**
CONVERTIBLE PREFERRED STOCKS 0.2%		
Consumer Discretionary 0.0%		
Automobiles 0.0%		
Rivian Automotive, Series D, Acquisition Date: 12/23/19, Cost $13 (1)(2)(3)	1,224	13
		13
Diversified Consumer Services 0.0%		
1stdibs.com, Series D, Acquisition Date: 2/7/19, Cost $6 (1)(2)(3)	1,120	5
		5
Hotels, Restaurants & Leisure 0.0%		
Cava Group, Series E, Acquisition Date: 6/23/20, Cost $15 (1)(2)(3)	648	15
		15
Internet & Direct Marketing Retail 0.0%		
A Place for Rover, Series G, Acquisition Date: 5/11/18, Cost $6 (1)(2)(3)	741	4
Roofoods, Series F, Acquisition Date: 9/12/17, Cost $19 (1)(2)(3)	53	21
Roofoods, Series G, Acquisition Date: 5/16/19, Cost $1 (1)(2)(3)	2	1
		26
Textiles, Apparel & Luxury Goods 0.0%		
Allbirds, Series A, Acquisition Date: 10/10/18, Cost $2 (1)(2)(3)	190	2
Allbirds, Series B, Acquisition Date: 10/10/18, Cost $- (1)(2)(3)	35	1
Allbirds, Series C, Acquisition Date: 10/9/18, Cost $4 (1)(2)(3)	320	4
Allbirds, Series Seed, Acquisition Date: 10/10/18, Cost $1 (1)(2)(3)	100	1
		8
Total Consumer Discretionary		67
Consumer Staples 0.0%		
Food Products 0.0%		
Farmers Business Network, Series D, Acquisition Date: 11/3/17, Cost $14 (1)(2)(3)	733	13
Total Consumer Staples		13
Health Care 0.0%		
Health Care Equipment & Supplies 0.0%		
Becton Dickinson & Company, Series B, 6.00%, 6/1/23	639	33
JAND, Series E, Acquisition Date: 3/9/18, Cost $9 (1)(2)(3)	546	11
JAND, Series F, Acquisition Date: 4/3/20, Cost $13 (1)(2)(3)	649	13
Total Health Care		57
Industrials & Business Services 0.0%		
Machinery 0.0%		
Stanley Black & Decker, Series C, STEP, 5.00% (7)	29	33
		33
Road & Rail 0.0%		
Convoy, Series C, Acquisition Date: 9/14/18, Cost $9 (1)(2)(3)	1,241	12
Convoy, Series D, Acquisition Date: 10/30/19, Cost $10 (1)(2)(3)	764	8
		20
Total Industrials & Business Services		53

(Cost and value in $000s)	Shares/Par	$ Value
Information Technology 0.1%		
IT Services 0.0%		
ServiceTitan, Series D, Acquisition Date: 11/9/18, Cost $5 (1)(2)(3)	184	6
		6
Semiconductors & Semiconductor Equipment 0.0%		
Broadcom, Series A, 8.00%, 9/30/22	20	23
		23
Software 0.1%		
Checkr, Series C, Acquisition Date: 4/10/18, Cost $4 (1)(2)(3)	300	7
Checkr, Series D, Acquisition Date: 9/6/19, Cost $12 (1)(2)(3)	400	9
Haul Hub, Series B, Acquisition Date: 2/14/20, Cost $3 (1)(2)(3)	217	3
Plex Systems Holdings, Series B, Acquisition Date: 6/9/14, Cost $5 (1)(2)(3)	2,270	5
Seismic Software, Series E, Acquisition Date: 12/13/18, Cost $7 (1)(2)(3)	223	11
Toast, Series B, Acquisition Date: 9/14/18, Cost $- (1)(2)(3)	10	—
Toast, Series D, Acquisition Date: 6/27/18, Cost $13 (1)(2)(3)	737	28
Toast, Series F, Acquisition Date: 2/14/20, Cost $3 (1)(2)(3)	60	2
		65
Total Information Technology		94
Utilities 0.1%		
Electric Utilities 0.1%		
Southern, Series A, 6.75%, 8/1/22	1,877	82
		82

(Cost and value in $000s)	Shares/Par	$ Value
Multi-Utilities 0.0%		
Sempra Energy, Series A, 6.00%, 1/15/21	330	32
Sempra Energy, Series B, 6.75%, 7/15/21	41	4
		36
Total Utilities		118
Total Convertible Preferred Stocks (Cost $382)		**402**
CORPORATE BONDS 8.7%		
AbbVie, 2.95%, 11/21/26 (8)	45,000	49
AbbVie, 3.20%, 11/21/29 (8)	20,000	22
AbbVie, 3.60%, 5/14/25	85,000	94
AbbVie, 4.05%, 11/21/39 (8)	25,000	29
AbbVie, 4.70%, 5/14/45	55,000	69
AbbVie, 4.875%, 11/14/48	108,000	140
AerCap Ireland Capital, 4.875%, 1/16/24	175,000	173
Aflac, 3.60%, 4/1/30	15,000	17
Alexandria Real Estate Equities, 3.45%, 4/30/25	40,000	44
Alexandria Real Estate Equities, 3.95%, 1/15/28	65,000	74
Altria Group, 2.35%, 5/6/25	10,000	11
Altria Group, 3.40%, 5/6/30	5,000	5
Altria Group, 5.95%, 2/14/49	18,000	24
American Airlines PTT, Series 2016-1, Class AA, 3.575%, 1/15/28	12,497	12
American Airlines PTT, Series 2016-3, Class B, 3.75%, 10/15/25	38,952	27
American Airlines PTT, Series 2017-2, Class AA, 3.35%, 10/15/29	17,835	17

(Cost and value in $000s)	Shares/Par	$ Value
American Airlines PTT, Series 2017-2, Class B, 3.70%, 10/15/25	55,845	38
American Campus Communities Operating Partnership, 2.85%, 2/1/30	78,000	75
American Campus Communities Operating Partnership, 3.30%, 7/15/26	20,000	20
American Campus Communities Operating Partnership, 3.625%, 11/15/27	45,000	46
Anheuser-Busch InBev Worldwide, 5.55%, 1/23/49	104,000	139
Anthem, 2.25%, 5/15/30	25,000	26
Apple, 1.65%, 5/11/30	40,000	41
APT Pipelines, 3.875%, 10/11/22 (8)	35,000	37
APT Pipelines, 4.25%, 7/15/27 (8)	180,000	201
Arrow Electronics, 4.00%, 4/1/25	50,000	54
AT&T, 2.30%, 6/1/27	40,000	41
AT&T, 2.75%, 6/1/31	90,000	93
AT&T, 3.65%, 6/1/51	35,000	36
AT&T, 4.30%, 2/15/30	27,000	31
AT&T, 4.50%, 3/9/48	52,000	61
Ausgrid Finance, 3.85%, 5/1/23 (8)	30,000	32
Ausgrid Finance, 4.35%, 8/1/28 (8)	40,000	45
Avnet, 3.75%, 12/1/21	60,000	62
Avolon Holdings Funding, 3.95%, 7/1/24 (8)	90,000	78
Avolon Holdings Funding, 4.375%, 5/1/26 (8)	30,000	25
Baidu, 2.875%, 7/6/22	200,000	205
Bangkok Bank, VR, 3.733%, 9/25/34 (9)	200,000	191
Bank of America, 3.248%, 10/21/27	70,000	77

(Cost and value in $000s)	Shares/Par	$ Value
Bank of America, VR, 2.592%, 4/29/31 (9)	50,000	53
Bank of America, VR, 2.676%, 6/19/41 (9)	45,000	46
Bank of America, VR, 3.366%, 1/23/26 (9)	215,000	235
Bank of America, VR, 4.271%, 7/23/29 (9)	65,000	77
Barclays, VR, 4.61%, 2/15/23 (9)	200,000	210
BAT Capital, 3.222%, 8/15/24	40,000	43
BAT Capital, 3.557%, 8/15/27	150,000	163
BBVA Bancomer, 4.375%, 4/10/24 (8)	150,000	160
BBVA Bancomer, VR, 5.125%, 1/18/33 (9)	200,000	187
Becton Dickinson & Company, 2.823%, 5/20/30	35,000	37
Becton Dickinson & Company, 2.894%, 6/6/22	20,000	21
Becton Dickinson & Company, 3.363%, 6/6/24	32,000	34
Becton Dickinson & Company, 3.70%, 6/6/27	134,000	149
Becton Dickinson & Company, 3.794%, 5/20/50	35,000	38
Becton Dickinson & Company, 4.669%, 6/6/47	35,000	43
Boardwalk Pipelines, 3.375%, 2/1/23	61,000	62
Boardwalk Pipelines, 4.45%, 7/15/27	10,000	10
Boardwalk Pipelines, 4.95%, 12/15/24	35,000	37
Boardwalk Pipelines, 5.95%, 6/1/26	10,000	11
Booking Holdings, 4.10%, 4/13/25	15,000	17
Booking Holdings, 4.50%, 4/13/27	15,000	17
Booking Holdings, 4.625%, 4/13/30	20,000	23
Boral Finance, 3.00%, 11/1/22 (8)	5,000	5
Boral Finance, 3.75%, 5/1/28 (8)	80,000	78
Boston Properties, 3.20%, 1/15/25	105,000	113

	Shares/Par	$ Value
(Cost and value in $000s)		
Boston Properties, 3.25%, 1/30/31	20,000	21
Boston Properties, 3.65%, 2/1/26	30,000	33
Braskem Finance, 7.375% (7)	100,000	100
Bristol-Myers Squibb, 3.875%, 8/15/25 (8)	100,000	114
Bristol-Myers Squibb, 5.25%, 8/15/43 (8)	30,000	43
Brixmor Operating Partnership, 3.65%, 6/15/24	31,000	32
Brixmor Operating Partnership, 3.85%, 2/1/25	60,000	62
Brixmor Operating Partnership, 3.90%, 3/15/27	35,000	36
Brixmor Operating Partnership, 4.05%, 7/1/30	15,000	15
Brixmor Operating Partnership, 4.125%, 5/15/29	20,000	21
Bunge Finance, 3.75%, 9/25/27	14,000	15
Bunge Finance, 4.35%, 3/15/24	10,000	11
Cameron LNG, 2.902%, 7/15/31 (8)	15,000	16
Cameron LNG, 3.302%, 1/15/35 (8)	20,000	22
Cameron LNG, 3.701%, 1/15/39 (8)	15,000	16
Capital One Financial, 0.80%, 6/12/24 (EUR)	100,000	109
Capital One Financial, 3.20%, 1/30/23	7,000	7
Capital One Financial, 3.75%, 3/9/27	75,000	83
Capital One Financial, 3.90%, 1/29/24	25,000	27
Cardinal Health, 3.75%, 9/15/25	38,000	42
Cardinal Health, 4.50%, 11/15/44	10,000	11
Cardinal Health, 4.90%, 9/15/45	10,000	12
CC Holdings, 3.849%, 4/15/23	185,000	200
Charter Communications Operating, 2.80%, 4/1/31	55,000	56
Charter Communications Operating, 4.908%, 7/23/25	50,000	57

	Shares/Par	$ Value
(Cost and value in $000s)		
Charter Communications Operating, 6.484%, 10/23/45	12,000	16
Cheniere Corpus Christi Holdings, 3.70%, 11/15/29 (8)	45,000	46
Cheniere Corpus Christi Holdings, 5.125%, 6/30/27	15,000	16
Cigna, 3.40%, 3/1/27 (8)	45,000	50
Cigna, 3.40%, 3/15/50	40,000	43
Cigna, 4.50%, 2/25/26 (8)	55,000	63
Cigna, 4.80%, 8/15/38	50,000	63
Citigroup, VR, 3.106%, 4/8/26 (9)	40,000	43
CNO Financial Group, 5.25%, 5/30/25	65,000	72
Comcast, 2.80%, 1/15/51	60,000	61
Comcast, 3.25%, 11/1/39	50,000	55
Comcast, 3.30%, 2/1/27	104,000	117
Comcast, 3.90%, 3/1/38	60,000	71
Continental Resources, 4.375%, 1/15/28	23,000	20
Country Garden Holdings, 5.125%, 1/17/25	200,000	204
Crown Castle International, 3.30%, 7/1/30	15,000	16
Crown Castle Towers, 3.663%, 5/15/25 (8)	85,000	91
CVS Health, 3.625%, 4/1/27	10,000	11
CVS Health, 4.10%, 3/25/25	70,000	79
CVS Health, 4.25%, 4/1/50	5,000	6
CVS Health, 5.05%, 3/25/48	65,000	84
CVS Health, 5.125%, 7/20/45	5,000	6
Diamondback Energy, 2.875%, 12/1/24	75,000	75
Diamondback Energy, 3.25%, 12/1/26	50,000	50
Diamondback Energy, 3.50%, 12/1/29	75,000	72

	Shares/Par	$ Value
(Cost and value in $000s)		
Discover Financial Services, 3.75%, 3/4/25	150,000	162
Ecolab, 4.80%, 3/24/30	5,000	6
Edison International, 4.95%, 4/15/25	5,000	5
Empresa Nacional de Telecomunicaciones, 4.875%, 10/30/24	200,000	211
Enel Americas, 4.00%, 10/25/26	4,000	4
Enel Chile, 4.875%, 6/12/28	105,000	117
Energy Transfer Operating, 2.90%, 5/15/25	15,000	15
Energy Transfer Operating, 4.20%, 4/15/27	55,000	57
Energy Transfer Operating, 4.50%, 4/15/24	10,000	11
Energy Transfer Operating, 4.95%, 6/15/28	20,000	21
Energy Transfer Operating, 5.00%, 5/15/50	10,000	9
Energy Transfer Operating, 5.25%, 4/15/29	25,000	27
Energy Transfer Operating, 5.50%, 6/1/27	10,000	11
Energy Transfer Operating, 5.875%, 1/15/24	40,000	44
Energy Transfer Operating, 6.00%, 6/15/48	35,000	36
Energy Transfer Operating, 6.25%, 4/15/49	40,000	42
Eni, Series X-R, 4.75%, 9/12/28 (8)	205,000	232
Equitable Holdings, 4.35%, 4/20/28	40,000	45
Essex Portfolio, 3.375%, 4/15/26	35,000	38
Expedia Group, 5.00%, 2/15/26	56,000	58
Fidelity National Financial, 4.50%, 8/15/28	31,000	34
Fidelity National Information Services, 0.75%, 5/21/23 (EUR)	100,000	113
Fifth Third Bancorp, 2.55%, 5/5/27	15,000	16
FirstEnergy, 2.25%, 9/1/30	5,000	5
FirstEnergy, Series B, 3.90%, 7/15/27	105,000	119
FirstEnergy Transmission, 4.35%, 1/15/25 (8)	65,000	72
Fox, 3.05%, 4/7/25	5,000	5
General Electric, 5.55%, 1/5/26	40,000	47
General Electric, Series D, VR, 5.00% (7)(9)	27,000	21
General Motors Financial, 3.20%, 7/6/21	5,000	5
General Motors Financial, 4.00%, 10/6/26	20,000	21
General Motors Financial, 4.20%, 3/1/21	15,000	15
General Motors Financial, 4.30%, 7/13/25	45,000	47
General Motors Financial, 4.35%, 4/9/25	22,000	23
General Motors Financial, 5.10%, 1/17/24	20,000	21
GLP Capital, 3.35%, 9/1/24	10,000	10
Goldman Sachs Group, 3.50%, 11/16/26	140,000	154
Hasbro, 3.00%, 11/19/24	50,000	52
Hasbro, 3.55%, 11/19/26	25,000	26
Healthcare Realty Trust, 3.625%, 1/15/28	60,000	63
Healthpeak Properties, 2.875%, 1/15/31	5,000	5
Healthpeak Properties, 3.25%, 7/15/26	5,000	5
Healthpeak Properties, 3.50%, 7/15/29	10,000	11
Highwoods Realty, 3.05%, 2/15/30	65,000	65
Highwoods Realty, 4.125%, 3/15/28	41,000	44
HSBC Holdings, VR, 3.95%, 5/18/24 (9)	200,000	215
Humana, 4.50%, 4/1/25	30,000	34
Humana, 4.875%, 4/1/30	42,000	52
Hyundai Capital America, 2.375%, 2/10/23 (8)	45,000	45

(Cost and value in $000s)	Shares/Par	$ Value
JPMorgan Chase, VR, 2.083%, 4/22/26 (9)	100,000	104
JPMorgan Chase, VR, 2.182%, 6/1/28 (9)	60,000	62
JPMorgan Chase, VR, 2.522%, 4/22/31 (9)	50,000	53
JPMorgan Chase, VR, 2.739%, 10/15/30 (9)	40,000	43
JPMorgan Chase, VR, 2.956%, 5/13/31 (9)	134,000	142
JPMorgan Chase, VR, 3.109%, 4/22/51 (9)	55,000	59
JPMorgan Chase, VR, 3.54%, 5/1/28 (9)	25,000	28
Keysight Technologies, 4.60%, 4/6/27	38,000	45
Kilroy Realty, 4.375%, 10/1/25	13,000	14
Kinder Morgan, 5.625%, 11/15/23 (8)	32,000	36
Kinder Morgan Energy Partners, 3.50%, 3/1/21	5,000	5
Las Vegas Sands, 3.20%, 8/8/24	13,000	13
Las Vegas Sands, 3.50%, 8/18/26	25,000	25
Listrindo Capital, 4.95%, 9/14/26 (4)	200,000	202
Marsh & McLennan, 2.25%, 11/15/30	15,000	16
Martin Marietta Materials, 4.25%, 7/2/24	65,000	71
Micron Technology, 4.185%, 2/15/27	40,000	45
Micron Technology, 4.64%, 2/6/24	85,000	94
Micron Technology, 5.327%, 2/6/29	22,000	26
Mileage Plus Holdings, 6.50%, 6/20/27 (8)	45,000	45
Morgan Stanley, 3.625%, 1/20/27	70,000	79
Morgan Stanley, 4.00%, 7/23/25	35,000	40
Morgan Stanley, VR, 4.431%, 1/23/30 (9)	25,000	30
Netflix, 6.375%, 5/15/29	55,000	64
NiSource, 3.60%, 5/1/30	37,000	42

(Cost and value in $000s)	Shares/Par	$ Value
NRG Energy, 3.75%, 6/15/24 (8)	10,000	11
NRG Energy, 4.45%, 6/15/29 (8)	25,000	26
NXP, 2.70%, 5/1/25 (8)	5,000	5
NXP, 3.15%, 5/1/27 (8)	10,000	11
NXP, 5.35%, 3/1/26 (8)	20,000	24
Occidental Petroleum, 2.60%, 8/13/21	6,000	6
Occidental Petroleum, 2.90%, 8/15/24	125,000	107
Oracle, 2.80%, 4/1/27	40,000	44
Oracle, 2.95%, 4/1/30	65,000	72
Oracle, 3.60%, 4/1/50	85,000	95
Pacific Gas & Electric, 2.10%, 8/1/27	45,000	44
Pacific Gas & Electric, 2.50%, 2/1/31	50,000	49
Pacific Gas & Electric, 3.30%, 8/1/40	40,000	39
Pacific Gas & Electric, 3.50%, 8/1/50	55,000	53
PerkinElmer, 3.30%, 9/15/29	57,000	61
QVC, 5.125%, 7/2/22	109,000	110
Regency Centers, 3.70%, 6/15/30	35,000	37
Reynolds American, 4.45%, 6/12/25	55,000	62
Roper Technologies, 2.00%, 6/30/30	10,000	10
Royal Bank of Scotland Group, 6.125%, 12/15/22	50,000	55
Sabine Pass Liquefaction, 4.50%, 5/15/30 (8)	10,000	11
Sabine Pass Liquefaction, 5.00%, 3/15/27	115,000	128
Sabine Pass Liquefaction, 5.875%, 6/30/26	40,000	47
SBA Tower Trust, 3.168%, 4/11/22 (8)	65,000	66
SBA Tower Trust, 3.448%, 3/15/23 (8)	30,000	31

(Cost and value in $000s)	Shares/Par	$ Value
SBA Tower Trust, 3.869%, 10/8/24 (8)	125,000	129
Simon Property Group, 3.30%, 1/15/26	10,000	11
Simon Property Group, 3.375%, 10/1/24	105,000	113
Simon Property Group, 3.50%, 9/1/25	22,000	24
SMBC Aviation Capital Finance, 3.55%, 4/15/24 (8)	205,000	210
Southern, 3.25%, 7/1/26	60,000	66
Suncor Energy, 2.80%, 5/15/23	5,000	5
Suncor Energy, 3.10%, 5/15/25	10,000	11
Synchrony Financial, 4.25%, 8/15/24	12,000	13
Synchrony Financial, 4.375%, 3/19/24	10,000	11
T-Mobile USA, 2.05%, 2/15/28 (8)	25,000	25
T-Mobile USA, 3.50%, 4/15/25 (8)	20,000	22
T-Mobile USA, 3.75%, 4/15/27 (8)	110,000	122
T-Mobile USA, 3.875%, 4/15/30 (8)	40,000	44
T-Mobile USA, 4.50%, 4/15/50 (8)	20,000	23
Thermo Fisher Scientific, 1.75%, 4/15/27 (EUR)	100,000	120
Transcontinental Gas Pipe Line, 3.25%, 5/15/30 (8)	10,000	11
Transcontinental Gas Pipe Line, 4.00%, 3/15/28	15,000	17
Transcontinental Gas Pipe Line, 4.60%, 3/15/48	30,000	34
Transurban Finance, 3.375%, 3/22/27 (8)	15,000	16
Transurban Finance, 4.125%, 2/2/26 (8)	15,000	16
Trinity Acquisition, 4.40%, 3/15/26	65,000	74
U.S. Airways PTT, Series 2013-1, Class A, 3.95%, 11/15/25	21,587	18
United Airlines PTT, Series 2019-2, Class A, 2.90%, 5/1/28	15,000	12

(Cost and value in $000s)	Shares/Par	$ Value
United Airlines PTT, Series 2019-2, Class AA, 2.70%, 5/1/32	10,000	9
UnitedHealth Group, 2.00%, 5/15/30	15,000	16
UnitedHealth Group, 2.75%, 5/15/40	25,000	26
UnitedHealth Group, 2.90%, 5/15/50	30,000	32
UnitedHealth Group, 3.50%, 8/15/39	18,000	21
UnitedHealth Group, 4.45%, 12/15/48	40,000	53
Valero Energy, 2.85%, 4/15/25	5,000	5
Ventas Realty, 3.25%, 10/15/26	60,000	62
VEREIT Operating Partnership, 3.95%, 8/15/27	110,000	111
VEREIT Operating Partnership, 4.60%, 2/6/24	105,000	111
VEREIT Operating Partnership, 4.625%, 11/1/25	25,000	27
VEREIT Operating Partnership, 4.875%, 6/1/26	20,000	22
Verizon Communications, 4.522%, 9/15/48	35,000	46
Verizon Communications, 4.672%, 3/15/55	16,000	21
Verizon Communications, 4.75%, 11/1/41	15,000	20
Verizon Communications, 5.012%, 4/15/49	5,000	7
Vistra Operations, 3.55%, 7/15/24 (8)	105,000	108
Vistra Operations, 3.70%, 1/30/27 (8)	95,000	97
Vistra Operations, 4.30%, 7/15/29 (8)	63,000	66
Vodafone Group, 4.375%, 5/30/28	54,000	64
Vodafone Group, 5.25%, 5/30/48	105,000	137
Volkswagen Group of America Finance, 3.20%, 9/26/26 (8)	205,000	220
Voya Financial, 3.125%, 7/15/24	55,000	59
Wells Fargo, VR, 2.188%, 4/30/26 (9)	30,000	31

(Cost and value in $000s)

	Shares/Par	$ Value
Wells Fargo, VR, 2.393%, 6/2/28 (9)	30,000	31
Wells Fargo, VR, 2.572%, 2/11/31 (9)	65,000	68
Wells Fargo, VR, 2.879%, 10/30/30 (9)	100,000	107
Wells Fargo, VR, 3.068%, 4/30/41 (9)	85,000	89
Westlake Chemical, 1.625%, 7/17/29 (EUR)	100,000	107
Williams, 3.90%, 1/15/25	90,000	98
Williams, 4.00%, 9/15/25	20,000	22
Williams, 4.30%, 3/4/24	5,000	5
Williams, 4.85%, 3/1/48	35,000	39
Willis North America, 3.60%, 5/15/24	45,000	49
Woodside Finance, 3.65%, 3/5/25 (8)	45,000	47
Woodside Finance, 3.70%, 9/15/26 (8)	40,000	42
Woodside Finance, 3.70%, 3/15/28 (8)	71,000	73
WPP Finance 2010, 3.625%, 9/7/22	40,000	42
Total Corporate Bonds (Cost $14,555)		**15,341**

ASSET-BACKED SECURITIES 1.6%

	Shares/Par	$ Value
AmeriCredit Automobile Receivables Trust Series 2016-4, Class D, 2.74%, 12/8/22	90,000	91
AmeriCredit Automobile Receivables Trust Series 2019-1, Class B, 3.13%, 2/18/25	20,000	21
Applebee's Funding Series 2019-1A, Class A2I, 4.194%, 6/7/49 (8)	120,000	106
Avis Budget Rental Car Funding AESOP Series 2016-1A, Class A, 2.99%, 6/20/22 (8)	100,000	99
BlueMountain Series 2015-2A, Class A1R, CLO, FRN 3M USD LIBOR + 0.93%, 2.065%, 7/18/27 (8)	248,385	243
CBAM Series 2019-9A, Class A, CLO, FRN 3M USD LIBOR + 1.28%, 2.499%, 2/12/30 (8)	250,000	245
CIFC Funding Series 2020-1A, Class A1, CLO, FRN 3M USD LIBOR + 1.70%, 0.00, 7/15/32 (8)	250,000	250
CNH Equipment Trust Series 2017-C, Class B, 2.54%, 5/15/25	5,000	5
Elara HGV Timeshare Issuer Series 2014-A, Class A, 2.53%, 2/25/27 (8)	8,752	9
Ford Credit Auto Owner Trust Series 2018-1, Class C, 3.49%, 7/15/31 (8)	100,000	103
Ford Credit Auto Owner Trust Series 2019-1, Class A, 3.52%, 7/15/30 (8)	115,000	123
Halcyon Loan Advisors Funding Series 2014-3A, Class AR, CLO, FRN 3M USD LIBOR + 1.10%, 2.198%, 10/22/25 (8)	55,030	55
Hardee's Funding Series 2018-1A, Class A2I, 4.25%, 6/20/48 (8)	39,300	40
Hardee's Funding Series 2018-1A, Class A2II, 4.959%, 6/20/48 (8)	54,038	54
Hilton Grand Vacations Trust Series 2014-AA, Class A, 1.77%, 11/25/26 (8)	9,827	10
Hyundai Auto Receivables Trust Series 2016-B, Class D, 2.68%, 9/15/23	35,000	36
Jack in the Box Funding Series 2019-1A, Class A2I, 3.982%, 8/25/49 (8)	64,675	67
Jimmy Johns Funding Series 2017-1A, Class A2I, 3.61%, 7/30/47 (8)	24,313	24
MMAF Equipment Finance Series 2018-A, Class A4, 3.39%, 1/10/25 (8)	100,000	104

(Cost and value in $000s)	Shares/Par	$ Value
MVW Owner Trust Series 2014-1A, Class A, 2.25%, 9/22/31 (8)	15,222	15
Neuberger Berman XIX Series 2015-19A, Class A2R2, CLO, FRN 3M USD LIBOR + 1.15%, 2.369%, 7/15/27 (8)	250,000	239
Santander Drive Auto Receivables Trust Series 2017-1, Class C, 2.58%, 5/16/22	198	—
Santander Retail Auto Lease Trust Series 2019-B, Class C, 2.77%, 8/21/23 (8)	30,000	30
Santander Retail Auto Lease Trust Series 2019-B, Class D, 3.31%, 6/20/24 (8)	100,000	101
Sierra Timeshare Receivables Funding Series 2015-3A, Class A, 2.58%, 9/20/32 (8)	11,046	11
Sierra Timeshare Receivables Funding Series 2016-1A, Class A, 3.08%, 3/21/33 (8)	18,167	18
Sierra Timeshare Receivables Funding Series 2019-1A, Class A, 3.20%, 1/20/36 (8)	52,279	53
SLM Student Loan Trust Series 2008-9, Class A, FRN 3M USD LIBOR + 1.50%, 2.491%, 4/25/23	23,267	23
SMB Private Education Loan Trust Series 2015-B, Class A2A, 2.98%, 7/15/27 (8)	32,697	33
SMB Private Education Loan Trust Series 2018-A, Class A2A, 3.50%, 2/15/36 (8)	103,751	109
SMB Private Education Loan Trust Series 2018-C, Class A2A, 3.63%, 11/15/35 (8)	97,975	103
Southwick Park Series 2019-4A, Class A1, CLO, FRN 3M USD LIBOR + 1.30%, 2.435%, 7/20/32 (8)	250,000	245
Synchrony Credit Card Master Note Trust Series 2015-4, Class B, 2.62%, 9/15/23	25,000	25

(Cost and value in $000s)	Shares/Par	$ Value
Taco Bell Funding Series 2018-1A, Class A2I, 4.318%, 11/25/48 (8)	73,875	75
Total Asset-Backed Securities (Cost $2,773)		**2,765**
NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 3.9%		
Angel Oak Mortgage Trust Series 2019-3, Class A3, CMO, ARM 3.238%, 5/25/59 (8)	45,289	46
Angel Oak Mortgage Trust Series 2020-3, Class A1, CMO, ARM 1.691%, 4/25/65 (8)	55,000	55
Ashford Hospitality Trust Series 2018-ASHF, Class B, ARM 1M USD LIBOR + 1.25%, 1.435%, 4/15/35 (8)	45,000	41
Ashford Hospitality Trust Series 2018-ASHF, Class C, ARM 1M USD LIBOR + 1.40%, 1.585%, 4/15/35 (8)	20,000	18
BANK Series 2017-BNK5, Class B, ARM 3.896%, 6/15/60	80,000	81
BANK Series 2019-BN18, Class B, 3.977%, 5/15/62	75,000	79
BANK Series 2019-BN21, Class C, 3.517%, 10/17/52	25,000	21
BANK Series 2019-BN22, Class D, 2.50%, 11/15/62 (8)	55,000	40
BANK Series 2020-BN25, Class AS, 2.841%, 1/15/63	25,000	26
Barclays Commercial Mortgage Trust Series 2019-BWAY, Class D, ARM 1M USD LIBOR + 2.16%, 2.345%, 11/25/34 (8)	25,000	24
Barclays Commercial Mortgage Trust Series 2020-C6, Class AS, 2.84%, 2/15/53	15,000	15

(Cost and value in $000s)	Shares/Par	$ Value
Bayview Mortgage Fund IVc Trust Series 2017-RT3, Class A, CMO, ARM 3.50%, 1/28/58 (8)	51,659	52
Bayview Opportunity Master Fund IVa Trust Series 2017-RT1, Class A1, CMO, ARM 3.00%, 3/28/57 (8)	44,617	46
Benchmark Mortgage Trust Series 2018-B1, Class AM, ARM 3.878%, 1/15/51	25,000	28
Benchmark Mortgage Trust Series 2019-B13, Class AM, 3.183%, 8/15/57	35,000	38
Cantor Commercial Real Estate Lending Series 2019-CF1, Class B, ARM 4.178%, 5/15/52	100,000	101
CIM Trust Series 2019-INV3, Class A15, CMO, ARM 3.50%, 8/25/49 (8)	81,581	83
Citigroup Commercial Mortgage Trust Series 2014-GC21, Class AS, 4.026%, 5/10/47	35,000	37
Citigroup Commercial Mortgage Trust Series 2015-GC27, Class AS, 3.571%, 2/10/48	15,000	16
Citigroup Commercial Mortgage Trust Series 2017-C4, Class AS, 3.764%, 10/12/50	45,000	49
Citigroup Commercial Mortgage Trust Series 2017-P7, Class AS, 3.915%, 4/14/50	25,000	27
Citigroup Commercial Mortgage Trust Series 2018-B2, Class C, ARM 4.828%, 3/10/51	30,000	26
COLT Mortgage Loan Trust Series 2018-3, Class A3, CMO, ARM 3.865%, 10/26/48 (8)	34,445	35
COLT Mortgage Loan Trust Series 2018-4, Class A1, CMO, ARM 4.006%, 12/28/48 (8)	42,113	43

(Cost and value in $000s)	Shares/Par	$ Value
COLT Mortgage Loan Trust Series 2019-3, Class A1, CMO, ARM 2.764%, 8/25/49 (8)	51,926	53
Commercial Mortgage Trust Series 2014-CR15, Class AM, ARM 4.426%, 2/10/47	50,000	53
Commercial Mortgage Trust Series 2014-UBS6, Class AM, 4.048%, 12/10/47	110,000	118
Commercial Mortgage Trust Series 2015-CR24, Class AM, ARM 4.028%, 8/10/48	25,000	27
Commercial Mortgage Trust Series 2015-LC21, Class B, ARM 4.484%, 7/10/48	45,000	47
Commercial Mortgage Trust Series 2015-PC1, Class B, ARM 4.577%, 7/10/50	20,000	21
Commercial Mortgage Trust Series 2016-CR28, Class AHR, 3.651%, 2/10/49	28,245	30
Connecticut Avenue Securities Series 2017-C02, Class 2ED3, CMO, ARM 1M USD LIBOR + 1.35%, 1.535%, 9/25/29	77,783	76
Connecticut Avenue Securities Series 2017-C03, Class 1M1, CMO, ARM 1M USD LIBOR + 0.95%, 1.135%, 10/25/29	2,054	2
Connecticut Avenue Securities Series 2017-C06, Class 2ED1, CMO, ARM 1M USD LIBOR + 1.00%, 1.185%, 2/25/30	57,156	56
Connecticut Avenue Securities Series 2018-C01, Class 1ED2, CMO, ARM 1M USD LIBOR + 0.85%, 1.035%, 7/25/30	92,942	90
Connecticut Avenue Securities Series 2018-C02, Class 2EB2, CMO, ARM 1M USD LIBOR + 0.90%, 1.085%, 8/25/30	35,000	33
Connecticut Avenue Securities Series 2020-R01, Class 1M1, CMO, ARM 1M USD LIBOR + 0.80%, 0.985%, 1/25/40 (8)	58,456	58

	Shares/Par	$ Value
(Cost and value in $000s)		
Connecticut Avenue Securities Trust Series 2020-R02, Class 2M1, CMO, ARM 1M USD LIBOR + 0.75%, 0.935%, 1/25/40 (8)	24,219	24
CSAIL Commercial Mortgage Trust Series 2019-C17, Class AS, 3.278%, 9/15/52	30,000	31
CSAIL Commercial Mortgage Trust Series 2019-C17, Class B, 3.48%, 9/15/52	35,000	33
Deephaven Residential Mortgage Trust Series 2018-2A, Class A1, CMO, ARM 3.479%, 4/25/58 (8)	38,761	39
Deephaven Residential Mortgage Trust Series 2018-3A, Class M1, CMO, ARM 4.357%, 8/25/58 (8)	100,000	100
Ellington Financial Mortgage Trust Series 2019-2, Class A1, CMO, ARM 2.739%, 11/25/59 (8)	90,119	90
FREMF Mortgage Trust Series 2018-K731, Class B, ARM 4.063%, 2/25/25 (8)	65,000	69
FREMF Mortgage Trust Series 2019-K100, Class B, ARM 3.61%, 11/25/52 (8)	45,000	47
FREMF Mortgage Trust Series 2019-K92, Class B, ARM 4.337%, 5/25/52 (8)	20,000	22
FREMF Mortgage Trust Series 2019-K97, Class B, ARM 3.893%, 9/25/51 (8)	50,000	53
FREMF Mortgage Trust Series 2019-K98, Class B, ARM 3.862%, 10/25/52 (8)	25,000	27
Galton Funding Mortgage Trust Series 2018-1, Class A23, CMO, ARM 3.50%, 11/25/57 (8)	43,566	45
Galton Funding Mortgage Trust Series 2018-2, Class A22, CMO, ARM 4.00%, 10/25/58 (8)	51,059	53
Galton Funding Mortgage Trust Series 2019-H1, Class A1, CMO, ARM 2.657%, 10/25/59 (8)	71,822	73
Galton Funding Mortgage Trust Series 2019-H1, Class A3, CMO, ARM 2.964%, 10/25/59 (8)	72,569	74
Goldman Sachs Mortgage Securities Trust Series 2015-GC28, Class AS, 3.759%, 2/10/48	45,000	47
Goldman Sachs Mortgage Securities Trust Series 2017-GS8, Class C, ARM 4.481%, 11/10/50	90,000	87
Goldman Sachs Mortgage Securities Trust Series 2019-GC40, Class A4, 3.16%, 7/10/52	100,000	111
Goldman Sachs Mortgage Securities Trust Series 2019-GSA1, Class B, 3.511%, 11/10/52	75,000	75
Goldman Sachs Mortgage Securities Trust Series 2019-SOHO, Class C, ARM 1M USD LIBOR + 1.30%, 1.485%, 6/15/36 (8)	85,000	80
Goldman Sachs Mortgage Securities Trust Series 2020-GC47, Class B, 3.571%, 5/12/53	35,000	36
Goldman Sachs Mortgage Securities Trust Series 2013-GC16, Class B, ARM 5.161%, 11/10/46	120,000	128
Great Wolf Trust Series 2019-WOLF, Class C, ARM 1M USD LIBOR + 1.633%, 1.818%, 12/15/36 (8)	35,000	32
Hilton Orlando Trust Series 2018-ORL, Class A, ARM 1M USD LIBOR + 0.77%, 0.955%, 12/15/34 (8)	100,000	95
Homeward Opportunities Fund I Trust Series 2019-1, Class A2, CMO, ARM 3.556%, 1/25/59 (8)	74,997	76
Homeward Opportunities Fund I Trust Series 2019-3, Class A1, CMO, ARM 2.675%, 11/25/59 (8)	85,804	87

(Cost and value in $000s)	Shares/Par	$ Value
Hudson Yards Mortgage Trust Series 2019-30HY, Class B, ARM 3.38%, 7/10/39 (8)	100,000	107
Hudson Yards Mortgage Trust Series 2019-30HY, Class D, ARM 3.558%, 7/10/39 (8)	100,000	100
Independence Plaza Trust Series 2018-INDP, Class A, 3.763%, 7/10/35 (8)	105,000	112
JPMorgan Barclays Bank Commercial Mortgage Securities Trust Series 2014-C19, Class AS, ARM 4.243%, 4/15/47	35,000	37
JPMorgan Chase Commercial Mortgage Securities Trust Series 2016-JP2, Class AS, 3.056%, 8/15/49	35,000	36
JPMorgan Chase Commercial Mortgage Securities Trust Series 2016-JP3, Class B, ARM 3.397%, 8/15/49	20,000	19
JPMorgan Chase Commercial Mortgage Securities Trust Series 2018-WPT, Class AFX, 4.248%, 7/5/33 (8)	20,000	21
JPMorgan Deutsche Bank Commercial Mortgage Securities Trust Series 2016-C1, Class AM, 3.539%, 5/10/49	100,000	105
JPMorgan Deutsche Bank Commercial Mortgage Securities Trust Series 2018-C8, Class C, ARM 4.902%, 6/15/51	35,000	32
JPMorgan Mortgage Trust Series 2019-INV2, Class A3, CMO, ARM 3.50%, 2/25/50 (8)	28,791	29
JPMorgan Mortgage Trust Series 2020-1INV, Class A11, CMO, ARM 1M USD LIBOR + 0.83%, 0.998%, 8/25/50 (8)	28,321	28
JPMorgan Mortgage Trust Series 2020-INV1, Class A3, CMO, ARM 3.50%, 8/25/50 (8)	37,762	39
JPMorgan Mortgage Trust Series 2020-LTV1, Class A15, CMO, ARM 3.50%, 6/25/50 (8)	26,958	28

(Cost and value in $000s)	Shares/Par	$ Value
JPMorgan Mortgage Trust Series 2020-LTV1, Class A3, CMO, ARM 3.50%, 6/25/50 (8)	53,915	56
MetLife Securitization Trust Series 2018-1A, Class A, CMO, ARM 3.75%, 3/25/57 (8)	89,434	95
Mill City Mortgage Loan Trust Series 2016-1, Class A1, CMO, ARM 2.50%, 4/25/57 (8)	28,309	29
Morgan Stanley Bank of America Merrill Lynch Trust Series 2014-C18, Class 300A, 3.749%, 8/15/31	25,000	26
Morgan Stanley Bank of America Merrill Lynch Trust Series 2015-C24, Class AS, ARM 4.036%, 5/15/48	10,000	11
Morgan Stanley Bank of America Merrill Lynch Trust Series 2015-C27, Class AS, 4.068%, 12/15/47	40,000	43
Morgan Stanley Capital I Trust Series 2015-MS1, Class AS, ARM 4.166%, 5/15/48	10,000	11
Morgan Stanley Capital I Trust Series 2017-ASHF, Class B, ARM 1M USD LIBOR + 1.25%, 1.435%, 11/15/34 (8)	90,000	81
New Orleans Hotel Trust Series 2019-HNLA, Class B, ARM 1M USD LIBOR + 1.289%, 1.474%, 4/15/32 (8)	100,000	92
New Residential Mortgage Loan Trust Series 2019-NQM1, Class A1, CMO, ARM 3.675%, 1/25/49 (8)	50,136	50
New Residential Mortgage Loan Trust Series 2019-NQM2, Class A1, CMO, ARM 3.60%, 4/25/49 (8)	65,862	67
OBX Trust Series 2020-EXP1, Class 1A8, CMO, ARM 3.50%, 2/25/60 (8)	85,896	88
RETL Series 2019-RVP, Class A, ARM 1M USD LIBOR + 1.15%, 1.335%, 3/15/36 (8)	8,012	8

(Cost and value in $000s)	Shares/Par	$ Value
Seasoned Credit Risk Transfer Trust Series 2016-1, Class M1, CMO, ARM 3.00%, 9/25/55 (8)	25,000	25
Sequoia Mortgage Trust Series 2013-4, Class B1, CMO, ARM 3.486%, 4/25/43	72,233	72
Sequoia Mortgage Trust Series 2017-CH2, Class A19, CMO, ARM 4.00%, 12/25/47 (8)	42,606	44
SG Residential Mortgage Trust Series 2019-3, Class A1, CMO, ARM 2.703%, 9/25/59 (8)	70,079	71
SLIDE Series 2018-FUN, Class E, ARM 1M USD LIBOR + 2.30%, 2.485%, 6/15/31 (8)	52,416	45
Starwood Mortgage Residential Trust Series 2019-IMC1, Class A1, CMO, ARM 3.468%, 2/25/49 (8)	66,475	68
Starwood Mortgage Residential Trust Series 2019-INV1, Class A1, CMO, ARM 2.61%, 9/27/49 (8)	80,020	80
Structured Agency Credit Risk Debt Notes Series 2018-DNA1, Class M2AT, CMO, ARM 1M USD LIBOR + 1.05%, 1.235%, 7/25/30	49,230	48
Structured Agency Credit Risk Debt Notes Series 2018-DNA2, Class M1, CMO, ARM 1M USD LIBOR + 0.80%, 0.985%, 12/25/30 (8)	10,665	11
Structured Agency Credit Risk Debt Notes Series 2018-DNA3, Class M1, CMO, ARM 1M USD LIBOR + 0.75%, 0.935%, 9/25/48 (8)	47	—
Structured Agency Credit Risk Debt Notes Series 2018-HQA1, Class M2AS, CMO, ARM 1M USD LIBOR + 1.10%, 1.285%, 9/25/30	36,180	35
Structured Agency Credit Risk Debt Notes Series 2018-HRP2, Class M2, CMO, ARM 1M USD LIBOR + 1.25%, 1.435%, 2/25/47 (8)	49,667	49
Structured Agency Credit Risk Debt Notes Series 2018-SPI2, Class M2, CMO, ARM 3.809%, 5/25/48 (8)	10,000	10
Structured Agency Credit Risk Debt Notes Series 2018-SPI3, Class M2, CMO, ARM 4.145%, 8/25/48 (8)	56,862	56
Structured Agency Credit Risk Debt Notes Series 2019-HQA4, Class M1, CMO, ARM 1M USD LIBOR + 0.77%, 0.955%, 11/25/49 (8)	3,842	4
Structured Agency Credit Risk Debt Notes Series 2020- DNA2, Class M1, CMO, ARM 1M USD LIBOR + 0.75%, 0.935%, 2/25/50 (8)	29,255	29
Structured Agency Credit Risk Debt Notes Series 2020-DNA3, Class M1, CMO, ARM 1M USD LIBOR + 1.50%, 1.671%, 6/25/50 (8)	30,000	30
Towd Point Mortgage Trust Series 2015-3, Class A1B, CMO, ARM 3.00%, 3/25/54 (8)	12,949	13
Towd Point Mortgage Trust Series 2015-5, Class A1B, CMO, ARM 2.75%, 5/25/55 (8)	21,179	21
Towd Point Mortgage Trust Series 2016-1, Class A1B, CMO, ARM 2.75%, 2/25/55 (8)	22,037	22

	Shares/Par	$ Value
(Cost and value in $000s)		
Towd Point Mortgage Trust Series 2017-1, Class A1, CMO, ARM 2.75%, 10/25/56 (8)	44,680	46
Towd Point Mortgage Trust Series 2017-1, Class M1, CMO, ARM 3.75%, 10/25/56 (8)	100,000	107
Towd Point Mortgage Trust Series 2018-3, Class A1, CMO, ARM 3.75%, 5/25/58 (8)	72,598	78
Towd Point Mortgage Trust Series 2018-SJ1, Class A1, CMO, ARM 4.00%, 10/25/58 (8)	41,749	42
Verus Securitization Trust Series 2018-INV2, Class A1FX, CMO, ARM 4.148%, 10/25/58 (8)	65,173	66
Verus Securitization Trust Series 2019-1, Class A1, CMO, ARM 3.836%, 2/25/59 (8)	60,962	62
Verus Securitization Trust Series 2019-2, Class A3, CMO, ARM 3.448%, 5/25/59 (8)	74,566	74
Verus Securitization Trust Series 2019-3, Class A3, CMO, STEP 3.04%, 7/25/59 (8)	73,794	73
Verus Securitization Trust Series 2019-INV1, Class A1, CMO, ARM 3.402%, 12/25/59 (8)	73,516	75
Verus Securitization Trust Series 2019-INV3, Class A1, CMO, ARM 2.692%, 11/25/59 (8)	93,879	95
Wells Fargo Commercial Mortgage Trust Series 2015-C29, Class C, ARM 4.357%, 6/15/48	95,000	86
Wells Fargo Commercial Mortgage Trust Series 2015-NXS2, Class C, ARM 4.438%, 7/15/58	10,000	9
Wells Fargo Commercial Mortgage Trust Series 2017-C38, Class B, ARM 3.917%, 7/15/50	100,000	102
Wells Fargo Commercial Mortgage Trust Series 2017-C39, Class B, 4.025%, 9/15/50	125,000	125
Wells Fargo Commercial Mortgage Trust Series 2019-C51, Class A4, 3.311%, 6/15/52	115,000	129
Wells Fargo Commercial Mortgage Trust Series 2019-C53, Class B, ARM 3.514%, 10/15/52	30,000	31
Wells Fargo Commercial Mortgage Trust Series 2019-JWDR, Class A, ARM 2.584%, 9/15/31 (8)	100,000	98
Wells Fargo Commercial Mortgage Trust Series 2020-C55, Class B, 3.139%, 2/15/53	70,000	66
WFRBS Commercial Mortgage Trust Series 2013-C11, Class C, ARM 4.343%, 3/15/45	85,000	85
Total Non-U.S. Government Mortgage-Backed Securities (Cost $6,846)		**6,857**

U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES 3.6%

	Shares/Par	$ Value
U.S. Government Agency Obligations 2.7% (10)		
Federal Home Loan Mortgage		
2.50%, 4/1/30	31,091	33
3.00%, 12/1/42 - 2/1/47	218,571	233
3.50%, 8/1/42 - 3/1/44	206,025	224
4.00%, 8/1/40 - 8/1/45	111,026	122
4.50%, 6/1/39 - 5/1/42	106,707	118
5.00%, 1/1/24 - 8/1/40	33,961	39
6.00%, 8/1/21 - 8/1/38	9,300	11
6.50%, 3/1/32 - 4/1/32	2,572	3
7.00%, 6/1/32	656	—
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.748%, 3.744%, 2/1/37	4,894	5
12M USD LIBOR + 1.831%, 3.88%, 1/1/37	1,884	2
12M USD LIBOR + 1.785%, 4.035%, 9/1/32	98	—
Federal Home Loan Mortgage, UMBS		
3.00%, 9/1/49 - 6/1/50	63,729	68

(Cost and value in $000s)

	Shares/Par	$ Value
4.00%, 12/1/49 - 2/1/50	193,200	207
4.50%, 5/1/50	34,419	37
Federal National Mortgage Assn.		
3.00%, 8/1/43 - 2/1/44	20,703	22
3.50%, 6/1/42 - 1/1/44	198,010	214
4.00%, 11/1/40	59,840	65
Federal National Mortgage Assn. ARM, 12M USD LIBOR + 1.886%, 3.524%, 8/1/36	2,596	3
Federal National Mortgage Assn. CMO, 4.00%, 6/25/44	39,244	40
Federal National Mortgage Assn. CMO, IO, 6.50%, 2/25/32	729	—
Federal National Mortgage Assn., UMBS		
2.50%, 1/1/32 - 5/1/32	57,617	61
3.00%, 6/1/27 - 10/1/49	1,062,776	1,136
3.50%, 11/1/32 - 10/1/49	538,886	578
4.00%, 11/1/40 - 1/1/50	452,534	496
4.50%, 12/1/20 - 5/1/50	268,056	298
5.00%, 10/1/21 - 7/1/42	95,764	108
5.50%, 12/1/34 - 9/1/41	104,847	120
6.00%, 8/1/21 - 1/1/41	67,434	78
6.50%, 7/1/32 - 5/1/40	38,359	45
7.00%, 4/1/32	377	—
UMBS, TBA		
2.00%, 7/1/50 (11)	85,000	87
2.50%, 7/1/50 (11)	320,000	333
3.00%, 8/1/50 (11)	50,000	53
		4,839
U.S. Government Obligations 0.9%		
Government National Mortgage Assn.		
2.50%, 4/20/50	34,804	36
3.00%, 7/15/43 - 5/20/50	295,609	313
3.50%, 12/20/42 - 4/20/48	383,385	413
4.00%, 7/20/42 - 1/20/48	188,754	205
4.50%, 10/20/39 - 3/20/47	132,916	147
5.00%, 3/20/34 - 5/20/48	163,904	185
5.50%, 10/20/32 - 3/20/49	96,711	106
6.00%, 4/15/36 - 12/20/38	14,848	17
6.50%, 3/15/26 - 12/20/33	3,983	3
7.00%, 9/20/27	2,380	3
8.00%, 4/15/26	293	—
Government National Mortgage Assn., CMO, 3.00%, 11/20/47-12/20/47	35,850	37
Government National Mortgage Assn. CMO, ARM, 1M USD LIBOR + 0.30%, 0.49%, 9/20/48	27,493	27
Government National Mortgage Assn., CMO, IO, 4.50%, 2/20/39-12/20/39	3,941	—
		1,492
Total U.S. Government & Agency Mortgage-Backed Securities (Cost $6,119)		**6,331**

U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 3.1%

	Shares/Par	$ Value
U.S. Treasury Obligations 3.1%		
U.S. Treasury Bonds, 2.00%, 2/15/50	205,000	235
U.S. Treasury Bonds, 2.375%, 11/15/49	535,000	660
U.S. Treasury Bonds, 3.00%, 2/15/49	194,800	269
U.S. Treasury Notes, 0.125%, 5/15/23	455,000	454
U.S. Treasury Notes, 0.25%, 5/31/25	340,000	340
U.S. Treasury Notes, 0.50%, 3/31/25	235,000	238
U.S. Treasury Notes, 1.375%, 10/15/22 (12)	1,935,000	1,988
U.S. Treasury Notes, 1.50%, 9/15/22	180,000	185
U.S. Treasury Notes, 1.50%, 1/15/23	275,000	284
U.S. Treasury Notes, 1.625%, 11/15/22	850,000	879
		5,532
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost $5,274)		**5,532**

FOREIGN GOVERNMENT OBLIGATIONS & MUNICIPALITIES 0.2%

	Shares/Par	$ Value
Perusahaan Gas Negara, 5.125%, 5/16/24 (8)	200,000	210

	Shares/Par	$ Value
(Cost and value in $000s)		
Perusahaan Listrik Negara, 4.00%, 6/30/50 (8)	200,000	196
Total Foreign Government Obligations & Municipalities (Cost $409)		**406**
BOND MUTUAL FUNDS 13.2%		
T. Rowe Price Inflation Protected Bond Fund - I Class, (6.59)% (13)(14)	450	6
T. Rowe Price Institutional Emerging Markets Bond Fund, 5.15% (13)(14)	906,978	7,156
T. Rowe Price Institutional Floating Rate Fund – Institutional Class, 3.71% (13)(14)	120,098	1,114
T. Rowe Price Institutional High Yield Fund – Institutional Class, 5.05% (13)(14)	1,103,937	9,074
T. Rowe Price International Bond Fund - I Class, 1.26% (13)(14)	646,224	5,810
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class, (5.57)% (13)(14)	8,675	44
Total Bond Mutual Funds (Cost $24,209)		**23,204**
EQUITY MUTUAL FUNDS 6.1%		
T. Rowe Price Institutional Emerging Markets Equity Fund (13)	215,528	8,283

	Shares/Par	$ Value
(Cost and value in $000s)		
T. Rowe Price Real Assets Fund - I Class (13)	237,421	2,469
Total Equity Mutual Funds (Cost $8,090)		**10,752**
SHORT-TERM INVESTMENTS 6.0%		
Money Market Funds 6.0%		
T. Rowe Price Treasury Reserve Fund, 0.21% (13)(15)	10,596,966	10,597
Total Short-Term Investments (Cost $10,597)		**10,597**
SECURITIES LENDING COLLATERAL 0.9%		
Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank 0.9%		
Short-Term Funds 0.9%		
T. Rowe Price Short-Term Fund, 0.22% (13)(15)	165,547	1,655
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		**1,655**
Total Securities Lending Collateral (Cost $1,655)		**1,655**
Total Investments in Securities		
101.3% of Net Assets (Cost $139,970)	**$**	**178,838**

‡ Shares/Par and Notional Amount are denominated in U.S. dollars unless otherwise noted.
(1) Non-income producing
(2) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund has registration rights for certain restricted securities. Any costs related to such registration are borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period-end amounts to $477 and represents 0.3% of net assets.
(3) See Note 2. Level 3 in fair value hierarchy.
(4) See Note 4. All or a portion of this security is on loan at June 30, 2020.
(5) Investment in a partnership held indirectly through a limited liability company that is owned by the fund and treated as a corporation for U.S. tax purposes.
(6) The identity of certain securities has been concealed to protect the fund while it completes a purchase or selling program for the securities.

(7)	Perpetual security with no stated maturity date.
(8)	Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to $10,182 and represents 5.8% of net assets.
(9)	Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread is provided if the rate is currently floating.
(10)	Issuer operates under a Congressional charter; its securities are neither issued nor guaranteed by the U.S. government. The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, including UMBS, currently operate under a federal conservatorship.
(11)	See Note 4. To-Be-Announced purchase commitment. Total value of such securities at period-end amounts to $473 and represents 0.3% of net assets.
(12)	At June 30, 2020, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
(13)	Affiliated Companies
(14)	SEC 30-day yield
(15)	Seven-day yield
1M USD LIBOR	One month USD LIBOR (London interbank offered rate)
3M USD LIBOR	Three month USD LIBOR (London interbank offered rate)
12M USD LIBOR	Twelve month USD LIBOR (London interbank offered rate)
ADR	American Depositary Receipts
ARM	Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula based on the rates of the underlying loans.
AUD	Australian Dollar
CAD	Canadian Dollar
CDI	CHESS or CREST Depositary Interest
CHF	Swiss Franc
CLO	Collateralized Loan Obligation
CMO	Collateralized Mortgage Obligation
DKK	Danish Krone
EUR	Euro
FRN	Floating Rate Note
GBP	British Pound
HKD	Hong Kong Dollar
IO	Interest-only security for which the fund receives interest on notional principal
ISK	Iceland Krona
JPY	Japanese Yen
KRW	South Korean Won
NOK	Norwegian Krone
PTT	Pass-Through Trust
REIT	A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder
SDR	Swedish Depositary Receipts
SEK	Swedish Krona
SGD	Singapore Dollar
STEP	Stepped coupon bond for which the coupon rate of interest adjusts on specified date(s); rate shown is effective rate at period-end.
TBA	To-Be-Announced
TWD	Taiwan Dollar
UMBS	Uniform Mortgage-Backed Securities
USD	U.S. Dollar
VR	Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

(Amounts in 000s, except market price)

SWAPS 0.0%

Description	Notional Amount	$ Value	Upfront Payments/ $ (Receipts)	Unrealized $ Gain/(Loss)
BILATERAL SWAPS (0.0)%				
Credit Default Swaps, Protection Sold (0.0)%				
Bank of America, Protection Sold (Relevant Credit: Boeing, 8.75%, 8/15/21, $108.14*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/21	115	(2)	1	(3)
Barclays Bank, Protection Sold (Relevant Credit: General Electric, 2.70%, 10/9/22, $104.09*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/20	50	—	—	—
Barclays Bank, Protection Sold (Relevant Credit: Republic of Chile, 3.24%, 2/6/28, $109.93*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/25	145	1	(1)	2
Barclays Bank, Protection Sold (Relevant Credit: Republic of Colombia, 10.38%, 1/28/33, $151.25*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/25	66	(1)	(6)	5
Barclays Bank, Protection Sold (Relevant Credit: Republic of Indonesia, 3.70%, 1/8/22, $103.78*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/25	179	(3)	(9)	6
BNP Paribas, Protection Sold (Relevant Credit: Republic of Chile, 3.24%, 2/6/28, $109.93*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/25	90	1	(1)	2
Citibank, Protection Sold (Relevant Credit: Devon Energy, 7.95%, 4/15/32, $116.88*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/24	10	—	—	—
Citibank, Protection Sold (Relevant Credit: Republic of Colombia, 10.38%, 1/28/33, $151.25*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/25	101	(3)	(6)	3
Goldman Sachs, Protection Sold (Relevant Credit: General Electric, 2.70%, 10/9/22, $104.09*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/20	40	—	—	—
Goldman Sachs, Protection Sold (Relevant Credit: Republic of Indonesia, 3.70%, 1/8/22, $103.78*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/25	163	(3)	(8)	5
HSBC Bank, Protection Sold (Relevant Credit: Republic of Indonesia, 3.70%, 1/8/22, $103.78*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/25	24	—	(1)	1
JPMorgan Chase, Protection Sold (Relevant Credit: Barclays Bank, 2.65%, 1/11/21, $100.62*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/24 (EUR)	10	—	—	—
Morgan Stanley, Protection Sold (Relevant Credit: Devon Energy, 7.95%, 4/15/32, $116.88*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/24	5	—	—	—

(Amounts in 000s, except market price)

Description	Notional Amount	$ Value	Upfront Payments/ $ (Receipts)	Unrealized $ Gain/(Loss)
Morgan Stanley, Protection Sold (Relevant Credit: Republic of Indonesia, 3.70%, 1/8/22, $103.78*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/25	360	(6)	(17)	11
Total Bilateral Credit Default Swaps, Protection Sold			**(48)**	**32**
Total Bilateral Swaps			**(48)**	**32**

Description	Notional Amount	$ Value	Initial $ Value	Unrealized $ Gain/(Loss)
CENTRALLY CLEARED SWAPS 0.0%				
Credit Default Swaps, Protection Sold 0.0%				
Protection Sold (Relevant Credit: Markit CDX.NA.IG-S34, 5 Year Index), Receive 1.00% Quarterly, Pay upon credit default 6/20/25	4,646	56	6	50
Total Centrally Cleared Credit Default Swaps, Protection Sold				**50**
Total Centrally Cleared Swaps				**50**
Net payments (receipts) of variation margin to date				**(37)**
Variation margin receivable (payable) on centrally cleared swaps				**$ 13**

* Market Price at June 30, 2020.

Forward Currency Exchange Contracts

(Amounts in 000s)

Counterparty	Settlement	Receive		Deliver		Unrealized Gain/(Loss)
Goldman Sachs	8/21/20	USD	144	EUR	133	$ (5)
Morgan Stanley	8/21/20	USD	144	EUR	133	(5)
State Street	8/21/20	USD	124	EUR	114	(5)
Net unrealized gain (loss) on open forward currency exchange contracts						$ (15)

Futures Contracts

($000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Long, 8 U.S. Treasury Long Bond contracts	9/20	1,428	$ 3
Long, 11 U.S. Treasury Notes five year contracts	9/20	1,383	6
Long, 10 U.S. Treasury Notes ten year contracts	9/20	1,392	2
Long, 23 U.S. Treasury Notes two year contracts	9/20	5,079	3
Long, 5 Ultra U.S. Treasury Bonds contracts	9/20	1,091	8
Short, 16 Ultra U.S. Treasury Notes ten year contracts	9/20	(2,520)	(19)
Net payments (receipts) of variation margin to date			**(9)**
Variation margin receivable (payable) on open futures contracts			**$ (6)**

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, 2020. 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 Inflation Protected Bond Fund - I Class	$ —	$ 1	$ —
T. Rowe Price Institutional Emerging Markets Bond Fund	6	(545)	176
T. Rowe Price Institutional Emerging Markets Equity Fund	(10)	(843)	—
T. Rowe Price Institutional Floating Rate Fund – Institutional Class	(21)	(70)	26
T. Rowe Price Institutional High Yield Fund – Institutional Class	(23)	(687)	248
T. Rowe Price International Bond Fund - I Class	(115)	75	37
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class	(7)	(1)	1
T. Rowe Price Real Assets Fund - I Class	(8)	(233)	—
T. Rowe Price Treasury Reserve Fund	—	—	28
T. Rowe Price Short-Term Fund	—	—	—++
Totals	$ (178)#	$ (2,303)	$ 516+

Supplementary Investment Schedule

Affiliate	Value 12/31/19	Purchase Cost	Sales Cost	Value 6/30/20
T. Rowe Price Inflation Protected Bond Fund - I Class	$ 5	$ —	$ —	$ 6
T. Rowe Price Institutional Emerging Markets Bond Fund	8,070	583	952	7,156
T. Rowe Price Institutional Emerging Markets Equity Fund	8,536	700	110	8,283
T. Rowe Price Institutional Floating Rate Fund – Institutional Class	1,269	26	111	1,114
T. Rowe Price Institutional High Yield Fund – Institutional Class	8,337	1,597	173	9,074
T. Rowe Price International Bond Fund - I Class	5,914	946	1,125	5,810
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class	301	1	257	44
T. Rowe Price Real Assets Fund - I Class	2,560	250	108	2,469
T. Rowe Price Treasury Reserve Fund	4,689	¤	¤	10,597
T. Rowe Price Short-Term Fund	756	¤	¤	1,655
Total				$ 46,208^

\# Capital gain distributions from mutual funds represented $10 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 $516 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 $44,551.

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

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $139,970)	$	178,838
Receivable for investment securities sold		524
Interest and dividends receivable		297
Cash		236
Foreign currency (cost $73)		73
Unrealized gain on bilateral swaps		35
Receivable for shares sold		26
Variation margin receivable on centrally cleared swaps		13
Bilateral swap premiums paid		1
Other assets		96
Total assets		180,139
Liabilities		
Payable for investment securities purchased		1,719
Obligation to return securities lending collateral		1,655
Investment management and administrative fees payable		182
Payable for shares redeemed		53
Bilateral swap premiums received		49
Unrealized loss on forward currency exchange contracts		15
Variation margin payable on futures contracts		6
Unrealized loss on bilateral swaps		3
Total liabilities		3,682
NET ASSETS	**$**	**176,457**
Net Assets Consist of:		
Total distributable earnings (loss)	$	39,516
Paid-in capital applicable to 8,681,348 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		136,941
NET ASSETS	**$**	**176,457**
NET ASSET VALUE PER SHARE	**$**	**20.33**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 6/30/20
Investment Income (Loss)	
Income	
Dividend	$ 1,352
Interest	568
Securities lending	3
Total income	1,923
Expenses	
Investment management and administrative expense	785
Waived / paid by Price Associates	(158)
Net expenses	627
Net investment income	1,296
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	(200)
Futures	426
Swaps	(349)
Forward currency exchange contracts	10
Foreign currency transactions	(10)
Capital gain distributions from mutual funds	10
Net realized loss	(113)
Change in net unrealized gain / loss	
Securities	(6,066)
Futures	16
Swaps	33
Forward currency exchange contracts	(6)
Other assets and liabilities denominated in foreign currencies	(1)
Change in net unrealized gain / loss	(6,024)
Net realized and unrealized gain / loss	(6,137)
DECREASE IN NET ASSETS FROM OPERATIONS	**$ (4,841)**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/20	Year Ended 12/31/19
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 1,296	$ 3,340
Net realized gain (loss)	(113)	6,747
Change in net unrealized gain / loss	(6,024)	21,662
Increase (decrease) in net assets from operations	(4,841)	31,749
Distributions to shareholders		
Net earnings	(1,223)	(8,180)
Capital share transactions*		
Shares sold	13,778	15,615
Distributions reinvested	1,223	8,180
Shares redeemed	(17,125)	(29,463)
Decrease in net assets from capital share transactions	(2,124)	(5,668)
Net Assets		
Increase (decrease) during period	(8,188)	17,901
Beginning of period	184,645	166,744
End of period	**$ 176,457**	**$ 184,645**
*Share information		
Shares sold	682	769
Distributions reinvested	65	397
Shares redeemed	(875)	(1,464)
Decrease in shares outstanding	(128)	(298)

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 Moderate Allocation Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks the highest total return over time consistent with an emphasis on both capital appreciation and income. Shares of the fund are currently offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies.

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. Paydown gains and losses are recorded as an adjustment to interest income. 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 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 quoted by a major bank. 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.

New Accounting Guidance In March 2020, the FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The guidance is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of the ASU on the fund's financial statements.

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

The fund's financial instruments are valued and its 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.

Fair Value The fund's financial instruments 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 procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

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

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 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.

For valuation purposes, 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, the fund will adjust the previous quoted prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust quoted prices to reflect fair value, the fund reviews 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 may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. 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. As a means of evaluating its security valuation process, the fund routinely compares quoted prices, the next day's opening prices in the same markets, and adjusted prices.

Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. Non-U.S. equity securities generally are categorized in Level 2 of the fair value hierarchy despite the availability of quoted prices because, as described above, the fund evaluates and determines whether those quoted prices reflect fair value at the close of the NYSE or require adjustment. OTC Bulletin Board securities, certain preferred securities, and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

Debt securities generally are traded in the OTC market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities. Generally, debt securities are categorized in Level 2 of the fair value hierarchy; however, to the extent the valuations include significant unobservable inputs, the securities would be categorized in Level 3.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. Financial futures contracts are valued at closing settlement prices and are categorized in Level 1 of the fair value hierarchy. Forward currency exchange contracts are valued using the prevailing forward exchange rate and are categorized in Level 2 of the fair value hierarchy. Swaps are valued at prices furnished by an independent pricing service or independent swap dealers and generally are categorized in Level 2 of the fair value hierarchy; however, if unobservable inputs are significant to the valuation, the swap would be categorized in Level 3. 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.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. 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.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of an equity investment with limited market activity, such as a private placement or a thinly traded public company stock, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, new rounds of financing, negotiated transactions of significant size between other investors in the company, relevant market valuations of peer companies, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. 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; 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 issue. 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. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2020 (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	$ 71,426	$ 23,393	$ 177	$ 94,996
Convertible Preferred Stocks	—	207	195	402
Fixed Income Securities[1]	—	37,232	—	37,232
Bond Mutual Funds	23,204	—	—	23,204
Equity Mutual Funds	10,752	—	—	10,752
Short-Term Investments	10,597	—	—	10,597
Securities Lending Collateral	1,655	—	—	1,655
Total Securities	117,634	60,832	372	178,838
Swaps	—	15	—	15
Total	$ 117,634	$ 60,847	$ 372	$ 178,853
Liabilities				
Swaps	$ —	$ 18	$ —	$ 18
Forward Currency Exchange Contracts	—	15	—	15
Futures Contracts	6	—	—	6
Total	$ 6	$ 33	$ —	$ 39

[1] Includes Corporate Bonds, Asset-Backed Securities, Non-U.S. Government Mortgage-Backed Securities, U.S. Government & Agency Mortgage-Backed Securities, U.S. Government Agency Obligations (Excluding Mortgage-Backed), Foreign Government Obligations & Municipalities.

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2020, 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, such as seeking 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.

The following table summarizes the fair value of the fund's derivative instruments held as of June 30, 2020, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

($000s)	Location on Statement of Assets and Liabilities	Fair Value
Assets		
Interest rate derivatives	Futures*	$ 22
Credit derivatives	Bilateral Swaps and Premiums, Centrally Cleared Swaps*	52
Total		$ 74
Liabilities		
Interest rate derivatives	Futures*	$ 19
Foreign exchange derivatives	Forwards	15
Credit derivatives	Bilateral Swaps and Premiums	18
Total		$ 52

*The fair value presented includes cumulative gain (loss) on open futures contracts and centrally cleared swaps; however, the value reflected on the accompanying Statement of Assets and Liabilities is only the unsettled variation margin receivable (payable) at that date.

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended June 30, 2020, 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	Forward Currency Exchange Contracts	Swaps	Total
Realized Gain (Loss)				
Interest rate derivatives	$ 426	$ —	$ —	$ 426
Foreign exchange derivatives	—	10	—	10
Credit derivatives	—	—	(349)	(349)
Total	$ 426	$ 10	$ (349)	$ 87
Change in Unrealized Gain (Loss)				
Interest rate derivatives	$ 16	$ —	$ —	$ 16
Foreign exchange derivatives	—	(6)	—	(6)
Credit derivatives	—	—	33	33
Total	$ 16	$ (6)	$ 33	$ 43

Counterparty Risk and Collateral The fund invests in derivatives in various markets, which expose it to differing levels of counterparty risk. Counterparty risk on exchange-traded and centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps, is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Derivatives, such as bilateral swaps, forward currency exchange contracts, and OTC options, that are transacted and settle directly with a counterparty (bilateral derivatives) may expose the fund to greater counterparty risk. To mitigate this risk, the fund has entered into master netting arrangements (MNAs) with certain counterparties that permit net settlement under specified conditions and, for certain counterparties, also require the exchange of collateral to cover mark-to-market exposure. MNAs may be in the form of International Swaps and Derivatives Association master agreements (ISDAs) or foreign exchange letter agreements (FX letters).

MNAs provide the ability to offset amounts the fund owes a counterparty against amounts the counterparty owes the fund (net settlement). Both ISDAs and FX letters generally allow termination of transactions and net settlement upon the occurrence of contractually specified events, such as failure to pay or bankruptcy. In addition, ISDAs specify other events, the occurrence of which would allow one of the parties to terminate. For example, a downgrade in credit rating of a counterparty below a specified rating would allow the fund to terminate, while a decline in the fund's net assets of more than a specified percentage would allow the counterparty to terminate. Upon termination, all transactions with that counterparty would be liquidated and a net termination amount settled. ISDAs include collateral agreements whereas FX letters do not. Collateral requirements are determined daily based on the net aggregate unrealized gain or loss on all bilateral derivatives with a counterparty, subject to minimum transfer amounts that typically range from $100,000 to $250,000. Any additional collateral required due to changes in security values is typically transferred the next business day.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. For bilateral derivatives, collateral posted or received by the fund is held in a segregated account at the fund's custodian. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were traded, and OTC and bilateral derivatives may be unwound with counterparties or transactions assigned to other counterparties to allow the fund to exit the transaction. This ability is subject to the liquidity of underlying positions. As of June 30, 2020, no collateral was pledged by either the fund or counterparties for bilateral derivatives. As of June 30, 2020, securities valued at $348,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

Forward Currency Exchange Contracts The fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. It uses forward currency exchange contracts (forwards) primarily to protect its non-U.S. dollar-denominated securities from adverse currency movements. A forward involves an obligation to purchase or sell a fixed amount of a specific currency on a future date at a price set at the time of the contract. Although certain forwards may be settled by exchanging only the net gain or loss on the contract, most forwards are settled with the exchange of the underlying currencies in accordance with the specified terms. Forwards are valued at the unrealized gain or loss on the contract, which reflects the net amount the fund either is entitled to receive or obligated to deliver, as measured by the difference between the forward exchange rates at the date of entry into the contract and the forward rates at the reporting date. Appreciated forwards are reflected as assets and depreciated forwards are reflected as liabilities on the accompanying Statement of Assets and Liabilities. Risks related to the use of forwards include the possible failure of counterparties to meet the terms of the agreements; that anticipated currency movements will not occur, thereby reducing the fund's total return; and the potential for losses in excess of the fund's initial investment. During the six months ended June 30, 2020, the volume of the fund's activity in forwards, based on underlying notional amounts, was generally less than 1% of net assets.

Futures Contracts The fund is subject to interest rate 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/or interest rates, and potential losses in excess of the fund's initial investment. During the six months ended June 30, 2020, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 3% and 10% of net assets.

Swaps The fund is subject to credit risk in the normal course of pursuing its investment objectives and uses swap contracts to help manage such risk. The fund may use swaps in an effort to manage both long and short exposure to changes in interest rates, inflation rates, and credit quality; to adjust overall exposure to certain markets; to enhance total return or protect the value of portfolio securities; to serve as a cash management tool; or to adjust credit exposure. Swap agreements can be settled either directly with the counterparty (bilateral swap) or through a central clearinghouse (centrally cleared swap). Fluctuations in the fair value of a contract are reflected in unrealized gain or loss and are reclassified to realized gain or loss upon contract termination or cash settlement. Net periodic receipts or payments required by a contract increase or decrease, respectively, the value of the contract until the contractual payment date, at which time such amounts are reclassified from unrealized to realized gain or loss. For bilateral swaps, cash payments are made or received by the fund on a periodic basis in accordance with contract terms; unrealized gain on contracts and premiums paid are reflected as assets and unrealized loss on contracts and premiums received are reflected as liabilities on the accompanying Statement of Assets and Liabilities. For bilateral swaps, premiums paid or received are amortized over the life of the swap and are recognized as realized gain or loss in the Statement of Operations. For centrally cleared swaps, payments are made or received by the fund each day to settle the daily fluctuation in the value of the contract (variation margin). Accordingly, the value of a centrally cleared swap included in net assets is the 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.

Credit default swaps are agreements where one party (the protection buyer) agrees to make periodic payments to another party (the protection seller) in exchange for protection against specified credit events, such as certain defaults and bankruptcies related to an underlying credit instrument, or issuer or index of such instruments. Upon occurrence of a specified credit event, the protection seller is required to pay the buyer the difference between the notional amount of the swap and the value of the underlying credit, either in the form of a net cash settlement or by paying the gross notional amount and accepting delivery of the relevant underlying credit. For credit default swaps where the underlying credit is an index, a specified credit event may affect all or individual underlying securities included in the index and will be settled based upon the relative weighting of the affected underlying security(ies) within the index. Generally, the payment risk for the seller of protection is inversely related to the current market price or credit rating of the underlying credit or the market value of the contract relative to the notional amount, which are indicators of the markets' valuation of credit quality. As of June 30, 2020, the notional amount of protection sold by the fund totaled $6,005,000 (3.4% of net assets), which reflects the maximum potential amount the fund could be required to pay under such contracts. Risks related to the use of credit default swaps include the possible inability of the fund to accurately assess the current and future creditworthiness of underlying issuers, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

During the six months ended June 30, 2020, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 2% and 4% 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.

Emerging and Frontier Markets The fund invests, either directly or through investments in other T. Rowe Price funds, in securities of companies located in, issued by governments of, or denominated in or linked to the currencies of emerging and frontier market countries. Emerging markets, and to a greater extent frontier markets, generally have economic structures that are less diverse and mature, and political systems that are less stable, than developed countries. These markets may be subject to greater political, economic, and social uncertainty and differing regulatory environments that may potentially impact the fund's ability to buy or sell certain securities or repatriate proceeds to U.S. dollars. Such securities are often subject to greater price volatility, less liquidity, and higher rates of inflation than U.S. securities. Investing in frontier markets is significantly riskier than investing in other countries, including emerging markets.

Restricted Securities The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

Collateralized Loan Obligations The fund invests in collateralized loan obligations (CLOs) which are entities backed by a diversified pool of syndicated bank loans. The cash flows of the CLO can be split into multiple segments, called "tranches" or "classes", which will vary in risk profile and yield. The riskiest segments, which are the subordinate or "equity" tranches, bear the greatest risk of loss from defaults in the underlying assets of the CLO and serve to protect the other, more senior, tranches. Senior tranches will typically have higher credit ratings and lower yields than the securities underlying the CLO. Despite the protection from the more junior tranches, senior tranches can experience substantial losses.

TBA Purchase, Sale Commitments and Forward Settling Mortgage Obligations The fund enters into to-be-announced (TBA) purchase or sale commitments (collectively, TBA transactions), pursuant to which it agrees to purchase or sell, respectively, mortgage-backed securities for a fixed unit price, with payment and delivery at a scheduled future date beyond the customary settlement period for such securities. With TBA transactions, the particular securities to be received or delivered by the fund are not identified at the trade date; however, the securities must meet specified terms, including rate and mortgage term, and be within industry-accepted "good delivery" standards. The fund may enter into TBA transactions with the intention of taking possession of or relinquishing the underlying securities, may elect to extend the settlement by "rolling" the transaction, and/or may use TBA transactions to gain or reduce interim exposure to underlying securities. Until settlement, the fund maintains liquid assets sufficient to settle its commitment to purchase a TBA or, in the case of a sale commitment, the fund maintains an entitlement to the security to be sold.

To mitigate counterparty risk, the fund has entered into Master Securities Forward Transaction Agreements (MSFTA) with counterparties that provide for collateral and the right to offset amounts due to or from those counterparties under specified conditions. Subject to minimum transfer amounts, collateral requirements are determined and transfers made based on the net aggregate unrealized gain or loss on all TBA commitments and other forward settling mortgage obligations with a particular counterparty (collectively, MSFTA Transactions). At any time, the fund's risk of loss from a particular counterparty related to its MSFTA Transactions is the aggregate unrealized gain on appreciated MSFTA Transactions in excess of unrealized loss on depreciated MSFTA Transactions and collateral received, if any, from such counterparty. As of June 30, 2020, no collateral was pledged by the fund or counterparties for MSFTA Transactions.

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 June 30, 2020, the value of loaned securities was $1,586,000; the value of cash collateral and related investments was $1,655,000.

Mortgage-Backed Securities The fund invests in mortgage-backed securities (MBS or pass-through certificates) that represent an interest in a pool of specific underlying mortgage loans and entitle the fund to the periodic payments of principal and interest from those mortgages. MBS may be issued by government agencies or corporations, or private issuers. Most MBS issued by government agencies are guaranteed; however, the degree of protection differs based on the issuer. The fund also invests in stripped MBS, created when a traditional MBS is split into an interest-only (IO) and a principal-only (PO) strip. MBS, including IOs and POs, are sensitive to changes in economic conditions that affect the rate of prepayments and defaults on the underlying mortgages; accordingly, the value, income, and related cash flows from MBS may be more volatile than other debt instruments. IOs also risk loss of invested principal from faster-than-anticipated prepayments.

Other Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated $53,170,000 and $54,875,000, respectively, for the six months ended June 30, 2020. Purchases and sales of U.S. government securities aggregated $9,244,000 and $14,186,000, respectively, for the six months ended June 30, 2020.

NOTE 5 - 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, 2020, the cost of investments for federal income tax purposes was $142,213,000. Net unrealized gain aggregated $36,654,000 at period-end, of which $42,824,000 related to appreciated investments and $6,170,000 related to depreciated investments.

NOTE 6 - 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 0.90% 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 extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2021 to waive a portion of its management fee in order to limit the fund's management fee to 0.85% 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 $43,000 for the six months ended June 30, 2020.

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 also invest in certain other T. Rowe Price funds (Price Funds) as a means of gaining efficient and cost-effective exposure to certain markets. The fund does not invest for the purpose of exercising management or control; however, investments by the fund may represent a significant portion of an underlying Price Fund's net assets. Each underlying Price Fund is an open-end management investment company managed by Price Associates and is considered an affiliate of the fund. To ensure that the fund does not incur duplicate management fees (paid by the underlying Price Fund(s) and the fund), Price Associates has agreed to permanently waive a portion of its management fee charged to the fund in an amount sufficient to fully offset that portion of management fees paid by each underlying Price Fund related to the fund's investment therein. Annual management fee rates and amounts waived related to investments in the underlying Price Fund(s) for the six months ended June 30, 2020, are as follows:

($000s)	Effective Management Fee Rate	Management Fee Waived
T. Rowe Price Inflation Protected Bond Fund—I Class	0.17%	$ —
T. Rowe Price Institutional Emerging Markets Bond Fund	0.70%	25
T. Rowe Price Institutional Emerging Markets Equity Fund	1.10%	44
T. Rowe Price Institutional Floating Rate Fund—Institutional Class	0.55%	3
T. Rowe Price Institutional High Yield Fund—Institutional Class	0.50%	22
T. Rowe Price International Bond Fund—I Class	0.49%	13
T. Rowe Price Limited Duration Inflation Focused Bond Fund—I Class	0.25%	—
T. Rowe Price Real Assets Fund—I Class	0.64%	8
Total Management Fee Waived		$ 115

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, 2020, 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, 2020, this reimbursement amounted to $4,000, which is included in Net realized gain (loss) on Securities in the Statement 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.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; 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 funds 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 funds, their investment advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, 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.

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 and portfolios 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

Effective for reporting periods on or after March 1, 2019, a fund, except a money market 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. Prior to March 1, 2019, a fund, including a money market fund, filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A money market fund files detailed month-end portfolio holdings information on Form N-MFP with the SEC each month and posts a complete schedule of portfolio holdings on its website (troweprice.com) as of each month-end for the previous six months. A fund's Forms N-PORT, N-MFP, and N-Q are available electronically on the SEC's website (sec.gov).

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 9–10, 2020 (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, 2019, 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 benefits that the Advisor (and its affiliates) may have realized from its relationship with the fund, including any research received under "soft dollar" agreements and commission-sharing arrangements with broker-dealers. The Board considered that the Advisor may have received some benefit from soft-dollar arrangements pursuant to which research is received from broker-dealers that execute the fund's portfolio transactions. However, the Board also considered that, effective January 2020, the Advisor began bearing 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. While the Board did not review information regarding profits realized from managing the fund in particular because the fund had either not achieved sufficient portfolio asset size or not recognized sufficient revenues to produce meaningful profit margin percentages, the Board concluded that the Advisor's profits were reasonable in light of the services provided to the T. Rowe Price funds.

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. 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 0.85% 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 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. The Advisor has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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 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 the primary investment resources utilized to manage the fund are shared with other actively managed 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 fourth quintile (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 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.

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).

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 May 4, 2020, 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.

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 June 1, 2019, through March 31, 2020. 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.

Certain provisions of the Liquidity Program initially became effective on December 1, 2018, and the full Liquidity Program was formally approved by the Board in April 2019. During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program since its implementation has operated adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

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T. Rowe Price®

100 East Pratt Street
Baltimore, MD 21202

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.

202008-1220488 T. Rowe Price Investment Services, Inc. E304-051 8/20

T. Rowe Price

SEMIANNUAL REPORT

June 30, 2020

T. ROWE PRICE

Equity Income Portfolio

For more insights from T. Rowe Price investment professionals, go to **troweprice.com**.

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HIGHLIGHTS

- The Equity Income Portfolio returned -18.87% for the six-month period. The portfolio underperformed both the Russell 1000 Value Index and the Lipper Variable Annuity Underlying Equity Income Funds Average.
- Within the portfolio, absolute detractors were concentrated within certain sectors disproportionately impacted by the coronavirus pandemic. Top contributors hailed from a variety of sectors.
- Changes in sector allocation were the result of our bottom-up stock selection. We sold firms where our thesis changed due to the coronavirus to take advantage of investment ideas that we found more compelling.
- Despite recent optimism since the bottoming of U.S. equity markets in late March, we believe that a clear market outlook is challenging from these levels and expect the market will continue to be headline-driven until there is a clear path to a medical solution to the pandemic.

Dear Investor

Financial markets recorded widely mixed results during the first half of 2020 as the spread of the coronavirus disrupted global economies. Although stocks and bonds experienced extraordinary volatility, historic levels of fiscal and monetary stimulus helped mitigate the losses.

Market sentiment was positive as we entered the year, and the S&P 500 Index advanced to a record high on February 19. However, stocks began falling as the coronavirus spread in Italy and other countries outside China. The major indexes continued their slide as cases mounted in the U.S. and New York City became the epicenter of the pandemic. Governments throughout the world issued stay-at-home orders to contain the virus, and some sectors, such as travel, restaurants, and shopping malls, nearly came to a halt.

According to the National Bureau of Economic Research, a recession officially began in February, ending the longest expansion in U.S. history. Over 22 million Americans lost their jobs in March and April, and many measures of economic activity, including retail sales and industrial production, experienced record-setting declines. By March 23, the S&P 500 Index had fallen by about a third from the start of the year.

In response to the rapid economic contraction, global central banks took bold accommodative steps, and many governments around the world passed emergency spending packages. The Federal Reserve cut its short-term lending rate to near zero and began massive purchases of government and corporate bonds to stimulate the economy and supply liquidity in the fixed income market.

The federal government also provided trillions of dollars in fiscal help in the form of direct payments to many Americans, expanded unemployment insurance, and subsidies to sectors such as transportation and health care that had been directly impacted by the pandemic. As lockdowns eased late in the period, there were signs of economic recovery, especially in stronger-than-expected payroll data, but surges in new virus cases in some states remained a concern.

Boosted by the stimulus and indications that the economy was mending faster than many expected, nearly all sectors recouped some of their losses by the end of June, and some segments were back in positive territory. For the six-month period, the tech-heavy Nasdaq Composite Index reached record highs and easily outperformed other benchmarks as the pandemic appeared to accelerate trends in retail, social media, and content streaming that benefited the large technology platforms. Large- and mid-cap growth stocks also produced positive returns and outperformed small-caps and value shares, which lost ground.

The S&P 500 Index finished the period with modest losses overall. Within the benchmark, tech and consumer discretionary stocks rallied, but energy shares were down more than 35% (including dividends) amid tumbling oil prices, and the financials sector struggled in a low-yield environment. Non-U.S. equity markets were generally negative and lagged the U.S. benchmarks.

In the fixed income universe, Treasuries were the top performers as yields dropped to record lows during the period, and other U.S. investment-grade bonds were also generally positive. High yield and emerging markets bonds were particularly hard hit during the market sell-off in March, but the sectors staged a strong recovery as investors sought out higher-yielding securities. Emerging markets debt denominated in U.S. dollars outperformed local currency issues, as weakness in certain currencies weighed on local bond performance in U.S. dollar terms.

As we enter the second half of the year, we expect markets to remain volatile. The scale of the stimulus and the potential for medical breakthroughs create the potential for stocks to move higher, but much depends on the course of the virus. Rising tensions between the U.S. and China, social unrest, and the U.S. elections in November could also drive market performance.

Our investment teams will be carefully monitoring these developments, and I believe that our disciplined fundamental research and strategic investing approach will continue to serve our shareholders well in this uncertain environment.

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

Sincerely,

Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The portfolio 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 -18.87% for the six months ended June 30, 2020. The portfolio underperformed 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 reflect a different fee structure. *Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/20	Total Return
Equity Income Portfolio	-18.87%
Equity Income Portfolio–II	-18.96
Russell 1000 Value Index	-16.26
S&P 500 Index	-3.08
Lipper Variable Annuity Underlying Equity Income Funds Average	-14.22

What factors influenced the fund's performance?

Dramatic uncertainty caused by the coronavirus pandemic has caused investors to shrink their time horizon and reduce their risk appetite. As a result, several names in the portfolio that we continue to believe are meaningfully undervalued over the long term posted disappointing returns during the first half of the year. Several financials names, notably market bellwethers **Wells Fargo** and **JPMorgan Chase**, were pressured as investors expressed concern over the state of the global economy and resulting credit risk amid the pandemic. In industrials and business services, **GE** shares underperformed as investors remained concerned with the industrial conglomerate's liquidity and its exposure to aviation. Although the company may face short-term headwinds caused by the coronavirus pandemic, we remain confident in GE's leadership team and its ability to navigate this environment. We continue to believe that GE has ample liquidity for the current environment and that the company is trading below its sum-of-the-parts valuation. Additionally, shares of **Boeing** suffered during the first quarter due to the prospect of a prolonged period of suppressed air travel caused by the coronavirus pandemic. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Additionally, several names within energy detracted from absolute results but aided in performance relative to the benchmark. Global exploration and production company **Occidental Petroleum** fell sharply in March as the company was forced to slash its spending projections in the wake of the Saudi-Russian oil market share battle, which sent crude prices lower. Positions in **Total** and **ExxonMobil** also lowered absolute returns. Elsewhere in the portfolio, shares of **Tyson Foods** fell due to input cost inflation and broader market uncertainty stemming from the coronavirus outbreak, which has hampered exports to China and shifted demand to residential use from food services. Industrywide price-fixing allegations also pressured shares of chicken companies later in the period.

Contributors were spread out among several sectors. In information technology, shares of **Microsoft** held their value despite the broader coronavirus-instigated sell-off in equities. Shares then rose later in the period following a strong quarterly earnings report highlighted by robust growth within the software giant's Intelligent Cloud segment. Investors appeared to prioritize Microsoft's solid fundamentals, defensible business model, and attractive growth potential. Select health care firms added value as well. Biopharmaceutical company **AbbVie** rebounded strongly off the market bottom due to solid operational results and the closure of the company's acquisition of **Allergan** in May, while **Gilead Sciences** outperformed due to high hopes surrounding the company's remdesivir drug and its potential application as a treatment for COVID-19, the disease caused by the coronavirus. Meanwhile, oil field services company **Halliburton**, which we added to the portfolio during the depth of concerns over crude oil fundamentals, rose during the second quarter in conjunction with crude oil prices. **Kimberly-Clark** benefited from a surge in demand for tissue products.

Compared with the benchmark, stock selection in industrials and business services detracted the most from relative performance. Conversely, security choices in information technology added the most value relative to the benchmark.

SECTOR DIVERSIFICATION

	Percent of Net Assets 12/31/19	6/30/20
Financials	23.7%	19.5%
Health Care	13.2	14.6
Industrials and Business Services	11.8	11.0
Utilities	8.3	9.3
Information Technology	8.0	9.0
Energy	8.7	8.4
Consumer Staples	8.3	8.1
Communication Services	6.1	5.4
Materials	4.1	5.2
Real Estate	3.5	4.1
Consumer Discretionary	2.4	2.8
Other and Reserves	1.9	2.6
Total	**100.0%**	**100.0%**

Historical weightings reflect current industry/sector classifications.

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 exposure to financials, the portfolio's largest sector, declined in absolute terms but rose relative to the benchmark primarily due to the annual reconstitution of the Russell style benchmarks. We sold shares of certain firms that we believe are trading at a relative valuation premium, including JPMorgan Chase and **U.S. Bancorp**, in order to buy shares of companies that had fallen to attractive levels. For example, we purchased shares of **Loews** on weakness. The conglomerate's earnings have been under pressure due to severe operational challenges related to the coronavirus pandemic. However, we are encouraged by the company's resilient balance sheet and solid cash position. We also added to our position in **American International Group** on weakness as investors appeared to price in the possibility of pandemic-related underwriting losses for property and casualty insurers, which we view as unlikely.

The portfolio's second-largest sector allocation is health care, and we increased our exposure in both absolute and relative terms. We bought shares of certain firms—notably **Becton, Dickinson & Company**—that have exposure to the COVID-19 testing market. We also bought shares of AbbVie on weakness ahead of its acquisition of Allergan, which we believe should add value through a more diversified revenue model. Conversely, we sold shares of **Johnson & Johnson**, as we are concerned that hospitals may take longer than anticipated to pass peak coronavirus admissions and repurpose facilities back toward elective procedures.

Other notable equity subtractions include **Verizon Communications**, Microsoft, and **Dow**, all of which we sold on relative strength. We bought shares of **DuPont de Nemours**, as we believe the market is discounting the value of its specialized chemical assets. We also initiated a position in **Enbridge**, the largest gas and oil pipeline company in North America, on weakness. The stock underperformed as concerns about sustained low demand for fuel amid the coronavirus pandemic buffeted the broader energy sector. We are confident in the company's resilient revenue model and high-quality asset base.

What is portfolio management's outlook?

The current environment is without precedent, as the crisis facing the economy is not a result of excesses in the system or failed policy. It is, rather, a medical crisis and therefore requires a medical solution. At the same time, the Federal Reserve has indicated a willingness to use all tools at its disposal to support the economy, and the federal government has passed sweeping fiscal policy stimulus.

Aided by this support, the market has begun to look past the pandemic, pricing in continued improvement in both economic data and COVID-19 cases and abandoning many of the worst-case scenarios that now seem less likely. Despite recent optimism, we believe that a clear market outlook is challenging from these levels and expect the market will continue to be headline-driven until there is a clear path to a medical solution to the pandemic.

We are, therefore, focused on finding companies that have the financial strength to make it through a wide range of environments and that offer the best balance of quality and valuation appeal. Given the uncertainty, investors' time horizons have shrunk, so we see opportunities by extending the time horizon to identify investment candidates that look attractive under a "normalized" environment.

Though they have rebounded, markets remain bifurcated, and we continue to see attractive valuation disparities in the market. While we seek to remain balanced, we will take opportunities to lean into cyclical names with attractive valuations while maintaining a keen focus on balance sheet strength. By adhering to our investment approach and valuation discipline, we believe we will be able to take advantage of this uncertainty and make attractive long-term investments for our clients.

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

RISKS OF STOCK INVESTING

As with all stock funds, the portfolio's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. Stock markets can decline for many reasons, including adverse local, political, social, or economic developments in the U.S. or abroad; changes in investor psychology; or heavy 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 held by the portfolio may prove incorrect, resulting in losses or poor performance, even in rising markets. Also, the portfolio's overall investment approach could fall out of favor with the investing public, resulting in lagging performance versus other types of stock funds. Legislative, regulatory, or tax developments may affect the investment strategies available to portfolio managers, which could adversely affect the ability to implement the portfolio's overall investment program and achieve the portfolio's investment objective.

RISKS OF VALUE INVESTING

Finding undervalued stocks requires considerable research to identify the particular company, analyze its financial condition and prospects, and assess the likelihood that the stock's underlying value will be recognized by the market and reflected in its price. A value approach to investing carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock judged to be undervalued may actually be appropriately priced.

BENCHMARK INFORMATION

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TWENTY-FIVE LARGEST HOLDINGS

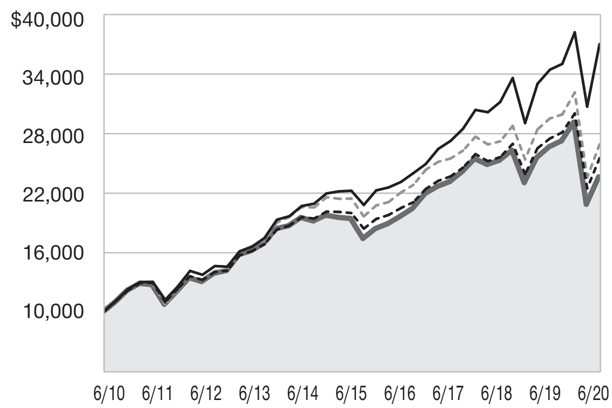
	Percent of Net Assets 6/30/20
Southern Company	3.1%
Qualcomm	2.9
Wells Fargo	2.7
Total	2.3
Chubb	2.2
Morgan Stanley	2.2
DuPont de Nemours	2.1
UPS	2.1
AbbVie	2.0
GE	1.9
NiSource	1.9
Becton, Dickinson & Company	1.8
Tyson Foods	1.8
American International Group	1.8
Philip Morris International	1.8
Johnson & Johnson	1.8
MetLife	1.8
CVS Health	1.8
Kimberly-Clark	1.8
Conagra Brands	1.6
Comcast	1.6
Cisco Systems	1.5
Anthem	1.5
TC Energy	1.5
Microsoft	1.5
Total	**49.0%**

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 6/30/20
Equity Income Portfolio	$23,656
Russell 1000 Value Index	26,923
S&P 500 Index	37,031
Lipper Variable Annuity Underlying Equity Income Funds Average	25,525

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 6/30/20	1 Year	5 Years	10 Years
Equity Income Portfolio	-11.34%	3.99%	8.99%
Equity Income Portfolio–II	-11.57	3.73	8.72

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 1/1/20	Ending Account Value 6/30/20	Expenses Paid During Period* 1/1/20 to 6/30/20
Equity Income Portfolio			
Actual	$1,000.00	$811.30	$3.33
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.18	3.72
Equity Income Portfolio–II			
Actual	1,000.00	810.40	4.46
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.94	4.97

*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 (182), and divided by the days in the year (366) 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 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 27.13	$ 23.36	$ 29.27	$ 28.34	$ 26.81	$ 30.02
Investment activities						
Net investment income[1][2]	0.28	0.61	0.58	0.51	0.61	0.52
Net realized and unrealized gain / loss	(5.42)	5.49	(3.28)	4.00	4.50[3]	(2.58)
Total from investment activities	(5.14)	6.10	(2.70)	4.51	5.11	(2.06)
Distributions						
Net investment income	(0.26)	(0.62)	(0.59)	(0.53)	(0.67)	(0.53)
Net realized gain	–	(1.71)	(2.62)	(3.05)	(2.91)	(0.62)
Total distributions	(0.26)	(2.33)	(3.21)	(3.58)	(3.58)	(1.15)
NET ASSET VALUE						
End of period	**$ 21.73**	**$ 27.13**	**$ 23.36**	**$ 29.27**	**$ 28.34**	**$ 26.81**

Ratios/Supplemental Data						
Total return[2][4]	**(18.87)%**	**26.40%**	**(9.50)%**	**16.02%**	**19.17%[3]**	**(6.85)%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[5]	0.85%[6]	0.85%	0.80%	0.85%	0.85%	0.85%
Net expenses after waivers/payments by Price Associates	0.74%[6]	0.74%	0.80%	0.85%	0.85%	0.85%
Net investment income	2.47%[6]	2.31%	2.01%	1.73%	2.17%	1.78%
Portfolio turnover rate	18.1%	19.5%	16.5%	19.9%	18.5%	27.5%
Net assets, end of period (in millions)	$ 370	$ 477	$ 428	$ 541	$ 551	$ 605

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 6 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 6. 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 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 27.01	$ 23.27	$ 29.16	$ 28.25	$ 26.73	$ 29.94
Investment activities						
Net investment income[1][2]	0.25	0.55	0.51	0.44	0.52	0.44
Net realized and unrealized gain / loss	(5.39)	5.45	(3.26)	3.98	4.50[3]	(2.57)
Total from investment activities	(5.14)	6.00	(2.75)	4.42	5.02	(2.13)
Distributions						
Net investment income	(0.23)	(0.55)	(0.52)	(0.46)	(0.59)	(0.46)
Net realized gain	–	(1.71)	(2.62)	(3.05)	(2.91)	(0.62)
Total distributions	(0.23)	(2.26)	(3.14)	(3.51)	(3.50)	(1.08)
NET ASSET VALUE						
End of period	**$ 21.64**	**$ 27.01**	**$ 23.27**	**$ 29.16**	**$ 28.25**	**$ 26.73**

Ratios/Supplemental Data

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
Total return[2][4]	**(18.96)%**	**26.04%**	**(9.69)%**	**15.73%**	**18.85%[3]**	**(7.10)%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[5]	1.10%[6]	1.10%	1.05%	1.10%	1.10%	1.10%
Net expenses after waivers/payments by Price Associates	0.99%[6]	0.99%	1.05%	1.10%	1.10%	1.10%
Net investment income	2.23%[6]	2.07%	1.77%	1.48%	1.89%	1.51%
Portfolio turnover rate	18.1%	19.5%	16.5%	19.9%	18.5%	27.5%
Net assets, end of period (in thousands)	$ 196,157	$ 238,540	$ 183,383	$ 208,017	$ 205,562	$ 270,238

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 6 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 6. 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.

June 30, 2020 (Unaudited)

PORTFOLIO OF INVESTMENTS‡

(Cost and value in $000s)

	Shares/Par	$ Value
COMMON STOCKS 94.8%		
Communication Services 5.4%		
Diversified Telecommunication Services 0.9%		
AT&T	40,007	1,210
Verizon Communications	74,321	4,097
		5,307
Entertainment 1.9%		
Fox, Class B	234,233	6,287
Walt Disney	39,016	4,350
		10,637
Media 2.6%		
Comcast, Class A	233,572	9,105
News, Class A	475,600	5,640
		14,745
Total Communication Services		30,689
Consumer Discretionary 2.4%		
Automobiles 0.2%		
General Motors	37,900	959
		959
Hotels, Restaurants & Leisure 1.3%		
Las Vegas Sands	112,101	5,105
McDonald's	7,100	1,310
MGM Resorts International	40,300	677
Royal Caribbean Cruises	9,000	453
		7,545
Leisure Products 0.5%		
Mattel (1)	285,440	2,760
		2,760
Multiline Retail 0.4%		
Kohl's	108,730	2,258
		2,258
Total Consumer Discretionary		13,522

(Cost and value in $000s)

	Shares/Par	$ Value
Consumer Staples 8.1%		
Food & Staples Retailing 0.6%		
Walmart	28,600	3,426
		3,426
Food Products 3.8%		
Bunge	37,900	1,559
Conagra Brands	261,426	9,194
Mondelez International, Class A	12,400	634
Tyson Foods, Class A	172,089	10,275
		21,662
Household Products 1.8%		
Kimberly-Clark	70,200	9,923
		9,923
Tobacco 1.9%		
Altria Group	17,400	683
Philip Morris International	146,100	10,236
		10,919
Total Consumer Staples		45,930
Energy 8.4%		
Energy Equipment & Services 0.6%		
Halliburton	246,100	3,195
		3,195
Oil, Gas & Consumable Fuels 7.8%		
Chevron	17,910	1,598
Enbridge	170,680	5,192
EOG Resources	33,500	1,697
Exxon Mobil	125,202	5,599
Hess	19,771	1,024
Occidental Petroleum	121,300	2,220
Pioneer Natural Resources	18,200	1,778
Targa Resources	182,323	3,659
TC Energy	199,550	8,553
TOTAL (EUR) (2)	301,846	11,639
TOTAL, ADR	35,600	1,369
		44,328
Total Energy		47,523

	Shares/Par	$ Value
(Cost and value in $000s)		
Financials 19.3%		
Banks 6.3%		
Bank of America	58,775	1,396
Fifth Third Bancorp	418,241	8,064
JPMorgan Chase	80,258	7,549
PNC Financial Services Group	33,800	3,556
Wells Fargo	590,169	15,108
		35,673
Capital Markets 4.7%		
Franklin Resources	106,640	2,236
Morgan Stanley	252,299	12,186
Northern Trust	12,200	968
Raymond James Financial	49,100	3,379
State Street	124,100	7,887
		26,656
Diversified Financial Services 0.7%		
Equitable Holdings	202,874	3,914
		3,914
Insurance 7.6%		
American International Group	329,196	10,264
Chubb	100,559	12,733
Loews	200,110	6,862
Marsh & McLennan	15,898	1,707
MetLife	276,100	10,083
Willis Towers Watson	8,330	1,641
		43,290
Total Financials		109,533
Health Care 14.2%		
Biotechnology 3.0%		
AbbVie	113,100	11,104
Gilead Sciences	80,400	6,186
		17,290
Health Care Equipment & Supplies 3.3%		
Becton Dickinson & Company	31,808	7,611
Medtronic	88,711	8,135

	Shares/Par	$ Value
(Cost and value in $000s)		
Zimmer Biomet Holdings	22,600	2,697
		18,443
Health Care Providers & Services 3.3%		
Anthem	33,152	8,718
CVS Health	152,817	9,929
		18,647
Pharmaceuticals 4.6%		
Bristol-Myers Squibb	19,700	1,158
GlaxoSmithKline (GBP)	132,747	2,681
GlaxoSmithKline, ADR	31,200	1,273
Johnson & Johnson	71,896	10,111
Merck	28,500	2,204
Pfizer	258,631	8,457
		25,884
Total Health Care		80,264
Industrials & Business Services 11.0%		
Aerospace & Defense 2.8%		
Boeing	45,942	8,421
L3Harris Technologies	44,007	7,467
		15,888
Air Freight & Logistics 2.1%		
United Parcel Service, Class B	104,679	11,638
		11,638
Airlines 0.3%		
Alaska Air Group	45,216	1,640
		1,640
Building Products 0.5%		
Johnson Controls International	83,220	2,841
		2,841
Commercial Services & Supplies 0.8%		
Stericycle (1)	80,702	4,518
		4,518
Electrical Equipment 0.8%		
Emerson Electric	58,400	3,622
nVent Electric	38,000	712
		4,334

	Shares/Par	$ Value
(Cost and value in $000s)		
Industrial Conglomerates 1.9%		
General Electric	1,600,900	10,934
		10,934
Machinery 1.1%		
Flowserve	14,295	408
PACCAR	38,293	2,866
Snap-on	22,800	3,158
		6,432
Professional Services 0.7%		
Nielsen Holdings	265,331	3,943
		3,943
Total Industrials & Business Services		62,168
Information Technology 9.0%		
Communications Equipment 1.6%		
Cisco Systems	187,778	8,758
		8,758
Electronic Equipment, Instruments & Components 0.4%		
Corning	42,500	1,101
TE Connectivity	12,700	1,036
		2,137
Semiconductors & Semiconductor Equipment 5.4%		
Applied Materials	104,926	6,343
NXP Semiconductors	14,200	1,619
QUALCOMM	182,212	16,619
Texas Instruments	48,442	6,151
		30,732
Software 1.5%		
Microsoft	41,691	8,485
		8,485
Technology Hardware, Storage & Peripherals 0.1%		
Western Digital	16,199	715
		715
Total Information Technology		50,827

	Shares/Par	$ Value
(Cost and value in $000s)		
Materials 5.2%		
Chemicals 3.8%		
Akzo Nobel (EUR)	12,709	1,142
CF Industries Holdings	255,300	7,184
DuPont de Nemours	224,223	11,913
PPG Industries	12,046	1,277
		21,516
Containers & Packaging 1.4%		
International Paper	220,553	7,766
		7,766
Total Materials		29,282
Real Estate 4.1%		
Real Estate Investment Trusts 4.1%		
Equity Residential, REIT	114,700	6,747
Rayonier, REIT	178,661	4,429
SL Green Realty, REIT	74,734	3,683
Weyerhaeuser, REIT	370,706	8,326
Total Real Estate		23,185
Utilities 7.7%		
Electric Utilities 4.5%		
Edison International	112,649	6,118
NextEra Energy	18,967	4,555
Southern	287,903	14,928
		25,601
Multi-Utilities 3.2%		
Ameren	21,900	1,541
CenterPoint Energy	109,100	2,037
NiSource	463,938	10,550
Sempra Energy	34,688	4,066
		18,194
Total Utilities		43,795
Total Common Stocks (Cost $482,067)		**536,718**

(Cost and value in $000s)	Shares/Par	$ Value
PREFERRED STOCKS 0.4%		
Consumer Discretionary 0.4%		
Automobiles 0.4%		
Volkswagen (EUR) (3)	15,175	2,307
Total Consumer Discretionary		2,307
Total Preferred Stocks (Cost $2,354)		**2,307**
CONVERTIBLE PREFERRED STOCKS 2.0%		
Health Care 0.5%		
Health Care Equipment & Supplies 0.5%		
Becton Dickinson & Company, Series B, 6.00%, 6/1/23	51,169	2,680
Total Health Care		2,680
Utilities 1.5%		
Electric Utilities 0.8%		
NextEra Energy, 5.279%, 3/1/23	43,435	1,844
Southern, Series A, 6.75%, 8/1/22	57,257	2,502
		4,346
Multi-Utilities 0.7%		
Sempra Energy, Series A, 6.00%, 1/15/21	33,601	3,291
Sempra Energy, Series B, 6.75%, 7/15/21	9,767	949
		4,240
Total Utilities		8,586
Total Convertible Preferred Stocks (Cost $11,866)		**11,266**
CONVERTIBLE BONDS 0.2%		
AXA, 7.25%, 5/15/21 (4)	1,288,000	1,162
Total Convertible Bonds (Cost $1,288)		**1,162**
SHORT-TERM INVESTMENTS 2.7%		
Money Market Funds 2.7%		
T. Rowe Price Government Reserve Fund, 0.14% (5)(6)	15,097,292	15,097
Total Short-Term Investments (Cost $15,097)		**15,097**
SECURITIES LENDING COLLATERAL 1.6%		
Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank 1.6%		
Short-Term Funds 1.6%		
T. Rowe Price Short-Term Fund, 0.22% (5)(6)	923,647	9,236
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		9,236
Total Securities Lending Collateral (Cost $9,236)		**9,236**
Total Investments in Securities		
101.7% of Net Assets (Cost $521,908)	$	**575,786**

‡ Shares/Par and Notional Amount are denominated in U.S. dollars unless otherwise noted.
(1) Non-income producing
(2) See Note 4. All or a portion of this security is on loan at June 30, 2020.
(3) Preferred stocks are shares that carry certain preferential rights. The dividend rate may not be consistent each pay period and could be zero for a particular year.
(4) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to $1,162 and represents 0.2% of net assets.
(5) Seven-day yield
(6) 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

Futures Contracts

($000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Long, 30 S&P 500 E-Mini Index Contracts	9/20	4,635	$ 105
Net payments (receipts) of variation margin to date			20
Variation margin receivable (payable) on open futures contracts			**$** 125

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, 2020. 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	$ —	$ —	$ 33
T. Rowe Price Short-Term Fund	—	—	—++
Totals	$ —#	$ —	$ 33+

Supplementary Investment Schedule

Affiliate	Value 12/31/19	Purchase Cost	Sales Cost	Value 6/30/20
T. Rowe Price Government Reserve Fund	$ 12,180	¤	¤	$ 15,097
T. Rowe Price Short-Term Fund	—	¤	¤	9,236
Total				$ 24,333^

\# 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 $33 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 $24,333.

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

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $521,908)	$	575,786
Dividends and interest receivable		1,269
Cash deposits on futures contracts		360
Receivable for shares sold		347
Receivable for investment securities sold		209
Variation margin receivable on futures contracts		125
Cash		34
Other assets		150
Total assets		578,280
Liabilities		
Obligation to return securities lending collateral		9,236
Payable for investment securities purchased		2,133
Investment management and administrative fees payable		465
Payable for shares redeemed		115
Total liabilities		11,949
NET ASSETS	**$**	**566,331**
Net Assets Consist of:		
Total distributable earnings (loss)	$	61,139
Paid-in capital applicable to 26,095,200 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		505,192
NET ASSETS	**$**	**566,331**
NET ASSET VALUE PER SHARE		
Equity Income Portfolio Class ($370,173,928 / 17,032,178 shares outstanding)	**$**	**21.73**
Equity Income Portfolio-II Class ($196,156,664 / 9,063,022 shares outstanding)	**$**	**21.64**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 6/30/20
Investment Income (Loss)	
Income	
Dividend	$ 9,453
Interest	46
Total income	9,499
Expenses	
Investment management and administrative expense	2,526
Rule 12b-1 fees – Equity Income Portfolio-II Class	253
Waived / paid by Price Associates	(326)
Net expenses	2,453
Net investment income	7,046
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	6,420
Foreign currency transactions	(11)
Net realized gain	6,409
Change in net unrealized gain / loss	
Securities	(146,743)
Futures	105
Other assets and liabilities denominated in foreign currencies	(2)
Change in net unrealized gain / loss	(146,640)
Net realized and unrealized gain / loss	(140,231)
DECREASE IN NET ASSETS FROM OPERATIONS	**$ (133,185)**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/20	Year Ended 12/31/19
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 7,046	$ 14,970
Net realized gain	6,409	40,028
Change in net unrealized gain / loss	(146,640)	99,363
Increase (decrease) in net assets from operations	(133,185)	154,361
Distributions to shareholders		
Net earnings		
Equity Income Portfolio Class	(4,406)	(38,663)
Equity Income Portfolio-II Class	(2,058)	(18,569)
Decrease in net assets from distributions	(6,464)	(57,232)
Capital share transactions*		
Shares sold		
Equity Income Portfolio Class	13,671	28,521
Equity Income Portfolio-II Class	21,876	36,940
Distributions reinvested		
Equity Income Portfolio Class	4,406	38,663
Equity Income Portfolio-II Class	2,058	18,569
Shares redeemed		
Equity Income Portfolio Class	(32,341)	(85,882)
Equity Income Portfolio-II Class	(19,383)	(30,043)
Increase (decrease) in net assets from capital share transactions	(9,713)	6,768
Net Assets		
Increase (decrease) during period	(149,362)	103,897
Beginning of period	715,693	611,796
End of period	**$ 566,331**	**$ 715,693**

*Share information		
Shares sold		
Equity Income Portfolio Class	612	1,079
Equity Income Portfolio-II Class	997	1,392
Distributions reinvested		
Equity Income Portfolio Class	218	1,445
Equity Income Portfolio-II Class	103	696
Shares redeemed		
Equity Income Portfolio Class	(1,387)	(3,272)
Equity Income Portfolio-II Class	(868)	(1,138)
Increase (decrease) in shares outstanding	(325)	202

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. 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 seeks a high level of dividend income and long-term capital growth primarily through investments in stocks. 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 quoted by a major bank. 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

New Accounting Guidance In March 2020, the FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The guidance is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of the ASU on the fund's financial statements.

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

The fund's financial instruments are valued and each class'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.

Fair Value The fund's financial instruments 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 procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

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

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 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.

For valuation purposes, 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, the fund will adjust the previous quoted prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust quoted prices to reflect fair value, the fund reviews 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 may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. 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. As a means of evaluating its security valuation process, the fund routinely compares quoted prices, the next day's opening prices in the same markets, and adjusted prices.

Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. Non-U.S. equity securities generally are categorized in Level 2 of the fair value hierarchy despite the availability of quoted prices because, as described above, the fund evaluates and determines whether those quoted prices reflect fair value at the close of the NYSE or require adjustment. OTC Bulletin Board securities, certain preferred securities, and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

Debt securities generally are traded in the OTC market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities. Generally, debt securities are categorized in Level 2 of the fair value hierarchy; however, to the extent the valuations include significant unobservable inputs, the securities would be categorized in Level 3.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. Financial futures contracts are valued at closing settlement prices and are categorized in Level 1 of the fair value hierarchy. 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.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. 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.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of an equity investment with limited market activity, such as a private placement or a thinly traded public company stock, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, new rounds of financing, negotiated transactions of significant size between other investors in the company, relevant market valuations of peer companies, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. 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; 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 issue. 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. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2020 (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	$ 521,256	$ 15,462	$ —	$ 536,718
Preferred Stocks	—	2,307	—	2,307
Convertible Preferred Stocks	—	11,266	—	11,266
Fixed Income Securities[1]	—	1,162	—	1,162
Short-Term Investments	15,097	—	—	15,097
Securities Lending Collateral	9,236	—	—	9,236
Total Securities	545,589	30,197	—	575,786
Futures Contracts	125	—	—	125
Total	$ 545,714	$ 30,197	$ —	$ 575,911

[1]Includes Convertible Bonds.

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2020, 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, such as seeking 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 June 30, 2020, the fund held equity futures with cumulative unrealized gain of $105,000; the value reflected on the accompanying Statement of Assets and Liabilities is the related unsettled variation margin.

Additionally, during the six months ended June 30, 2020, the fund recognized $105,000 of gain on equity derivatives included in change in unrealized gain/loss on Futures on the accompanying Statement of Operations.

Counterparty Risk and Collateral The fund invests in exchange-traded or centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps. Counterparty risk on such derivatives is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were traded. This ability is subject to the liquidity of underlying positions. As of June 30, 2020, cash of $360,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

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 six months ended June 30, 2020, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 0% and 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.

Restricted Securities The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

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 June 30, 2020, the value of loaned securities was $8,729,000; the value of cash collateral and related investments was $9,236,000.

Other Purchases and sales of portfolio securities other than short-term securities aggregated $106,483,000 and $116,643,000, respectively, for the six months ended June 30, 2020.

NOTE 5 - 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, 2020, the cost of investments for federal income tax purposes was $525,267,000. Net unrealized gain aggregated $50,625,000 at period-end, of which $107,310,000 related to appreciated investments and $56,685,000 related to depreciated investments.

NOTE 6 - 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 extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2021 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 $326,000 and allocated ratably in the amounts of $214,000 for the Equity Income Portfolio Class and $112,000 for the Equity Income Portfolio-II Class, respectively, for the six months ended June 30, 2020.

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, 2020, 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, 2020, this reimbursement amounted to $14,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 7 - 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 district court and affirmed on appeal by the Second Circuit Court of Appeals. This second action 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 seek prejudgment interest. The plaintiffs in this second action filed a petition for a writ of certiorari with the U.S. Supreme Court, which the Supreme Court has deferred. In light of the deferral, the Second District Court of Appeals issued an Order on May 15, 2018, recalling the mandate. On December 19, 2019, the appellate court reaffirmed its earlier decision in favor of the defendants. The plaintiffs filed a request for a rehearing, which was denied on February 6, 2020. The complaints allege no misconduct by the fund, and management has vigorously defended the lawsuits. The value of the proceeds received by the fund is $25,684,000 (4.5% 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 8 - 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.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; 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 funds 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 funds, their investment advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, 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.

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 and portfolios 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

Effective for reporting periods on or after March 1, 2019, a fund, except a money market 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. Prior to March 1, 2019, a fund, including a money market fund, filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A money market fund files detailed month-end portfolio holdings information on Form N-MFP with the SEC each month and posts a complete schedule of portfolio holdings on its website (troweprice.com) as of each month-end for the previous six months. A fund's Forms N-PORT, N-MFP, and N-Q are available electronically on the SEC's website (sec.gov).

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 9–10, 2020 (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, 2019, 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 benefits that the Advisor (and its affiliates) may have realized from its relationship with the fund, including any research received under "soft dollar" agreements and commission-sharing arrangements with broker-dealers. The Board considered that the Advisor may have received some benefit from soft-dollar arrangements pursuant to which research is received from broker-dealers that execute the fund's portfolio transactions. However, the Board also considered that, effective January 2020, the Advisor began bearing 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. 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 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. The Advisor has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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 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 the primary investment resources utilized to manage the fund are shared with other actively managed 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 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 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.

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).

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 May 4, 2020, 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.

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 June 1, 2019, through March 31, 2020. 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.

Certain provisions of the Liquidity Program initially became effective on December 1, 2018, and the full Liquidity Program was formally approved by the Board in April 2019. During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program since its implementation has operated adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

T. Rowe Price®

100 East Pratt Street
Baltimore, MD 21202

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.

T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2020

T. ROWE PRICE

International Stock Portfolio

For more insights from T. Rowe Price investment professionals, go to **troweprice.com**.

INVEST WITH CONFIDENCE®

HIGHLIGHTS

- The International Stock Portfolio returned -6.47% in the six months ended June 30, 2020, outperforming its benchmark, the MSCI All Country World Index ex USA Net.
- A combination of favorable allocation decisions and stock selection benefited the portfolio's performance.
- We are focused on owning companies with durable franchises that we believe can generate above-average earnings and cash flow growth over the long term.
- The portfolio is rooted in bottom-up stock selection. Utilizing a longer time frame allows us to focus on the big picture and whether a company meets our desired risk/reward profile over a one- to three-year horizon.

Dear Investor

Financial markets recorded widely mixed results during the first half of 2020 as the spread of the coronavirus disrupted global economies. Although stocks and bonds experienced extraordinary volatility, historic levels of fiscal and monetary stimulus helped mitigate the losses.

Market sentiment was positive as we entered the year, and the S&P 500 Index advanced to a record high on February 19. However, stocks began falling as the coronavirus spread in Italy and other countries outside China. The major indexes continued their slide as cases mounted in the U.S. and New York City became the epicenter of the pandemic. Governments throughout the world issued stay-at-home orders to contain the virus, and some sectors, such as travel, restaurants, and shopping malls, nearly came to a halt.

According to the National Bureau of Economic Research, a recession officially began in February, ending the longest expansion in U.S. history. Over 22 million Americans lost their jobs in March and April, and many measures of economic activity, including retail sales and industrial production, experienced record-setting declines. By March 23, the S&P 500 Index had fallen by about a third from the start of the year.

In response to the rapid economic contraction, global central banks took bold accommodative steps, and many governments around the world passed emergency spending packages. The Federal Reserve cut its short-term lending rate to near zero and began massive purchases of government and corporate bonds to stimulate the economy and supply liquidity in the fixed income market.

The federal government also provided trillions of dollars in fiscal help in the form of direct payments to many Americans, expanded unemployment insurance, and subsidies to sectors such as transportation and health care that had been directly impacted by the pandemic. As lockdowns eased late in the period, there were signs of economic recovery, especially in stronger-than-expected payroll data, but surges in new virus cases in some states remained a concern.

Boosted by the stimulus and indications that the economy was mending faster than many expected, nearly all sectors recouped some of their losses by the end of June, and some segments were back in positive territory. For the six-month period, the tech-heavy Nasdaq Composite Index reached record highs and easily outperformed other benchmarks as the pandemic appeared to accelerate trends in retail, social media, and content streaming that benefited the large technology platforms. Large- and mid-cap growth stocks also produced positive returns and outperformed small-caps and value shares, which lost ground.

The S&P 500 Index finished the period with modest losses overall. Within the benchmark, tech and consumer discretionary stocks rallied, but energy shares were down more than 35% (including dividends) amid tumbling oil prices, and the financials sector struggled in a low-yield environment. Non-U.S. equity markets were generally negative and lagged the U.S. benchmarks.

In the fixed income universe, Treasuries were the top performers as yields dropped to record lows during the period, and other U.S. investment-grade bonds were also generally positive. High yield and emerging markets bonds were particularly hard hit during the market sell-off in March, but the sectors staged a strong recovery as investors sought out higher-yielding securities. Emerging markets debt denominated in U.S. dollars outperformed local currency issues, as weakness in certain currencies weighed on local bond performance in U.S. dollar terms.

As we enter the second half of the year, we expect markets to remain volatile. The scale of the stimulus and the potential for medical breakthroughs create the potential for stocks to move higher, but much depends on the course of the virus. Rising tensions between the U.S. and China, social unrest, and the U.S. elections in November could also drive market performance.

Our investment teams will be carefully monitoring these developments, and I believe that our disciplined fundamental research and strategic investing approach will continue to serve our shareholders well in this uncertain environment.

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

Sincerely,

Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks long-term growth of capital through investments primarily in the common stocks of established, non-U.S. companies.

FUND COMMENTARY

How did the fund perform in the past six months?

The International Stock Portfolio returned -6.47% in the six-month period ended June 30, 2020. The portfolio outperformed its benchmark, the MSCI All Country World Index ex USA Net, but trailed the Lipper Variable Annuity Underlying International Multi-Cap Growth Funds Average. (*Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/20	Total Return
International Stock Portfolio	-6.47%
MSCI All Country World Index ex USA Net	-11.00
Lipper Variable Annuity Underlying International Multi-Cap Growth Funds Average	-4.82

What factors influenced the fund's performance?

The communication services sector powered our best relative performance contribution due to a combination of stock selection and our overweight allocation. **NAVER** and **Z Holdings** rallied on solid revenue and earnings results and generated strong absolute and relative gains. NAVER owns the dominant search engine in South Korea and leading mobile messenger (LINE) in Japan/Taiwan/Thailand, which is going to be consolidated by Z Holdings (formerly Yahoo Japan) by the end of 2020. As Japan's largest internet company, with operations in media, e-commerce, and fintech, Z Holdings generates approximately 70% of operating profits from advertising, which directly benefited from the coronavirus stay-at-home mandate. We believe both companies are well positioned to capitalize on new opportunities in e-commerce, live streaming, and online payments. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Although the consumer discretionary sector posted absolute losses in the first half of the year, the sector outperformed the broad market. Favorable stock selection and the portfolio's overweight allocation in consumer discretionary produced a solid relative performance contribution. Our biggest contributor in the sector was **Prosus**. The consumer technology holding company owns significant stakes in China's Tencent and Russia's Mail.ru, which represents the majority of the firm's net asset value. However, that dominance obscures significant value in the rest of Prosus's portfolio, and in our view, the stock trades at an attractive discount to our estimate of fair value. In our opinion, Prosus can generate growth of approximately 15% per year and could narrow the discount to asset value over time.

SECTOR DIVERSIFICATION

	Percent of Net Assets 12/31/19	6/30/20
Consumer Discretionary	15.5%	16.1%
Health Care	11.8	14.7
Information Technology	15.3	14.3
Financials	15.8	14.2
Consumer Staples	12.1	12.6
Communication Services	8.4	9.6
Industrials and Business Services	11.3	8.6
Materials	4.3	4.8
Energy	2.7	1.7
Utilities	1.2	1.0
Real Estate	0.0	0.0
Other and Reserves	1.6	2.4
Total	**100.0%**	**100.0%**

Historical weightings reflect current industry/sector classifications.

Stock selection in the industrials and business services sector was the largest relative performance detractor. Our substantial positions in aerospace and defense holdings **Airbus**, **Thales**, and **Dassault Aviation** were among the portfolio's largest absolute and relative performance detractors. Airbus faces several tough near-term quarters and has cut its aircraft production. Thales's shares fell after management said that it expected the coronavirus to hurt second-quarter results. Similarly, Dassault Aviation languished as the outlook for the business jet market dimmed due to the uncertainty surrounding global trade.

How is the fund positioned?

The portfolio's regional, sector, and industry positioning is the result of bottom-up stock selection. While we may occasionally have a qualitative macroeconomic view that modestly influences our allocations, they are predominantly a residual of our stock selection process, which has contributed to the portfolio's favorable long-term track record.

Our regional allocations were relatively unchanged over the past six months. Developed Europe (42% of portfolio assets) appears to offer the best opportunities to buy durable growth companies with good risk/reward trade-offs. We have remained underweight in Japan (15%), which reflects the lack of compelling growth investments due to the weak global economy. We have modestly increased our overweight to emerging markets, where we continue to find solid growth companies trading at reasonable valuations. Additionally, many of our developed market-domiciled holdings generate a portion of their revenues and income from operations in emerging markets.

Stock selection in developed Europe benefited relative returns. **Lonza Group** generated a top absolute and relative performance contribution. The Switzerland-based holding is a contract manufacturer of products and services to biopharmaceutical markets worldwide. Revenues and profitability are highly correlated with capacity utilization, and the company has done a good job of accurately projecting future capacity needs, signing new long-term contracts, and continuing technological innovations. Although we locked in some of our gains, we believe Lonza has a competitive advantage in biologic manufacturing and a secular tailwind in the consumer health industry and will continue to benefit from its acquisition of Capsugel.

Our overweight to the information technology sector was little changed during the period and helped to offset the negative impact of stock selection. We rotated our holdings in the IT services industry. The proceeds of our **MasterCard** elimination were redeployed into other businesses that we felt offered better long-term prospects, such as fellow payments name **Visa**. With consumer spending flagging due to the coronavirus, the company announced that it would post lower revenue growth as cross-border volumes declined.

Visa was among our largest purchases in the period. The world's largest global payments processor reported soft quarterly results, and the coronavirus-related weakness provided us with the opportunity to initiate a position, as we believe that this high-quality company's longer-term fundamental value has not been impaired. In our view, Visa, which has historically garnered a premium valuation, will continue to deliver strong cash flow and mid-teens earnings growth.

We added to our overweight in the health care sector. Among the defensive sectors of the market, it appears to offer a compelling combination of fundamentals, earnings growth, and valuation. We initiated a position in **Sanofi**, a diversified multinational health care company engaged in the development, manufacturing, and sale of pharmaceutical, vaccine, and over-the-counter health care products. We think there are relatively few pressures on sales, and we see several opportunities for the company to expand operating margins in market segments where Sanofi has lagged competitors. It was among our largest purchases in the sector. The elimination of our stake in **Chugai Pharmaceutical**, a Japanese company that is majority owned by Roche, was among our larger sales in the period. We sold because our fundamental analysis indicated that Chugai's valuation had become rich relative to other opportunities.

What is portfolio management's outlook?

Following the coronavirus-induced sell-off in March, stocks generated solid second-quarter gains, which has tempered our near-term equity market performance expectations. Global stocks rallied on accommodative fiscal policy announcements coupled with central bank commitments to keep rates low for an extended period and bolster liquidity. We think the markets will continue to trade in a choppy fashion, vacillating between the support of increased liquidity and low rates and the threat of weak sovereign balance sheets, sluggish global growth, and the trajectory of the virus in the second half of the year.

Despite our somewhat cautious near-term outlook, we remain optimistic about medium- and long-term prospects, especially in emerging markets. We have selectively added to emerging markets stocks that are trading at attractive levels and where current valuations appear to reflect the near-term risks. However, we believe that investors should temper their expectations for gains in developed market growth stocks. We added several "growth at a reasonable price" developed market stocks in the quarter, particularly in the consumer staples and health care sectors. However, we are finding fewer opportunities to buy hyper-growth companies in developed markets following extremely strong performance in many of those stocks, which partially explains why our emerging markets allocation has climbed.

We expect volatility to continue in this uncertain environment, and we intend to use that volatility to add opportunistically to high-conviction names. As always, our focus is on owning high-quality growth companies with competitive advantages in their respective markets, especially companies that generate strong free cash flow and have seasoned management teams. We search for companies that have the potential to generate double-digit total returns over time by participating in expanding markets, taking market share, or improving profitability faster than sales. We believe these companies are best equipped to navigate and thrive in the current unsettled environment.

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 INTERNATIONAL INVESTING

Funds that invest overseas generally carry more risk than funds that invest strictly in U.S. assets. Risks can result from varying stages of economic and political development; differing regulatory environments, trading days, and accounting standards; and higher transaction costs of non-U.S. markets. Non-U.S. investments are also subject to currency risk, or a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency. These risks are generally greater for investments in emerging markets.

BENCHMARK INFORMATION

Note: Lipper, a Thomson Reuters Company, is the source for all Lipper content reflected in these materials. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

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TWENTY-FIVE LARGEST HOLDINGS

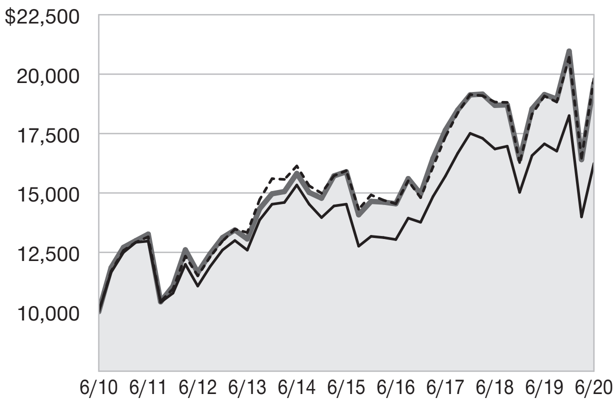
Company	Country	Percent of Net Assets 6/30/20
Alibaba Group Holding	China	2.9%
NAVER	South Korea	2.7
Naspers	South Africa	2.7
Thales	France	2.5
Taiwan Semiconductor Manufacturing	Taiwan	2.3
Unilever	Netherlands	2.1
Lonza Group	Switzerland	2.0
Nestle	Switzerland	2.0
Samsung Electronics	South Korea	1.9
Takeda Pharmaceutical	Japan	1.9
Prosus	Netherlands	1.9
Philip Morris International	United States	1.8
Bayer	Germany	1.8
Nippon Telegraph & Telephone	Japan	1.8
Koninklijke Philips	Netherlands	1.7
AIA Group	Hong Kong	1.7
ASML Holding	Netherlands	1.7
NXP Semiconductors	United States	1.7
Housing Development Finance	India	1.5
Z Holdings	Japan	1.4
Galp Energia Sgps	Portugal	1.4
SAP	Germany	1.4
Otsuka Holdings	Japan	1.4
London Stock Exchange	United Kingdom	1.3
Tencent Holdings	China	1.3
Total		**46.8%**

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.

INTERNATIONAL STOCK PORTFOLIO



	As of 6/30/20
International Stock Portfolio	$19,613
MSCI All Country World Index ex USA Net	16,247
Lipper Variable Annuity Underlying International Multi-Cap Growth Funds Average	19,812

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/20	1 Year	5 Years	10 Years
International Stock Portfolio	2.46%	4.30%	6.97%

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). 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.

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.

INTERNATIONAL STOCK PORTFOLIO

	Beginning Account Value 1/1/20	Ending Account Value 6/30/20	Expenses Paid During Period* 1/1/20 to 6/30/20
Actual	$1,000.00	$935.30	$4.57
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.14	4.77

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.95%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (182), and divided by the days in the year (366) to reflect the half-year period.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 15.62	$ 13.04	$ 17.35	$ 14.27	$ 14.67	$ 15.26
Investment activities						
Net investment income[1] [2]	0.07	0.34[3]	0.21	0.17	0.17	0.14
Net realized and unrealized gain/loss	(1.08)	3.27	(2.67)	3.80	0.14	(0.28)
Total from investment activities	(1.01)	3.61	(2.46)	3.97	0.31	(0.14)
Distributions						
Net investment income	–	(0.37)	(0.23)	(0.19)	(0.16)	(0.15)
Net realized gain	–	(0.66)	(1.62)	(0.70)	(0.55)	(0.30)
Total distributions	–	(1.03)	(1.85)	(0.89)	(0.71)	(0.45)
NET ASSET VALUE						
End of period	**$ 14.61**	**$ 15.62**	**$ 13.04**	**$ 17.35**	**$ 14.27**	**$ 14.67**
Ratios/Supplemental Data						
Total return[2] [4]	**(6.47)%**	**27.77%**	**(14.20)%**	**27.88%**	**2.13%**	**(0.90)%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[5]	1.05%[6]	1.05%	1.00%	1.05%	1.05%	1.05%
Net expenses after waivers/payments by Price Associates	0.95%[6]	0.95%	1.00%	1.05%	1.05%	1.05%
Net investment income	1.01%[6]	2.31%[3]	1.28%	1.04%	1.15%	0.88%
Portfolio turnover rate	20.0%	33.8%	36.3%	34.0%	39.5%	37.3%
Net assets, end of period (in thousands)	$ 258,723	$ 295,743	$ 271,207	$ 382,759	$ 310,621	$ 305,031

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 7 for details of expense-related arrangements with Price Associates.
(3) Reflects a special dividend which amounted to $0.16 per share and 1.07% of average net assets.
(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 7. 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
AUSTRALIA 0.7%		
Common Stocks 0.7%		
South32	608,646	862
Treasury Wine Estates	133,231	969
Total Australia (Cost $1,573)		**1,831**
AUSTRIA 0.8%		
Common Stocks 0.8%		
Erste Group Bank (1)	86,179	2,035
Total Austria (Cost $2,637)		**2,035**
BELGIUM 0.4%		
Common Stocks 0.4%		
Galapagos (1)	5,559	1,097
Total Belgium (Cost $560)		**1,097**
BRAZIL 1.2%		
Common Stocks 1.2%		
Banco Bradesco, ADR (USD)	269,277	1,026
StoneCo, Class A (USD) (1)	23,964	929
XP, Class A (USD) (1)	26,192	1,100
Total Brazil (Cost $2,642)		**3,055**
CANADA 2.1%		
Common Stocks 2.1%		
Magna International (USD)	54,343	2,420
Seven Generations Energy, Class A (1)(2)	362,471	809
TMX Group (2)	21,002	2,076
Total Canada (Cost $7,478)		**5,305**

(Cost and value in $000s)

	Shares	$ Value
CAYMAN ISLANDS 0.2%		
Convertible Preferred Stocks 0.2%		
ByteDance, Series E, Acquisition Date: 7/8/19, Cost: $293 (USD) (1)(3)(4)	5,954	492
Total Cayman Islands (Cost $293)		**492**
CHINA 8.4%		
Common Stocks 6.2%		
58.com, ADR (USD) (1)	32,582	1,758
Alibaba Group Holding, ADR (USD) (1)	34,800	7,506
Baidu, ADR (USD) (1)	16,268	1,950
China Mengniu Dairy (HKD)	342,000	1,312
Tencent Holdings (HKD)	53,500	3,428
		15,954
Common Stocks - China A Shares 2.0%		
BTG Hotels Group, A Shares (CNH)	319,091	697
Gree Electric Appliances of Zhuhai, A Shares (CNH)	275,200	2,209
Kweichow Moutai, A Shares (CNH)	11,170	2,319
		5,225
Convertible Preferred Stocks 0.2%		
Xiaoju Kuaizhi, Series A-17, Acquisition Date: 10/19/15, Cost: $343 (USD) (1)(3)(4)	12,518	472
		472
Total China (Cost $10,946)		**21,651**
FRANCE 7.2%		
Common Stocks 7.2%		
Air Liquide	10,002	1,446
Airbus (1)	9,055	649
Dassault Aviation (1)	2,847	2,612
EssilorLuxottica (1)	26,635	3,426
LVMH Moet Hennessy Louis Vuitton	1,731	764

(Cost and value in $000s)	Shares	$ Value
Sanofi	31,929	3,256
Thales (5)	79,145	6,406
Total France (Cost $18,985)		**18,559**
GERMANY 5.5%		
Common Stocks 5.4%		
Bayer	62,966	4,667
Evotec (1)(2)	56,130	1,532
Knorr-Bremse	13,902	1,411
MorphoSys (1)	1,420	180
SAP	25,455	3,559
TeamViewer (1)	32,398	1,765
Zalando (1)	11,394	808
		13,922
Preferred Stocks 0.1%		
Sartorius (6)	1,094	361
		361
Total Germany (Cost $11,878)		**14,283**
HONG KONG 2.1%		
Common Stocks 2.1%		
AIA Group	468,400	4,383
CK Hutchison Holdings	172,384	1,116
Total Hong Kong (Cost $3,172)		**5,499**
INDIA 3.8%		
Common Stocks 3.8%		
Axis Bank	311,230	1,687
Housing Development Finance	162,550	3,793
Kotak Mahindra Bank	31,104	558
Maruti Suzuki India	16,724	1,293
NTPC	1,986,672	2,514
Total India (Cost $8,264)		**9,845**

(Cost and value in $000s)	Shares	$ Value
INDONESIA 1.9%		
Common Stocks 1.9%		
Bank Central Asia	1,484,700	2,971
Sarana Menara Nusantara	27,675,900	1,984
Total Indonesia (Cost $2,043)		**4,955**
ITALY 1.0%		
Common Stocks 1.0%		
Banca Mediolanum	194,498	1,400
DiaSorin	6,283	1,206
Total Italy (Cost $2,136)		**2,606**
JAPAN 14.9%		
Common Stocks 14.9%		
Daiichi Sankyo	14,900	1,219
Disco	4,400	1,073
en-japan	20,900	520
Fujitsu General	97,900	2,011
Hoshizaki	11,800	1,011
Kansai Paint (2)	47,200	997
Kao (2)	17,300	1,373
Mitsubishi Electric	98,400	1,285
Murata Manufacturing	45,000	2,653
Nippon Telegraph & Telephone	198,800	4,632
Otsuka Holdings (2)	81,100	3,534
Outsourcing	107,800	687
Pan Pacific International Holdings (2)	61,800	1,361
Persol Holdings	117,600	1,621
Seven & i Holdings	66,900	2,189
Shimadzu (2)	21,900	585
Stanley Electric	64,400	1,559
Suzuki Motor	27,400	936
Takeda Pharmaceutical	135,432	4,866
Terumo	20,800	792
Z Holdings	741,300	3,638
Total Japan (Cost $33,365)		**38,542**

(Cost and value in $000s)

	Shares	$ Value
NETHERLANDS 8.7%		
Common Stocks 8.7%		
Adyen (1)(2)	582	848
Akzo Nobel	28,677	2,576
ASML Holding (5)	11,809	4,320
Koninklijke Philips (1)	96,724	4,519
Prosus (1)	51,347	4,787
Unilever	100,755	5,372
Total Netherlands (Cost $15,879)		**22,422**
PERU 0.6%		
Common Stocks 0.6%		
Credicorp (USD)	11,470	1,533
Total Peru (Cost $2,057)		**1,533**
PHILIPPINES 0.4%		
Common Stocks 0.4%		
SM Investments	50,205	953
Total Philippines (Cost $815)		**953**
POLAND 0.5%		
Common Stocks 0.5%		
Powszechny Zaklad Ubezpieczen	190,709	1,404
Total Poland (Cost $1,872)		**1,404**
PORTUGAL 2.5%		
Common Stocks 2.5%		
Galp Energia	309,967	3,596
Jeronimo Martins (1)	160,033	2,800
Total Portugal (Cost $7,061)		**6,396**

(Cost and value in $000s)

	Shares	$ Value
RUSSIA 0.5%		
Common Stocks 0.5%		
Sberbank of Russia, ADR (USD)	116,766	1,327
Total Russia (Cost $1,162)		**1,327**
SOUTH AFRICA 2.8%		
Common Stocks 2.8%		
Capitec Bank Holdings	6,653	331
Naspers, N Shares	37,939	6,972
Total South Africa (Cost $7,883)		**7,303**
SOUTH KOREA 5.3%		
Common Stocks 5.3%		
LG Household & Health Care	1,423	1,595
NAVER	31,460	7,078
Samsung Electronics	112,416	4,976
Total South Korea (Cost $6,872)		**13,649**
SPAIN 0.4%		
Common Stocks 0.4%		
Amadeus IT Group, A Shares	19,095	1,003
Total Spain (Cost $661)		**1,003**
SWEDEN 2.2%		
Common Stocks 2.2%		
Assa Abloy, B Shares	37,492	767
Essity, B Shares (1)	88,089	2,856
Swedbank, A Shares (1)	155,652	1,999
Total Sweden (Cost $4,575)		**5,622**
SWITZERLAND 7.4%		
Common Stocks 7.4%		
Alcon (1)	26,102	1,500

(Cost and value in $000s)	Shares	$ Value
Julius Baer Group (5)	68,796	2,889
Lonza Group (5)	9,770	5,175
Nestle	45,667	5,063
Roche Holding	8,186	2,836
Temenos (5)	10,287	1,599
Total Switzerland (Cost $12,536)		**19,062**
TAIWAN 2.3%		
Common Stocks 2.3%		
Taiwan Semiconductor Manufacturing	556,000	5,938
Total Taiwan (Cost $1,502)		**5,938**
THAILAND 0.7%		
Common Stocks 0.7%		
CP ALL (1)	866,900	1,910
Total Thailand (Cost $1,150)		**1,910**
UNITED ARAB EMIRATES 1.2%		
Common Stocks 1.2%		
First Abu Dhabi Bank	395,789	1,228
Network International Holdings (GBP) (1)	357,841	1,959
Total United Arab Emirates (Cost $3,249)		**3,187**
UNITED KINGDOM 5.3%		
Common Stocks 5.1%		
Amcor, CDI (AUD)	311,894	3,150
Burberry Group	79,160	1,564
Farfetch, Class A (USD) (1)(2)	48,576	839
Hiscox	157,726	1,540
HomeServe	107,929	1,745
London Stock Exchange Group	33,545	3,488
Smith & Nephew	48,406	902
		13,228

(Cost and value in $000s)	Shares	$ Value
Convertible Preferred Stocks 0.2%		
Roofoods, Series G, Acquisition Date: 5/16/19, Cost: $567 (USD) (1)(3)(4)	1,358	568
		568
Total United Kingdom (Cost $11,114)		**13,796**
UNITED STATES 6.6%		
Common Stocks 6.6%		
Booking Holdings (1)	847	1,349
Linde (EUR) (2)	15,954	3,379
NXP Semiconductors (5)	37,826	4,313
Philip Morris International	68,053	4,768
Royalty Pharma, Class C (1)	7,888	383
Visa, Class A (2)	7,666	1,481
Waste Connections	16,045	1,505
Total United States (Cost $13,115)		**17,178**
SHORT-TERM INVESTMENTS 2.2%		
MONEY MARKET FUNDS 2.2%		
T. Rowe Price Government Reserve Fund, 0.14% (7)(8)	5,681,949	5,682
Total Short-Term Investments (Cost $5,682)		**5,682**
SECURITIES LENDING COLLATERAL 4.8%		
Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank 4.8%		
Short-Term Funds 4.8%		
T. Rowe Price Short-Term Fund, 0.22% (7)(8)	1,241,372	12,414
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		**12,414**
Total Securities Lending Collateral (Cost $12,414)		**12,414**
Total Investments in Securities 104.6% of Net Assets (Cost $215,571)	**$**	**270,534**

‡ Country classifications are generally based on MSCI categories or another unaffiliated third party data provider; Shares and Notional Amount are denominated in the currency of the country presented unless otherwise noted.
(1) Non-income producing
(2) See Note 4. All or a portion of this security is on loan at June 30, 2020.
(3) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund has registration rights for certain restricted securities. Any costs related to such registration are borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period-end amounts to $1,532 and represents 0.6% of net assets.
(4) See Note 2. Level 3 in fair value hierarchy.
(5) All or a portion of this security is pledged to cover or as collateral for written call options at June 30, 2020.
(6) Preferred stocks are shares that carry certain preferential rights. The dividend rate may not be consistent each pay period and could be zero for a particular year.
(7) Seven-day yield
(8) Affiliated Companies
ADR American Depositary Receipts
AUD Australian Dollar
CDI CHESS or CREST Depositary Interest
CHF Swiss Franc
CNH Offshore China Renminbi
EUR Euro
GBP British Pound
HKD Hong Kong Dollar
JPY Japanese Yen
OTC Over-the-counter
USD U.S. Dollar

(Amounts in 000s, except for contracts)

OPTIONS WRITTEN (0.0)%

OTC Options Written (0.0)%

Counterparty	Description	Contracts	Notional Amount	$ Value
Goldman Sachs	ASML Holding, Call, 7/17/20 @ 290.00 (EUR)	8	260	(35)
Goldman Sachs	ASML Holding, Call, 7/17/20 @ 310.00 (EUR)	4	130	(10)
Goldman Sachs	ASML Holding, Call, 7/17/20 @ 335.00 (EUR)	3	98	(3)
Goldman Sachs	Julius Baer Group, Call, 7/17/20 @ 45.00 (CHF)	59	235	(1)
Goldman Sachs	Julius Baer Group, Call, 7/17/20 @ 47.50 (CHF)	16	64	—
Morgan Stanley	Lonza Group, Call, 7/17/20 @ 500.00 (CHF)	5	251	(6)
JPMorgan Chase	Lonza Group, Call, 7/17/20 @ 510.00 (CHF)	27	135	(2)
JPMorgan Chase	NXP Semiconductors, Call, 7/17/20 @ $145.00	53	604	(1)
JPMorgan Chase	NXP Semiconductors, Call, 9/18/20 @ $120.00	48	547	(39)
JPMorgan Chase	NXP Semiconductors, Call, 9/18/20 @ $130.00	24	274	(10)
JPMorgan Chase	NXP Semiconductors, Call, 1/15/21 @ $150.00	29	331	(11)
Morgan Stanley	Temenos, Call, 7/17/20 @ 155.00 (CHF)	9	133	(1)
JPMorgan Chase	Thales SA, Call, 7/17/20 @ 80.00 (EUR)	30	216	(1)
Total Options Written (Premiums $(131))			**$**	**(120)**

Forward Currency Exchange Contracts

(Amounts in 000s)

Counterparty	Settlement	Receive		Deliver		Unrealized Gain/(Loss)
Citibank	7/15/20	USD	1,327	JPY	142,846	$ 4
Net unrealized gain (loss) on open forward currency exchange contracts						$ 4

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, 2020. 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	$ —	$ —	$ 19
T. Rowe Price Short-Term Fund	—	—	—++
Totals	$ —#	$ —	$ 19+

Supplementary Investment Schedule

Affiliate	Value 12/31/19	Purchase Cost	Sales Cost	Value 6/30/20
T. Rowe Price Government Reserve Fund	$ 3,933	¤	¤	$ 5,682
T. Rowe Price Short-Term Fund	3,538	¤	¤	12,414
				$ 18,096^

\# 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 $19 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 $18,096.

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

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $215,571)	$	270,534
Foreign currency (cost $584)		582
Receivable for investment securities sold		520
Dividends receivable		273
Receivable for shares sold		9
Unrealized gain on forward currency exchange contracts		4
Other assets		406
Total assets		272,328
Liabilities		
Obligation to return securities lending collateral		12,414
Payable for investment securities purchased		809
Investment management and administrative fees payable		242
Options written (premiums $131)		120
Payable for shares redeemed		20
Total liabilities		13,605
NET ASSETS	**$**	**258,723**
Net Assets Consist of:		
Total distributable earnings (loss)	$	57,913
Paid-in capital applicable to 17,709,096 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		200,810
NET ASSETS	**$**	**258,723**
NET ASSET VALUE PER SHARE	**$**	**14.61**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 6/30/20
Investment Income (Loss)	
Income	
Dividend (net of foreign taxes of $279)	$ 2,461
Securities lending	22
Total income	2,483
Expenses	
Investment management and administrative expense	1,335
Waived / paid by Price Associates	(127)
Net expenses	1,208
Net investment income	1,275
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	5,378
Options written	62
Forward currency exchange contracts	(9)
Foreign currency transactions	(8)
Net realized gain	5,423
Change in net unrealized gain / loss	
Securities	(25,881)
Options written	17
Forward currency exchange contracts	1
Other assets and liabilities denominated in foreign currencies	(9)
Change in net unrealized gain / loss	(25,872)
Net realized and unrealized gain / loss	(20,449)
DECREASE IN NET ASSETS FROM OPERATIONS	**$ (19,174)**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/20	Year Ended 12/31/19
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 1,275	$ 6,656
Net realized gain	5,423	11,356
Change in net unrealized gain / loss	(25,872)	52,057
Increase (decrease) in net assets from operations	(19,174)	70,069
Distributions to shareholders		
Net earnings	–	(18,455)
Capital share transactions*		
Shares sold	8,637	21,319
Distributions reinvested	–	18,455
Shares redeemed	(26,483)	(66,852)
Decrease in net assets from capital share transactions	(17,846)	(27,078)
Net Assets		
Increase (decrease) during period	(37,020)	24,536
Beginning of period	295,743	271,207
End of period	**$ 258,723**	**$ 295,743**

*Share information		
Shares sold	619	1,427
Distributions reinvested	–	1,195
Shares redeemed	(1,840)	(4,487)
Decrease in shares outstanding	(1,221)	(1,865)

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price International Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The International Stock Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks long-term growth of capital through investments primarily in the common stocks of established, non-U.S. companies. Shares of the fund are currently offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies.

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. 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. 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 annually. 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 quoted by a major bank. 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.

New Accounting Guidance In March 2020, the FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The guidance is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of the ASU on the fund’s financial statements.

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

The fund’s financial instruments are valued and its 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.

Fair Value The fund’s financial instruments 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 procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

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

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 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.

For valuation purposes, 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, the fund will adjust the previous quoted prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust quoted prices to reflect fair value, the fund reviews 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 may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. 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. As a means of evaluating its security valuation process, the fund routinely compares quoted prices, the next day's opening prices in the same markets, and adjusted prices.

Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. Non-U.S. equity securities generally are categorized in Level 2 of the fair value hierarchy despite the availability of quoted prices because, as described above, the fund evaluates and determines whether those quoted prices reflect fair value at the close of the NYSE or require adjustment. OTC Bulletin Board securities, certain preferred securities, and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. Listed options, and OTC options with a listed equivalent, are valued at the mean of the closing bid and asked prices and generally are categorized in Level 2 of the fair value hierarchy. Forward currency exchange contracts are valued using the prevailing forward exchange rate and are categorized in Level 2 of the fair value hierarchy. 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.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. 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.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of an equity investment with limited market activity, such as a private placement or a thinly traded public company stock, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, new rounds of financing, negotiated transactions of significant size between other investors in the company, relevant market valuations of peer companies, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. 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; 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 issue. 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. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2020 (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	$ 32,860	$ 217,685	$ —	$ 250,545
Convertible Preferred Stocks	—	—	1,532	1,532
Preferred Stocks	—	361	—	361
Short-Term Investments	5,682	—	—	5,682
Securities Lending Collateral	12,414	—	—	12,414
Total Securities	50,956	218,046	1,532	270,534
Forward Currency Exchange Contracts	—	4	—	4
Total	$ 50,956	$ 218,050	$ 1,532	$ 270,538
Liabilities				
Options Written	$ —	$ 120	$ —	$ 120

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2020, 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, such as seeking 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.

The following table summarizes the fair value of the fund's derivative instruments held as of June 30, 2020, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

($000s)	Location on Statement of Assets and Liabilities	Fair Value
Assets		
Foreign exchange derivatives	Forwards	$ 4
Liabilities		
Equity derivatives	Options Written	$ 120

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended June 30, 2020, 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		
	Options Written	Forward Currency Exchange Contracts	Total
Realized Gain (Loss)			
Foreign exchange derivatives	$ —	$ (9)	$ (9)
Equity derivatives	62	—	62
Total	$ 62	$ (9)	$ 53
Change in Unrealized Gain (Loss)			
Foreign exchange derivatives	$ —	$ 1	$ 1
Equity derivatives	17	—	17
Total	$ 17	$ 1	$ 18

Counterparty Risk and Collateral The fund invests in derivatives, such as bilateral swaps, forward currency exchange contracts, or OTC options, that are transacted and settle directly with a counterparty (bilateral derivatives), and thereby may expose the fund to counterparty risk. To mitigate this risk, the fund has entered into master netting arrangements (MNAs) with certain counterparties that permit net settlement under specified conditions and, for certain counterparties, also require the exchange of collateral to cover mark-to-market exposure. MNAs may be in the form of International Swaps and Derivatives Association master agreements (ISDAs) or foreign exchange letter agreements (FX letters).

MNAs govern the ability to offset amounts the fund owes a counterparty against amounts the counterparty owes the fund (net settlement). Both ISDAs and FX letters generally allow termination of transactions and net settlement upon the occurrence of contractually specified events, such as failure to pay or bankruptcy. In addition, ISDAs specify other events, the occurrence of which would allow one of the parties to terminate. For example, a downgrade in credit rating of a counterparty below a specified rating would allow the fund to terminate, while a decline in the fund's net assets of more than a specified percentage would allow the counterparty to terminate. Upon termination, all transactions with that counterparty would be liquidated and a net termination amount determined. ISDAs include collateral agreements whereas FX letters do not. Collateral requirements are determined daily based on the net aggregate unrealized gain or loss on all bilateral derivatives with each counterparty, subject to minimum transfer amounts that typically range from $100,000 to $250,000. Any additional collateral required due to changes in security values is typically transferred the next business day.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. For bilateral derivatives, collateral posted or received by the fund is held in a segregated account at the fund's custodian. While typically not sold in the same manner as equity or fixed income securities, OTC and bilateral derivatives may be unwound with counterparties or transactions assigned to other counterparties to allow the fund to exit the transaction. This ability is subject to the liquidity of underlying positions. As of June 30, 2020, no collateral was pledged by either the fund or counterparties for bilateral derivatives.

Forward Currency Exchange Contracts The fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. It uses forward currency exchange contracts (forwards) primarily to protect its non-U.S. dollar-denominated securities from adverse currency movements. A forward involves an obligation to purchase or sell a fixed amount of a specific currency on a future date at a price set at the time of the contract. Although certain forwards may be settled by exchanging only the net gain or loss on the contract, most forwards are settled with the exchange of the underlying currencies in accordance with the specified terms. Forwards are valued at the unrealized gain or loss on the contract, which reflects the net amount the fund either is entitled to receive or obligated to deliver, as measured by the difference between the forward exchange rates at the date of entry into the contract and the forward rates at the reporting date. Appreciated forwards are reflected as assets and depreciated forwards are reflected as liabilities on the accompanying Statement of Assets and Liabilities. Risks related to the use of forwards include the possible failure of counterparties to meet the terms of the agreements; that anticipated currency movements will not occur, thereby reducing the fund's total return; and the potential for losses in excess of the fund's initial investment. During the six months ended June 30, 2020, the volume of the fund's activity in forwards, based on underlying notional amounts, was generally less than 1% of net assets.

Options The fund is subject to equity price risk in the normal course of pursuing its investment objectives and uses options to help manage such risk. The fund may use options to manage exposure to security prices, interest rates, foreign currencies, and credit quality; as an efficient means of adjusting exposure to all or a part of a target market; to enhance income; as a cash management tool; or to adjust credit exposure. Options are included in net assets at fair value, options purchased are included in Investments in Securities, and Options written are separately reflected as a liability on the accompanying Statement of Assets and Liabilities. Premiums on unexercised, expired options are recorded as realized gains or losses; premiums on exercised options are recorded as an adjustment to the proceeds from the sale or cost of the purchase. The difference between the premium and the amount received or paid in a closing transaction is also treated as realized gain or loss. In return for a premium paid, call and put options give the holder the right, but not the obligation, to purchase or sell, respectively, a security at a specified exercise price. Risks related to the use of options include possible illiquidity of the options markets; trading restrictions imposed by an exchange or counterparty; movements in the underlying asset values and, for options written, potential losses in excess of the fund's initial investment. During the six months ended June 30, 2020, the volume of the fund's activity in options, based on underlying notional amounts, was generally 0% to 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.

Emerging and Frontier Markets The fund invests, either directly or through investments in other T. Rowe Price funds, in securities of companies located in, issued by governments of, or denominated in or linked to the currencies of emerging and frontier market countries. Emerging markets, and to a greater extent frontier markets, generally have economic structures that are less diverse and mature, and political systems that are less stable, than developed countries. These markets may be subject to greater political, economic, and social uncertainty and differing regulatory environments that may potentially impact the fund's ability to buy or sell certain securities or repatriate proceeds to U.S. dollars. Such securities are often subject to greater price volatility, less liquidity, and higher rates of inflation than U.S. securities. Investing in frontier markets is significantly riskier than investing in other countries, including emerging markets.

Restricted Securities The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

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 June 30, 2020, the value of loaned securities was $11,889,000; the value of cash collateral and related investments was $12,414,000.

Other Purchases and sales of portfolio securities other than short-term securities aggregated $50,578,000 and $68,573,000, respectively, for the six months ended June 30, 2020.

NOTE 5 - 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, 2020, the cost of investments for federal income tax purposes was $218,138,000. Net unrealized gain aggregated $52,258,000 at period-end, of which $69,692,000 related to appreciated investments and $17,434,000 related to depreciated investments.

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). Price Associates has entered into a sub-advisory agreement(s) with one or more of its wholly owned subsidiaries, to provide investment advisory services to the fund. The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 1.05% 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 extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2021 to waive a portion of its management fee in order to limit the fund's management fee to 0.95% 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 $127,000 for the six months ended June 30, 2020.

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, 2020, 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, 2020, this reimbursement amounted to $6,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 8 - 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.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; 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 funds 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 funds, their investment advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, 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.

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 and portfolios 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

Effective for reporting periods on or after March 1, 2019, a fund, except a money market 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. Prior to March 1, 2019, a fund, including a money market fund, filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A money market fund files detailed month-end portfolio holdings information on Form N-MFP with the SEC each month and posts a complete schedule of portfolio holdings on its website (troweprice.com) as of each month-end for the previous six months. A fund's Forms N-PORT, N-MFP, and N-Q are available electronically on the SEC's website (sec.gov).

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY 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), as well as the continuation of the investment subadvisory agreement (Subadvisory Contract) that the Advisor has entered into with T. Rowe Price International Ltd (Subadvisor) on behalf of the fund. In that regard, at a meeting held on March 9–10, 2020 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract and Subadvisory Contract. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Advisor and Subadvisor and the approval of the Advisory Contract and Subadvisory Contract. The independent directors were assisted in their evaluation of the Advisory Contract and Subadvisory 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 and Subadvisory 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 and Subadvisor 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 and Subadvisor

The Board considered the nature, quality, and extent of the services provided to the fund by the Advisor and Subadvisor. 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 and Subadvisor's senior management teams 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 and Subadvisor.

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, 2019, 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 benefits that the Advisor (and its affiliates, including the Subadvisor) may have realized from its relationship with the fund, including any research received under "soft dollar" agreements and commission-sharing arrangements with broker-dealers. The Board considered that the Advisor and Subadvisor may have received some benefit from soft-dollar arrangements pursuant to which research is received from broker-dealers that execute the fund's portfolio transactions. However, the board also considered that, effective January 2020, the Advisor began bearing 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. 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 0.95% 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 all-inclusive management fee includes investment management services and provides for the Advisor to pay all of the fund's

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENT (CONTINUED)

ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. Under the Subadvisory Contract, the Advisor may pay the Subadvisor up to 60% of the advisory fee that the Advisor receives from 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 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 the primary investment resources utilized to manage the fund are shared with other actively managed 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 third quintile (Expense Group) and fourth quintile (Expense Universe).

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 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.

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 and Subadvisory Contract

As noted, the Board approved the continuation of the Advisory Contract and Subadvisory 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 and Subadvisory Contract (including the fees to be charged for services thereunder).

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 May 4, 2020, 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.

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 June 1, 2019, through March 31, 2020. 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.

Certain provisions of the Liquidity Program initially became effective on December 1, 2018, and the full Liquidity Program was formally approved by the Board in April 2019. During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program since its implementation has operated adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

T.RowePrice®

100 East Pratt Street
Baltimore, MD 21202

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.

202008-1220452 T. Rowe Price Investment Services, Inc. E301-051 8/20

T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2020

T. ROWE PRICE

Mid-Cap Growth Portfolio

For more insights from T. Rowe Price investment professionals, go to **troweprice.com**.

Beginning on January 1, 2021, as permitted by SEC regulations, paper copies of the T. Rowe Price funds' annual and semiannual shareholder reports will no longer be mailed, unless you specifically request them. Instead, shareholder reports will be made available on the funds' website (**troweprice.com/prospectus**), and you will be notified by mail with a website link to access the reports each time a report is posted to the site.

If you already elected to receive reports electronically, you will not be affected by this change and need not take any action. At any time, shareholders who invest directly in T. Rowe Price funds may generally elect to receive reports or other communications electronically by enrolling at **troweprice.com/paperless** or, if you are a retirement plan sponsor or invest in the funds through a financial intermediary (such as an investment advisor, broker-dealer, insurance company, or bank), by contacting your representative or your financial intermediary.

You may elect to continue receiving paper copies of future shareholder reports free of charge. To do so, if you invest directly with T. Rowe Price, please call T. Rowe Price as follows: IRA, nonretirement account holders, and institutional investors, **1-800-225-5132**; small business retirement accounts, **1-800-492-7670**. If you are a retirement plan sponsor or invest in the T. Rowe Price funds through a financial intermediary, please contact your representative or financial intermediary or follow additional instructions if included with this document. Your election to receive paper copies of reports will apply to all funds held in your account with your financial intermediary or, if you invest directly in the T. Rowe Price funds, with T. Rowe Price. Your election can be changed at any time in the future.

INVEST WITH CONFIDENCE®

HIGHLIGHTS

- Mid-cap stocks recorded a modest gain in the first half of 2020 as the Federal Reserve cut interest rates and unleashed massive stimulus measures to shore up the pandemic-ravaged U.S. economy.
- The Mid-Cap Growth Portfolio returned -2.04% and the Mid-Cap Growth Portfolio–II returned -2.19% in the first half of the fiscal year, underperforming the Russell Midcap Growth Index.
- Holdings in the hotels, restaurants, and leisure industry accounted for the largest detractors after the coronavirus led to widespread lockdowns. Conversely, companies that were well positioned to benefit from increased demand amid the pandemic were the top contributors.
- The Federal Reserve's unprecedented stimulus measures since late March effectively prolonged the speculative, "risk on" mentality that has driven the market's rise in recent years. We cannot predict when or how the market's exuberance will end, but decades of investing lead us to believe that caution is warranted and that valuations will matter again.

Dear Investor

Financial markets recorded widely mixed results during the first half of 2020 as the spread of the coronavirus disrupted global economies. Although stocks and bonds experienced extraordinary volatility, historic levels of fiscal and monetary stimulus helped mitigate the losses.

Market sentiment was positive as we entered the year, and the S&P 500 Index advanced to a record high on February 19. However, stocks began falling as the coronavirus spread in Italy and other countries outside China. The major indexes continued their slide as cases mounted in the U.S. and New York City became the epicenter of the pandemic. Governments throughout the world issued stay-at-home orders to contain the virus, and some sectors, such as travel, restaurants, and shopping malls, nearly came to a halt.

According to the National Bureau of Economic Research, a recession officially began in February, ending the longest expansion in U.S. history. Over 22 million Americans lost their jobs in March and April, and many measures of economic activity, including retail sales and industrial production, experienced record-setting declines. By March 23, the S&P 500 Index had fallen by about a third from the start of the year.

In response to the rapid economic contraction, global central banks took bold accommodative steps, and many governments around the world passed emergency spending packages. The Federal Reserve cut its short-term lending rate to near zero and began massive purchases of government and corporate bonds to stimulate the economy and supply liquidity in the fixed income market.

The federal government also provided trillions of dollars in fiscal help in the form of direct payments to many Americans, expanded unemployment insurance, and subsidies to sectors such as transportation and health care that had been directly impacted by the pandemic. As lockdowns eased late in the period, there were signs of economic recovery, especially in stronger-than-expected payroll data, but surges in new virus cases in some states remained a concern.

Boosted by the stimulus and indications that the economy was mending faster than many expected, nearly all sectors recouped some of their losses by the end of June, and some segments were back in positive territory. For the six-month period, the tech-heavy Nasdaq Composite Index reached record highs and easily outperformed other benchmarks as the pandemic appeared to accelerate trends in retail, social media, and content streaming that benefited the large technology platforms. Large- and mid-cap growth stocks also produced positive returns and outperformed small-caps and value shares, which lost ground.

The S&P 500 Index finished the period with modest losses overall. Within the benchmark, tech and consumer discretionary stocks rallied, but energy shares were down more than 35% (including dividends) amid tumbling oil prices, and the financials sector struggled in a low-yield environment. Non-U.S. equity markets were generally negative and lagged the U.S. benchmarks.

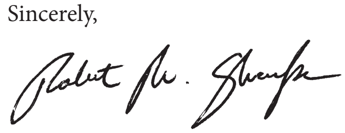
In the fixed income universe, Treasuries were the top performers as yields dropped to record lows during the period, and other U.S. investment-grade bonds were also generally positive. High yield and emerging markets bonds were particularly hard hit during the market sell-off in March, but the sectors staged a strong recovery as investors sought out higher-yielding securities. Emerging markets debt denominated in U.S. dollars outperformed local currency issues, as weakness in certain currencies weighed on local bond performance in U.S. dollar terms.

As we enter the second half of the year, we expect markets to remain volatile. The scale of the stimulus and the potential for medical breakthroughs create the potential for stocks to move higher, but much depends on the course of the virus. Rising tensions between the U.S. and China, social unrest, and the U.S. elections in November could also drive market performance.

Our investment teams will be carefully monitoring these developments, and I believe that our disciplined fundamental research and strategic investing approach will continue to serve our shareholders well in this uncertain environment.

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks to provide long-term capital appreciation by investing in mid-cap stocks with potential for above-average earnings growth.

FUND COMMENTARY

How did the fund perform in the past six months?

The Mid-Cap Growth Portfolio returned -2.04% and the Mid-Cap Growth Portfolio—II returned -2.19% for the six months ended June 30, 2020. Both portfolios underperformed the Russell Midcap Growth Index and their peer group, the Lipper Variable Annuity Underlying Mid-Cap Growth Funds Average. (*Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/20	Total Return
Mid-Cap Growth Portfolio	-2.04%
Mid-Cap Growth Portfolio–II	-2.19
Russell Midcap Growth Index	4.16
Lipper Variable Annuity Underlying Mid-Cap Growth Funds Average	4.16

What factors influenced the fund's performance?

Our leisure industry holdings accounted for the largest performance detractors. **Norwegian Cruise Line** was the top overall detractor as the coronavirus shuttered the cruise industry following outbreaks on a competitor's ships early this year. Unfortunately, we believe that the virus has dealt a material impairment to the cruise industry, and we eliminated our position. **MGM Resorts International** hurt returns as casinos across the U.S. shut down starting in March and China imposed restrictions on visitors to Macau, the offshore gambling hub where MGM owns several properties. MGM has made significant progress in recent years streamlining its operations and reducing debt, and we believe that it has ample balance sheet strength and liquidity to survive a prolonged downturn. We expect MGM's business will recover and maintained our position. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Several health care holdings detracted from returns as the virus upended their businesses. These included **Cooper Companies**, a leading contact lens manufacturer, and **Bruker**, which makes scientific instruments for molecular and materials research. Shares of these companies fell as people postponed elective procedures such as contact lens fittings and academic institutions shut down research labs, a key market for Bruker.

Our largest contributors hailed from various sectors, but each benefited from a surge in demand ushered in by the coronavirus. **DocuSign**, whose software is used by companies to automate business contracts and electronic signatures, was a top contributor as the transition to remote work underscored the value of digitized documents and e-signatures for businesses. In health care, our holdings in **Catalent**, a contract manufacturer for the pharmaceuticals industry, and life science software company **Veeva Systems** added value as the race to develop a coronavirus vaccine spurred demand for their services. **Dollar General** was another key contributor. Its shares rose to record levels as the coronavirus drove traffic into its stores, which are mostly located in rural areas and draw lower-income customers. Dollar General's business typically does well in times of economic distress, and we believe that its business will outperform as the recession leads customers to trade down to deep discounters.

How is the fund positioned?

Health care represented the largest sector allocation in absolute terms and nearly a quarter of the portfolio's assets at period-end. Our health care exposure rose following strong performance in the sector and a few key trades. We added to our position in Veeva Systems, which we believe will do well longer term as drugmakers commit more resources to developing virus therapies. We started a position in **Align Technology**, the maker of Invisalign clear teeth straighteners, on weakness as the coronavirus led to a pause in orthodontic procedures. Align is a high-quality and durable growth business, and we expect it will benefit from pent-up demand once the pandemic recedes. We also started a position in biotechnology company **Ionis Pharmaceuticals** for its promising drug pipeline, which we think has the potential to generate significant shareholder value over time.

Our allocation to information technology (IT), the second largest in the portfolio, increased slightly but remained the largest underweight sector versus the benchmark. Our sizable underweight to IT—which grew more pronounced following the annual rebalancing by FTSE Russell of its U.S. indexes at the end of June—materially detracted from relative returns. As longtime shareholders know, our underweight to IT stems from our reluctance to embrace the expensive, aggressive-growth stocks that have led the stock market's gains in recent years. Unlike many growth investors who have flocked to the market's fastest-growing companies regardless of their share prices, we find the valuations of these high-flying stocks hard to justify based on their fundamentals and steered clear of many tech sector names as a result. We reduced our position in DocuSign after its shares rose to record levels and eliminated our position in payments company **Fidelity National Information Services** following its 2019 acquisition of Worldpay, a deal that moved the combined company into large-cap territory. We initiated a position in **Broadridge**

Financial, which manages proxy distribution and voting-related communications and offers trade processing services for financial services companies. Broadridge's services are akin to the plumbing for the financial industry, and we believe the company has good growth potential as financial institutions increasingly outsource their back-office functions.

Our exposure to consumer discretionary stocks declined. However, we took advantage of the pandemic-induced downturn in late March to initiate or add to positions in several names that sold off as large parts of the economy began shutting down. We initiated a position in **Chipotle Mexican Grill** after shares of the fast-casual chain fell to multiyear lows as restaurants in many states banned dine-in service. Chipotle's shares subsequently recovered as it benefited from a surge in online orders from homebound customers, and we think that it is strongly positioned to outperform in a postcrisis recovery. We started a position in **Ross Stores**, which shut all its stores from mid-March until early May, depriving the retailer of its only revenue source given that it has no online platform. Though the closures will hit Ross's near-term results, we believe that it will generate strong performance over time as off-price retailers gain favor among consumers weary of paying full price at traditional department stores.

SECTOR DIVERSIFICATION

	Percent of Net Assets	
	12/31/19	6/30/20
Health Care	20.2%	24.3%
Information Technology	20.2	21.1
Industrials and Business Services	17.7	17.0
Consumer Discretionary	14.4	13.7
Financials	8.6	5.9
Materials	5.5	5.8
Communication Services	2.2	3.6
Consumer Staples	2.1	1.8
Utilities	2.1	1.4
Energy	2.4	1.3
Real Estate	0.1	0.0
Other and Reserves	4.5	4.1
Total	**100.0%**	**100.0%**

Historical weightings reflect current industry/sector classifications.

What is portfolio management's outlook?

The modest gain recorded by mid-cap growth stocks in the first half of 2020 belied significant volatility as the sell-off in the first quarter gave way to a powerful rally led by the same high-priced, aggressive-growth technology stocks that have driven the market's advance in recent years. Much of the startling reversal was due to the Federal Reserve, which cut interest rates back to 0% and unleashed extraordinary stimulus measures to shore up the economy. While the Fed's emergency actions had the intent of stabilizing financial markets in the short term, they also had the unintended effect of prolonging the speculative behavior that has driven the stock market's rise for the past several years. As one prominent Wall Street strategist recently put it, stocks are experiencing "the mother of all melt-ups" thanks to the Fed's intervention—despite the dire shape of the U.S. economy and a resurgence of virus infections.

Unsurprisingly, our fundamentals-based, valuation-sensitive approach has not fared well in an environment that rewards investors who favor growth at any price. In fact, it appears that any bias toward reasonable valuations is a headwind as long as the Fed is effectively serving as a backstop for Wall Street. Looking ahead, some possible scenarios that we imagine would curtail the market's exuberance include a weaker dollar resulting from a loss of confidence in the U.S. financial system; a contested U.S. presidential election in November; or an uptick in inflation as the Fed continues to take on debt, print money, and prop up asset prices. We cannot say with any certainty when or how the market's risk-oblivious atmosphere will end. But decades of investing experience lead us to believe that the current upswing will end badly, as typically happens with asset bubbles, and that valuations will matter again.

We have experienced bouts of underperformance in previous periods of market excess, which we view as an acceptable trade-off for our risk-aware, valuation-sensitive approach. We continue to leverage our fundamental research platform to select high-quality, reasonably valued companies with durable growth prospects, experienced management, and sufficiently solid balance sheets to weather a potentially long and difficult recovery. Over longer time periods, we believe that our disciplined investment process and fundamental research advantage will help us generate solid performance for shareholders.

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

PRINCIPAL RISKS

As with any fund, there is no guarantee that the fund will achieve its objective(s). The fund's share price fluctuates, which means you could lose money by investing in the fund. The principal risks of investing in this fund, which may be even greater during periods of market disruption or volatility, are summarized as follows:

Market conditions. The value of the fund's investments may decrease, sometimes rapidly or unexpectedly, due to factors affecting an issuer held by the fund, particular industries, or the overall securities markets. A variety of factors can increase the volatility of the fund's holdings and markets generally, including political or regulatory developments, recessions, inflation, rapid interest rate changes, war or acts of terrorism, natural disasters, and outbreaks of infectious illnesses or other widespread public health issues. 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. These adverse developments may cause broad declines in market value due to short-term market movements or for significantly longer periods during more prolonged market downturns.

Mid-cap stocks. Investments in securities issued by mid-cap companies are likely to be more volatile than investments in securities issued by larger companies. Medium-sized companies may have less experienced management, narrower product lines, and less capital reserves and liquidity than larger companies, and are therefore more sensitive to economic, market, and industry changes.

Growth investing. The fund's growth approach to investing could cause it to underperform other stock funds that employ a different investment style. Growth stocks tend to be more volatile than certain other types of stocks and their prices may fluctuate more dramatically than the overall stock market. A stock with growth characteristics can have sharp price declines due to decreases in current or expected earnings and may lack dividends that can help cushion its share price in a declining market.

BENCHMARK INFORMATION

TWENTY-FIVE LARGEST HOLDINGS

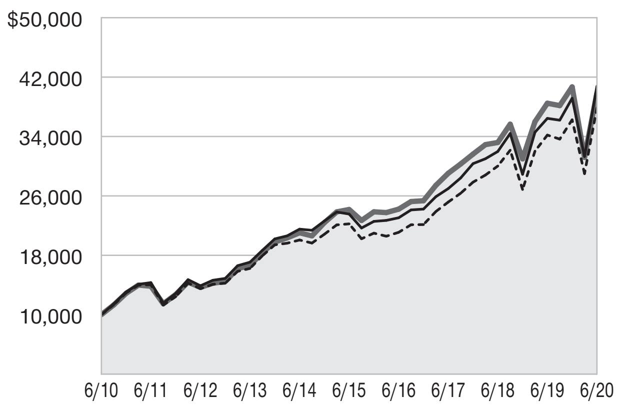
	Percent of Net Assets 6/30/20
Teleflex	2.6%
Hologic	2.4
IAC/interactivecorp	2.3
Ball	2.0
Microchip Technology	1.8
Catalent	1.8
Agilent Technologies	1.8
Dollar General	1.8
Cooper Companies	1.7
Marvell Technology Group	1.5
DocuSign	1.5
Keysight Technologies	1.3
Burlington Stores	1.3
IDEX	1.2
Textron	1.2
Bruker	1.2
J.B. Hunt Transport Services	1.2
Roper Technologies	1.2
Ingersoll-Rand	1.2
TransUnion	1.2
Veeva Systems	1.1
Global Payments	1.1
FleetCor Technologies	1.1
Verisk Analytics	1.1
Seattle Genetics	1.1
Total	**37.7%**

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.

MID-CAP GROWTH PORTFOLIO



	As of 6/30/20
Mid-Cap Growth Portfolio	$39,849
Russell Midcap Growth Index	40,780
Lipper Variable Annuity Underlying Mid-Cap Growth Funds Average	37,850

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 6/30/20	1 Year	5 Years	10 Years
Mid-Cap Growth Portfolio	3.57%	10.52%	14.83%
Mid-Cap Growth Portfolio–II	3.31	10.24	14.54

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)

MID-CAP GROWTH PORTFOLIO

	Beginning Account Value 1/1/20	Ending Account Value 6/30/20	Expenses Paid During Period* 1/1/20 to 6/30/20
Mid-Cap Growth Portfolio			
Actual	$1,000.00	$979.60	$4.13
Hypothetical (Assumes 5% return before expenses)	1,000.00	1,020.69	4.22
Mid-Cap Growth Portfolio–II			
Actual	1,000.00	978.10	5.36
Hypothetical (Assumes 5% return before expenses)	1,000.00	1,019.44	5.47

*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 (182), and divided by the days in the year (366) to reflect the half-year period. The annualized expense ratio of the Mid-Cap Growth Portfolio was 0.84%, and the Mid-Cap Growth Portfolio–II was 1.09%.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Mid-Cap Growth Portfolio Class

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 28.88	$ 23.70	$ 28.25	$ 25.57	$ 25.70	$ 27.88
Investment activities						
Net investment income (loss)[1] [2]	(0.01)	0.03	0.01	(0.04)	(0.03)	(0.05)
Net realized and unrealized gain / loss	(0.58)	7.36	(0.54)	6.39	1.66	1.85
Total from investment activities	(0.59)	7.39	(0.53)	6.35	1.63	1.80
Distributions						
Net investment income	–	(0.04)	–	–	–	–
Net realized gain	–	(2.17)	(4.02)	(3.67)	(1.76)	(3.98)
Total distributions	–	(2.21)	(4.02)	(3.67)	(1.76)	(3.98)
NET ASSET VALUE						
End of period	**$ 28.29**	**$ 28.88**	**$ 23.70**	**$ 28.25**	**$ 25.57**	**$ 25.70**

Ratios/Supplemental Data

Total return[2] [3]	**(2.04)%**	**31.29%**	**(2.03)%**	**24.77%**	**6.26%**	**6.56%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[4]	0.85%[5]	0.85%	0.85%	0.85%	0.85%	0.85%
Net expenses after waivers/payments by Price Associates	0.84%[5]	0.84%	0.85%	0.85%	0.85%	0.85%
Net investment income (loss)	(0.05)%[5]	0.12%	0.05%	(0.13)%	(0.11)%	(0.18)%
Portfolio turnover rate	11.8%	22.1%	24.6%	24.7%	28.9%	29.4%
Net assets, end of period (in thousands)	$ 448,289	$ 474,038	$ 379,884	$ 411,412	$ 353,074	$ 350,626

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 5 for details of expense-related arrangements with Price Associates.
(3) 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.
(4) 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.
(5) Annualized

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

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Mid-Cap Growth Portfolio - II Class

	6 Months Ended 6/30/20	Year Ended 12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
NET ASSET VALUE						
Beginning of period	$ 27.41	$ 22.58	$ 27.11	$ 24.65	$ 24.85	$ 27.08
Investment activities						
Net investment loss[1] [2]	(0.04)	(0.03)	(0.06)	(0.11)	(0.09)	(0.12)
Net realized and unrealized gain / loss	(0.56)	7.00	(0.52)	6.15	1.61	1.79
Total from investment activities	(0.60)	6.97	(0.58)	6.04	1.52	1.67
Distributions						
Net realized gain	–	(2.14)	(3.95)	(3.58)	(1.72)	(3.90)
NET ASSET VALUE						
End of period	**$ 26.81**	**$ 27.41**	**$ 22.58**	**$ 27.11**	**$ 24.65**	**$ 24.85**
Ratios/Supplemental Data						
Total return[2] [3]	**(2.19)%**	**30.98%**	**(2.30)%**	**24.44%**	**6.03%**	**6.27%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[4]	1.10%[5]	1.10%	1.10%	1.10%	1.10%	1.10%
Net expenses after waivers/payments by Price Associates	1.09%[5]	1.09%	1.10%	1.10%	1.10%	1.10%
Net investment loss	(0.30)%[5]	(0.13)%	(0.20)%	(0.38)%	(0.36)%	(0.43)%
Portfolio turnover rate	11.8%	22.1%	24.6%	24.7%	28.9%	29.4%
Net assets, end of period (in thousands)	$ 50,772	$ 56,450	$ 44,782	$ 52,926	$ 54,691	$ 52,528

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 5 for details of expense-related arrangements with Price Associates.
(3) 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.
(4) 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.
(5) Annualized

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

PORTFOLIO OF INVESTMENTS‡

(Cost and value in $000s)

	Shares	$ Value
COMMON STOCKS 95.5%		
Communication Services 3.6%		
Entertainment 1.3%		
Spotify Technology (1)	19,000	4,906
Zynga, Class A (1)	170,000	1,622
		6,528
Interactive Media & Services 2.3%		
IAC/InterActiveCorp (1)	36,000	11,642
		11,642
Total Communication Services		18,170
Consumer Discretionary 13.3%		
Auto Components 1.1%		
Aptiv	54,000	4,208
Visteon (1)	21,000	1,438
		5,646
Diversified Consumer Services 0.8%		
ServiceMaster Global Holdings (1)	112,000	3,997
		3,997
Hotels, Restaurants & Leisure 4.5%		
Chipotle Mexican Grill (1)	3,000	3,157
Darden Restaurants	18,000	1,364
Draftkings, Class A (1)	31,000	1,031
Dunkin' Brands Group	42,000	2,739
Hilton Worldwide Holdings	62,000	4,554
Marriott International, Class A	23,000	1,972
MGM Resorts International	220,000	3,696
Vail Resorts	20,000	3,643
		22,156
Internet & Direct Marketing Retail 0.0%		
Chewy, Class A (1)	1,000	45
		45
Multiline Retail 2.7%		
Dollar General	46,000	8,763

(Cost and value in $000s)

	Shares	$ Value
Dollar Tree (1)	50,000	4,634
		13,397
Specialty Retail 3.4%		
Burlington Stores (1)	32,000	6,302
CarMax (1)	19,000	1,702
Five Below (1)	9,000	962
O'Reilly Automotive (1)	11,000	4,638
Ross Stores	25,000	2,131
Ulta Beauty (1)	7,000	1,424
		17,159
Textiles, Apparel & Luxury Goods 0.8%		
Lululemon Athletica (1)	3,000	936
Tapestry	77,000	1,023
VF	31,000	1,889
		3,848
Total Consumer Discretionary		66,248
Consumer Staples 1.8%		
Food & Staples Retailing 1.3%		
Casey's General Stores	35,000	5,233
Sprouts Farmers Market (1)	62,000	1,587
		6,820
Food Products 0.5%		
TreeHouse Foods (1)	54,000	2,365
		2,365
Total Consumer Staples		9,185
Energy 1.3%		
Oil, Gas & Consumable Fuels 1.3%		
Concho Resources	52,000	2,678
Continental Resources	17,000	298
Pioneer Natural Resources	27,000	2,638
Venture Global LNG, Series B, Acquisition Date: 3/8/18, Cost $60 (1)(2)(3)	20	77
Venture Global LNG, Series C, Acquisition Date: 10/16/17 - 3/8/18, Cost $511 (1)(2)(3)	139	535
Total Energy		6,226

	Shares	$ Value
(Cost and value in $000s)		
Financials 5.9%		
Banks 0.4%		
Webster Financial	62,000	1,774
		1,774
Capital Markets 3.0%		
Cboe Global Markets	43,000	4,011
KKR	108,000	3,335
MarketAxess Holdings	5,800	2,905
Raymond James Financial	16,000	1,101
Tradeweb Markets, Class A	60,000	3,489
		14,841
Consumer Finance 0.1%		
SLM	109,000	766
		766
Insurance 2.4%		
Assurant	31,000	3,202
Axis Capital Holdings	57,000	2,312
Kemper	9,000	653
Progressive	15,000	1,201
Selectquote (1)	15,000	380
Willis Towers Watson	22,000	4,333
		12,081
Total Financials		29,462
Health Care 24.3%		
Biotechnology 5.3%		
ACADIA Pharmaceuticals (1)	15,000	727
Alkermes (1)	117,000	2,270
Alnylam Pharmaceuticals (1)	20,000	2,962
Amarin, ADR (1)	38,000	263
Argenx, ADR (1)	11,284	2,542
Ascendis Pharma, ADR (1)	8,000	1,183
Incyte (1)	46,000	4,783
Ionis Pharmaceuticals (1)	31,000	1,828
Neurocrine Biosciences (1)	23,000	2,806
Royalty Pharma, Class A (1)	30,075	1,460
Seattle Genetics (1)	32,000	5,438

	Shares	$ Value
(Cost and value in $000s)		
Ultragenyx Pharmaceutical (1)	400	31
		26,293
Health Care Equipment & Supplies 9.6%		
Alcon (1)	50,000	2,866
Align Technology (1)	6,000	1,647
Cooper	30,000	8,509
Exact Sciences (1)	31,000	2,695
Hologic (1)	209,000	11,913
ICU Medical (1)	12,000	2,212
IDEXX Laboratories (1)	5,000	1,651
Teleflex	36,000	13,103
West Pharmaceutical Services	15,000	3,407
		48,003
Health Care Providers & Services 0.4%		
Acadia Healthcare (1)	77,000	1,934
		1,934
Health Care Technology 1.1%		
Veeva Systems, Class A (1)	24,232	5,680
		5,680
Life Sciences Tools & Services 4.6%		
Agilent Technologies	100,000	8,837
Avantor (1)	177,000	3,009
Bruker	145,000	5,899
PPD (1)	21,000	563
PRA Health Sciences (1)	46,000	4,475
		22,783
Pharmaceuticals 3.3%		
Catalent (1)	123,000	9,016
Elanco Animal Health (1)	151,000	3,239
Perrigo	77,000	4,256
		16,511
Total Health Care		121,204
Industrials & Business Services 17.0%		
Aerospace & Defense 2.4%		
BWX Technologies	62,000	3,512
L3Harris Technologies	15,000	2,545

(Cost and value in $000s)

	Shares	$ Value
Textron	185,000	6,088
		12,145
Airlines 0.3%		
Alaska Air Group	23,000	834
United Airlines Holdings (1)	15,000	519
		1,353
Building Products 0.2%		
Allegion	10,000	1,022
		1,022
Commercial Services & Supplies 0.4%		
Waste Connections	23,000	2,157
		2,157
Electrical Equipment 0.6%		
Sensata Technologies Holding (1)	76,000	2,830
		2,830
Industrial Conglomerates 1.2%		
Roper Technologies	15,000	5,824
		5,824
Machinery 4.0%		
Colfax (1)	127,000	3,543
Fortive	69,000	4,668
IDEX	39,000	6,164
Ingersoll Rand (1)	205,000	5,765
		20,140
Professional Services 6.7%		
Clarivate (1)	223,000	4,979
CoreLogic	68,000	4,571
CoStar Group (1)	7,000	4,975
Equifax	27,000	4,641
IHS Markit	42,000	3,171
TransUnion	66,000	5,745
Verisk Analytics	32,000	5,446
		33,528

(Cost and value in $000s)

	Shares	$ Value
Road & Rail 1.2%		
JB Hunt Transport Services	49,000	5,897
		5,897
Total Industrials & Business Services		84,896
Information Technology 21.1%		
Electronic Equipment, Instruments & Components 3.2%		
Amphenol, Class A	8,000	766
Cognex	18,000	1,075
Corning	170,000	4,403
Keysight Technologies (1)	66,000	6,652
National Instruments	85,000	3,290
		16,186
IT Services 5.1%		
Black Knight (1)	57,285	4,157
Broadridge Financial Solutions	15,000	1,893
Fiserv (1)	46,000	4,490
FleetCor Technologies (1)	22,000	5,534
Gartner (1)	15,000	1,820
Global Payments	33,000	5,597
WEX (1)	11,000	1,815
		25,306
Semiconductors & Semiconductor Equipment 6.7%		
Entegris	48,000	2,834
Marvell Technology Group	212,000	7,433
Maxim Integrated Products	62,000	3,758
Microchip Technology	86,000	9,057
Skyworks Solutions	39,000	4,986
Xilinx	52,000	5,116
		33,184
Software 6.1%		
Atlassian, Class A (1)	26,000	4,687
Bill.com Holdings (1)	3,000	271
Ceridian HCM Holding (1)	62,000	4,915
Crowdstrike Holdings, Class A (1)	14,000	1,404
DocuSign (1)	43,000	7,405
Slack Technologies, Class A (1)	39,000	1,212

(Cost and value in $000s)	Shares	$ Value
Splunk (1)	27,000	5,365
SS&C Technologies Holdings	27,000	1,525
Workday, Class A (1)	19,000	3,560
		30,344
Total Information Technology		105,020
Materials 5.8%		
Chemicals 1.1%		
Air Products & Chemicals	6,000	1,449
RPM International	52,000	3,903
		5,352
Construction Materials 0.2%		
Martin Marietta Materials	6,000	1,239
		1,239
Containers & Packaging 3.9%		
Avery Dennison	31,000	3,537
Ball	147,000	10,215
Packaging Corp. of America	12,161	1,214
Reynolds Consumer Products	49,000	1,702
Sealed Air	85,000	2,792
		19,460
Metals & Mining 0.6%		
Kirkland Lake Gold	73,000	3,011
		3,011
Total Materials		29,062
Real Estate 0.0%		
Real Estate Management & Development 0.0%		
WeWork, Class A, Acquisition Date: 5/26/15, Cost $54 (1)(2)(3)	3,835	0
Total Real Estate		0
Utilities 1.4%		
Electric Utilities 0.2%		
Eversource Energy	15,000	1,249
		1,249
Gas Utilities 0.4%		
Atmos Energy	17,593	1,752
		1,752
Multi-Utilities 0.8%		
Sempra Energy	35,000	4,103
		4,103
Total Utilities		7,104
Total Common Stocks (Cost $302,963)		**476,577**
CONVERTIBLE PREFERRED STOCKS 0.4%		
Consumer Discretionary 0.4%		
Automobiles 0.2%		
Rivian Automotive, Series D, Acquisition Date: 12/23/19, Cost $921 (1)(2)(3)	85,735	921
		921
Internet & Direct Marketing Retail 0.2%		
Doordash, Series H, Acquisition Date: 6/17/20, Cost $188 (1)(2)(3)	822	189
Roofoods, Series F, Acquisition Date: 9/12/17, Cost $662 (1)(2)(3)	1,871	727
Roofoods, Series G, Acquisition Date: 5/16/19, Cost $21 (1)(2)(3)	51	21
		937
Total Consumer Discretionary		1,858
Real Estate 0.0%		
Real Estate Management & Development 0.0%		
WeWork, Series D-1, Acquisition Date: 12/9/14, Cost $362 (1)(2)(3)	21,721	0
WeWork, Series D-2, Acquisition Date: 12/9/14, Cost $284 (1)(2)(3)	17,066	0
Total Real Estate		0
Total Convertible Preferred Stocks (Cost $2,438)		**1,858**

	Shares	$ Value
(Cost and value in $000s)		
SHORT-TERM INVESTMENTS 4.2%		
Money Market Funds 4.2%		
T. Rowe Price Treasury Reserve Fund, 0.21% (4)(5)	20,967,490	20,968
Total Short-Term Investments (Cost $20,968)		**20,968**
Total Investments in Securities		
100.1% of Net Assets (Cost $326,369)	**$**	**499,403**

‡ Shares are denominated in U.S. dollars unless otherwise noted.
(1) Non-income producing
(2) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund has registration rights for certain restricted securities. Any costs related to such registration are borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period-end amounts to $2,470 and represents 0.5% of net assets.
(3) See Note 2. Level 3 in fair value hierarchy.
(4) Seven-day yield
(5) Affiliated Companies
ADR American Depositary Receipts

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, 2020. 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 Treasury Reserve Fund	$ —#	$ —	$ 102+

Supplementary Investment Schedule

Affiliate	Value 12/31/19	Purchase Cost	Sales Cost	Value 6/30/20
T. Rowe Price Treasury Reserve Fund	$ 25,640	¤	¤	$ 20,968^

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

\+ Investment income comprised $102 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 $20,968.

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

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $326,369)	$	499,403
Receivable for investment securities sold		1,081
Dividends receivable		143
Receivable for shares sold		7
Total assets		500,634
Liabilities		
Payable for investment securities purchased		1,052
Investment management and administrative fees payable		400
Payable for shares redeemed		121
Total liabilities		1,573
NET ASSETS	**$**	**499,061**
Net Assets Consist of:		
Total distributable earnings (loss)	$	193,903
Paid-in capital applicable to 17,742,777 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		305,158
NET ASSETS	**$**	**499,061**
NET ASSET VALUE PER SHARE		
Mid-Cap Growth Portfolio Class ($448,289,325 / 15,848,858 shares outstanding)	**$**	**28.29**
Mid-Cap Growth Portfolio - II Class ($50,772,157 / 1,893,919 shares outstanding)	**$**	**26.81**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 6/30/20
Investment Income (Loss)	
Dividend income	$ 1,879
Expenses	
Investment management and administrative expense	2,021
Rule 12b-1 fees – Mid-Cap Growth Portfolio – II Class	61
Waived / paid by Price Associates	(24)
Net expenses	2,058
Net investment loss	(179)
Realized and Unrealized Gain / Loss	
Net realized gain on securities	17,362
Change in net unrealized gain/loss on securities	(29,371)
Net realized and unrealized gain / loss	(12,009)
DECREASE IN NET ASSETS FROM OPERATIONS	**$ (12,188)**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/20	Year Ended 12/31/19
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	$ (179)	$ 473
Net realized gain	17,362	40,477
Change in net unrealized gain / loss	(29,371)	89,370
Increase (decrease) in net assets from operations	(12,188)	130,320
Distributions to shareholders		
Net earnings		
Mid-Cap Growth Portfolio Class	–	(33,681)
Mid-Cap Growth Portfolio - II Class	–	(4,011)
Decrease in net assets from distributions	–	(37,692)
Capital share transactions*		
Shares sold		
Mid-Cap Growth Portfolio Class	15,651	23,936
Mid-Cap Growth Portfolio - II Class	5,231	8,249
Distributions reinvested		
Mid-Cap Growth Portfolio Class	–	33,681
Mid-Cap Growth Portfolio - II Class	–	4,011
Shares redeemed		
Mid-Cap Growth Portfolio Class	(30,645)	(46,535)
Mid-Cap Growth Portfolio - II Class	(9,476)	(10,148)
Increase (decrease) in net assets from capital share transactions	(19,239)	13,194
Net Assets		
Increase (decrease) during period	(31,427)	105,822
Beginning of period	530,488	424,666
End of period	**$ 499,061**	**$ 530,488**

*Share information		
Shares sold		
Mid-Cap Growth Portfolio Class	605	855
Mid-Cap Growth Portfolio - II Class	222	308
Distributions reinvested		
Mid-Cap Growth Portfolio Class	–	1,180
Mid-Cap Growth Portfolio - II Class	–	148
Shares redeemed		
Mid-Cap Growth Portfolio Class	(1,170)	(1,650)
Mid-Cap Growth Portfolio - II Class	(388)	(379)
Increase (decrease) in shares outstanding	(731)	462

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 Mid-Cap Growth Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. 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 seeks to provide long-term capital appreciation by investing in mid-cap stocks with potential for above-average earnings growth. The fund has two classes of shares: the Mid-Cap Growth Portfolio (Mid-Cap Growth Portfolio Class) and the Mid-Cap Growth Portfolio–II (Mid-Cap Growth Portfolio - II Class). Mid-Cap Growth 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. 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. 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 annually. A capital gain distribution may also be declared and paid by the fund annually.

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. Mid-Cap Growth Portfolio - II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

New Accounting Guidance In March 2020, the FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The guidance is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of the ASU on the fund's financial statements.

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

The fund's financial instruments are valued and each class'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.

Fair Value The fund's financial instruments 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 procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

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

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 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. Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. OTC Bulletin Board securities, certain preferred securities, and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. 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.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. 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.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of an equity investment with limited market activity, such as a private placement or a thinly traded public company stock, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, new rounds of financing, negotiated transactions of significant size between other investors in the company, relevant market valuations of peer companies, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. 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; 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 issue. 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. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2020 (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	$ 475,965	$ —	$ 612	$ 476,577
Convertible Preferred Stocks	—	—	1,858	1,858
Short-Term Investments	20,968	—	—	20,968
Total	$ 496,933	$ —	$ 2,470	$ 499,403

NOTE 3 - 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.

Restricted Securities The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

Other Purchases and sales of portfolio securities other than short-term securities aggregated $54,185,000 and $70,581,000, respectively, for the six months ended June 30, 2020.

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, 2020, the cost of investments for federal income tax purposes was $327,145,000. Net unrealized gain aggregated $172,258,000 at period-end, of which $193,518,000 related to appreciated investments and $21,260,000 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 extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2021, to waive a portion of its management fee in order to limit the fund's management fee to 0.84% 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 $24,000 and allocated ratably in the amounts of $21,000 for the Mid-Cap Growth Portfolio Class and $3,000 for Mid-Cap Growth Portfolio - II Class, respectively, for the six months ended June 30, 2020.

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, 2020, 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, 2020, this reimbursement amounted to $8,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 6 - 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.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; 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 funds 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 funds, their investment advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, 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.

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 and portfolios 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

Effective for reporting periods on or after March 1, 2019, a fund, except a money market 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. Prior to March 1, 2019, a fund, including a money market fund, filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A money market fund files detailed month-end portfolio holdings information on Form N-MFP with the SEC each month and posts a complete schedule of portfolio holdings on its website (troweprice.com) as of each month-end for the previous six months. A fund's Forms N-PORT, N-MFP, and N-Q are available electronically on the SEC's website (sec.gov).

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 9–10, 2020 (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, 2019, 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 benefits that the Advisor (and its affiliates) may have realized from its relationship with the fund, including any research received under "soft dollar" agreements and commission-sharing arrangements with broker-dealers. The Board considered that the Advisor may have received some benefit from soft-dollar arrangements pursuant to which research is received from broker-dealers that execute the fund's portfolio transactions. However, the Board also considered that, effective January 2020, the Advisor began bearing 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. 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 0.84% 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 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. 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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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 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 the primary investment resources utilized to manage the fund are shared with other actively managed 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 fourth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group) and fifth quintile (Expense Universe), and the fund's total expenses ranked in the third quintile (Expense Group and Expense Universe).

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 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.

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).

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 May 4, 2020, 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.

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 June 1, 2019, through March 31, 2020. 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.

Certain provisions of the Liquidity Program initially became effective on December 1, 2018, and the full Liquidity Program was formally approved by the Board in April 2019. During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program since its implementation has operated adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

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T. Rowe Price®

100 East Pratt Street
Baltimore, MD 21202

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.

202008-1220467 T. Rowe Price Investment Services, Inc. E305-051 8/20

Vanguard®

Semiannual Report | June 30, 2020

Vanguard Variable Insurance Funds

Equity Index Portfolio

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to vanguard.com.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to vanguard.com. Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

Contents

Equity Index Portfolio

About Your Portfolio's Expenses

As a shareholder of the portfolio, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a portfolio's gross income, directly reduce the investment return of the portfolio.

A portfolio's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your portfolio and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The accompanying table illustrates your portfolio's costs in two ways:

- Based on actual portfolio return. This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the portfolio's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with $1,000 in the portfolio. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, 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 given for your portfolio under the heading "Expenses Paid During Period."

- Based on hypothetical 5% yearly return. This section is intended to help you compare your portfolio's costs with those of other mutual funds. It assumes that the portfolio had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the portfolio's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your portfolio's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the portfolio for buying and selling securities. The portfolio's expense ratio does not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the portfolio's expenses in the Financial Statements section. For additional information on operating expenses and other shareholder costs, please refer to the prospectus.

Six Months Ended June 30, 2020

Equity Index Portfolio	Beginning Account Value 12/31/2019	Ending Account Value 6/30/2020	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$968.30	$0.69
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.17	0.70

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.14%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (182/366).

Portfolio Allocation

As of June 30, 2020

Communication Services	10.8%
Consumer Discretionary	10.8
Consumer Staples	7.0
Energy	2.8
Financials	10.1
Health Care	14.6
Industrials	8.0
Information Technology	27.5
Materials	2.5
Real Estate	2.8
Utilities	3.1

The table reflects the portfolio's investments, except for short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

The portfolio may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2020

The portfolio files its 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 portfolio's Form N-PORT reports are available on the SEC's website at www.sec.gov.

	Shares	Market Value• ($000)
Common Stocks (99.5%)		
Communication Services (10.7%)		
* Facebook Inc. Class A	595,301	135,175
* Alphabet Inc. Class A	73,866	104,746
* Alphabet Inc. Class C	72,817	102,935
Verizon Communications Inc.	1,024,361	56,473
AT&T Inc.	1,763,927	53,324
Walt Disney Co.	447,182	49,865
* Netflix Inc.	108,883	49,546
Comcast Corp. Class A	1,127,593	43,954
* Charter Communications Inc. Class A	37,309	19,029
* T-Mobile US Inc.	141,165	14,702
Activision Blizzard Inc.	190,741	14,477
* Electronic Arts Inc.	71,462	9,437
* Twitter Inc.	194,281	5,788
* Take-Two Interactive Software Inc.	28,221	3,939
ViacomCBS Inc. Class B	133,987	3,125
Omnicom Group Inc.	53,135	2,901
CenturyLink Inc.	245,103	2,458
Fox Corp. Class A	85,042	2,281
* DISH Network Corp. Class A	63,841	2,203
Interpublic Group of Cos. Inc.	96,169	1,650
* Live Nation Entertainment Inc.	35,073	1,555
* Discovery Communications Inc. Class C	78,731	1,516
News Corp. Class A	107,919	1,280
Fox Corp. Class B	39,306	1,055
* Discovery Inc. Class A	39,500	833
News Corp. Class B	18,080	216
* T-Mobile US Inc. Rights Exp. 07/27/2020	47,414	8
		684,471
Consumer Discretionary (10.8%)		
* Amazon.com Inc.	103,725	286,159
Home Depot Inc.	266,267	66,703
McDonald's Corp.	184,090	33,959
NIKE Inc. Class B	307,009	30,102
Lowe's Cos. Inc.	186,918	25,256
Starbucks Corp.	289,202	21,282
* Booking Holdings Inc.	10,134	16,137
TJX Cos. Inc.	296,569	14,994
Target Corp.	123,786	14,846
Dollar General Corp.	62,315	11,872
eBay Inc.	163,524	8,577
General Motors Co.	311,772	7,888
* O'Reilly Automotive Inc.	18,375	7,748
Ross Stores Inc.	87,986	7,500
* Chipotle Mexican Grill Inc.	6,353	6,686
* AutoZone Inc.	5,780	6,520
Yum! Brands Inc.	74,532	6,478
Ford Motor Co.	967,215	5,881
Marriott International Inc. Class A	66,651	5,714
* Dollar Tree Inc.	58,730	5,443
Aptiv plc	66,321	5,168
Hilton Worldwide Holdings Inc.	68,665	5,043
Best Buy Co. Inc.	56,277	4,911
VF Corp.	78,971	4,812
DR Horton Inc.	81,968	4,545
Lennar Corp. Class A	67,295	4,147
Las Vegas Sands Corp.	83,223	3,790
Tractor Supply Co.	28,643	3,775
* CarMax Inc.	40,309	3,610
Domino's Pizza Inc.	9,690	3,580
Garmin Ltd.	35,967	3,507
Tiffany & Co.	27,065	3,300
Genuine Parts Co.	35,792	3,112
* Ulta Beauty Inc.	13,961	2,840
* NVR Inc.	856	2,789
Expedia Group Inc.	33,595	2,761
Advance Auto Parts Inc.	17,089	2,434
Darden Restaurants Inc.	32,120	2,434
Hasbro Inc.	31,634	2,371
Royal Caribbean Cruises Ltd.	42,421	2,134
PulteGroup Inc.	62,546	2,128
MGM Resorts International	122,442	2,057
Whirlpool Corp.	15,344	1,987
* LKQ Corp.	75,174	1,970
^ Carnival Corp.	116,953	1,920
BorgWarner Inc.	51,409	1,815
Wynn Resorts Ltd.	23,965	1,785
Newell Brands Inc.	94,227	1,496
* Mohawk Industries Inc.	14,701	1,496
Leggett & Platt Inc.	32,654	1,148
* Norwegian Cruise Line Holdings Ltd.	63,285	1,040
Hanesbrands Inc.	85,895	970
Tapestry Inc.	68,494	910
L Brands Inc.	57,965	868
Ralph Lauren Corp. Class A	11,788	855
PVH Corp.	17,507	841
Kohl's Corp.	38,931	809
H&R Block Inc.	47,811	683
Gap Inc.	52,142	658
* Under Armour Inc. Class A	46,204	450
* Under Armour Inc. Class C	48,864	432
Lennar Corp. Class B	1,029	47
		687,173
Consumer Staples (6.9%)		
Procter & Gamble Co.	612,901	73,285
PepsiCo Inc.	343,496	45,431
Coca-Cola Co.	956,990	42,758
Walmart Inc.	350,536	41,987
Costco Wholesale Corp.	109,304	33,142
Philip Morris International Inc.	385,490	27,007
Mondelez International Inc. Class A	353,367	18,068
Altria Group Inc.	460,092	18,059
Colgate-Palmolive Co.	212,045	15,534
Kimberly-Clark Corp.	84,308	11,917
Estee Lauder Cos. Inc. Class A	55,653	10,501
General Mills Inc.	150,035	9,250
Walgreens Boots Alliance Inc.	182,440	7,734
Constellation Brands Inc. Class A	41,588	7,276
Sysco Corp.	125,703	6,871
Clorox Co.	30,967	6,793
Kroger Co.	194,622	6,588
* Monster Beverage Corp.	92,530	6,414
McCormick & Co. Inc.	30,602	5,490
Archer-Daniels-Midland Co.	137,531	5,487
Kraft Heinz Co.	154,275	4,920
Hershey Co.	36,501	4,731
Church & Dwight Co. Inc.	60,869	4,705
Tyson Foods Inc. Class A	72,865	4,351
Conagra Brands Inc.	120,624	4,242
Kellogg Co.	61,937	4,092
Hormel Foods Corp.	69,444	3,352
J M Smucker Co.	28,267	2,991
Brown-Forman Corp. Class B	45,216	2,878
Lamb Weston Holdings Inc.	36,140	2,310
Campbell Soup Co.	41,770	2,073
Molson Coors Beverage Co. Class B	46,423	1,595
Coty Inc. Class A	72,432	324
		442,156
Energy (2.8%)		
Exxon Mobil Corp.	1,046,780	46,812
Chevron Corp.	462,204	41,242
ConocoPhillips	265,489	11,156
Phillips 66	108,107	7,773
Kinder Morgan Inc.	481,455	7,304
EOG Resources Inc.	144,090	7,300
Schlumberger Ltd.	343,499	6,317
Marathon Petroleum Corp.	160,999	6,018
Valero Energy Corp.	100,937	5,937
Williams Cos. Inc.	300,343	5,712
Occidental Petroleum Corp.	222,877	4,079
Pioneer Natural Resources Co.	40,812	3,987
ONEOK Inc.	108,847	3,616
Hess Corp.	64,710	3,353
Halliburton Co.	217,530	2,824
Concho Resources Inc.	48,802	2,513
Baker Hughes Co. Class A	162,524	2,501
Cabot Oil & Gas Corp.	98,407	1,691
Diamondback Energy Inc.	38,965	1,629
Apache Corp.	93,187	1,258
Marathon Oil Corp.	196,242	1,201
National Oilwell Varco Inc.	95,824	1,174
Devon Energy Corp.	94,768	1,075
HollyFrontier Corp.	36,773	1,074
Noble Energy Inc.	118,447	1,061
TechnipFMC plc	104,433	714
* ChampionX Corp.	1,938	19
		179,340

		Shares	Market Value• ($000)
Financials (10.0%)			
*	Berkshire Hathaway Inc. Class B	449,611	80,260
	JPMorgan Chase & Co.	754,341	70,953
	Bank of America Corp.	1,932,949	45,908
	Citigroup Inc.	515,419	26,338
	Wells Fargo & Co.	923,714	23,647
	BlackRock Inc.	38,190	20,779
	S&P Global Inc.	59,633	19,648
	American Express Co.	163,407	15,556
	Goldman Sachs Group Inc.	76,621	15,142
	CME Group Inc.	88,769	14,429
	Morgan Stanley	296,467	14,319
	Chubb Ltd.	111,740	14,149
	Marsh & McLennan Cos. Inc.	126,298	13,561
	Truist Financial Corp.	333,585	12,526
	US Bancorp	339,327	12,494
	Intercontinental Exchange Inc.	135,453	12,408
	Progressive Corp.	144,880	11,606
	PNC Financial Services Group Inc.	105,021	11,049
	Aon plc Class A	57,204	11,017
	Moody's Corp.	39,917	10,966
	Charles Schwab Corp.	283,654	9,570
	Bank of New York Mellon Corp.	199,453	7,709
	Allstate Corp.	77,752	7,541
	Travelers Cos. Inc.	62,586	7,138
	Capital One Financial Corp.	112,724	7,055
	MSCI Inc. Class A	21,045	7,025
	MetLife Inc.	191,011	6,976
	T. Rowe Price Group Inc.	56,324	6,956
	American International Group Inc.	213,269	6,650
	Aflac Inc.	177,649	6,401
	Willis Towers Watson plc	31,865	6,276
	Prudential Financial Inc.	97,819	5,957
*	Berkshire Hathaway Inc. Class A	21	5,613
	State Street Corp.	87,127	5,537
	MarketAxess Holdings Inc.	9,384	4,701
	Arthur J Gallagher & Co.	46,946	4,577
	Ameriprise Financial Inc.	30,287	4,544
	First Republic Bank	42,447	4,499
	Northern Trust Corp.	51,517	4,087
	Discover Financial Services	75,851	3,799
	Hartford Financial Services Group Inc.	88,805	3,423
	Fifth Third Bancorp	176,358	3,400
	Nasdaq Inc.	28,460	3,400
	M&T Bank Corp.	31,780	3,304
	Synchrony Financial	133,069	2,949
	KeyCorp	241,739	2,944
*	SVB Financial Group	12,774	2,753
	E*TRADE Financial Corp.	54,831	2,727
	Citizens Financial Group Inc.	105,817	2,671
	Regions Financial Corp.	236,468	2,630
	Principal Financial Group Inc.	63,167	2,624
	Cboe Global Markets Inc.	27,189	2,536
	Cincinnati Financial Corp.	37,377	2,393
	Huntington Bancshares Inc.	251,575	2,273
	Raymond James Financial Inc.	30,280	2,084
	Loews Corp.	60,114	2,061
	Everest Re Group Ltd.	9,930	2,048

		Shares	Market Value• ($000)
	W R Berkley Corp.	34,851	1,997
	Globe Life Inc.	24,169	1,794
	Lincoln National Corp.	47,696	1,755
	Assurant Inc.	14,724	1,521
	Franklin Resources Inc.	68,407	1,435
	Zions Bancorp NA	40,440	1,375
	Comerica Inc.	34,319	1,308
	People's United Financial Inc.	104,826	1,213
	Invesco Ltd.	92,883	999
	Unum Group	50,536	838
			639,821
Health Care (14.6%)			
	Johnson & Johnson	652,247	91,726
	UnitedHealth Group Inc.	234,793	69,252
	Merck & Co. Inc.	624,899	48,323
	Pfizer Inc.	1,375,248	44,971
	AbbVie Inc.	436,314	42,837
	Abbott Laboratories	437,899	40,037
	Thermo Fisher Scientific Inc.	97,775	35,428
	Amgen Inc.	145,634	34,349
	Eli Lilly and Co.	208,501	34,232
	Bristol-Myers Squibb Co.	560,176	32,938
	Medtronic plc	332,007	30,445
	Danaher Corp.	155,773	27,545
	Gilead Sciences Inc.	310,461	23,887
	CVS Health Corp.	323,594	21,024
*	Vertex Pharmaceuticals Inc.	64,188	18,634
	Becton Dickinson and Co.	72,999	17,466
	Cigna Corp.	91,350	17,142
*	Intuitive Surgical Inc.	28,870	16,451
	Anthem Inc.	62,418	16,415
	Zoetis Inc.	117,585	16,114
*	Regeneron Pharmaceuticals Inc.	24,972	15,574
	Stryker Corp.	79,805	14,380
*	Illumina Inc.	36,392	13,478
	Humana Inc.	32,731	12,691
*	Boston Scientific Corp.	353,684	12,418
	Baxter International Inc.	125,954	10,845
*	Biogen Inc.	40,400	10,809
*	Edwards Lifesciences Corp.	153,400	10,601
*	DexCom Inc.	22,850	9,263
*	Centene Corp.	143,376	9,112
*	IDEXX Laboratories Inc.	21,025	6,942
	ResMed Inc.	35,811	6,876
	Agilent Technologies Inc.	76,433	6,754
	HCA Healthcare Inc.	65,206	6,329
*	IQVIA Holdings Inc.	43,969	6,238
	McKesson Corp.	40,067	6,147
*	Alexion Pharmaceuticals Inc.	54,671	6,136
	Zimmer Biomet Holdings Inc.	51,198	6,111
	Cerner Corp.	75,341	5,165
*	Align Technology Inc.	17,745	4,870
*	Mettler-Toledo International Inc.	5,918	4,767
*	Incyte Corp.	44,669	4,644
	Teleflex Inc.	11,496	4,184
	West Pharmaceutical Services Inc.	18,215	4,138
*	Laboratory Corp. of America Holdings	24,072	3,999
	Cardinal Health Inc.	72,321	3,774
	Quest Diagnostics Inc.	33,067	3,768
	AmerisourceBergen Corp. Class A	36,779	3,706
*	Hologic Inc.	63,978	3,647
	Cooper Cos. Inc.	12,163	3,450

		Shares	Market Value• ($000)
	STERIS plc	21,059	3,231
*	Waters Corp.	15,350	2,769
*	Varian Medical Systems Inc.	22,527	2,760
	PerkinElmer Inc.	27,624	2,710
*	ABIOMED Inc.	11,132	2,689
	Dentsply Sirona Inc.	54,378	2,396
*	Bio-Rad Laboratories Inc. Class A	5,277	2,383
*	Henry Schein Inc.	35,443	2,070
*	Mylan NV	127,618	2,052
	Perrigo Co. plc	33,651	1,860
	Universal Health Services Inc. Class B	19,170	1,781
*	DaVita Inc.	21,045	1,666
			928,399
Industrials (8.0%)			
	Union Pacific Corp.	167,982	28,401
	Honeywell International Inc.	173,752	25,123
	Boeing Co.	132,731	24,330
	Raytheon Technologies Corp.	364,150	22,439
	Lockheed Martin Corp.	61,095	22,295
	3M Co.	142,397	22,212
	United Parcel Service Inc. Class B	174,304	19,379
	Caterpillar Inc.	133,995	16,950
	General Electric Co.	2,165,634	14,791
	CSX Corp.	189,470	13,214
	Illinois Tool Works Inc.	71,168	12,444
	Deere & Co.	77,456	12,172
	Northrop Grumman Corp.	38,381	11,800
	Norfolk Southern Corp.	63,414	11,134
	Waste Management Inc.	96,107	10,179
	Roper Technologies Inc.	25,840	10,033
	Emerson Electric Co.	147,927	9,176
	L3Harris Technologies Inc.	53,441	9,067
	Eaton Corp. plc	99,038	8,664
	General Dynamics Corp.	57,528	8,598
	FedEx Corp.	59,497	8,343
	IHS Markit Ltd.	98,754	7,456
	Verisk Analytics Inc. Class A	40,158	6,835
	PACCAR Inc.	85,564	6,404
	Cummins Inc.	36,518	6,327
	Johnson Controls International plc	184,186	6,288
	Rockwell Automation Inc.	28,675	6,108
	Fastenal Co.	141,784	6,074
	Parker-Hannifin Corp.	31,783	5,825
	Otis Worldwide Corp.	100,773	5,730
	Cintas Corp.	20,866	5,558
	TransDigm Group Inc.	12,451	5,504
	Stanley Black & Decker Inc.	38,163	5,319
	Trane Technologies plc	59,229	5,270
	Equifax Inc.	30,053	5,165
	AMETEK Inc.	56,789	5,075
	Fortive Corp.	73,380	4,965
	Southwest Airlines Co.	132,796	4,539
	Carrier Global Corp.	201,601	4,480
	Republic Services Inc. Class A	51,973	4,264
*	Copart Inc.	51,156	4,260
	Old Dominion Freight Line Inc.	23,372	3,964
	Delta Air Lines Inc.	140,606	3,944
	Kansas City Southern	23,547	3,515
	Dover Corp.	35,674	3,445
	WW Grainger Inc.	10,711	3,365
	Masco Corp.	65,373	3,282

		Shares	Market Value• ($000)
	Expeditors International of Washington Inc.	41,258	3,137
	IDEX Corp.	18,659	2,949
	Xylem Inc.	44,616	2,898
*	Teledyne Technologies Inc.	9,089	2,826
	Jacobs Engineering Group Inc.	32,262	2,736
*	United Rentals Inc.	17,864	2,662
	CH Robinson Worldwide Inc.	33,392	2,640
	Westinghouse Air Brake Technologies Corp.	44,658	2,571
	JB Hunt Transport Services Inc.	20,926	2,518
*	Ingersoll Rand Inc.	85,810	2,413
	Allegion plc	22,871	2,338
	Fortune Brands Home & Security Inc.	34,489	2,205
*	United Airlines Holdings Inc.	62,730	2,171
	Snap-on Inc.	13,418	1,859
	Textron Inc.	56,311	1,853
	Huntington Ingalls Industries Inc.	10,023	1,749
	American Airlines Group Inc.	123,070	1,609
	A O Smith Corp.	33,343	1,571
	Pentair plc	40,875	1,553
	Howmet Aerospace Inc.	94,653	1,500
	Robert Half International Inc.	28,288	1,494
	Rollins Inc.	34,838	1,477
	Quanta Services Inc.	33,970	1,333
	Nielsen Holdings plc	88,092	1,309
	Alaska Air Group Inc.	30,206	1,095
	Flowserve Corp.	32,062	914
			507,085
Information Technology (27.3%)			
	Microsoft Corp.	1,877,438	382,077
	Apple Inc.	1,008,665	367,961
	Visa Inc. Class A	417,678	80,683
	Mastercard Inc. Class A	218,805	64,701
	Intel Corp.	1,048,190	62,713
	NVIDIA Corp.	152,288	57,856
*	Adobe Inc.	119,275	51,922
*	PayPal Holdings Inc.	290,685	50,646
	Cisco Systems Inc.	1,049,937	48,969
*	salesforce.com Inc.	223,058	41,785
	Accenture plc Class A	157,701	33,862
	Broadcom Inc.	98,977	31,238
	Texas Instruments Inc.	227,198	28,847
	Oracle Corp.	515,269	28,479
	International Business Machines Corp.	219,822	26,548
	QUALCOMM Inc.	278,495	25,401
	Fidelity National Information Services Inc.	152,955	20,510
*	ServiceNow Inc.	47,212	19,124
	Intuit Inc.	64,557	19,121
	Automatic Data Processing Inc.	106,400	15,842
*	Advanced Micro Devices Inc.	289,950	15,254
*	Micron Technology Inc.	275,350	14,186
	Applied Materials Inc.	226,890	13,715
*	Fiserv Inc.	139,221	13,591
*	Autodesk Inc.	54,264	12,979
	Global Payments Inc.	74,052	12,561
	Lam Research Corp.	35,939	11,625
	Analog Devices Inc.	91,202	11,185
	Cognizant Technology Solutions Corp. Class A	133,829	7,604
	KLA Corp.	38,385	7,465
*	Synopsys Inc.	37,325	7,278
	Amphenol Corp. Class A	73,241	7,017
	TE Connectivity Ltd.	81,663	6,660
*	Cadence Design Systems Inc.	69,103	6,631
	Microchip Technology Inc.	60,740	6,396
*	ANSYS Inc.	21,267	6,204
	HP Inc.	353,979	6,170
	Paychex Inc.	79,041	5,987
	Xilinx Inc.	60,192	5,922
	Motorola Solutions Inc.	42,108	5,901
	Skyworks Solutions Inc.	41,301	5,281
*	FleetCor Technologies Inc.	20,749	5,219
*	VeriSign Inc.	25,166	5,205
	Corning Inc.	187,915	4,867
*	Keysight Technologies Inc.	46,356	4,672
*	Fortinet Inc.	33,218	4,560
*	Akamai Technologies Inc.	40,188	4,304
	Citrix Systems Inc.	28,738	4,251
	CDW Corp.	35,239	4,094
	Maxim Integrated Products Inc.	66,029	4,002
*	Paycom Software Inc.	11,951	3,702
	Broadridge Financial Solutions Inc.	28,449	3,590
	Jack Henry & Associates Inc.	18,942	3,486
*	Tyler Technologies Inc.	9,855	3,418
*	Zebra Technologies Corp.	13,154	3,367
	Western Digital Corp.	74,263	3,279
*	Qorvo Inc.	28,437	3,143
	Leidos Holdings Inc.	33,093	3,100
	Hewlett Packard Enterprise Co.	317,518	3,089
*	Arista Networks Inc.	13,315	2,797
	Seagate Technology plc	55,974	2,710
*	Gartner Inc.	22,035	2,673
	NortonLifeLock Inc.	134,394	2,665
	NetApp Inc.	54,872	2,435
	Western Union Co.	102,022	2,206
*	F5 Networks Inc.	15,032	2,097
	Juniper Networks Inc.	82,017	1,875
*	IPG Photonics Corp.	8,798	1,411
	FLIR Systems Inc.	32,295	1,310
	DXC Technology Co.	62,568	1,032
	Xerox Holdings Corp.	45,469	695
			1,743,151
Materials (2.5%)			
	Linde plc	130,010	27,576
	Air Products & Chemicals Inc.	54,661	13,198
	Newmont Corp.	198,662	12,265
	Ecolab Inc.	61,217	12,179
	Sherwin-Williams Co.	20,004	11,559
	DuPont de Nemours Inc.	181,669	9,652
	Dow Inc.	183,403	7,476
	PPG Industries Inc.	58,396	6,194
	Ball Corp.	80,708	5,608
	Corteva Inc.	185,258	4,963
	LyondellBasell Industries NV	63,626	4,182
	Freeport-McMoRan Inc.	359,643	4,161
	Amcor plc	389,916	3,981
	Vulcan Materials Co.	32,798	3,800
	International Paper Co.	97,390	3,429
^	International Flavors & Fragrances Inc.	26,480	3,243
	FMC Corp.	32,085	3,196
	Martin Marietta Materials Inc.	15,377	3,176
	Nucor Corp.	74,692	3,093
	Celanese Corp. Class A	29,332	2,533
	Avery Dennison Corp.	20,594	2,350
	Packaging Corp. of America	23,538	2,349
	Eastman Chemical Co.	33,727	2,349
	Albemarle Corp.	26,247	2,027
	Westrock Co.	64,041	1,810
	CF Industries Holdings Inc.	52,780	1,485
	Sealed Air Corp.	38,420	1,262
	Mosaic Co.	86,758	1,085
			160,181
Real Estate (2.8%)			
	American Tower Corp.	109,748	28,374
	Crown Castle International Corp.	103,172	17,266
	Prologis Inc.	182,850	17,065
	Equinix Inc.	21,912	15,389
	Digital Realty Trust Inc.	66,424	9,440
	SBA Communications Corp. Class A	27,634	8,233
	Public Storage	37,211	7,140
	AvalonBay Communities Inc.	34,844	5,388
	Welltower Inc.	103,373	5,350
	Simon Property Group Inc.	75,716	5,178
	Equity Residential	86,606	5,094
	Alexandria Real Estate Equities Inc.	31,237	5,068
	Realty Income Corp.	85,030	5,059
	Weyerhaeuser Co.	184,789	4,150
*	CBRE Group Inc. Class A	83,010	3,754
	Essex Property Trust Inc.	16,203	3,713
	Healthpeak Properties Inc.	133,363	3,676
	Ventas Inc.	92,456	3,386
	Mid-America Apartment Communities Inc.	28,337	3,249
	Boston Properties Inc.	35,808	3,236
	Duke Realty Corp.	91,298	3,231
	Extra Space Storage Inc.	31,910	2,948
	UDR Inc.	73,122	2,733
	Regency Centers Corp.	41,873	1,922
	Host Hotels & Resorts Inc.	175,111	1,889
	Iron Mountain Inc.	71,065	1,855
	Vornado Realty Trust	39,416	1,506
	Federal Realty Investment Trust	17,361	1,479
	Apartment Investment and Management Co.	36,786	1,385
	Kimco Realty Corp.	106,764	1,371
	SL Green Realty Corp.	18,891	931
			180,458
Utilities (3.1%)			
	NextEra Energy Inc.	121,174	29,102
	Dominion Energy Inc.	207,772	16,867
	Duke Energy Corp.	181,929	14,534
	Southern Co.	261,442	13,556
	American Electric Power Co. Inc.	122,692	9,771
	Exelon Corp.	241,241	8,755
	Sempra Energy	72,427	8,491
	Xcel Energy Inc.	129,962	8,123
	Eversource Energy	83,292	6,936
	WEC Energy Group Inc.	78,088	6,844

	Shares	Market Value• ($000)
Public Service Enterprise Group Inc.	125,185	6,154
Consolidated Edison Inc.	82,705	5,949
American Water Works Co. Inc.	44,819	5,766
FirstEnergy Corp.	134,105	5,201
DTE Energy Co.	47,690	5,127
Edison International	93,576	5,082
PPL Corp.	190,383	4,919
Entergy Corp.	49,560	4,649
Ameren Corp.	61,137	4,302
CMS Energy Corp.	70,883	4,141
Evergy Inc.	56,142	3,329
Atmos Energy Corp.	30,329	3,020
Alliant Energy Corp.	61,855	2,959
CenterPoint Energy Inc.	135,183	2,524
AES Corp.	164,313	2,381
NiSource Inc.	94,498	2,149
Pinnacle West Capital Corp.	27,766	2,035
NRG Energy Inc.	60,245	1,961
		194,627
Total Common Stocks (Cost $3,959,774)		6,346,862
Temporary Cash Investments (0.5%)		
Money Market Fund (0.4%)		
[1,2] Vanguard Market Liquidity Fund, 0.227%	290,296	29,029

	Face Amount ($000)	Market Value• ($000)
U.S. Government and Agency Obligations (0.1%)		
[3] United States Cash Management Bill 0.100%–0.103%, 7/14/20	1,100	1,100
[3] United States Cash Management Bill, 0.116%, 9/29/20	1,470	1,469
[3] United States Treasury Bill, 0.087%, 9/24/20	1,000	1,000
		3,569
Total Temporary Cash Investments (Cost $32,599)		32,598
Total Investments (100.0%) (Cost $3,992,373)		6,379,460
Other Assets and Liabilities—Net (0.0%)		(410)
Net Assets (100%)		6,379,050

Cost is in $000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $2,802,000.

1 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

2 Collateral of $2,994,000 was received for securities on loan.

3 Securities with a value of $2,680,000 have been segregated as initial margin for open futures contracts.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount ($000)	Value and Unrealized Appreciation (Depreciation) ($000)
Long Futures Contracts				
E-mini S&P 500 Index	September 2020	204	31,520	110

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2020

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $3,963,343)	6,350,431
Affiliated Issuers (Cost $29,030)	29,029
Total Investments in Securities	6,379,460
Investment in Vanguard	285
Receivables for Investment Securities Sold	2
Receivables for Accrued Income	4,996
Receivables for Capital Shares Issued	1,891
Variation Margin Receivable—Futures Contracts	467
Total Assets	**6,387,101**
Liabilities	
Due to Custodian	21
Payables for Investment Securities Purchased	6
Collateral for Securities on Loan	2,994
Payables for Capital Shares Redeemed	4,571
Payables to Vanguard	459
Total Liabilities	**8,051**
Net Assets	**6,379,050**

At June 30, 2020, net assets consisted of:

Paid-in Capital	3,880,029
Total Distributable Earnings (Loss)	2,499,021
Net Assets	**6,379,050**

Net Assets	
Applicable to 144,854,031 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	**6,379,050**
Net Asset Value Per Share	**$44.04**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2020
	($000)
Investment Income	
Income	
Dividends	60,864
Interest[1]	145
Securities Lending—Net	65
Total Income	61,074
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	459
Management and Administrative	3,456
Marketing and Distribution	302
Custodian Fees	20
Shareholders' Reports	23
Trustees' Fees and Expenses	2
Total Expenses	4,262
Net Investment Income	**56,812**
Realized Net Gain (Loss)	
Investment Securities Sold[1]	65,770
Futures Contracts	1,399
Realized Net Gain (Loss)	**67,169**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	(328,386)
Futures Contracts	(486)
Change in Unrealized Appreciation (Depreciation)	**(328,872)**
Net Increase (Decrease) in Net Assets Resulting from Operations	**(204,891)**

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $134,000, ($22,000), and ($3,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	56,812	107,281
Realized Net Gain (Loss)	67,169	132,104
Change in Unrealized Appreciation (Depreciation)	(328,872)	1,295,996
Net Increase (Decrease) in Net Assets Resulting from Operations	(204,891)	1,535,381
Distributions[1]		
Total Distributions	(242,631)	(247,426)
Capital Share Transactions		
Issued	691,075	584,985
Issued in Lieu of Cash Distributions	242,631	247,426
Redeemed	(565,152)	(596,018)
Net Increase (Decrease) from Capital Share Transactions	368,554	236,393
Total Increase (Decrease)	(78,968)	1,524,348
Net Assets		
Beginning of Period	**6,458,018**	**4,933,670**
End of Period	**6,379,050**	**6,458,018**

1 Certain prior period numbers have been reclassified to conform with current period presentation.

See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2020	Year Ended December 31, 2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$47.70	$38.03	$41.17	$35.63	$33.25	$34.44
Investment Operations						
Net Investment Income	.402[1]	.805[1]	.804[1]	.699[1]	.704	.759[2]
Net Realized and Unrealized Gain (Loss) on Investments	(2.310)	10.791	(2.556)	6.734	3.055	(.338)
Total from Investment Operations	(1.908)	11.596	(1.752)	7.433	3.759	.421
Distributions						
Dividends from Net Investment Income	(.806)	(.834)	(.703)	(.699)	(.759)	(.569)
Distributions from Realized Capital Gains	(.946)	(1.092)	(.685)	(1.194)	(.620)	(1.042)
Total Distributions	(1.752)	(1.926)	(1.388)	(1.893)	(1.379)	(1.611)
Net Asset Value, End of Period	$44.04	$47.70	$38.03	$41.17	$35.63	$33.25
Total Return	-3.17%	31.30%	-4.51%	21.66%	11.81%	1.27%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$6,379	$6,458	$4,934	$5,178	$4,329	$3,985
Ratio of Total Expenses to Average Net Assets	0.14%	0.14%	0.14%	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	1.85%	1.87%	1.94%	1.85%	2.08%	2.31%[2]
Portfolio Turnover Rate	2%	4%	5%	5%	7%	4%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include $.13 and 0.35%, respectively, resulting from a special dividend from Medtronic plc in January 2015.

Notes to Financial Statements

The Equity Index Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The portfolio consistently follows such policies in preparing its financial statements.

1. Security Valuation: Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. Futures Contracts: The portfolio uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The portfolio may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the portfolio and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the portfolio's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any assets pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Schedule of Investments. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended June 30, 2020, the portfolio's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2016–2019), and for the period ended June 30, 2020, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Securities Lending: To earn additional income, the portfolio lends its securities to qualified institutional borrowers. Security loans are subject to termination by the portfolio at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The portfolio further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties.

The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the portfolio may experience delays and costs in recovering the securities loaned. The portfolio invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the portfolio is entitled to all distributions made on or in respect of the loaned securities.

6. Credit Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a $4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended June 30, 2020, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

7. Other: Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2020, the portfolio had contributed to Vanguard capital in the amount of $285,000, representing less than 0.01% of the portfolio's net assets and 0.11% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

C. Various inputs may be used to determine the value of the portfolio's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.
Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the portfolio's investments and derivatives as of June 30, 2020, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	6,346,862	—	—	6,346,862
Temporary Cash Investments	29,029	3,569	—	32,598
Total	6,375,891	3,569	—	6,379,460
Derivative Financial Instruments				
Assets				
Futures Contracts[1]	467	—	—	467

1 Represents variation margin on the last day of the reporting period.

D. As of June 30, 2020, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount ($000)
Tax Cost	3,992,373
Gross Unrealized Appreciation	2,955,412
Gross Unrealized Depreciation	(568,215)
Net Unrealized Appreciation (Depreciation)	2,387,197

E. During the six months ended June 30, 2020, the portfolio purchased $340,439,000 of investment securities and sold $149,421,000 of investment securities, other than temporary cash investments.

F. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	Shares (000)	Shares (000)
Issued	15,879	13,588
Issued in Lieu of Cash Distributions	6,753	6,019
Redeemed	(13,172)	(13,957)
Net Increase (Decrease) in Shares Outstanding	9,460	5,650

At June 30, 2020, two shareholders (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders and Total Stock Market Index Portfolio) were each the record or beneficial owner of 25% or more of the portfolio's net assets, with a combined ownership of 68%. If any of these shareholders were to redeem their investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

G. Management has determined that no events or transactions occurred subsequent to June 30, 2020, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Variable Insurance Funds Equity Index Portfolio has renewed the portfolio's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing the portfolio's internalized management structure was in the best interests of the portfolio and its shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangement. Rather, it was the totality of the circumstances that drove the board's decision.

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Vanguard has been managing investments for more than four decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangement.

Investment performance

The board considered the short- and long-term performance of the portfolio, including any periods of outperformance or underperformance compared with its target index and peer group. The board concluded that the performance was such that the advisory arrangement should continue.

Cost

The board concluded that the portfolio's expense ratio was well below the average expense ratio charged by funds in its peer group and that the portfolio's advisory expenses were also well below the peer-group average.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

The benefit of economies of scale

The board concluded that the portfolio's arrangement with Vanguard ensures that the portfolio will realize economies of scale as it grows, with the cost to shareholders declining as portfolio assets increase.

The board will consider whether to renew the advisory arrangement again after a one-year period.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the "Program") as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund's liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors' interests in the fund.

Assessment and management of a fund's liquidity risk under the Program take into consideration certain factors, such as the fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the Equity Index Portfolio's Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program's operation, its adequacy, and the effectiveness of its implementation for the past year (the "Program Administrator Report"). The board has reviewed the Program Administrator Report covering the period from December 1, 2018, through December 31, 2019 (the "Review Period"). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio's liquidity risk.

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You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, www.sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or www.sec.gov.

You can review information about your portfolio on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.

Vanguard Marketing Corporation, Distributor.

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Vanguard

Semiannual Report | June 30, 2020

Vanguard Variable Insurance Funds

Balanced Portfolio

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to vanguard.com.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to vanguard.com. Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

Contents

Balanced Portfolio

About Your Portfolio's Expenses

As a shareholder of the portfolio, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a portfolio's gross income, directly reduce the investment return of the portfolio.

A portfolio's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your portfolio and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The table below illustrates your portfolio's costs in two ways:

- **Based on actual portfolio return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the portfolio's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with $1,000 in the portfolio. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, 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 given for your portfolio under the heading "Expenses Paid During Period."

- **Based on hypothetical 5% yearly return.** This section is intended to help you compare your portfolio's costs with those of other mutual funds. It assumes that the portfolio had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the portfolio's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your portfolio's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the portfolio for buying and selling securities. The portfolio's expense ratio does not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the portfolio's expenses in the Financial Statements section. For additional information on operating expenses and other shareholder costs, please refer to the prospectus.

Six Months Ended June 30, 2020

Balanced Portfolio	Beginning Account Value 12/31/2019	Ending Account Value 6/30/2020	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$966.72	$0.98
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.87	1.01

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.20%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (182/366).

Portfolio Allocation
As of June 30, 2020

Asset-Backed/Commercial Mortgage-Backed Securities	1.4%
Common Stocks	66.1
Corporate Bonds	25.3
Sovereign Bonds	1.0
Taxable Municipal Bonds	2.0
U.S. Government and Agency Obligations	4.2

The table reflects the portfolio's investments, except for short-term investments and derivatives. The agency and mortgage-backed securities may include issues from government-sponsored enterprises; such issues are generally not backed by the full faith and credit of the U.S. government.

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2020

The portfolio files its 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 portfolio's Form N-PORT reports are available on the SEC's website at www.sec.gov.

		Shares	Market Value• ($000)
	Common Stocks (64.6%)		
	Communication Services (7.2%)		
*	Alphabet Inc. Class A	76,377	108,306
*	Facebook Inc. Class A	213,498	48,479
	Comcast Corp. Class A	942,112	36,724
	Verizon Communications Inc.	457,036	25,196
			218,705
	Consumer Discretionary (5.6%)		
	McDonald's Corp.	323,231	59,626
	Home Depot Inc.	180,997	45,342
	TJX Cos. Inc.	784,254	39,652
*	Alibaba Group Holding Ltd. ADR	117,032	25,244
			169,864
	Consumer Staples (5.1%)		
	Nestle SA	441,588	48,959
	Coca-Cola Co.	829,851	37,078
	Sysco Corp.	506,503	27,685
	Procter & Gamble Co.	222,245	26,574
	Diageo plc	472,956	15,720
			156,016
	Energy (2.0%)		
^	Total SA	921,719	35,540
	BP plc	6,770,971	25,940
			61,480
	Financials (8.5%)		
	Bank of America Corp.	2,010,579	47,751
	JPMorgan Chase & Co.	493,026	46,374
	BlackRock Inc.	67,872	36,929
	Progressive Corp.	408,498	32,725
	Charles Schwab Corp.	870,604	29,374
	Blackstone Group LP Class A	354,558	20,089
	Prudential plc	1,253,227	18,884
	PNC Financial Services Group Inc.	127,101	13,372
	American Express Co.	132,716	12,635
	Northern Trust Corp.	23,377	1,855
			259,988
	Health Care (10.2%)		
	Pfizer Inc.	1,565,200	51,182
	Becton Dickinson and Co.	156,214	37,377
	UnitedHealth Group Inc.	122,918	36,255
	Novartis AG	393,078	34,245
	AstraZeneca plc ADR	611,186	32,326
	Abbott Laboratories	344,732	31,519
	Anthem Inc.	80,150	21,078
	Bristol-Myers Squibb Co.	327,731	19,271
	HCA Healthcare Inc.	173,650	16,854
	Danaher Corp.	78,900	13,952
	Eli Lilly and Co.	73,174	12,014
	Medtronic plc	51,913	4,760
			310,833
	Industrials (5.5%)		
	Union Pacific Corp.	145,149	24,540
	Lockheed Martin Corp.	64,827	23,657
	Raytheon Technologies Corp.	350,669	21,608
	Deere & Co.	134,689	21,166
	Northrop Grumman Corp.	61,039	18,766
	Schneider Electric SE	153,398	17,064
	Trane Technologies plc	186,156	16,564
^	Vinci SA	154,452	14,321
	Fortive Corp.	145,508	9,845
	Rockwell Automation Inc.	6,374	1,358
			168,889
	Information Technology (16.2%)		
	Microsoft Corp.	757,676	154,194
	Apple Inc.	339,226	123,750
	Cisco Systems Inc.	1,023,353	47,729
	Intel Corp.	652,596	39,045
	Texas Instruments Inc.	288,066	36,576
	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	610,070	34,634
	Global Payments Inc.	145,667	24,708
	Accenture plc Class A	70,689	15,178
	Lam Research Corp.	27,694	8,958
	KLA Corp.	43,657	8,490
			493,262
	Real Estate (1.2%)		
	American Tower Corp.	135,880	35,131
	Utilities (3.1%)		
	Dominion Energy Inc.	451,459	36,649
	Exelon Corp.	846,877	30,733
	Duke Energy Corp.	350,478	28,000
			95,382
	Total Common Stocks (Cost $1,574,126)		1,969,550

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
U.S. Government and Agency Obligations (4.1%)				
U.S. Government Securities (2.9%)				
United States Treasury Note/Bond	0.125%	5/31/22	2,490	2,488
United States Treasury Note/Bond	2.500%	3/31/23	7,915	8,420
United States Treasury Note/Bond	0.125%	5/15/23	2,845	2,841
United States Treasury Note/Bond	2.625%	6/30/23	6,650	7,136
United States Treasury Note/Bond	2.875%	10/31/23	5,600	6,099
United States Treasury Note/Bond	2.625%	12/31/23	6,400	6,941
United States Treasury Note/Bond	1.750%	6/30/24	12,675	13,443
United States Treasury Note/Bond	1.500%	10/31/24	4,100	4,320
United States Treasury Note/Bond	1.125%	2/28/25	6,395	6,650
United States Treasury Note/Bond	0.250%	5/31/25	13,400	13,383
United States Treasury Note/Bond	2.375%	5/15/29	330	381
United States Treasury Note/Bond	1.500%	2/15/30	2,450	2,647
United States Treasury Note/Bond	3.125%	8/15/44	1,740	2,372
United States Treasury Note/Bond	2.250%	8/15/46	88	104
United States Treasury Note/Bond	2.250%	8/15/49	10	12
[1] United States Treasury Note/Bond	2.000%	2/15/50	8,956	10,248
United States Treasury Note/Bond	1.250%	5/15/50	1,810	1,737
				89,222
Conventional Mortgage-Backed Securities (0.6%)				
[2,3] Fannie Mae Pool	2.500%	4/1/37–12/1/49	1,713	1,793
[2,3] Fannie Mae Pool	2.780%	6/1/26	1,025	1,126
[2,3] Fannie Mae Pool	3.070%	2/1/25	500	545
[2,3] Freddie Mac Gold Pool	4.000%	9/1/41–12/1/48	4	4
[2] Ginnie Mae I Pool	7.000%	11/15/31–11/15/33	60	71
[2] Ginnie Mae I Pool	8.000%	9/15/30	41	49
[2,3,4] UMBS Pool	2.000%	7/1/35–8/1/35	9,000	9,303
[2,3,4] UMBS Pool	2.500%	11/1/49–8/1/50	5,100	5,311
				18,202
Nonconventional Mortgage-Backed Securities (0.6%)				
[2,3] Fannie Mae REMICS	1.500%	8/25/41–6/25/42	667	675
[2,3] Fannie Mae REMICS	1.700%	6/25/43	132	135
[2,3] Fannie Mae REMICS	2.000%	6/25/44	149	152
[2,3] Fannie Mae REMICS	3.000%	2/25/49–9/25/57	2,849	2,954
[2,3] Fannie Mae REMICS	3.500%	4/25/31–6/25/59	9,426	10,156
[2,3] Fannie Mae REMICS	4.000%	9/25/29–7/25/53	512	548
[2,3] Freddie Mac REMICS	3.000%	12/15/39	183	186
[2,3] Freddie Mac REMICS	3.500%	3/15/31	102	111
[2,3] Freddie Mac REMICS	4.000%	12/15/30–4/15/31	2,010	2,216
[2] Ginnie Mae REMICS	1.700%	10/20/45	271	274
[2] Ginnie Mae REMICS	1.800%	5/20/41	296	303
				17,710
Total U.S. Government and Agency Obligations (Cost $120,181)				125,134
Asset-Backed/Commercial Mortgage-Backed Securities (1.3%)				
[2,5] Aaset 2019-1 Trust	3.844%	5/15/39	399	361
[5] American Tower Trust I	3.070%	3/15/23	1,100	1,124
[2] AmeriCredit Automobile Receivables Trust 2016-3	2.240%	4/8/22	227	228
[2,5] Angel Oak Mortgage Trust 2019-5	2.593%	10/25/49	372	377
[2,5] Angel Oak Mortgage Trust 2019-6	2.620%	11/25/59	898	905
[2,5] Angel Oak Mortgage Trust I LLC 2019-2	3.628%	3/25/49	195	200
[2,5] Angel Oak Mortgage Trust LLC	2.993%	7/26/49	684	690
[2,5,6] Ares XXIX CLO Ltd., 3M USD LIBOR + 1.190%	2.325%	4/17/26	168	167
[2,5,6] Atlas Senior Loan Fund X Ltd., 3M USD LIBOR + 1.090%	2.309%	1/15/31	248	240
[2,5,6] Avery Point IV CLO Ltd., 3M USD LIBOR + 1.100%	2.091%	4/25/26	257	255
[5] Bank of Montreal	2.500%	1/11/22	1,700	1,752
[2,5] Canadian Pacer Auto Receiveable Trust A Series 2018	3.000%	6/21/21	13	13
[2,5] Canadian Pacer Auto Receiveable Trust A Series 2018	3.270%	12/19/22	140	141
[2,5] Castlelake Aircraft Securitization Trust 2019-1	3.967%	4/15/39	767	671
[2,5,6] Cent CLO, 3M USD LIBOR + 1.150%	2.141%	10/25/28	550	541
[2,5] Chesapeake Funding II LLC	3.390%	1/15/31	618	633
[2,5] Chesapeake Funding II LLC 2017-2A	1.990%	5/15/29	49	49
[2,5] Chesapeake Funding II LLC 2018-1	3.040%	4/15/30	587	596
[2,5] Cloud Pass-Through Trust 2019-1	3.554%	12/5/22	668	678
[2,5] COLT 2018-3 Mortgage Loan Trust	3.692%	10/26/48	172	175
[2,5] COLT 2019-2 Mortgage Loan Trust	3.337%	5/25/49	307	311
[2,5] COLT 2020-1 Mortgage Loan Trust	2.488%	2/25/50	536	542
[2] COMM 2012-CCRE2 Mortgage Trust	3.147%	8/15/45	480	495
[2,5] Daimler Trucks Retail Trust 2019-1	2.770%	4/15/21	147	147
[2,5] DB Master Finance LLC	3.787%	5/20/49	452	462
[2,5] DB Master Finance LLC	4.021%	5/20/49	402	420
[2,5] Deephave Residential Mortgage Trust 2019-2	3.558%	4/25/59	281	281
[5] DNB Boligkreditt AS	2.500%	3/28/22	1,315	1,359
[2,5] Enterprise Fleet Financing LLC	3.100%	10/20/23	270	275
[2,5] Enterprise Fleet Financing LLC	2.290%	2/20/25	909	924
[2,5] Enterprise Fleet Financing LLC Series 2018-1	2.870%	10/20/23	309	310
[2,5] Enterprise Fleet Financing LLC Series 2018-3	3.380%	5/20/24	336	342
[2,5] Enterprise Fleet Financing LLC Series 2019-1	2.980%	10/20/24	572	581
[2,5] Enterprise Fleet Financing LLC Series 2019-3	2.060%	5/20/25	645	655
[2,5] Evergreen Credit Card Trust 2018-1	2.950%	3/15/23	1,070	1,083
[2,5] Exeter Automobile Receivables Trust 2019-3	2.590%	9/15/22	129	129
[2,5] Exeter Automobile Receivables Trust 2019-4	2.180%	1/17/23	277	278
[2,3,6] Fannie Mae Connecticut Avenue Securities, 1M USD LIBOR + 5.900%	6.085%	10/25/28	219	228
[2] Ford Credit Floorplan Master Owner Trust A	2.440%	9/15/26	370	379
[2,3] Freddie Mac Multifamily Structured Pass Through Certificates	2.610%	1/25/26	525	563
[2,3] Freddie Mac Multifamily Structured Pass Through Certificates	2.282%	7/25/26	885	955
[2,5] Hertz Fleet Lease Funding LP 2019-1	2.700%	1/10/33	909	918
[2,5] Horizon Aircraft Finance Ltd.	3.721%	7/15/39	317	279
[2,5] Horizon Aircraft Finance Ltd.	3.425%	11/15/39	315	273
[2,5] MACH 1 Cayman 2019-1 Ltd.	3.474%	10/15/39	370	304
[2,5,6] Madison Park Funding XII Ltd., 3M USD LIBOR + 1.260%	2.395%	7/20/26	218	218
[2,5,6] Madison Park Funding XIII Ltd., 3M USD LIBOR + 0.950%	2.085%	4/19/30	930	906
[2,5] MAPS Ltd.	4.458%	3/15/44	226	199
[2,5,6] Master Credit Card Trust II Series 2018-1A, 1M USD LIBOR + 0.490%	0.680%	7/21/24	1,000	987
[2,5] OneMain Direct Auto Receivables Trust	3.430%	12/16/24	1,100	1,115
[2,5] OneMain Financial Issuance Trust 2017-1	2.370%	9/14/32	125	125
[2,5] OneMain Financial Issuance Trust 2019-1	3.480%	2/14/31	1,000	1,012
[2,5] Santander Retail Auto Lease Trust 2019-A	2.720%	1/20/22	383	386

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
2,5	Santander Retail Auto Lease Trust 2019-B	2.300%	1/20/23	345	353
2,3	Seasoned Credit Risk Transfer Trust Series 2018-4	3.500%	3/25/58	693	739
2,3	Seasoned Credit Risk Transfer Trust Series 2019-1	3.500%	7/25/58	993	1,060
2,3	Seasoned Credit Risk Transfer Trust Series 2019-3	3.500%	10/25/58	1,555	1,661
2,5	Securitized Term Auto Receivables Trust 2018-2	3.325%	8/25/22	467	472
2,5,6	Seneca Park CLO Ltd. 2014-1, 3M USD LIBOR + 1.120%	2.255%	7/17/26	88	88
2,5	SFAVE Commercial Mortgage Securities Trust 2015-5AVE	4.144%	1/5/43	700	636
2,5	SoFi Consumer Loan Program 2018-4 Trust	3.540%	11/26/27	225	228
2,5	SoFi Consumer Loan Program 2019-1 Trust	3.240%	2/25/28	325	329
2,5	SoFi Consumer Loan Program 2020-1 Trust	2.020%	1/25/29	520	526
2,5	Springleaf Funding Trust 2015-B	3.480%	5/15/28	472	471
2,5	START Ireland	4.089%	3/15/44	383	329
2,5,6	Symphony CLO XIV Ltd., 3M USD LIBOR + 0.950%	2.261%	7/14/26	970	956
2,5,6	Thacher Park CLO Ltd., 3M USD LIBOR + 1.160%	2.295%	10/20/26	143	143
5	Toronto-Dominion Bank	2.500%	1/18/22	2,100	2,165
2,5	Towd Point Mortgage Trust 2016-3	2.250%	4/25/56	31	31
2,5	Trillium Credit Card Trust II 2019-2A	3.038%	1/26/24	600	606
2	Utility Debt Securitization Authority Series 2013T	3.435%	12/15/25	210	219
2,5	Vantage Data Centers LLC 2018-1A	4.072%	2/16/43	479	490
2,5	Vantage Data Centers LLC 2019-1A	3.188%	7/15/44	268	272
2,5	Verus Securitization Trust 2019-2	3.211%	5/25/59	342	349
2,5,6	Voya CLO 2014-1 Ltd., 3M USD LIBOR + 0.990%	2.125%	4/18/31	514	502
2,5	Westlake Automobile Receivables Trust	2.150%	2/15/23	397	400
	Total Asset-Backed/Commercial Mortgage-Backed Securities (Cost $40,174)				40,262
	Corporate Bonds (24.7%)				
	Finance (8.9%)				
	Banking (7.2%)				
	American Express Credit Corp.	2.700%	3/3/22	1,505	1,556
	Banco Santander SA	3.125%	2/23/23	800	833
	Banco Santander SA	3.848%	4/12/23	400	425
	Bank of America Corp.	3.300%	1/11/23	120	128
2	Bank of America Corp.	2.816%	7/21/23	1,645	1,709
	Bank of America Corp.	4.000%	1/22/25	875	965
2	Bank of America Corp.	3.559%	4/23/27	2,450	2,731
2	Bank of America Corp.	3.593%	7/21/28	1,025	1,151
2	Bank of America Corp.	3.419%	12/20/28	512	570
2	Bank of America Corp.	4.271%	7/23/29	4,780	5,628
2	Bank of America Corp.	3.974%	2/7/30	1,895	2,206
2	Bank of America Corp.	3.194%	7/23/30	1,055	1,167
2	Bank of America Corp.	2.496%	2/13/31	1,495	1,566
	Bank of America Corp.	5.875%	2/7/42	260	386
	Bank of America Corp.	5.000%	1/21/44	1,000	1,379
2	Bank of America Corp.	4.330%	3/15/50	2,235	2,880
	Bank of Montreal	3.100%	4/13/21	1,290	1,316
	Bank of New York Mellon Corp.	2.200%	8/16/23	460	479
	Bank of New York Mellon Corp.	3.000%	2/24/25	720	791
6	Bank of New York Mellon Corp., 3M USD LIBOR + 1.050%	1.810%	10/30/23	1,145	1,159
	Bank of Nova Scotia	2.800%	7/21/21	750	769
	Bank of Nova Scotia	2.700%	8/3/26	1,825	1,990
5	Banque Federative du Credit Mutuel SA	2.750%	10/15/20	1,200	1,208
	Barclays Bank plc	5.140%	10/14/20	160	162
2	Barclays plc	3.932%	5/7/25	1,565	1,685
6	Barclays plc, 3M USD LIBOR + 1.380%	1.766%	5/16/24	1,005	994
5	BNP Paribas SA	2.950%	5/23/22	200	207
	BNP Paribas SA	3.250%	3/3/23	190	203
5	BNP Paribas SA	3.800%	1/10/24	1,170	1,262
5	BNP Paribas SA	3.375%	1/9/25	1,775	1,913
2,5	BNP Paribas SA	2.819%	11/19/25	1,335	1,395
5	BNP Paribas SA	3.500%	11/16/27	2,050	2,226
5	BPCE SA	5.700%	10/22/23	270	301
	BPCE SA	4.000%	4/15/24	775	856
5	BPCE SA	5.150%	7/21/24	1,260	1,395
5	BPCE SA	3.500%	10/23/27	1,780	1,932
5	BPCE SA	2.700%	10/1/29	1,450	1,539
6	Canadian Imperial Bank of Commerce, 3M USD LIBOR + 0.720%	1.041%	6/16/22	1,565	1,573
	Capital One Financial Corp.	4.750%	7/15/21	400	416
	Capital One Financial Corp.	3.750%	4/24/24	1,305	1,419
	Capital One Financial Corp.	3.200%	2/5/25	760	816
	Citigroup Inc.	4.500%	1/14/22	1,975	2,089
2	Citigroup Inc.	3.520%	10/27/28	1,975	2,187
	Citigroup Inc.	6.625%	6/15/32	2,000	2,734
2	Citigroup Inc.	3.878%	1/24/39	1,025	1,193
	Citigroup Inc.	8.125%	7/15/39	101	175
	Comerica Bank	2.500%	7/23/24	790	831
5	Credit Agricole SA	3.750%	4/24/23	1,160	1,236
5	Credit Agricole SA	3.250%	10/4/24	2,390	2,559
	Credit Suisse AG	3.000%	10/29/21	735	760
	Credit Suisse AG	3.625%	9/9/24	250	276
5	Credit Suisse Group AG	3.574%	1/9/23	550	569
2,5	Credit Suisse Group AG	4.207%	6/12/24	340	365
2,5	Credit Suisse Group AG	2.593%	9/11/25	520	536
2,5	Credit Suisse Group AG	3.869%	1/12/29	305	335
5,6	Credit Suisse Group AG, 3M USD LIBOR + 1.240%	1.558%	6/12/24	690	696
	Credit Suisse Group Funding Guernsey Ltd.	3.800%	9/15/22	1,335	1,416
	Credit Suisse Group Funding Guernsey Ltd.	3.750%	3/26/25	3,470	3,800
5	Danske Bank A/S	2.000%	9/8/21	1,120	1,135
5	Danske Bank A/S	5.000%	1/12/22	610	641
5	Danske Bank A/S	3.875%	9/12/23	1,220	1,290
5	Danske Bank A/S	5.375%	1/12/24	795	882
	Deutsche Bank AG	4.250%	10/14/21	815	836
	Fifth Third Bancorp	2.550%	5/5/27	425	454
	Fifth Third Bank	2.875%	10/1/21	425	437
	Fifth Third Bank	3.850%	3/15/26	830	929
	Goldman Sachs Group Inc.	5.250%	7/27/21	865	908
	Goldman Sachs Group Inc.	5.750%	1/24/22	360	388
2	Goldman Sachs Group Inc.	2.876%	10/31/22	1,795	1,840
	Goldman Sachs Group Inc.	3.625%	1/22/23	1,980	2,121
2	Goldman Sachs Group Inc.	3.272%	9/29/25	1,205	1,295
	Goldman Sachs Group Inc.	3.500%	11/16/26	2,000	2,195
	Goldman Sachs Group Inc.	3.850%	1/26/27	740	835
2	Goldman Sachs Group Inc.	3.691%	6/5/28	810	906
2	Goldman Sachs Group Inc.	3.814%	4/23/29	3,065	3,462
2	Goldman Sachs Group Inc.	4.223%	5/1/29	2,630	3,055
	Goldman Sachs Group Inc.	6.750%	10/1/37	835	1,210
5	HSBC Bank plc	4.750%	1/19/21	1,700	1,738
	HSBC Holdings plc	4.000%	3/30/22	2,395	2,529
	HSBC Holdings plc	3.600%	5/25/23	1,600	1,717
2	HSBC Holdings plc	4.041%	3/13/28	890	980
2	HSBC Holdings plc	4.583%	6/19/29	1,675	1,925
	HSBC Holdings plc	6.500%	5/2/36	1,000	1,335
	HSBC Holdings plc	6.100%	1/14/42	375	533
	HSBC Holdings plc	5.250%	3/14/44	440	557
6	HSBC Holdings plc, 3M USD LIBOR + 1.000%	1.386%	5/18/24	730	726
	HSBC USA Inc.	3.500%	6/23/24	620	681

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Huntington Bancshares Inc.	3.150%	3/14/21	800	813
	ING Groep NV	3.150%	3/29/22	365	379
	ING Groep NV	3.950%	3/29/27	2,695	3,093
	JPMorgan Chase & Co.	4.500%	1/24/22	340	361
	JPMorgan Chase & Co.	3.375%	5/1/23	875	936
	JPMorgan Chase & Co.	3.875%	2/1/24	800	885
	JPMorgan Chase & Co.	3.900%	7/15/25	2,270	2,563
	JPMorgan Chase & Co.	4.125%	12/15/26	765	890
	JPMorgan Chase & Co.	4.250%	10/1/27	2,295	2,664
2	JPMorgan Chase & Co.	4.452%	12/5/29	2,100	2,518
2	JPMorgan Chase & Co.	3.702%	5/6/30	2,525	2,884
2	JPMorgan Chase & Co.	3.109%	4/22/41	835	903
	JPMorgan Chase & Co.	5.400%	1/6/42	750	1,062
2	JPMorgan Chase & Co.	3.964%	11/15/48	6,150	7,508
2	JPMorgan Chase & Co.	3.109%	4/22/51	845	910
2,5	Macquarie Group Ltd.	4.150%	3/27/24	1,375	1,471
	Manufacturers & Traders Trust Co.	2.900%	2/6/25	685	747
	Mitsubishi UFJ Financial Group Inc.	2.623%	7/18/22	1,940	2,013
	Morgan Stanley	5.750%	1/25/21	1,740	1,792
	Morgan Stanley	2.500%	4/21/21	1,175	1,194
	Morgan Stanley	2.625%	11/17/21	800	822
	Morgan Stanley	2.750%	5/19/22	1,710	1,776
	Morgan Stanley	3.700%	10/23/24	750	832
2	Morgan Stanley	2.720%	7/22/25	1,750	1,855
	Morgan Stanley	3.125%	7/27/26	1,345	1,479
	Morgan Stanley	6.250%	8/9/26	3,000	3,830
	Morgan Stanley	3.625%	1/20/27	1,250	1,410
2	Morgan Stanley	3.772%	1/24/29	3,910	4,453
2	Morgan Stanley	2.699%	1/22/31	1,105	1,173
	Morgan Stanley	4.300%	1/27/45	850	1,067
2,5	Nationwide Building Society	3.622%	4/26/23	680	706
5	NBK SPC Ltd.	2.750%	5/30/22	1,530	1,556
	PNC Bank NA	3.300%	10/30/24	460	504
	PNC Bank NA	2.950%	2/23/25	1,105	1,202
	PNC Bank NA	4.200%	11/1/25	255	297
	PNC Bank NA	3.100%	10/25/27	1,165	1,306
	PNC Bank NA	3.250%	1/22/28	1,675	1,888
	PNC Financial Services Group Inc.	3.900%	4/29/24	580	639
	PNC Financial Services Group Inc.	2.550%	1/22/30	1,625	1,746
	Royal Bank of Canada	2.750%	2/1/22	1,195	1,238
	Santander Holdings USA Inc.	3.700%	3/28/22	915	939
	Santander Holdings USA Inc.	3.400%	1/18/23	605	628
5	Societe Generale SA	3.250%	1/12/22	1,015	1,043
2,5	Standard Chartered plc	2.744%	9/10/22	2,030	2,060
2	State Street Corp.	2.653%	5/15/23	840	870
	Svenska Handelsbanken AB	1.875%	9/7/21	1,050	1,066
	Synchrony Bank	3.650%	5/24/21	1,290	1,311
	Toronto-Dominion Bank	2.500%	12/14/20	985	994
	Truist Bank	2.625%	1/15/22	1,250	1,289
	Truist Bank	3.300%	5/15/26	340	375
	Truist Financial Corp.	3.200%	9/3/21	665	685
	Truist Financial Corp.	2.750%	4/1/22	1,700	1,762
	Truist Financial Corp.	3.700%	6/5/25	1,385	1,567
	Truist Financial Corp.	1.950%	6/5/30	795	808
2,5	UBS Group AG	3.126%	8/13/30	555	600
5	UBS Group Funding Jersey Ltd.	2.950%	9/24/20	1,160	1,166
5	UBS Group Funding Jersey Ltd.	2.650%	2/1/22	1,250	1,287
	US Bancorp	2.625%	1/24/22	1,305	1,347
	US Bancorp	3.700%	1/30/24	1,560	1,713
	Wachovia Corp.	7.500%	4/15/35	1,000	1,436
	Wells Fargo & Co.	3.000%	1/22/21	505	512
	Wells Fargo & Co.	3.500%	3/8/22	640	670
	Wells Fargo & Co.	3.069%	1/24/23	195	202
	Wells Fargo & Co.	3.450%	2/13/23	735	781
	Wells Fargo & Co.	4.480%	1/16/24	1,199	1,317
	Wells Fargo & Co.	3.750%	1/24/24	1,560	1,704
	Wells Fargo & Co.	3.000%	2/19/25	890	958
	Wells Fargo & Co.	3.550%	9/29/25	860	959
	Wells Fargo & Co.	3.000%	4/22/26	1,045	1,138
	Wells Fargo & Co.	4.100%	6/3/26	340	383
	Wells Fargo & Co.	3.000%	10/23/26	170	185
2	Wells Fargo & Co.	3.196%	6/17/27	1,705	1,848
2	Wells Fargo & Co.	2.879%	10/30/30	435	465
2	Wells Fargo & Co.	2.572%	2/11/31	2,235	2,339
	Wells Fargo & Co.	5.606%	1/15/44	2,276	3,156
	Wells Fargo & Co.	4.900%	11/17/45	515	662
	Wells Fargo & Co.	4.750%	12/7/46	2,070	2,647
	Brokerage (0.0%)				
	Charles Schwab Corp.	3.200%	3/2/27	545	610
	Intercontinental Exchange Inc.	3.000%	6/15/50	465	485
	Insurance (1.5%)				
	Aetna Inc.	2.800%	6/15/23	680	716
5	AIA Group Ltd.	3.600%	4/9/29	1,475	1,619
5	AIA Group Ltd.	3.375%	4/7/30	370	401
	American International Group Inc.	4.250%	3/15/29	1,040	1,185
	American International Group Inc.	4.500%	7/16/44	200	232
	American International Group Inc.	4.750%	4/1/48	135	163
	Anthem Inc.	3.300%	1/15/23	1,100	1,171
	Anthem Inc.	3.650%	12/1/27	750	852
	Anthem Inc.	4.101%	3/1/28	1,140	1,332
	Anthem Inc.	4.650%	8/15/44	281	357
	Berkshire Hathaway Inc.	3.125%	3/15/26	715	797
	Chubb INA Holdings Inc.	2.300%	11/3/20	170	171
	Chubb INA Holdings Inc.	3.350%	5/15/24	555	610
	Chubb INA Holdings Inc.	4.350%	11/3/45	800	1,037
5	Equitable Financial Life Global Funding	1.400%	7/7/25	370	371
5	Five Corners Funding Trust	4.419%	11/15/23	210	234
5	Liberty Mutual Group Inc.	4.250%	6/15/23	80	87
5	Liberty Mutual Group Inc.	4.569%	2/1/29	280	326
	Loews Corp.	2.625%	5/15/23	440	461
	Marsh & McLennan Cos. Inc.	4.375%	3/15/29	675	810
	Marsh & McLennan Cos. Inc.	4.900%	3/15/49	305	414
2,5	Massachusetts Mutual Life Insurance Co.	7.625%	11/15/23	2,000	2,291
	MetLife Inc.	3.600%	4/10/24	580	642
	MetLife Inc.	4.125%	8/13/42	145	171
	MetLife Inc.	4.875%	11/13/43	530	682
5	Metropolitan Life Global Funding I	3.450%	10/9/21	810	838
5	Metropolitan Life Global Funding I	2.650%	4/8/22	340	352
5	Metropolitan Life Global Funding I	3.450%	12/18/26	640	727
5	Metropolitan Life Global Funding I	3.000%	9/19/27	1,165	1,264
5	Nationwide Financial Services Inc.	3.900%	11/30/49	1,430	1,424
5	Nationwide Mutual Insurance Co.	4.350%	4/30/50	1,070	1,138
5	New York Life Global Funding	2.900%	1/17/24	810	869
5	New York Life Insurance Co.	5.875%	5/15/33	2,100	2,866
5	New York Life Insurance Co.	3.750%	5/15/50	345	387
5	New York Life Insurance Co.	4.450%	5/15/69	435	532
5	Northwestern Mutual Life Insurance Co.	3.850%	9/30/47	656	750
5	Northwestern Mutual Life Insurance Co.	3.625%	9/30/59	270	299
5	Principal Financial Global Funding LLC	2.500%	9/16/29	1,000	1,047
	Prudential plc	3.125%	4/14/30	645	692
5	Teachers Insurance & Annuity Assn. of America	4.900%	9/15/44	875	1,116
5	Teachers Insurance & Annuity Assn. of America	4.270%	5/15/47	1,145	1,375
	UnitedHealth Group Inc.	3.875%	10/15/20	601	605
	UnitedHealth Group Inc.	2.875%	3/15/22	27	28
	UnitedHealth Group Inc.	2.875%	3/15/23	1,175	1,246
	UnitedHealth Group Inc.	3.100%	3/15/26	430	478
	UnitedHealth Group Inc.	3.850%	6/15/28	1,190	1,404
	UnitedHealth Group Inc.	2.000%	5/15/30	275	288
	UnitedHealth Group Inc.	4.625%	7/15/35	240	313
	UnitedHealth Group Inc.	2.750%	5/15/40	310	327
	UnitedHealth Group Inc.	4.250%	3/15/43	1,600	1,990
	UnitedHealth Group Inc.	4.750%	7/15/45	592	797
	UnitedHealth Group Inc.	4.200%	1/15/47	215	268

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	UnitedHealth Group Inc.	4.250%	6/15/48	880	1,120
	UnitedHealth Group Inc.	4.450%	12/15/48	140	185
	UnitedHealth Group Inc.	3.700%	8/15/49	675	800
	UnitedHealth Group Inc.	2.900%	5/15/50	1,253	1,318
	UnitedHealth Group Inc.	3.875%	8/15/59	115	140
	Real Estate Investment Trusts (0.2%)				
	Boston Properties LP	3.125%	9/1/23	355	376
	Boston Properties LP	3.800%	2/1/24	45	49
	Healthpeak Properties Inc.	3.000%	1/15/30	930	966
	Realty Income Corp.	4.650%	8/1/23	640	705
	Realty Income Corp.	3.250%	1/15/31	380	411
5	Scentre Management Ltd. / RE1 Ltd.	4.375%	5/28/30	695	764
	Simon Property Group LP	3.750%	2/1/24	90	96
	Simon Property Group LP	3.375%	10/1/24	275	295
	Simon Property Group LP	2.450%	9/13/29	1,160	1,150
	VEREIT Operating Partnership LP	3.400%	1/15/28	210	210
5	WEA Finance LLC	4.125%	9/20/28	590	599
5	WEA Finance LLC	4.625%	9/20/48	755	695
					272,346
	Industrial (12.4%)				
	Basic Industry (0.0%)				
	International Paper Co.	4.350%	8/15/48	1,255	1,474
	Capital Goods (0.8%)				
5	BAE Systems Holdings Inc.	2.850%	12/15/20	160	161
5	BAE Systems Holdings Inc.	3.850%	12/15/25	1,085	1,203
5	BAE Systems plc	3.400%	4/15/30	215	234
	Boeing Co.	2.700%	2/1/27	495	482
	Boeing Co.	3.375%	6/15/46	824	683
	Boeing Co.	3.850%	11/1/48	388	346
	Boeing Co.	3.950%	8/1/59	208	182
5	Carrier Global Corp.	2.722%	2/15/30	448	447
	Caterpillar Financial Services Corp.	2.625%	3/1/23	1,360	1,428
	Caterpillar Inc.	3.900%	5/27/21	590	608
	Caterpillar Inc.	2.600%	6/26/22	705	733
	Caterpillar Inc.	3.400%	5/15/24	810	883
	General Dynamics Corp.	3.875%	7/15/21	355	367
	General Electric Co.	3.100%	1/9/23	360	376
	Honeywell International Inc.	4.250%	3/1/21	1,002	1,028
	Illinois Tool Works Inc.	3.500%	3/1/24	1,295	1,415
	John Deere Capital Corp.	3.450%	3/13/25	1,200	1,342
	Lockheed Martin Corp.	2.900%	3/1/25	610	669
	Lockheed Martin Corp.	1.850%	6/15/30	60	61
	Lockheed Martin Corp.	4.500%	5/15/36	211	274
	Lockheed Martin Corp.	4.700%	5/15/46	376	516
	Lockheed Martin Corp.	2.800%	6/15/50	265	278
	Lockheed Martin Corp.	4.090%	9/15/52	144	188
5	Otis Worldwide Corp.	2.565%	2/15/30	225	234
5	Otis Worldwide Corp.	3.112%	2/15/40	510	517
5	Otis Worldwide Corp.	3.362%	2/15/50	890	936
	Parker-Hannifin Corp.	3.250%	6/14/29	270	298
	Parker-Hannifin Corp.	4.450%	11/21/44	450	536
	Raytheon Technologies Corp.	4.125%	11/16/28	1,125	1,326
	Raytheon Technologies Corp.	6.050%	6/1/36	675	969
	Raytheon Technologies Corp.	4.450%	11/16/38	275	336
	Raytheon Technologies Corp.	4.500%	6/1/42	787	976
	Raytheon Technologies Corp.	3.750%	11/1/46	163	186
5	Siemens Financieringsmaatschappij NV	2.900%	5/27/22	1,050	1,097
5	Siemens Financieringsmaatschappij NV	3.125%	3/16/24	1,680	1,815
5	Siemens Financieringsmaatschappij NV	4.400%	5/27/45	800	1,055
	Stanley Black & Decker Inc.	4.850%	11/15/48	685	930
	Communication (2.0%)				
	America Movil SAB de CV	3.125%	7/16/22	1,880	1,941
	America Movil SAB de CV	3.625%	4/22/29	780	865
	America Movil SAB de CV	6.125%	3/30/40	390	557
	American Tower Corp.	3.450%	9/15/21	1,125	1,165
	American Tower Corp.	5.000%	2/15/24	80	91
	American Tower Corp.	4.400%	2/15/26	450	521
	American Tower Corp.	3.800%	8/15/29	981	1,116
	AT&T Inc.	3.600%	7/15/25	625	692
	AT&T Inc.	2.750%	6/1/31	1,305	1,345
5	British Telecommunications plc	3.250%	11/8/29	905	982
	Comcast Corp.	3.600%	3/1/24	2,900	3,189
	Comcast Corp.	3.375%	2/15/25	70	77
	Comcast Corp.	2.350%	1/15/27	540	575
	Comcast Corp.	4.250%	1/15/33	1,032	1,272
	Comcast Corp.	4.200%	8/15/34	730	901
	Comcast Corp.	5.650%	6/15/35	110	156
	Comcast Corp.	4.400%	8/15/35	877	1,105
	Comcast Corp.	6.500%	11/15/35	115	175
	Comcast Corp.	6.400%	5/15/38	27	40
	Comcast Corp.	4.600%	10/15/38	1,335	1,698
	Comcast Corp.	4.650%	7/15/42	1,290	1,670
	Comcast Corp.	4.500%	1/15/43	500	645
	Comcast Corp.	4.750%	3/1/44	876	1,155
	Comcast Corp.	4.600%	8/15/45	1,198	1,548
	Comcast Corp.	3.969%	11/1/47	252	303
	Comcast Corp.	4.000%	3/1/48	345	421
	Comcast Corp.	4.700%	10/15/48	1,390	1,862
	Comcast Corp.	3.999%	11/1/49	602	730
	Comcast Corp.	4.049%	11/1/52	187	228
	Comcast Corp.	4.950%	10/15/58	1,020	1,450
5	Cox Communications Inc.	3.250%	12/15/22	795	838
5	Cox Communications Inc.	2.950%	6/30/23	145	152
5	Cox Communications Inc.	3.150%	8/15/24	181	195
5	Cox Communications Inc.	4.800%	2/1/35	1,540	1,932
5	Cox Communications Inc.	6.450%	12/1/36	45	63
5	Cox Communications Inc.	4.600%	8/15/47	125	158
	Crown Castle International Corp.	3.650%	9/1/27	285	318
	Crown Castle International Corp.	3.800%	2/15/28	235	265
5	Deutsche Telekom International Finance BV	3.600%	1/19/27	300	334
5	Deutsche Telekom International Finance BV	4.375%	6/21/28	671	791
	NBCUniversal Media LLC	4.450%	1/15/43	309	389
	Orange SA	4.125%	9/14/21	1,740	1,814
	Orange SA	9.000%	3/1/31	530	861
5	SK Telecom Co. Ltd.	3.750%	4/16/23	385	410
5	Sky Ltd.	3.750%	9/16/24	1,435	1,597
2,5	Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III LLC	4.738%	3/20/25	1,300	1,414
5	T-Mobile USA Inc.	2.050%	2/15/28	900	898
	Telefonica Emisiones SAU	5.213%	3/8/47	800	1,004
	Telefonica Emisiones SAU	5.520%	3/1/49	1,055	1,380
	Time Warner Entertainment Co. LP	8.375%	3/15/23	95	113
	Verizon Communications Inc.	4.329%	9/21/28	675	812
	Verizon Communications Inc.	4.812%	3/15/39	2,406	3,140
	Verizon Communications Inc.	4.750%	11/1/41	290	378
	Verizon Communications Inc.	4.862%	8/21/46	1,151	1,564
	Verizon Communications Inc.	5.012%	4/15/49	702	965
	Verizon Communications Inc.	4.672%	3/15/55	274	367
	ViacomCBS Inc.	3.700%	6/1/28	440	477
	Vodafone Group plc	5.000%	5/30/38	50	62
	Vodafone Group plc	5.250%	5/30/48	1,260	1,640
	Walt Disney Co.	3.000%	9/15/22	245	258
	Walt Disney Co.	2.000%	9/1/29	2,600	2,652
	Walt Disney Co.	2.650%	1/13/31	170	180
	Walt Disney Co.	3.500%	5/13/40	1,490	1,627
	Walt Disney Co.	2.750%	9/1/49	560	544
	Walt Disney Co.	3.600%	1/13/51	805	898
	Walt Disney Co.	3.800%	5/13/60	930	1,079
	Consumer Cyclical (1.2%)				
	Alibaba Group Holding Ltd.	3.600%	11/28/24	1,065	1,159
	Alibaba Group Holding Ltd.	3.400%	12/6/27	3,470	3,832
5	Alimentation Couche-Tard Inc.	3.550%	7/26/27	2,450	2,625

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Amazon.com Inc.	2.500%	11/29/22	350	367
	Amazon.com Inc.	2.800%	8/22/24	345	374
	Amazon.com Inc.	4.800%	12/5/34	995	1,354
	Amazon.com Inc.	4.950%	12/5/44	580	823
	Amazon.com Inc.	4.250%	8/22/57	1,335	1,783
	AutoZone Inc.	3.700%	4/15/22	1,371	1,433
5	BMW US Capital LLC	2.000%	4/11/21	585	589
5	BMW US Capital LLC	2.250%	9/15/23	2,500	2,583
5	Daimler Finance North America LLC	2.300%	2/12/21	945	950
5	Daimler Finance North America LLC	3.250%	8/1/24	160	169
	Ford Motor Credit Co. LLC	3.157%	8/4/20	710	708
	Ford Motor Credit Co. LLC	3.815%	11/2/27	525	475
	General Motors Financial Co. Inc.	3.550%	4/9/21	455	461
	General Motors Financial Co. Inc.	3.950%	4/13/24	1,570	1,616
	Home Depot Inc.	2.700%	4/1/23	375	396
	Home Depot Inc.	3.900%	12/6/28	290	347
	Home Depot Inc.	3.300%	4/15/40	825	933
	Home Depot Inc.	4.400%	3/15/45	780	989
	Home Depot Inc.	4.500%	12/6/48	345	458
5,6	Hyundai Capital America, 3M USD LIBOR + 0.940%	2.292%	7/8/21	1,400	1,381
	Lowe's Cos. Inc.	3.100%	5/3/27	1,300	1,444
	Lowe's Cos. Inc.	6.500%	3/15/29	334	448
	Lowe's Cos. Inc.	4.550%	4/5/49	1,140	1,432
	McDonald's Corp.	2.625%	1/15/22	195	201
	McDonald's Corp.	3.250%	6/10/24	140	153
	McDonald's Corp.	4.875%	12/9/45	1,160	1,500
	McDonald's Corp.	3.625%	9/1/49	470	519
	Starbucks Corp.	4.500%	11/15/48	1,471	1,773
	VF Corp.	2.800%	4/23/27	240	255
	VF Corp.	2.950%	4/23/30	805	860
	Walmart Inc.	3.550%	6/26/25	1,605	1,819
	Walmart Inc.	3.625%	12/15/47	380	465
	Consumer Noncyclical (4.1%)				
5	AbbVie Inc.	4.875%	2/15/21	268	272
5	AbbVie Inc.	3.450%	3/15/22	450	468
5	AbbVie Inc.	3.800%	3/15/25	575	638
5	AbbVie Inc.	4.050%	11/21/39	590	684
5	AbbVie Inc.	4.850%	6/15/44	450	569
	AbbVie Inc.	4.450%	5/14/46	1,010	1,226
	Advocate Health & Hospitals Corp.	2.211%	6/15/30	360	364
	Advocate Health & Hospitals Corp.	3.008%	6/15/50	540	569
5	Alcon Finance Corp.	2.750%	9/23/26	200	214
5	Alcon Finance Corp.	2.600%	5/27/30	200	204
5	Alcon Finance Corp.	3.800%	9/23/49	800	884
	Altria Group Inc.	4.750%	5/5/21	590	611
	Altria Group Inc.	2.850%	8/9/22	455	474
	Altria Group Inc.	5.800%	2/14/39	770	957
	Altria Group Inc.	4.500%	5/2/43	245	264
	Altria Group Inc.	3.875%	9/16/46	625	622
	Amgen Inc.	2.300%	2/25/31	700	728
	Amgen Inc.	3.150%	2/21/40	1,075	1,143
	Amgen Inc.	5.150%	11/15/41	620	824
	Amgen Inc.	3.375%	2/21/50	410	448
	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	4.700%	2/1/36	1,290	1,513
	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	4.900%	2/1/46	1,940	2,360
	Anheuser-Busch InBev Finance Inc.	3.300%	2/1/23	1,798	1,919
	Anheuser-Busch InBev Worldwide Inc.	2.500%	7/15/22	1,007	1,045
	Anheuser-Busch InBev Worldwide Inc.	3.750%	7/15/42	520	555
	Anheuser-Busch InBev Worldwide Inc.	4.600%	4/15/48	395	460
	Archer-Daniels-Midland Co.	4.500%	3/15/49	970	1,354
	Ascension Health	2.532%	11/15/29	1,405	1,505
2	Ascension Health	4.847%	11/15/53	55	73
	AstraZeneca plc	2.375%	11/16/20	1,180	1,187
	AstraZeneca plc	4.000%	1/17/29	2,345	2,785
	AstraZeneca plc	6.450%	9/15/37	615	919

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	BAT Capital Corp.	3.557%	8/15/27	1,875	2,029
5	BAT International Finance plc	3.250%	6/7/22	1,480	1,543
5	BAT International Finance plc	3.500%	6/15/22	235	246
5	Bayer US Finance II LLC	4.250%	12/15/25	1,500	1,722
5	Bayer US Finance LLC	3.000%	10/8/21	1,980	2,030
5	Bayer US Finance LLC	3.375%	10/8/24	815	884
2	Bon Secours Mercy Health Inc.	3.464%	6/1/30	590	650
	Boston Scientific Corp.	4.000%	3/1/29	195	223
5	Bristol-Myers Squibb Co.	3.550%	8/15/22	662	699
5	Bristol-Myers Squibb Co.	2.750%	2/15/23	138	145
5	Bristol-Myers Squibb Co.	3.250%	2/20/23	239	248
5	Bristol-Myers Squibb Co.	4.000%	8/15/23	45	50
5	Bristol-Myers Squibb Co.	3.400%	7/26/29	885	1,017
5	Bristol-Myers Squibb Co.	4.125%	6/15/39	505	640
5	Bristol-Myers Squibb Co.	4.550%	2/20/48	217	291
5	Bristol-Myers Squibb Co.	4.250%	10/26/49	1,473	1,940
5	Cargill Inc.	4.307%	5/14/21	2,092	2,161
5	Cargill Inc.	6.875%	5/1/28	645	850
5	Cargill Inc.	2.125%	4/23/30	225	235
5	Cargill Inc.	4.760%	11/23/45	635	848
	Children's Hospital Corp.	2.585%	2/1/50	160	162
5	Cigna Corp.	3.250%	4/15/25	880	960
	Cigna Corp.	4.375%	10/15/28	515	608
	Cigna Corp.	4.800%	8/15/38	730	927
	Cigna Corp.	3.200%	3/15/40	155	164
	Cigna Corp.	4.900%	12/15/48	497	650
	Cigna Corp.	3.400%	3/15/50	470	505
	Coca-Cola European Partners plc	3.500%	9/15/20	500	502
	Colgate-Palmolive Co.	7.600%	5/19/25	480	625
	CommonSpirit Health	2.950%	11/1/22	535	552
	CommonSpirit Health	4.200%	8/1/23	535	565
	CommonSpirit Health	2.760%	10/1/24	860	884
	CommonSpirit Health	3.347%	10/1/29	1,245	1,274
2	CommonSpirit Health	4.350%	11/1/42	536	553
	CommonSpirit Health	4.187%	10/1/49	1,275	1,309
	Conagra Brands Inc.	4.600%	11/1/25	220	253
	Conagra Brands Inc.	5.300%	11/1/38	640	834
	Conagra Brands Inc.	5.400%	11/1/48	175	241
	Constellation Brands Inc.	2.700%	5/9/22	65	67
	Constellation Brands Inc.	3.750%	5/1/50	105	115
	Cottage Health Obligated Group	3.304%	11/1/49	470	510
	CVS Health Corp.	2.750%	12/1/22	965	1,007
	CVS Health Corp.	4.300%	3/25/28	194	227
	CVS Health Corp.	4.875%	7/20/35	315	395
	CVS Health Corp.	4.125%	4/1/40	430	507
	CVS Health Corp.	5.125%	7/20/45	855	1,107
5	Danone SA	2.947%	11/2/26	735	799
	Diageo Capital plc	2.625%	4/29/23	1,230	1,296
	Diageo Capital plc	2.375%	10/24/29	580	619
	Diageo Capital plc	2.000%	4/29/30	265	273
	Diageo Investment Corp.	2.875%	5/11/22	525	547
	Dignity Health	3.812%	11/1/24	560	582
	Eli Lilly & Co.	4.150%	3/15/59	80	105
5	EMD Finance LLC	2.950%	3/19/22	605	624
	Estee Lauder Cos. Inc.	2.375%	12/1/29	370	396
	Gilead Sciences Inc.	2.550%	9/1/20	615	617
	Gilead Sciences Inc.	3.700%	4/1/24	1,010	1,111
	Gilead Sciences Inc.	3.500%	2/1/25	560	623
	Gilead Sciences Inc.	4.500%	2/1/45	825	1,067
	Gilead Sciences Inc.	4.750%	3/1/46	195	264
	GlaxoSmithKline Capital Inc.	2.800%	3/18/23	385	407
	GlaxoSmithKline Capital Inc.	5.375%	4/15/34	2,000	2,763
	HCA Inc.	5.125%	6/15/39	150	176
5	Imperial Tobacco Finance plc	3.750%	7/21/22	1,680	1,753
	Kaiser Foundation Hospitals	3.500%	4/1/22	285	299
	Kaiser Foundation Hospitals	3.150%	5/1/27	380	424
	Kaiser Foundation Hospitals	4.875%	4/1/42	365	491
	Keurig Dr Pepper Inc.	3.800%	5/1/50	160	181
	Kroger Co.	3.850%	8/1/23	270	294

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Kroger Co.	4.000%	2/1/24	540	597
	McCormick & Co. Inc.	2.500%	4/15/30	135	141
	Medtronic Inc.	3.150%	3/15/22	664	694
	Medtronic Inc.	3.500%	3/15/25	566	637
	Memorial Sloan-Kettering Cancer Center	2.955%	1/1/50	590	638
	Memorial Sloan-Kettering Cancer Center	4.125%	7/1/52	310	395
	Memorial Sloan-Kettering Cancer Center	4.200%	7/1/55	280	365
	Merck & Co. Inc.	2.800%	5/18/23	370	393
	Merck & Co. Inc.	2.750%	2/10/25	1,210	1,310
	Merck & Co. Inc.	3.400%	3/7/29	1,470	1,699
	Merck & Co. Inc.	4.150%	5/18/43	760	973
	Merck & Co. Inc.	4.000%	3/7/49	1,915	2,472
	Mercy Health	4.302%	7/1/28	570	644
	Molson Coors Beverage Co.	3.500%	5/1/22	690	720
	Molson Coors Beverage Co.	3.000%	7/15/26	1,800	1,869
	New York & Presbyterian Hospital	4.024%	8/1/45	180	222
	Novartis Capital Corp.	3.400%	5/6/24	415	457
	Novartis Capital Corp.	4.400%	5/6/44	640	848
	Partners Healthcare System Inc.	3.192%	7/1/49	935	993
	Partners Healthcare System Inc.	3.342%	7/1/60	955	1,004
	PepsiCo Inc.	2.750%	3/5/22	670	698
	PepsiCo Inc.	2.375%	10/6/26	1,945	2,109
	PepsiCo Inc.	4.000%	3/5/42	845	1,051
	PepsiCo Inc.	3.450%	10/6/46	1,215	1,400
	Pfizer Inc.	3.000%	6/15/23	755	809
	Pfizer Inc.	3.000%	12/15/26	725	816
	Pfizer Inc.	3.450%	3/15/29	2,165	2,523
	Pfizer Inc.	1.700%	5/28/30	220	224
	Pfizer Inc.	4.100%	9/15/38	1,505	1,878
	Pfizer Inc.	2.550%	5/28/40	275	284
	Pfizer Inc.	2.700%	5/28/50	305	314
	Philip Morris International Inc.	4.125%	5/17/21	1,025	1,058
	Philip Morris International Inc.	2.500%	8/22/22	575	598
	Philip Morris International Inc.	2.625%	3/6/23	1,150	1,214
	Philip Morris International Inc.	3.600%	11/15/23	620	680
	Philip Morris International Inc.	3.375%	8/11/25	424	472
	Philip Morris International Inc.	4.875%	11/15/43	145	185
2	Procter & Gamble - Esop	9.360%	1/1/21	239	245
	Providence St. Joseph Health Obligated Group	2.746%	10/1/26	390	417
	Providence St. Joseph Health Obligated Group	2.532%	10/1/29	985	1,028
2	Providence St. Joseph Health Obligated Group	3.930%	10/1/48	325	370
5	Roche Holdings Inc.	2.375%	1/28/27	1,650	1,773
	RUSH Obligated Group	3.922%	11/15/29	330	370
	Sanofi	4.000%	3/29/21	1,130	1,160
5	Sigma Alimentos SA de CV	4.125%	5/2/26	510	533
	SSM Health Care Corp.	3.823%	6/1/27	940	1,027
	Takeda Pharmaceutical Co. Ltd.	2.050%	3/31/30	850	851
	Takeda Pharmaceutical Co. Ltd.	3.025%	7/9/40	520	525
	Toledo Hospital	5.750%	11/15/38	560	656
	Unilever Capital Corp.	4.250%	2/10/21	2,805	2,872
5	Upjohn Inc.	3.850%	6/22/40	530	569
5	Upjohn Inc.	4.000%	6/22/50	710	761
	Energy (1.2%)				
5	BG Energy Capital plc	4.000%	10/15/21	555	576
	BP Capital Markets America Inc.	4.500%	10/1/20	400	404
	BP Capital Markets America Inc.	3.245%	5/6/22	650	681
	BP Capital Markets plc	3.062%	3/17/22	1,100	1,143
	BP Capital Markets plc	2.500%	11/6/22	500	520
	BP Capital Markets plc	3.994%	9/26/23	420	461
	BP Capital Markets plc	3.814%	2/10/24	1,700	1,868
	BP Capital Markets plc	3.506%	3/17/25	1,280	1,416
	Chevron Corp.	3.191%	6/24/23	1,235	1,323
	Cimarex Energy Co.	4.375%	6/1/24	927	978
	ConocoPhillips Co.	4.950%	3/15/26	115	138
	Dominion Energy Gas Holdings LLC	3.550%	11/1/23	470	505
	Dominion Energy Gas Holdings LLC	3.000%	11/15/29	585	622
	Dominion Energy Gas Holdings LLC	4.800%	11/1/43	125	144
	Dominion Energy Gas Holdings LLC	4.600%	12/15/44	1,603	1,831
	Energy Transfer Operating LP	5.250%	4/15/29	1,375	1,495
	Energy Transfer Operating LP	5.000%	5/15/50	425	402
	Energy Transfer Partners LP	5.300%	4/15/47	155	151
	Enterprise Products Operating LLC	4.250%	2/15/48	730	801
	Enterprise Products Operating LLC	3.700%	1/31/51	170	178
	Exxon Mobil Corp.	2.726%	3/1/23	320	337
	Exxon Mobil Corp.	3.043%	3/1/26	225	247
	Exxon Mobil Corp.	2.275%	8/16/26	1,070	1,141
	Exxon Mobil Corp.	2.440%	8/16/29	735	776
	Exxon Mobil Corp.	2.610%	10/15/30	1,055	1,124
	Exxon Mobil Corp.	4.114%	3/1/46	320	385
	Occidental Petroleum Corp.	2.700%	2/15/23	250	230
	Occidental Petroleum Corp.	3.400%	4/15/26	170	139
	Phillips 66 Partners LP	3.750%	3/1/28	1,525	1,625
5	Schlumberger Holdings Corp.	3.900%	5/17/28	807	866
5	Schlumberger Investment SA	2.400%	8/1/22	630	643
	Schlumberger Investment SA	3.650%	12/1/23	1,120	1,202
	Shell International Finance BV	4.125%	5/11/35	1,130	1,376
	Shell International Finance BV	5.500%	3/25/40	345	487
	Shell International Finance BV	4.375%	5/11/45	2,500	3,095
	Suncor Energy Inc.	5.950%	12/1/34	500	598
	Sunoco Logistics Partners Operations LP	5.350%	5/15/45	90	87
	Sunoco Logistics Partners Operations LP	5.400%	10/1/47	20	19
	Total Capital International SA	2.700%	1/25/23	885	932
	Total Capital International SA	3.750%	4/10/24	1,400	1,542
	TransCanada PipeLines Ltd.	3.800%	10/1/20	1,220	1,223
	TransCanada PipeLines Ltd.	4.875%	1/15/26	1,255	1,478
	TransCanada PipeLines Ltd.	4.100%	4/15/30	415	471
	Other Industrial (0.3%)				
5	CK Hutchison International 20 Ltd.	3.375%	5/8/50	560	604
2	Duke University	2.682%	10/1/44	200	210
2	Duke University	2.832%	10/1/55	775	818
	Emory University	2.143%	9/1/30	770	797
	Georgetown University	4.315%	4/1/49	150	190
	Georgetown University	2.943%	4/1/50	415	415
2	Johns Hopkins University	4.083%	7/1/53	690	852
2	Johns Hopkins University	2.813%	1/1/60	180	183
	Leland Stanford Junior University	2.413%	6/1/50	515	530
2	Northeastern University	2.894%	10/1/50	225	231
	President & Fellows of Harvard College	2.517%	10/15/50	520	540
5	SBA Tower Trust	3.168%	4/11/22	1,330	1,344
5	SBA Tower Trust	3.448%	3/15/23	705	727
5	SBA Tower Trust	2.836%	1/15/25	725	747
2	University of Chicago	2.761%	4/1/45	165	170
	Yale University	1.482%	4/15/30	515	519
	Yale University	2.402%	4/15/50	480	493
	Technology (2.2%)				
	Apple Inc.	3.000%	2/9/24	620	671
	Apple Inc.	3.450%	5/6/24	1,000	1,105
	Apple Inc.	2.850%	5/11/24	1,225	1,319
	Apple Inc.	2.750%	1/13/25	590	641
	Apple Inc.	3.250%	2/23/26	1,020	1,145
	Apple Inc.	2.450%	8/4/26	1,170	1,268
	Apple Inc.	3.350%	2/9/27	1,545	1,752
	Apple Inc.	3.200%	5/11/27	1,065	1,206
	Apple Inc.	2.900%	9/12/27	2,250	2,515
	Apple Inc.	3.850%	5/4/43	430	531
	Apple Inc.	4.450%	5/6/44	120	160
	Apple Inc.	3.850%	8/4/46	985	1,225

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Apple Inc.	2.650%	5/11/50	640	661
Broadcom Corp. / Broadcom Cayman Finance Ltd.	3.875%	1/15/27	505	546
[5] Broadcom Inc.	4.250%	4/15/26	170	189
[5] Broadcom Inc.	4.110%	9/15/28	1,452	1,588
Cisco Systems Inc.	2.500%	9/20/26	431	476
Equinix Inc.	3.000%	7/15/50	1,020	993
Fiserv Inc.	3.200%	7/1/26	655	725
Global Payments Inc.	2.900%	5/15/30	535	559
Intel Corp.	2.875%	5/11/24	800	866
Intel Corp.	4.100%	5/19/46	1,360	1,716
International Business Machines Corp.	3.375%	8/1/23	1,750	1,895
International Business Machines Corp.	3.000%	5/15/24	2,500	2,703
International Business Machines Corp.	3.300%	5/15/26	4,500	5,060
International Business Machines Corp.	3.500%	5/15/29	2,975	3,426
International Business Machines Corp.	5.875%	11/29/32	1,010	1,436
International Business Machines Corp.	2.850%	5/15/40	490	507
International Business Machines Corp.	2.950%	5/15/50	195	200
Microsoft Corp.	3.625%	12/15/23	500	550
Microsoft Corp.	2.875%	2/6/24	975	1,052
Microsoft Corp.	2.700%	2/12/25	760	829
Microsoft Corp.	3.125%	11/3/25	435	486
Microsoft Corp.	2.400%	8/8/26	1,890	2,061
Microsoft Corp.	3.500%	2/12/35	605	736
Microsoft Corp.	3.450%	8/8/36	1,725	2,078
Microsoft Corp.	4.100%	2/6/37	769	991
Microsoft Corp.	3.700%	8/8/46	1,615	2,019
Microsoft Corp.	2.525%	6/1/50	3,336	3,446
Oracle Corp.	2.800%	7/8/21	375	384
Oracle Corp.	2.500%	5/15/22	1,210	1,251
Oracle Corp.	2.950%	11/15/24	2,190	2,376
Oracle Corp.	2.950%	5/15/25	355	386
Oracle Corp.	3.250%	11/15/27	3,065	3,438
Oracle Corp.	4.000%	11/15/47	895	1,059
QUALCOMM Inc.	2.600%	1/30/23	705	739
QUALCOMM Inc.	2.900%	5/20/24	1,020	1,099
QUALCOMM Inc.	2.150%	5/20/30	1,075	1,118
QUALCOMM Inc.	3.250%	5/20/50	385	417
[5] Tencent Holdings Ltd.	3.575%	4/11/26	200	220
[5] Tencent Holdings Ltd.	3.595%	1/19/28	2,495	2,706
[5] Tencent Holdings Ltd.	3.975%	4/11/29	925	1,038
Transportation (0.6%)				
Burlington Northern Santa Fe LLC	3.000%	3/15/23	565	597
Burlington Northern Santa Fe LLC	3.850%	9/1/23	1,630	1,784
Burlington Northern Santa Fe LLC	4.550%	9/1/44	250	322
Burlington Northern Santa Fe LLC	4.150%	4/1/45	415	513
Burlington Northern Santa Fe LLC	4.050%	6/15/48	60	75
Burlington Northern Santa Fe LLC	3.050%	2/15/51	405	435
Canadian National Railway Co.	2.450%	5/1/50	205	196
[2] Continental Airlines 2007-1 Class A Pass Through Trust	5.983%	10/19/23	571	529
CSX Corp.	4.300%	3/1/48	445	554
CSX Corp.	3.350%	9/15/49	235	262
[5] ERAC USA Finance LLC	4.500%	8/16/21	325	335
[5] ERAC USA Finance LLC	3.300%	10/15/22	40	41
[5] ERAC USA Finance LLC	7.000%	10/15/37	1,150	1,481
[5] ERAC USA Finance LLC	5.625%	3/15/42	340	396
[2] Federal Express Corp. 1998 Pass Through Trust	6.720%	1/15/22	218	226
FedEx Corp.	2.700%	4/15/23	255	268
FedEx Corp.	4.100%	2/1/45	130	133
FedEx Corp.	4.750%	11/15/45	361	406
FedEx Corp.	4.550%	4/1/46	178	192
FedEx Corp.	4.050%	2/15/48	48	49
FedEx Corp.	4.950%	10/17/48	333	386
Kansas City Southern	4.950%	8/15/45	480	617
[5] Penske Truck Leasing Co. LP / PTL Finance Corp.	3.450%	7/1/24	465	494
[5] Penske Truck Leasing Co. LP / PTL Finance Corp.	2.700%	11/1/24	385	396
[5] Penske Truck Leasing Co. LP / PTL Finance Corp.	3.950%	3/10/25	1,435	1,549
[5] Penske Truck Leasing Co. LP / PTL Finance Corp.	4.450%	1/29/26	925	1,006
[2] Southwest Airlines Co. 2007-1 Pass Through Trust	6.150%	2/1/24	192	190
Union Pacific Corp.	3.700%	3/1/29	505	589
Union Pacific Corp.	4.300%	3/1/49	625	793
Union Pacific Corp.	3.250%	2/5/50	900	981
Union Pacific Corp.	3.799%	10/1/51	666	784
Union Pacific Corp.	3.839%	3/20/60	285	334
Union Pacific Corp.	3.750%	2/5/70	335	371
[2] United Airlines 2018-1 Class B Pass Through Trust	4.600%	3/1/26	187	137
United Parcel Service Inc.	2.450%	10/1/22	425	443
				377,808
Utilities (3.4%)				
Electric (2.9%)				
AEP Texas Inc.	4.150%	5/1/49	145	171
AEP Texas Inc.	3.450%	1/15/50	380	407
Alabama Power Co.	5.200%	6/1/41	120	152
Alabama Power Co.	4.100%	1/15/42	215	247
Alabama Power Co.	3.750%	3/1/45	630	714
Alabama Power Co.	4.300%	7/15/48	775	960
Ameren Illinois Co.	3.800%	5/15/28	590	679
Ameren Illinois Co.	6.125%	12/15/28	1,000	1,254
Ameren Illinois Co.	3.700%	12/1/47	140	162
Arizona Public Service Co.	3.350%	5/15/50	410	434
Baltimore Gas and Electric Co.	2.900%	6/15/50	238	241
Berkshire Hathaway Energy Co.	6.125%	4/1/36	1,135	1,629
Berkshire Hathaway Energy Co.	5.950%	5/15/37	25	35
Berkshire Hathaway Energy Co.	5.150%	11/15/43	1,490	2,010
CenterPoint Energy Houston Electric LLC	4.250%	2/1/49	195	249
Cleco Corporate Holdings LLC	3.743%	5/1/26	1,850	1,949
[5] Cleco Corporate Holdings LLC	3.375%	9/15/29	405	419
Commonwealth Edison Co.	2.950%	8/15/27	645	707
Commonwealth Edison Co.	4.350%	11/15/45	375	476
Commonwealth Edison Co.	3.650%	6/15/46	175	204
Commonwealth Edison Co.	4.000%	3/1/48	480	587
Consolidated Edison Co. of New York Inc.	4.500%	12/1/45	980	1,212
Consolidated Edison Co. of New York Inc.	3.850%	6/15/46	76	87
Consolidated Edison Co. of New York Inc.	4.625%	12/1/54	1,835	2,339
Consolidated Edison Co. of New York Inc.	4.500%	5/15/58	680	851
Delmarva Power & Light Co.	3.500%	11/15/23	305	330
Dominion Energy Inc.	2.579%	7/1/20	640	640
Dominion Energy Inc.	2.715%	8/15/21	450	460
[5] Dominion Energy Inc.	2.450%	1/15/23	3,240	3,345
Dominion Energy Inc.	5.250%	8/1/33	1,000	1,210
Dominion Energy Inc.	4.600%	3/15/49	875	1,101
Dominion Energy South Carolina Inc.	6.625%	2/1/32	138	199
Dominion Energy South Carolina Inc.	5.300%	5/15/33	44	59
Dominion Energy South Carolina Inc.	6.050%	1/15/38	1,260	1,803
Dominion Energy South Carolina Inc.	5.450%	2/1/41	95	131
Dominion Energy South Carolina Inc.	4.600%	6/15/43	202	259
Dominion Energy South Carolina Inc.	5.100%	6/1/65	715	1,045
DTE Energy Co.	3.800%	3/15/27	250	271
Duke Energy Carolinas LLC	6.100%	6/1/37	391	558
Duke Energy Carolinas LLC	3.700%	12/1/47	470	558
Duke Energy Corp.	2.650%	9/1/26	315	341
Duke Energy Corp.	3.400%	6/15/29	350	394
Duke Energy Corp.	4.800%	12/15/45	1,200	1,548
Duke Energy Corp.	3.750%	9/1/46	265	302

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Duke Energy Florida LLC	6.350%	9/15/37	200	299
	Duke Energy Progress LLC	6.300%	4/1/38	365	538
	Duke Energy Progress LLC	4.100%	3/15/43	118	142
	Duke Energy Progress LLC	4.200%	8/15/45	2,045	2,537
	Emera US Finance LP	3.550%	6/15/26	965	1,079
	Entergy Louisiana LLC	3.120%	9/1/27	410	447
	Evergy Inc.	2.450%	9/15/24	425	446
	Evergy Inc.	2.900%	9/15/29	600	642
	Evergy Metro Inc.	2.250%	6/1/30	205	214
	Eversource Energy	2.900%	10/1/24	690	740
	Eversource Energy	3.150%	1/15/25	110	119
	Eversource Energy	3.300%	1/15/28	400	438
	Florida Power & Light Co.	5.650%	2/1/35	1,000	1,395
	Florida Power & Light Co.	4.950%	6/1/35	1,000	1,385
	Florida Power & Light Co.	5.950%	2/1/38	785	1,166
	Florida Power & Light Co.	5.690%	3/1/40	675	992
	Florida Power & Light Co.	3.700%	12/1/47	480	582
	Fortis Inc.	3.055%	10/4/26	1,195	1,283
	Georgia Power Co.	5.400%	6/1/40	205	266
	Georgia Power Co.	4.750%	9/1/40	988	1,194
	Georgia Power Co.	4.300%	3/15/42	1,646	1,913
	Georgia Power Co.	3.700%	1/30/50	170	189
	Indiana Michigan Power Co.	4.250%	8/15/48	415	505
	Kansas City Power & Light Co.	4.200%	3/15/48	137	172
5	Massachusetts Electric Co.	5.900%	11/15/39	585	826
5	Metropolitan Edison Co.	4.300%	1/15/29	199	234
5	Mid-Atlantic Interstate Transmission LLC	4.100%	5/15/28	195	222
	MidAmerican Energy Co.	4.250%	5/1/46	45	57
	MidAmerican Energy Co.	4.250%	7/15/49	315	408
	MidAmerican Energy Co.	3.150%	4/15/50	1,390	1,574
5	Monongahela Power Co.	5.400%	12/15/43	135	190
	National Rural Utilities Cooperative Finance Corp.	2.950%	2/7/24	415	443
	National Rural Utilities Cooperative Finance Corp.	2.850%	1/27/25	1,040	1,125
	Nevada Power Co.	3.125%	8/1/50	380	417
	NextEra Energy Capital Holdings Inc.	2.403%	9/1/21	1,295	1,321
	NextEra Energy Capital Holdings Inc.	3.250%	4/1/26	260	291
	NextEra Energy Capital Holdings Inc.	3.550%	5/1/27	880	991
	NextEra Energy Capital Holdings Inc.	3.500%	4/1/29	390	442
	NextEra Energy Capital Holdings Inc.	2.750%	11/1/29	590	635
	NextEra Energy Capital Holdings Inc.	2.250%	6/1/30	1,185	1,215
5	Niagara Mohawk Power Corp.	4.278%	12/15/28	1,000	1,176
5	Niagara Mohawk Power Corp.	3.025%	6/27/50	540	557
	Northern States Power Co.	6.250%	6/1/36	2,000	2,913
2,5	Oglethorpe Power Corp.	6.191%	1/1/31	1,065	1,325
	Oglethorpe Power Corp.	5.950%	11/1/39	170	229
	Oglethorpe Power Corp.	4.550%	6/1/44	50	53
	Oglethorpe Power Corp.	4.250%	4/1/46	537	603
	Oglethorpe Power Corp.	5.050%	10/1/48	80	90
	Oglethorpe Power Corp.	5.250%	9/1/50	630	715
	Oncor Electric Delivery Co. LLC	4.550%	12/1/41	75	96
	PacifiCorp	6.250%	10/15/37	2,000	2,905
	PacifiCorp	4.150%	2/15/50	345	431
	Potomac Electric Power Co.	3.050%	4/1/22	460	477
	Potomac Electric Power Co.	6.500%	11/15/37	750	1,100
	San Diego Gas & Electric Co.	6.000%	6/1/26	600	745
	San Diego Gas & Electric Co.	3.750%	6/1/47	160	185
	San Diego Gas & Electric Co.	4.150%	5/15/48	545	668
	Sierra Pacific Power Co.	3.375%	8/15/23	850	914
	Sierra Pacific Power Co.	2.600%	5/1/26	221	239
	Southern California Edison Co.	2.400%	2/1/22	170	172
	Southern California Edison Co.	3.700%	8/1/25	90	99
	Southern California Edison Co.	6.000%	1/15/34	1,000	1,340
	Southern California Edison Co.	5.550%	1/15/37	2,250	2,850
	Southern California Edison Co.	6.050%	3/15/39	55	75
	Southern California Edison Co.	4.000%	4/1/47	195	222
	Southern California Edison Co.	4.125%	3/1/48	645	752
	Southern California Edison Co.	3.650%	2/1/50	155	170
	Southern Co.	2.950%	7/1/23	1,280	1,354

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Southern Co.	4.400%	7/1/46	755	894
	Southwestern Electric Power Co.	6.200%	3/15/40	400	525
	Southwestern Public Service Co.	3.700%	8/15/47	102	116
	Union Electric Co.	4.000%	4/1/48	423	510
	Virginia Electric & Power Co.	2.750%	3/15/23	690	723
	Virginia Electric & Power Co.	3.500%	3/15/27	435	493
	Westar Energy Inc.	3.250%	9/1/49	630	666
	Wisconsin Electric Power Co.	5.700%	12/1/36	690	957
	Natural Gas (0.4%)				
5	Boston Gas Co.	3.150%	8/1/27	140	153
5	Boston Gas Co.	3.001%	8/1/29	175	190
5	Brooklyn Union Gas Co.	3.407%	3/10/26	95	103
5	Brooklyn Union Gas Co.	4.273%	3/15/48	1,720	2,062
	CenterPoint Energy Resources Corp.	4.500%	1/15/21	105	106
	CenterPoint Energy Resources Corp.	4.000%	4/1/28	1,369	1,543
5	East Ohio Gas Co.	2.000%	6/15/30	325	322
5	East Ohio Gas Co.	3.000%	6/15/50	475	475
5	Infraestructura Energetica Nova SAB de CV	4.875%	1/14/48	455	431
5	KeySpan Gas East Corp.	2.742%	8/15/26	670	720
	NiSource Finance Corp.	5.250%	2/15/43	390	501
	NiSource Finance Corp.	4.800%	2/15/44	1,355	1,663
	Sempra Energy	2.875%	10/1/22	750	777
	Sempra Energy	3.250%	6/15/27	1,095	1,202
	Sempra Energy	6.000%	10/15/39	600	827
	Southern California Gas Co.	2.600%	6/15/26	820	877
	Southwest Gas Corp.	2.200%	6/15/30	230	235
	Other Utility (0.1%)				
	American Water Capital Corp.	2.950%	9/1/27	540	590
	American Water Capital Corp.	4.200%	9/1/48	810	1,002
	American Water Capital Corp.	3.450%	5/1/50	95	108
					103,029
	Total Corporate Bonds (Cost $671,539)				753,183
	Sovereign Bonds (1.0%)				
5	Electricite de France SA	4.875%	9/21/38	2,200	2,601
5	Electricite de France SA	4.875%	1/22/44	50	59
5	Electricite de France SA	4.950%	10/13/45	400	487
	Equinor ASA	2.900%	11/8/20	1,410	1,421
	Equinor ASA	2.750%	11/10/21	850	874
	Equinor ASA	2.450%	1/17/23	382	399
	Equinor ASA	2.650%	1/15/24	360	383
	Equinor ASA	3.700%	3/1/24	640	708
	Equinor ASA	3.250%	11/10/24	795	878
	Equinor ASA	3.125%	4/6/30	2,350	2,593
	International Bank for Reconstruction & Development	4.750%	2/15/35	2,000	2,940
5,7	Kingdom of Saudi Arabia	2.875%	3/4/23	930	970
8	Republic of Colombia	4.000%	2/26/24	970	1,019
5	Saudi Arabian Oil Co.	3.500%	4/16/29	630	679
5	Sinopec Group Overseas Development 2015 Ltd.	3.250%	4/28/25	1,615	1,738
5	Sinopec Group Overseas Development 2017 Ltd.	3.000%	4/12/22	850	873
5	State Grid Overseas Investment 2016 Ltd.	2.750%	5/4/22	1,550	1,589
5	State Grid Overseas Investment 2016 Ltd.	3.500%	5/4/27	775	856
5,9	State of Qatar	2.375%	6/2/21	1,590	1,610
5,9	State of Qatar	3.875%	4/23/23	1,985	2,129
5,9	State of Qatar	4.000%	3/14/29	851	978
5,9	State of Qatar	3.750%	4/16/30	625	713
5,9	State of Qatar	5.103%	4/23/48	820	1,118
5,9	State of Qatar	4.400%	4/16/50	735	912
5	Temasek Financial I Ltd.	2.375%	1/23/23	1,130	1,176
5	Temasek Financial I Ltd.	3.625%	8/1/28	1,025	1,202
	Total Sovereign Bonds (Cost $27,431)				30,905

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Taxable Municipal Bonds (2.0%)				
Atlanta GA Downtown Development Authority	6.875%	2/1/21	65	67
Bay Area Toll Authority California Toll Bridge Revenue (San Francisco Bay Area)	2.574%	4/1/31	450	484
Bay Area Toll Authority California Toll Bridge Revenue (San Francisco Bay Area)	6.263%	4/1/49	130	227
Bay Area Toll Authority California Toll Bridge Revenue (San Francisco Bay Area)	7.043%	4/1/50	1,025	1,836
Broward County FL Airport System Revenue	3.477%	10/1/43	300	299
California GO	7.500%	4/1/34	155	253
California GO	7.550%	4/1/39	15	27
California GO	7.350%	11/1/39	2,000	3,364
California GO	7.625%	3/1/40	35	62
Chicago IL Metropolitan Water Reclamation District GO	5.720%	12/1/38	215	311
Chicago IL O'Hare International Airport Revenue	6.845%	1/1/38	530	530
Chicago IL O'Hare International Airport Revenue	6.395%	1/1/40	245	365
Chicago IL Transit Authority Sales Tax Receipts Revenue	6.200%	12/1/40	550	746
Chicago IL Transit Authority Sales Tax Receipts Revenue	6.899%	12/1/40	825	1,136
Chicago IL Transit Authority Transfer Tax Receipts Revenue	6.899%	12/1/40	1,780	2,451
City of Riverside CA Revenue	3.857%	6/1/45	260	272
Commonwealth of Massachusetts GO	2.514%	7/1/41	270	271
Dallas TX Area Rapid Transit Revenue	5.999%	12/1/44	425	691
10 Foothill-Eastern Transportation Corridor Agency CA Toll Road Revenue	3.924%	1/15/53	1,170	1,225
Foothill-Eastern Transportation Corridor Agency CA Toll Road Revenue	4.094%	1/15/49	155	159
Georgia Municipal Electric Power Authority Revenue	6.637%	4/1/57	2,103	3,058
Georgia Municipal Electric Power Authority Revenue	6.655%	4/1/57	356	522
Grand Parkway Transportation Corp Texas System Toll Revenue	3.236%	10/1/52	930	969
Grand Parkway Transportation Corp. Texas System Toll Revenue	5.184%	10/1/42	1,015	1,450
Great Lakes Water Authority Michigan Sewage Disposal System Revenue	3.056%	7/1/39	250	267
Houston TX GO	6.290%	3/1/32	390	501
Illinois GO	5.100%	6/1/33	810	822
Illinois Toll Highway Authority Revenue	6.184%	1/1/34	750	1,075
JobsOhio Beverage System Statewide Liquor Profits Revenue	2.833%	1/1/38	160	170
10 Kansas Development Finance Authority Revenue (Public Employees Retirement System)	5.501%	5/1/34	2,000	2,566
Maryland Transportation Authority Facilities Projects Revenue	5.888%	7/1/43	545	796
Massachusetts School Building Authority Dedicated Sales Tax Revenue	5.715%	8/15/39	1,000	1,385
Massachusetts School Building Authority Dedicated Sales Tax Revenue	3.395%	10/15/40	500	510
Metropolitan Transportation Authority Revenue	6.200%	11/15/26	60	68
Metropolitan Transportation Authority Revenue	5.175%	11/15/49	910	1,062
Michigan Finance Authority Revenue (Trinity Health Credit Group)	3.084%	12/1/34	295	318
Michigan Finance Authority Revenue (Trinity Health Credit Group)	3.384%	12/1/40	535	590
New Jersey Turnpike Authority Revenue	7.414%	1/1/40	410	695
New Jersey Turnpike Authority Revenue	7.102%	1/1/41	600	991
New York Metropolitan Transportation Authority Revenue	6.814%	11/15/40	885	1,154
New York Metropolitan Transportation Authority Revenue (Dedicated Tax Fund)	7.336%	11/15/39	325	526
New York Metropolitan Transportation Authority Revenue (Dedicated Tax Fund)	6.089%	11/15/40	445	618
New York State Dormitory Authority Revenue (Personal Income Tax)	3.110%	2/15/39	640	681
New York State Dormitory Authority Revenue (Personal Income Tax)	3.190%	2/15/43	355	386
New York State Thruway Authority Revenue	2.900%	1/1/35	490	526
New York State Thruway Authority Revenue	3.500%	1/1/42	275	281
New York State Urban Development Corp. Revenue	2.100%	3/15/22	1,560	1,579
North Texas Tollway Authority System Revenue	6.718%	1/1/49	1,310	2,311
Oregon Department of Transportation Highway User Tax Revenue	5.834%	11/15/34	655	953
10 Oregon School Boards Association GO	5.528%	6/30/28	2,000	2,386
Pennsylvania State University	2.790%	9/1/43	860	885
Pennsylvania State University	2.840%	9/1/50	355	370
11 Philadelphia PA Authority for Industrial Development	6.550%	10/15/28	1,945	2,514
Port Authority of New York & New Jersey Revenue	5.859%	12/1/24	65	77
Port Authority of New York & New Jersey Revenue	6.040%	12/1/29	265	359
Port Authority of New York & New Jersey Revenue	4.458%	10/1/62	1,175	1,560
Port Authority of New York & New Jersey Revenue	4.810%	10/15/65	640	878
Regents of the University of California Medical Center Pooled Revenue	3.006%	5/15/50	450	456
Regents of the University of California Medical Center Pooled Revenue	3.256%	5/15/60	880	915
Regents of the University of California Revenue	3.063%	7/1/25	545	598
Riverside County California Taxable Pension Obligation	3.818%	2/15/38	290	324
Rutgers The State University of New Jersey	3.270%	5/1/43	350	368
Sales Tax Securitization Corp. Illinois Revenue	4.787%	1/1/48	965	1,190
Texas Transportation Commission	2.562%	4/1/42	235	239
Texas Transportation Commission State Highway Fund	4.000%	10/1/33	515	639
University of California Regents Medical Center Revenue	6.548%	5/15/48	185	296
University of California Regents Medical Center Revenue	6.583%	5/15/49	700	1,101
University of California Revenue	3.931%	5/15/45	570	680
University of California Revenue	4.601%	5/15/31	590	716
University of California Revenue	4.765%	5/15/44	145	160
University of Michigan Revenue	2.437%	4/1/40	380	392

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
University of Michigan Revenue	2.562%	4/1/50	300	311
University of Texas System Revenue	2.439%	8/15/49	430	423
Total Taxable Municipal Bonds (Cost $49,827)				59,443
Temporary Cash Investments (4.5%)				
Commercial Paper (0.0%)				
12 Boeing Co.	2.185%	11/18/20	400	397
Repurchase Agreement (3.2%)				
RBS Securities, Inc. (Dated 6/30/20, Repurchase Value $97,400,000, collateralized by U.S. Treasury Note/Bond, 0.125%–3.125%,4/15/25–2/15/42, with a value of $99,348,000)	0.070%	7/1/20	97,400	97,400
			Shares	
Money Market Fund (1.3%)				
13,14 Vanguard Market Liquidity Fund	0.227%		397,449	39,745
Total Temporary Cash Investments (Cost $137,542)				137,542
Total Investments (102.2%) (Cost $2,620,820)				3,116,019
Other Asset and Liabilities—Net (-2.2%)				(68,405)
Net Assets (100%)				3,047,614

Cost is in $000.

• See Note A in Notes to Financial Statements.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $37,408,000.

* Non-income-producing security.

1 Securities with a value of $400,000 have been segregated as initial margin for open futures contracts.

2 The average or expected maturity is shorter than the final maturity shown because of the possibility of interim principal payments and prepayments or the possibility of the issue being called.

3 The issuer was placed under federal conservatorship in September 2008; since that time, its daily operations have been managed by the Federal Housing Finance Agency and it receives capital from the U.S. Treasury, as needed to maintain a positive net worth, in exchange for senior preferred stock.

4 Includes securities purchased on a when-issued or delayed-delivery basis for which the portfolio has not taken delivery as of June 30, 2020.

5 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2020, the aggregate value of these securities was $193,755,000, representing 6.4% of net assets.

6 Adjustable-rate security; rate shown is effective rate at period end. Certain adjustable-rate securities are not based on a published reference rate and spread but are determined by the issuer or agent based on current market conditions.

7 Guaranteed by the Kingdom of Saudi Arabia.

8 Guaranteed by the Republic of Colombia.

9 Guaranteed by the State of Qatar.

10 Scheduled principal and interest payments are guaranteed by AGM (Assured Guaranty Municipal Corporation).

11 Scheduled principal and interest payments are guaranteed by National Public Finance Guarantee Corp.

12 Security exempt from registration under Section 4(2) of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration only to dealers in that program or other "accredited investors." At June 30, 2020, the value of these securities was $397,000, representing 0.0% of net assets.

13 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

14 Collateral of $39,731,000 was received for securities on loan.

ADR—American Depositary Receipt.

GO—General Obligation Bond.

LIBOR—London Interbank Offered Rate.

REMICS—Real Estate Mortgage Investment Conduits.

UMBS—Uniform Mortgage-Backed Securities.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

			($000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
10-Year U.S. Treasury Note	September 2020	91	12,665	9

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2020

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $2,581,075)	3,076,274
Affiliated Issuers (Cost $39,745)	39,745
Total Investments in Securities	3,116,019
Investment in Vanguard	135
Cash	342
Foreign Currency, at Value (Cost $183)	201
Receivables for Investment Securities Sold	10,888
Receivables for Accrued Income	10,532
Receivables for Capital Shares Issued	88
Total Assets	3,138,205
Liabilities	
Payables for Investment Securities Purchased	46,783
Collateral for Securities on Loan	39,731
Payables to Investment Advisor	303
Payables for Capital Shares Redeemed	3,509
Payables to Vanguard	251
Variation Margin Payable—Futures Contracts	14
Total Liabilities	90,591
Net Assets	3,047,614

At June 30, 2020, net assets consisted of:

Paid-in Capital	2,491,497
Total Distributable Earnings (Loss)	556,117
Net Assets	3,047,614

Net Assets	
Applicable to 135,900,237 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	3,047,614
Net Asset Value Per Share	$22.43

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2020
	($000)
Investment Income	
Income	
Dividends[1]	26,795
Interest	16,586
Securities Lending—Net	2
Total Income	43,383
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	777
Performance Adjustment	(121)
The Vanguard Group—Note C	
Management and Administrative	2,228
Marketing and Distribution	126
Custodian Fees	21
Shareholders' Reports	20
Trustees' Fees and Expenses	2
Total Expenses	3,053
Net Investment Income	**40,330**
Realized Net Gain (Loss)	
Investment Securities Sold[2]	30,151
Futures Contracts	50
Options Purchased	(75)
Forward Currency Contracts	(26)
Foreign Currencies	16
Realized Net Gain (Loss)	**30,116**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[2]	(190,582)
Futures Contracts	125
Forward Currency Contracts	34
Foreign Currencies	9
Change in Unrealized Appreciation (Depreciation)	**(190,414)**
Net Increase (Decrease) in Net Assets Resulting from Operations	**(119,968)**

1 Dividends are net of foreign withholding taxes of $880,000.

2 Realized net gain (loss) and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $4,000 and ($1,000). Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	40,330	80,651
Realized Net Gain (Loss)	30,116	103,738
Change in Unrealized Appreciation (Depreciation)	(190,414)	419,867
Net Increase (Decrease) in Net Assets Resulting from Operations	(119,968)	604,256
Distributions[1]		
Total Distributions	(186,299)	(241,965)
Capital Share Transactions		
Issued	176,425	264,878
Issued in Lieu of Cash Distributions	186,299	241,965
Redeemed	(275,346)	(310,250)
Net Increase (Decrease) from Capital Share Transactions	87,378	196,593
Total Increase (Decrease)	(218,889)	558,884
Net Assets		
Beginning of Period	**3,266,503**	**2,707,619**
End of Period	**3,047,614**	**3,266,503**

1 Certain prior period numbers have been reclassified to conform with current period presentation.

See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2020	Year Ended December 31, 2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	**$24.94**	**$22.20**	**$24.80**	**$23.03**	**$22.32**	**$23.99**
Investment Operations						
Net Investment Income	.305[1]	.623[1]	.626[1]	.582[1]	.581	.576
Net Realized and Unrealized Gain (Loss) on Investments	(1.337)	4.105	(1.414)	2.648	1.713	(.548)
Total from Investment Operations	(1.032)	4.728	(.788)	3.230	2.294	.028
Distributions						
Dividends from Net Investment Income	(.666)	(.660)	(.582)	(.567)	(.576)	(.570)
Distributions from Realized Capital Gains	(.812)	(1.328)	(1.230)	(.893)	(1.008)	(1.128)
Total Distributions	(1.478)	(1.988)	(1.812)	(1.460)	(1.584)	(1.698)
Net Asset Value, End of Period	**$22.43**	**$24.94**	**$22.20**	**$24.80**	**$23.03**	**$22.32**
Total Return	**-3.33%**	**22.48%**	**-3.41%**	**14.72%**	**11.01%**	**0.09%**
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$3,048	$3,267	$2,708	$2,942	$2,554	$2,312
Ratio of Total Expenses to Average Net Assets[2]	0.20%	0.21%	0.21%	0.23%	0.23%	0.23%
Ratio of Net Investment Income to Average Net Assets	2.67%	2.68%	2.67%	2.49%	2.66%	2.53%
Portfolio Turnover Rate[3]	36%	29%	36%	28%	33%	45%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Includes performance-based investment advisory fee increases (decreases) of (0.01%), (0.00%), (0.00%), (0.00%), (0.01%), and 0.00%.

3 Includes 1%, 8%, 2%, 0%, 0%, and 14% attributable to mortgage-dollar-roll activity.

Notes to Financial Statements

The Balanced Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio’s shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Certain of the portfolio’s investments are in corporate debt instruments; the issuers’ abilities to meet their obligations may be affected by economic developments in their respective industries. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The portfolio consistently follows such policies in preparing its financial statements.

1. Security Valuation: Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Bonds and temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services. Structured debt securities, including mortgages and asset-backed securities, are valued using the latest bid prices or using

valuations based on a matrix system that considers such factors as issuer, tranche, nominal or option-adjusted spreads, weighted average coupon, weighted average maturity, credit enhancements, and collateral. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the portfolio's pricing time. When fair-value pricing is employed, the prices of securities used by a portfolio to calculate its net asset value may differ from quoted or published prices for the same securities.

2. Foreign Currency: Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates obtained from an independent third party as of the portfolio's pricing time on the valuation date. Realized gains (losses) and unrealized appreciation (depreciation) on investment securities include the effects of changes in exchange rates since the securities were purchased, combined with the effects of changes in security prices. Fluctuations in the value of other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses) until the assets or liabilities are settled in cash, at which time they are recorded as realized foreign currency gains (losses).

3. Futures Contracts: The portfolio uses futures contracts to invest in fixed income asset classes with greater efficiency and lower cost than is possible through direct investment, to add value when these instruments are attractively priced, or to adjust sensitivity to changes in interest rates. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of bonds held by the portfolio and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the portfolio's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any assets pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Schedule of Investments. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended June 30, 2020, the portfolio's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

4. Forward Currency Contracts: The portfolio enters into forward currency contracts to protect the value of securities and related receivables and payables against changes in future foreign exchange rates. The portfolio's risks in using these contracts include movement in the values of the foreign currencies relative to the U.S. dollar and the ability of the counterparties to fulfill their obligations under the contracts. The portfolio mitigates its counterparty risk by entering into forward currency contracts only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. The master netting arrangements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate the forward currency contracts, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements. The forward currency contracts contain provisions whereby a counterparty may terminate open contracts if the portfolio's net assets decline below a certain level, triggering a payment by the portfolio if the portfolio is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the portfolio has pledged. Any assets pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the forward currency contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

Forward currency contracts are valued at their quoted daily prices obtained from an independent third party, adjusted for currency risk based on the expiration date of each contract. The notional amounts of the contracts are not recorded in the Schedule of Investments. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on forward currency contracts.

During the six months ended June 30, 2020, the portfolio's average investment in forward currency contracts represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period. The portfolio had no open forward currency contracts at June 30, 2020.

5. Options: The portfolio invests in options contracts on futures to adjust its exposure to the underlying investments. The primary risk associated with purchasing options is that if interest rates move in such a way that the option is out-of-the-money, the position is worthless at expiration, and the portfolio loses the premium paid. The primary risk associated with selling options is that if interest rates move in such a way that the option is in-the-money, the counterparty exercises the option, and the portfolio loses an amount equal to the market value of the option written less the premium received.

The portfolio invests in options on futures, which are exchange-traded. Counterparty risk involving exchange-traded options on futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades options on futures on an exchange, monitors the financial strength of its clearing brokers and clearinghouses, and has entered into clearing agreements with its clearing brokers.

Options contracts on futures are valued at their quoted daily settlement prices. The premium paid for a purchased option is recorded in the Statement of Assets and Liabilities as an asset that is subsequently adjusted daily to the current market value of the option purchased. The premium received for a written option is recorded in the Statement of Assets and Liabilities as an asset with an equal liability that is subsequently adjusted daily to the current market value of the option written. Fluctuations in the value of the options are recorded in the Statement of Operations as unrealized appreciation (depreciation) until expired, closed, or exercised, at which time realized gains (losses) are recognized.

During the six months ended June 30, 2020, the portfolio's average value of investments in options purchased and options written represented less than 1% and 0% of net assets, respectively, based on the average market values at each quarter-end during the period. The portfolio had no open options contracts on futures at June 30, 2020.

6. To Be Announced (TBA) Transactions: A TBA transaction is an agreement to buy or sell mortgage-backed securities with agreed-upon characteristics (face amount, coupon, maturity) for settlement at a future date. The portfolio may be a seller of TBA transactions to reduce its exposure to the mortgage-backed securities market or in order to sell mortgage-backed securities it owns under delayed-delivery arrangements. When the portfolio is a buyer of TBA transactions, it maintains cash or short-term investments in an amount sufficient to meet the purchase price at the settlement date of the TBA transaction. The primary risk associated with TBA transactions is that a counterparty may default on its obligations. The portfolio mitigates its counterparty risk by, among other things, performing a credit analysis of counterparties, allocating transactions among numerous counterparties, and monitoring its exposure to each counterparty. The portfolio may also enter into a Master Securities Forward Transaction Agreement (MSFTA) with certain counterparties and require them to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. Under an MSFTA, upon a counterparty default (including bankruptcy), the portfolio may terminate any TBA transactions with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements.

7. Mortgage Dollar Rolls: The portfolio enters into mortgage-dollar-roll transactions, in which the portfolio sells mortgage-backed securities to a dealer and simultaneously agrees to purchase similar securities in the future at a predetermined price. The proceeds of the securities sold in mortgage-dollar-roll transactions are typically invested in high-quality short-term fixed income securities. The portfolio forgoes principal and interest paid on the securities sold, and is compensated by interest earned on the proceeds of the sale and by a lower price on the securities to be repurchased. The portfolio has also entered into mortgage-dollar-roll transactions in which the portfolio buys mortgage-backed securities from a dealer pursuant to a TBA transaction and simultaneously agrees to sell similar securities in the future at a predetermined price. The securities bought in mortgage-dollar-roll transactions are used to cover an open TBA sell position. The portfolio continues to earn interest on

mortgage-backed security pools already held and receives a lower price on the securities to be sold in the future. The portfolio accounts for mortgage-dollar-roll transactions as purchases and sales; as such, these transactions may increase the portfolio's portfolio turnover rate. Amounts to be received or paid in connection with open mortgage dollar rolls are included in Receivables for Investment Securities Sold or Payables for Investment Securities Purchased in the Statement of Assets and Liabilities.

8. Repurchase Agreements: The portfolio enters into repurchase agreements with institutional counterparties. Securities pledged as collateral to the portfolio under repurchase agreements are held by a custodian bank until the agreements mature, and in the absence of a default, such collateral cannot be repledged, resold, or rehypothecated. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal. The portfolio further mitigates its counterparty risk by entering into repurchase agreements only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master repurchase agreements with its counterparties. The master repurchase agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any repurchase agreements with that counterparty, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio. Such action may be subject to legal proceedings, which may delay or limit the disposition of collateral.

9. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2016–2019), and for the period ended June 30, 2020, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

10. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

11. Securities Lending: To earn additional income, the portfolio lends its securities to qualified institutional borrowers. Security loans are subject to termination by the portfolio at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The portfolio further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the portfolio may experience delays and costs in recovering the securities loaned. The portfolio invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the portfolio is entitled to all distributions made on or in respect of the loaned securities.

12. Credit Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a $4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended June 30, 2020, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

13. Other: Dividend income is recorded on the ex-dividend date. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. Wellington Management Company LLP provides investment advisory services to the portfolio for a fee calculated at an annual percentage rate of average net assets. The basic fee is subject to quarterly adjustments based on the portfolio's performance relative to the combined index comprising the S&P 500 Index and the Bloomberg Barclays U.S. Credit A or Better Bond Index for the preceding three years. For the six months ended June 30, 2020, the investment advisory fee represented an effective annual basic rate of 0.05% of the portfolio's average net assets before a decrease of $121,000 (0.01%) based on performance.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2020, the portfolio had contributed to Vanguard capital in the amount of $135,000, representing less than 0.01% of the portfolio's net assets and 0.05% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

D. Various inputs may be used to determine the value of the portfolio's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.
Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the portfolio's investments and derivatives as of June 30, 2020, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	1,758,876	210,674	—	1,969,550
U.S. Government and Agency Obligations	—	125,134	—	125,134
Asset-Backed/Commercial Mortgage-Backed Securities	—	40,262	—	40,262
Corporate Bonds	—	753,183	—	753,183
Sovereign Bonds	—	30,905	—	30,905
Taxable Municipal Bonds	—	59,443	—	59,443
Temporary Cash Investments	39,745	97,797	—	137,542
Total	1,798,621	1,317,398	—	3,116,019
Derivative Financial Instruments				
Liabilities				
Futures Contracts[1]	14	—	—	14

1 Represents variation margin on the last day of the reporting period.

E. At June 30, 2020, the fair values of derivatives were reflected in the Statement of Assets and Liabilities as follows:

Statement of Assets and Liabilities Caption	Interest Rate Contracts ($000)	Foreign Exchange Contracts ($000)	Total ($000)
Variation Margin Payable—Futures Contracts	14	—	14
Total Liabilities	14	—	14

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended June 30, 2020, were:

Realized Net Gain (Loss) on Derivatives	Interest Rate Contracts ($000)	Foreign Exchange Contracts ($000)	Total ($000)
Futures Contracts	50	—	50
Options Purchased	(75)	—	(75)
Forward Currency Contracts	—	(26)	(26)
Realized Net Gain (Loss) on Derivatives	(25)	(26)	(51)
Change in Unrealized Appreciation (Depreciation) on Derivatives			
Futures Contracts	125	—	125
Forward Currency Contracts	—	34	34
Change in Unrealized Appreciation (Depreciation) on Derivatives	125	34	159

F. As of June 30, 2020, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount ($000)
Tax Cost	2,621,478
Gross Unrealized Appreciation	562,758
Gross Unrealized Depreciation	(68,208)
Net Unrealized Appreciation (Depreciation)	494,550

G. During the six months ended June 30, 2020, the portfolio purchased $1,026,365,000 of investment securities and sold $974,144,000 of investment securities, other than U.S. government securities and temporary cash investments. Purchases and sales of U.S. government securities were $53,531,000 and $184,135,000, respectively.

H. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	Shares (000)	Shares (000)
Issued	7,774	11,351
Issued in Lieu of Cash Distributions	9,447	10,988
Redeemed	(12,286)	(13,353)
Net Increase (Decrease) in Shares Outstanding	4,935	8,986

At June 30, 2020, one shareholder (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders) was the record or beneficial owner of 73% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

I. Management has determined that no events or transactions occurred subsequent to June 30, 2020, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Variable Insurance Funds Balanced Portfolio has renewed the portfolio's investment advisory arrangement with Wellington Management Company LLP (Wellington Management). The board determined that renewing the portfolio's advisory arrangement was in the best interests of the portfolio and its shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangement. Rather, it was the totality of the circumstances that drove the board's decision.

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Wellington Management, founded in 1928, is among the nation's oldest and most respected institutional investment managers. The portfolio managers leverage tenured teams of equity and fixed income research analysts who conduct detailed fundamental analysis of their respective industries and companies. In managing the equity portion of the portfolio, the advisor employs a bottom-up, fundamental research approach focusing on high-quality companies with above-average yields, strong balance sheets, sustainable competitive advantages, and attractive valuations. In managing the fixed income portion of the portfolio, the advisor focuses on investment-grade corporate bonds. The firm has advised the Balanced Portfolio since its inception in 1991.

The board concluded that the advisor's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangement.

Investment performance

The board considered the short- and long-term performance of the portfolio, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangement should continue.

Cost

The board concluded that the portfolio's expense ratio was well below the average expense ratio charged by funds in its peer group and that the portfolio's advisory fee rate was also well below the peer-group average.

The board did not consider the profitability of Wellington Management in determining whether to approve the advisory fee, because Wellington Management is independent of Vanguard and the advisory fee is the result of arm's-length negotiations.

The benefit of economies of scale

The board concluded that the portfolio's shareholders benefit from economies of scale because of breakpoints in the portfolio's advisory fee schedule. The breakpoints reduce the effective rate of the fee as the portfolio's assets increase.

The board will consider whether to renew the advisory arrangement again after a one-year period.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the "Program") as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund's liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors' interests in the fund.

Assessment and management of a fund's liquidity risk under the Program take into consideration certain factors, such as the fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the Balanced Portfolio's Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program's operation, its adequacy, and the effectiveness of its implementation for the past year (the "Program Administrator Report"). The board has reviewed the Program Administrator Report covering the period from December 1, 2018, through December 31, 2019 (the "Review Period"). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio's liquidity risk.

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You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, www.sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or www.sec.gov.

You can review information about your portfolio on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.

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Semiannual Report | June 30, 2020

Vanguard Variable Insurance Funds

High Yield Bond Portfolio

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to vanguard.com.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to vanguard.com. Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

Contents

About Your Portfolio's Expenses

As a shareholder of the portfolio, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a portfolio's gross income, directly reduce the investment return of the portfolio.

A portfolio's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your portfolio and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The table below illustrates your portfolio's costs in two ways:

- **Based on actual portfolio return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the portfolio's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with $1,000 in the portfolio. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, 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 given for your portfolio under the heading "Expenses Paid During Period."

- **Based on hypothetical 5% yearly return.** This section is intended to help you compare your portfolio's costs with those of other mutual funds. It assumes that the portfolio had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the portfolio's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your portfolio's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the portfolio for buying and selling securities. The portfolio's expense ratio does not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the portfolio's expenses in the Financial Statements section. For additional information on operating expenses and other shareholder costs, please refer to the prospectus.

Six Months Ended June 30, 2020

High Yield Bond Portfolio	Beginning Account Value 12/31/2019	Ending Account Value 6/30/2020	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$968.23	$1.27
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.57	1.31

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.26%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (182/366).

Portfolio Allocation
As of June 30, 2020

Basic Industry	4.6%
Capital Goods	14.4
Communication	20.9
Consumer Cyclical	13.3
Consumer Noncyclical	16.5
Energy	9.2
Finance	8.5
Other Industrial	0.4
Sovereign	0.4
Technology	10.8
Utilities	1.0
Other	0.0

The table reflects the portfolio's investments, except for short-term investments and derivatives.

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2020

The portfolio files its 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 portfolio's Form N-PORT reports are available on the SEC's website at www.sec.gov.

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Corporate Bonds (92.4%)				
Finance (7.9%)				
Banking (2.4%)				
Ally Financial Inc.	5.750%	11/20/25	1,605	1,709
[1] BNP Paribas SA	6.750%	3/14/66	1,805	1,832
CIT Group Inc.	4.750%	2/16/24	200	202
[1] Credit Suisse AG	6.250%	12/31/50	5,280	5,496
[1] ING Groep NV	6.875%	4/16/66	2,400	2,478
[2] Intesa Sanpaolo SPA	5.017%	6/26/24	300	308
[2] Intesa Sanpaolo SPA	5.710%	1/15/26	3,105	3,268
[1] UBS Group AG	6.875%	3/22/66	3,700	3,740
Finance Companies (3.0%)				
[1,2] AerCap Global Aviation Trust	6.500%	6/15/45	3,950	2,925
AerCap Ireland Capital DAC / AerCap Global Aviation Trust	4.500%	9/15/23	1,045	1,042
Aircastle Ltd.	5.000%	4/1/23	465	454
Aircastle Ltd.	4.125%	5/1/24	2,110	1,970
[2] Avolon Holdings Funding Ltd.	5.250%	5/15/24	1,630	1,483
CIT Group Inc.	5.000%	8/15/22	1,425	1,455
CIT Group Inc.	5.000%	8/1/23	602	613
[2] FirstCash Inc.	5.375%	6/1/24	373	375
[2] Freedom Mortgage Corp.	8.250%	4/15/25	740	732
Navient Corp.	7.250%	1/25/22	740	742
Navient Corp.	6.500%	6/15/22	3,890	3,822
Navient Corp.	5.500%	1/25/23	2,135	2,047
Navient Corp.	7.250%	9/25/23	310	303
Navient Corp.	6.750%	6/25/25	401	383
Navient Corp.	5.625%	8/1/33	284	221
[2] Park Aerospace Holdings Ltd.	5.500%	2/15/24	600	549
Springleaf Finance Corp.	8.250%	12/15/20	600	620
Springleaf Finance Corp.	7.750%	10/1/21	795	825
Springleaf Finance Corp.	8.250%	10/1/23	380	403
Springleaf Finance Corp.	6.125%	3/15/24	755	767
Springleaf Finance Corp.	7.125%	3/15/26	2,536	2,615
Insurance (2.4%)				
[3,4] Asurion LLC Bank Loan, 1M USD LIBOR + 3.000%	3.174%	11/3/24	3,048	2,937
Centene Corp.	4.750%	1/15/25	600	614
Centene Corp.	4.250%	12/15/27	2,080	2,148
Centene Corp.	4.625%	12/15/29	815	860
Centene Corp.	3.375%	2/15/30	2,660	2,673
CNO Financial Group Inc.	5.250%	5/30/25	1,785	1,975
Genworth Holdings Inc.	7.200%	2/15/21	830	779
Genworth Holdings Inc.	7.625%	9/24/21	760	715
Genworth Holdings Inc.	4.900%	8/15/23	1,475	1,230
Genworth Holdings Inc.	4.800%	2/15/24	475	392
MGIC Investment Corp.	5.750%	8/15/23	685	704
Radian Group Inc.	4.500%	10/1/24	2,485	2,404
Radian Group Inc.	4.875%	3/15/27	300	284
[2] WellCare Health Plans Inc.	5.250%	4/1/25	1,770	1,821
Real Estate Investment Trusts (0.1%)				
Felcor Lodging LP	6.000%	6/1/25	1,100	1,067
				63,982
Industrial (83.6%)				
Basic Industry (4.3%)				
CF Industries Inc.	4.950%	6/1/43	311	335
CF Industries Inc.	5.375%	3/15/44	541	584
Chemours Co.	6.625%	5/15/23	1,327	1,262
Chemours Co.	7.000%	5/15/25	3,115	2,971
Chemours Co.	5.375%	5/15/27	930	842
Commercial Metals Co.	5.750%	4/15/26	1,414	1,448
Commercial Metals Co.	5.375%	7/15/27	595	608
[2] Constellium NV	5.750%	5/15/24	1,085	1,078
[2] Constellium NV	6.625%	3/1/25	2,185	2,204
[2] Constellium NV	5.875%	2/15/26	1,025	1,021
[2] Constellium SE	5.625%	6/15/28	250	246
[2,5] CTC BondCo GmbH	5.250%	12/15/25	425	464
Graphic Packaging International Inc.	4.125%	8/15/24	1,045	1,080
[2] Graphic Packaging International LLC	4.750%	7/15/27	205	216
[2] Graphic Packaging International LLC	3.500%	3/15/28	2,765	2,737
[2] Novelis Corp.	5.875%	9/30/26	2,206	2,206
[2] Novelis Corp.	4.750%	1/30/30	1,889	1,804
[2] OCI NV	6.625%	4/15/23	557	564
[2,5] OCI NV	3.125%	11/1/24	910	1,002
[2] OCI NV	5.250%	11/1/24	2,523	2,413
Olin Corp.	5.125%	9/15/27	1,775	1,660
Olin Corp.	5.625%	8/1/29	1,665	1,532
Olin Corp.	5.000%	2/1/30	1,097	971
[2,5] SIG Combibloc PurchaseCo Sarl	1.875%	6/18/23	600	684
[2,5] SIG Combibloc PurchaseCo Sarl	2.125%	6/18/25	545	623
[3,4] Starfruit Finco B.V. Bank Loan, 1M USD LIBOR + 3.000%	3.188%	10/1/25	533	499
[3,4] Starfruit Finco B.V. Bank Loan, 1M USD LIBOR + 3.000%	3.188%	10/1/25	104	97
[2] Tronox Finance plc	5.750%	10/1/25	675	624
[2] Tronox Inc.	6.500%	4/15/26	2,956	2,764
Capital Goods (13.4%)				
[2] American Builders & Contractors Supply Co. Inc.	5.875%	5/15/26	1,840	1,831
[2] American Builders & Contractors Supply Co. Inc.	4.000%	1/15/28	2,226	2,162
[2] ARD Finance SA	6.500%	6/30/27	955	946
[2] Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	6.000%	2/15/25	4,065	4,162
[2] Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	4.125%	8/15/26	1,490	1,464
[2,6] Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	4.750%	7/15/27	160	192
[2] Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	5.250%	8/15/27	700	687
[2] Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	5.250%	8/15/27	3,655	3,591
[2] Ashtead Capital Inc.	4.125%	8/15/25	1,325	1,352
[2] Ashtead Capital Inc.	5.250%	8/1/26	545	572
[2] Ashtead Capital Inc.	4.375%	8/15/27	1,545	1,574
Ball Corp.	4.875%	3/15/26	1,100	1,196
[5] Ball Corp.	1.500%	3/15/27	2,105	2,259
[2] BBA US Holdings Inc.	4.000%	3/1/28	2,200	1,988
[2] Beacon Escrow Corp.	4.875%	11/1/25	1,560	1,398
[2] Berry Global Escrow Corp.	5.625%	7/15/27	215	221
[2] Berry Global Inc.	4.500%	2/15/26	1,655	1,634
[2] Berry Global Inc.	4.875%	7/15/26	2,120	2,139
[2] Bombardier Inc.	8.750%	12/1/21	590	475
[2] Bombardier Inc.	5.750%	3/15/22	845	623
[2] Bombardier Inc.	6.125%	1/15/23	3,298	2,243
[2] Bombardier Inc.	7.500%	12/1/24	460	299
[2] Bombardier Inc.	7.500%	3/15/25	1,412	921

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
2	Bombardier Inc.	7.875%	4/15/27	2,275	1,479
2	BWX Technologies Inc.	4.125%	6/30/28	815	813
2	CD&R Waterworks Merger Sub LLC	6.125%	8/15/25	160	159
2	Cemex SAB de CV	6.125%	5/5/25	3,280	3,169
2	Cemex SAB de CV	7.750%	4/16/26	735	749
2	Clean Harbors Inc.	4.875%	7/15/27	960	986
2	Clean Harbors Inc.	5.125%	7/15/29	768	793
	Crown Americas LLC / Crown Americas Capital Corp. IV	4.500%	1/15/23	300	308
	Crown Americas LLC / Crown Americas Capital Corp. VI	4.750%	2/1/26	2,715	2,769
2,5	Crown European Holdings SA	2.875%	2/1/26	1,555	1,767
2	Flex Acquisition Co. Inc.	6.875%	1/15/25	4,000	3,835
2	Flex Acquisition Co. Inc.	7.875%	7/15/26	205	199
2	HD Supply Inc.	5.375%	10/15/26	1,980	2,022
2	Herc Holdings Inc.	5.500%	7/15/27	5,966	5,988
2	Jeld-Wen Inc.	4.625%	12/15/25	345	328
2	Jeld-Wen Inc.	4.875%	12/15/27	195	187
2	LANXESS AG	6.000%	4/1/24	288	284
2,5	Loxam SAS	4.250%	4/15/24	190	203
2	OI European Group BV	4.000%	3/15/23	675	667
2	Owens-Brockway Glass Container Inc.	5.000%	1/15/22	28	28
2	Owens-Brockway Glass Container Inc.	5.875%	8/15/23	2,140	2,204
2	Owens-Brockway Glass Container Inc.	5.375%	1/15/25	640	650
2	Owens-Brockway Glass Container Inc.	6.375%	8/15/25	1,245	1,317
2	Owens-Brockway Glass Container Inc.	6.625%	5/13/27	1,180	1,243
2	Reynolds Group Issuer Inc. / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu	5.125%	7/15/23	2,240	2,251
2	Sealed Air Corp.	4.000%	12/1/27	624	624
	Silgan Holdings Inc.	4.750%	3/15/25	84	85
2	Silgan Holdings Inc.	4.125%	2/1/28	2,545	2,523
2,5	Silgan Holdings Inc.	2.250%	6/1/28	1,320	1,422
2	Standard Industries Inc.	4.375%	7/15/30	3,600	3,555
2	Standard Industries Inc.	5.375%	11/15/24	2,323	2,387
2	Standard Industries Inc.	6.000%	10/15/25	4,295	4,408
2	Standard Industries Inc.	5.000%	2/15/27	700	711
2	Standard Industries Inc.	4.750%	1/15/28	1,025	1,039
	TransDigm Inc.	6.500%	7/15/24	3,090	2,966
	TransDigm Inc.	6.500%	5/15/25	2,565	2,398
	TransDigm Inc.	6.375%	6/15/26	595	543
	TransDigm Inc.	5.500%	11/15/27	669	584
2,5	Trivium Packaging Finance BV	3.750%	8/15/26	180	199
5	Trivium Packaging Finance BV	3.750%	8/15/26	1,000	1,104
2	Trivium Packaging Finance BV	5.500%	8/15/26	745	757
	United Rentals North America Inc.	4.625%	10/15/25	1,665	1,669
	United Rentals North America Inc.	5.875%	9/15/26	1,955	2,038
	United Rentals North America Inc.	6.500%	12/15/26	1,590	1,670
	United Rentals North America Inc.	5.500%	5/15/27	2,125	2,199
	United Rentals North America Inc.	3.875%	11/15/27	880	880
	United Rentals North America Inc.	4.875%	1/15/28	1,470	1,507
	United Rentals North America Inc.	5.250%	1/15/30	740	771
	United Rentals North America Inc.	4.000%	7/15/30	3,430	3,310
2,5,7	Vertical Holdco GmbH	6.625%	7/15/28	200	225
2,7	Vertical US Newco Inc.	5.250%	7/15/27	755	755
	Communication (19.4%)				
2,5	Altice Financing SA	2.250%	1/15/25	490	514
2,5	Altice Financing SA	3.000%	1/15/28	1,260	1,301
5	Altice Financing SA	3.000%	1/15/28	1,250	1,294
2	Altice Financing SA	5.000%	1/15/28	1,720	1,698
2,5	Altice France SA	2.125%	2/15/25	585	614
2	Altice France SA	7.375%	5/1/26	4,025	4,186
2	Altice France SA	5.500%	1/15/28	1,700	1,717
	Belo Corp.	7.750%	6/1/27	920	1,012
	Belo Corp.	7.250%	9/15/27	667	709
2	CCO Holdings LLC / CCO Holdings Capital Corp.	5.375%	5/1/25	2,871	2,946
2	CCO Holdings LLC / CCO Holdings Capital Corp.	5.750%	2/15/26	1,450	1,503
2	CCO Holdings LLC / CCO Holdings Capital Corp.	5.500%	5/1/26	1,630	1,687
2	CCO Holdings LLC / CCO Holdings Capital Corp.	5.875%	5/1/27	445	464
2	CCO Holdings LLC / CCO Holdings Capital Corp.	5.000%	2/1/28	320	330
2	CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	8/15/30	2,500	2,544
2	CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	5/1/32	2,591	2,627
	CenturyLink Inc.	5.800%	3/15/22	303	311
	CenturyLink Inc.	6.750%	12/1/23	755	812
	CenturyLink Inc.	7.500%	4/1/24	557	612
	Charter Communications Operating LLC / Charter Communications Operating Capital	6.484%	10/23/45	891	1,180
	Charter Communications Operating LLC / Charter Communications Operating Capital	5.375%	5/1/47	500	589
	Charter Communications Operating LLC / Charter Communications Operating Capital	5.125%	7/1/49	600	693
2	Clear Channel Worldwide Holdings Inc.	5.125%	8/15/27	156	150
	CSC Holdings LLC	6.750%	11/15/21	1,035	1,084
2	CSC Holdings LLC	5.375%	7/15/23	280	284
2	CSC Holdings LLC	6.625%	10/15/25	700	727
2	CSC Holdings LLC	5.500%	5/15/26	3,890	4,002
2	CSC Holdings LLC	5.500%	4/15/27	2,610	2,724
2	CSC Holdings LLC	6.500%	2/1/29	1,025	1,122
2	CSC Holdings LLC	4.125%	12/1/30	6,305	6,250
	DISH DBS Corp.	6.750%	6/1/21	4,455	4,539
	DISH DBS Corp.	5.875%	7/15/22	3,746	3,816
	DISH DBS Corp.	5.000%	3/15/23	1,384	1,381
	DISH DBS Corp.	5.875%	11/15/24	2,405	2,393
	DISH DBS Corp.	7.750%	7/1/26	3,685	3,906
2	DISH Network Corp.	7.375%	7/1/28	4,005	4,005
2	Dolya Holdco 18 DAC	5.000%	7/15/28	1,075	1,061
	Embarq Corp.	7.995%	6/1/36	720	803
2	Gray Escrow Inc.	7.000%	5/15/27	715	736
2	Gray Television Inc.	5.125%	10/15/24	1,961	1,946
2	Gray Television Inc.	5.875%	7/15/26	3,290	3,278
2	iHeartCommunications Inc.	4.750%	1/15/28	1,405	1,300
2	Lamar Media Corp.	3.750%	2/15/28	1,770	1,677
2	Lamar Media Corp.	4.000%	2/15/30	1,300	1,245
	Level 3 Financing Inc.	5.625%	2/1/23	244	243
	Level 3 Financing Inc.	5.125%	5/1/23	1,120	1,117
2	Netflix Inc.	3.625%	6/15/25	335	337
	Netflix Inc.	4.375%	11/15/26	3,405	3,537
	Netflix Inc.	5.875%	11/15/28	140	159
	Nokia Oyj	4.375%	6/12/27	2,125	2,245
2	Outfront Media Capital LLC / Outfront Media Capital Corp.	5.000%	8/15/27	439	395
2	Outfront Media Capital LLC / Outfront Media Capital Corp.	4.625%	3/15/30	1,882	1,713
	Quebecor Media Inc.	5.750%	1/15/23	2,810	2,940
2	Sinclair Television Group Inc.	5.625%	8/1/24	470	451
2	Sinclair Television Group Inc.	5.875%	3/15/26	870	840
2	Sirius XM Radio Inc.	4.625%	7/15/24	1,640	1,681
2	Sirius XM Radio Inc.	5.375%	4/15/25	275	283
2	Sirius XM Radio Inc.	5.375%	7/15/26	300	310
2	Sirius XM Radio Inc.	4.125%	7/1/30	3,845	3,787
	Sprint Capital Corp.	6.875%	11/15/28	915	1,113
	Sprint Capital Corp.	8.750%	3/15/32	720	1,030
	Sprint Communications Inc.	6.000%	11/15/22	755	796
	Sprint Corp.	7.875%	9/15/23	8,974	10,096
	Sprint Corp.	7.125%	6/15/24	2,101	2,371
	Sprint Corp.	7.625%	2/15/25	1,595	1,838
	T-Mobile USA Inc.	6.500%	1/15/26	690	720
	T-Mobile USA Inc.	4.500%	2/1/26	260	263
	T-Mobile USA Inc.	5.375%	4/15/27	3,510	3,712
	Telecom Italia Capital SA	6.375%	11/15/33	381	429

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Telecom Italia Capital SA	6.000%	9/30/34	1,005	1,087
	Telecom Italia Capital SA	7.721%	6/4/38	1,280	1,606
[2]	Telecom Italia SPA	5.303%	5/30/24	445	465
[2]	Telenet Finance Luxembourg Notes Sarl	5.500%	3/1/28	4,000	4,152
	Time Warner Cable LLC	5.875%	11/15/40	60	74
	Time Warner Cable LLC	5.500%	9/1/41	1,223	1,481
[2]	UPC Holding BV	5.500%	1/15/28	2,100	2,021
[1]	Viacom Inc.	5.875%	2/28/57	2,560	2,534
[1]	Viacom Inc.	6.250%	2/28/57	944	970
	Videotron Ltd.	5.000%	7/15/22	2,972	3,072
[2]	Videotron Ltd.	5.375%	6/15/24	260	277
[2]	Videotron Ltd.	5.125%	4/15/27	1,750	1,816
[2]	Virgin Media Secured Finance plc	5.500%	8/15/26	940	963
[2]	Virgin Media Secured Finance plc	5.500%	5/15/29	1,510	1,582
[2]	Virgin Media Secured Finance plc	4.500%	8/15/30	1,190	1,193
[2,6]	Virgin Media Vendor Financing Notes III DAC	4.875%	7/15/28	1,090	1,356
[2]	VTR Finance BV	6.875%	1/15/24	2,521	2,578
[2]	VTR Finance NV	6.375%	7/15/28	255	261
[2]	WMG Acquisition Corp.	5.500%	4/15/26	2,651	2,737
[2,5]	WMG Acquisition Corp.	3.625%	10/15/26	220	255
[2,5]	WMG Acquisition Corp.	2.750%	7/15/28	520	594
[2]	WMG Acquisition Corp.	3.875%	7/15/30	1,915	1,934
[2]	Ziggo BV	5.500%	1/15/27	1,695	1,714
[2]	Ziggo BV	4.875%	1/15/30	2,299	2,287
	Consumer Cyclical (12.3%)				
[2]	1011778 BC ULC / New Red Finance Inc.	4.250%	5/15/24	3,987	3,957
[2]	1011778 BC ULC / New Red Finance Inc.	5.000%	10/15/25	3,405	3,388
[2]	1011778 BC ULC / New Red Finance Inc.	3.875%	1/15/28	1,185	1,148
[2]	1011778 BC ULC / New Red Finance Inc.	4.375%	1/15/28	1,500	1,468
[2]	Adient Global Holdings Ltd.	4.875%	8/15/26	1,090	899
[2]	Adient US LLC	7.000%	5/15/26	540	558
[2]	Asbury Automotive Group Inc.	4.500%	3/1/28	195	189
[2]	Asbury Automotive Group Inc.	4.750%	3/1/30	224	218
[3,4]	Bass Pro Group, LLC Bank Loan, 3M USD LIBOR + 5.000%	6.072%	12/15/23	1,882	1,807
	Boyd Gaming Corp.	6.000%	8/15/26	100	94
[2]	Boyd Gaming Corp.	4.750%	12/1/27	3,725	3,204
[2]	Carnival Corp.	11.500%	4/1/23	1,215	1,315
[2]	Cedar Fair LP	5.250%	7/15/29	1,645	1,489
	Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp. / Millennium Op	5.375%	4/15/27	775	699
	Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp.	5.375%	6/1/24	535	504
[2]	Colt Merger Sub Inc.	5.750%	7/1/25	610	613
[2]	Colt Merger Sub Inc.	6.250%	7/1/25	1,810	1,819
[2]	Colt Merger Sub Inc.	8.125%	7/1/27	1,810	1,760
[2]	CRC Escrow Issuer LLC / CRC Finco Inc.	5.250%	10/15/25	4,754	4,136
	Delta Merger Sub Inc.	6.000%	9/15/26	1,705	1,841
	GLP Capital LP / GLP Financing II Inc.	5.375%	11/1/23	1,005	1,070
	GLP Capital LP / GLP Financing II Inc.	5.300%	1/15/29	1,030	1,112
	Goodyear Tire & Rubber Co.	5.000%	5/31/26	709	659
	Goodyear Tire & Rubber Co.	4.875%	3/15/27	398	364
[2]	Hanesbrands Inc.	4.625%	5/15/24	730	732
[2]	Hanesbrands Inc.	5.375%	5/15/25	615	622
[2]	Hanesbrands Inc.	4.875%	5/15/26	2,669	2,689
	Hilton Domestic Operating Co. Inc.	4.250%	9/1/24	1,770	1,712
	Hilton Domestic Operating Co. Inc.	5.125%	5/1/26	2,830	2,802
	Hilton Worldwide Finance LLC / Hilton Worldwide Finance Corp.	4.625%	4/1/25	3,395	3,310
	Hilton Worldwide Finance LLC / Hilton Worldwide Finance Corp.	4.875%	4/1/27	410	398
[2]	Jacobs Entertainment Inc.	7.875%	2/1/24	600	516

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
[2]	KAR Auction Services Inc.	5.125%	6/1/25	1,819	1,764
	KB Home	7.000%	12/15/21	215	225
	KB Home	7.500%	9/15/22	215	233
	KB Home	7.625%	5/15/23	1,300	1,412
	KB Home	4.800%	11/15/29	370	364
[2]	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC	5.000%	6/1/24	1,965	2,002
[2]	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC	5.250%	6/1/26	872	892
[2]	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC	4.750%	6/1/27	1,010	1,033
[2]	L Brands Inc.	6.875%	7/1/25	225	232
	Lennar Corp.	4.125%	1/15/22	685	694
	Lennar Corp.	4.875%	12/15/23	625	660
	Lennar Corp.	4.500%	4/30/24	3,165	3,300
	Lennar Corp.	5.875%	11/15/24	490	535
	Lennar Corp.	5.250%	6/1/26	270	292
	Lennar Corp.	5.000%	6/15/27	1,245	1,345
	Lennar Corp.	4.750%	11/29/27	1,085	1,177
[2,5]	LHMC Finco Sarl	6.250%	12/20/23	1,460	1,494
[2]	LHMC Finco Sarl	7.875%	12/20/23	1,523	1,416
[2]	Lithia Motors Inc.	5.250%	8/1/25	171	173
[2]	Lithia Motors Inc.	4.625%	12/15/27	1,945	1,921
	MGM Growth Properties Operating Partnership LP / MGP Finance Co-Issuer Inc.	5.625%	5/1/24	150	156
	MGM Resorts International	6.000%	3/15/23	680	686
	MGM Resorts International	5.750%	6/15/25	985	975
[2]	Panther BF Aggregator 2 LP / Panther Finance Co. Inc.	6.250%	5/15/26	358	369
[2]	Panther BF Aggregator 2 LP / Panther Finance Co. Inc.	8.500%	5/15/27	804	810
[3,4]	Panther BF Aggregator Bank Loan, 3M USD LIBOR + 3.500%	3.678%	4/30/26	1,077	1,024
[2]	PetSmart Inc.	5.875%	6/1/25	1,930	1,940
	PulteGroup Inc.	5.500%	3/1/26	2,015	2,196
	PulteGroup Inc.	5.000%	1/15/27	130	139
	Service Corp. International	8.000%	11/15/21	1,225	1,299
	Service Corp. International	4.625%	12/15/27	505	525
	Service Corp. International	5.125%	6/1/29	2,105	2,255
[2]	Speedway Motorsports LLC / Speedway Funding II Inc.	4.875%	11/1/27	600	546
[2]	Taylor Morrison Communities Inc.	5.875%	6/15/27	750	776
	Toll Brothers Finance Corp.	4.875%	11/15/25	295	316
	Toll Brothers Finance Corp.	4.875%	3/15/27	1,955	2,102
	Toll Brothers Finance Corp.	3.800%	11/1/29	3,661	3,653
	Under Armour Inc.	3.250%	6/15/26	2,310	2,039
[2]	VICI Properties LP / VICI Note Co. Inc.	4.250%	12/1/26	1,635	1,561
[2]	VICI Properties LP / VICI Note Co. Inc.	3.750%	2/15/27	458	431
[2]	VICI Properties LP / VICI Note Co. Inc.	4.625%	12/1/29	820	802
[2]	William Lyon Homes Inc.	5.875%	1/31/25	1,230	1,248
[2]	WW International Inc.	8.625%	12/1/25	668	700
[2]	Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	5.500%	3/1/25	3,030	2,765
[2]	Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	5.250%	5/15/27	360	317
[2]	Yum Brands Inc.	4.750%	1/15/30	910	926
[2]	Yum Brands Inc.	7.750%	4/1/25	1,150	1,241
	Consumer Noncyclical (15.3%)				
[2]	Acadia Healthcare Co. Inc.	5.500%	7/1/28	480	481
[2]	Aramark Services Inc.	5.000%	4/1/25	1,935	1,906
	Aramark Services Inc.	4.750%	6/1/26	940	905
[2]	Aramark Services Inc.	5.000%	2/1/28	3,761	3,573
[2]	Avantor Inc.	6.000%	10/1/24	1,140	1,188
	B&G Foods Inc.	5.250%	9/15/27	4,020	4,030
[2]	Bausch Health Americas Inc.	9.250%	4/1/26	520	564
[2]	Bausch Health Cos. Inc.	5.875%	5/15/23	19	19
[2]	Bausch Health Cos. Inc.	5.500%	11/1/25	2,140	2,194
[2]	Bausch Health Cos. Inc.	7.000%	1/15/28	540	554
[2]	Bausch Health Cos. Inc.	5.000%	1/30/28	1,295	1,219

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
2	Bausch Health Cos. Inc.	7.250%	5/30/29	60	63
2	Bausch Health Cos. Inc.	5.250%	1/30/30	1,600	1,528
2	Catalent Pharma Solutions Inc.	5.000%	7/15/27	630	654
2,5	Catalent Pharma Solutions Inc.	2.375%	3/1/28	1,310	1,393
5	Catalent Pharma Solutions Inc.	2.375%	3/1/28	750	797
2	Change Healthcare Holdings LLC / Change Healthcare Finance Inc.	5.750%	3/1/25	3,170	3,130
2	Charles River Laboratories International Inc.	5.500%	4/1/26	705	725
2	Charles River Laboratories International Inc.	4.250%	5/1/28	1,300	1,290
	CHS/Community Health Systems Inc.	6.250%	3/31/23	3,795	3,558
2,5	Darling Global Finance BV	3.625%	5/15/26	395	446
2	Darling Ingredients Inc.	5.250%	4/15/27	1,575	1,614
2,5	Diamond BC BV	5.625%	8/15/25	3,235	3,457
2	Endo Dac / Endo Finance LLC / Endo Finco Inc.	9.500%	7/31/27	1,741	1,841
2	Endo Dac / Endo Finance LLC / Endo Finco Inc.	6.000%	6/30/28	2,418	1,560
2	Energizer Holdings Inc.	6.375%	7/15/26	640	659
2	Energizer Holdings Inc.	4.750%	6/15/28	3,420	3,343
3,4	Froneri Intenational Limited Bank Loan, 1M USD LIBOR + 2.250%	2.428%	1/29/27	283	266
3,4	Froneri Intenational Limited Bank Loan, 1M USD LIBOR + 2.250%	2.428%	1/29/27	622	584
3,4	Froneri International Limited Bank Loan, 1M USD LIBOR + 5.750%	5.928%	1/31/28	296	281
2,5	Grifols SA	1.625%	2/15/25	810	886
2,5	Grifols SA	2.250%	11/15/27	1,325	1,460
	HCA Inc.	5.875%	5/1/23	1,413	1,530
	HCA Inc.	7.690%	6/15/25	130	148
	HCA Inc.	5.875%	2/15/26	2,895	3,174
	HCA Inc.	5.625%	9/1/28	390	435
	HCA Inc.	5.875%	2/1/29	450	509
	HCA Inc.	3.500%	9/1/30	8,620	8,243
2	IQVIA Inc.	5.000%	5/15/27	3,693	3,776
2,5	IQVIA Inc.	2.250%	1/15/28	1,200	1,294
2,5	IQVIA Inc.	2.875%	6/15/28	1,405	1,568
2	Jaguar Holding Co. II / Pharmaceutical Product Development LLC	5.000%	6/15/28	435	445
	Kraft Heinz Foods Co.	4.625%	1/30/29	120	130
2	Kraft Heinz Foods Co.	3.750%	4/1/30	1,045	1,078
2	Kraft Heinz Foods Co.	4.250%	3/1/31	1,200	1,271
	Kraft Heinz Foods Co.	5.200%	7/15/45	1,460	1,559
2	Kraft Heinz Foods Co.	4.875%	10/1/49	1,070	1,104
2	Lamb Weston Holdings Inc.	4.875%	5/15/28	175	185
3,4	Lands' End, Inc. Bank Loan, 3M USD LIBOR + 3.250%	4.250%	3/12/21	2,242	2,034
2	Mattel Inc.	6.750%	12/31/25	835	866
2	Mattel Inc.	5.875%	12/15/27	1,125	1,159
2	MPH Acquisition Holdings LLC	7.125%	6/1/24	1,590	1,479
2	Par Pharmaceutical Inc.	7.500%	4/1/27	767	784
2	Performance Food Group Inc.	6.875%	5/1/25	200	208
2	Performance Food Group Inc.	5.500%	10/15/27	3,900	3,763
2	Polaris Intermediate Corp.	8.500%	12/1/22	2,565	2,244
2	Post Holdings Inc.	5.000%	8/15/26	3,800	3,814
2	Post Holdings Inc.	5.750%	3/1/27	970	1,003
2	Post Holdings Inc.	5.625%	1/15/28	2,170	2,241
2	Post Holdings Inc.	4.625%	4/15/30	3,364	3,305
2,5	Q-Park Holding I BV	1.500%	3/1/25	805	838
2,5	Q-Park Holding I BV	2.000%	3/1/27	1,025	1,065
2	Quintiles IMS Inc.	5.000%	10/15/26	1,450	1,494
3,4	Revlon Consumer Products Corp. Bank Loan, 1M USD LIBOR + 3.500%	4.250%	9/7/23	760	198
2	Teleflex Inc.	4.250%	6/1/28	2,010	2,058
	Tenet Healthcare Corp.	4.625%	7/15/24	279	273
2	Tenet Healthcare Corp.	4.625%	9/1/24	315	308
2	Tenet Healthcare Corp.	7.500%	4/1/25	305	323
2	Tenet Healthcare Corp.	4.875%	1/1/26	270	264
2	Tenet Healthcare Corp.	4.625%	6/15/28	870	848
	Teva Pharmaceutical Finance Co. LLC	6.150%	2/1/36	1,485	1,463
	Teva Pharmaceutical Finance Netherlands III BV	3.150%	10/1/26	2,890	2,572
	Teva Pharmaceutical Finance Netherlands III BV	6.750%	3/1/28	3,385	3,575
	Teva Pharmaceutical Finance Netherlands III BV	4.100%	10/1/46	555	463
2	TreeHouse Foods Inc.	6.000%	2/15/24	2,100	2,142
2	Valeant Pharmaceuticals International Inc.	9.000%	12/15/25	815	880
2	Valeant Pharmaceuticals International Inc.	8.500%	1/31/27	1,150	1,228
2	VRX Escrow Corp.	6.125%	4/15/25	5,700	5,778
2	West Street Merger Sub Inc.	6.375%	9/1/25	2,905	2,803
	Energy (8.5%)				
	AmeriGas Finance LLC / AmeriGas Finance Corp.	5.625%	5/20/24	1,395	1,447
	AmeriGas Finance LLC / AmeriGas Finance Corp.	5.875%	8/20/26	1,765	1,866
	AmeriGas Partners LP / AmeriGas Finance Corp.	5.500%	5/20/25	620	639
	AmeriGas Partners LP / AmeriGas Finance Corp.	5.750%	5/20/27	1,745	1,837
	Apache Corp.	5.100%	9/1/40	1,065	876
	Apache Corp.	5.250%	2/1/42	471	384
	Apache Corp.	4.750%	4/15/43	1,393	1,120
	Apache Corp.	4.250%	1/15/44	678	510
	Apache Corp.	5.350%	7/1/49	1,372	1,094
2	Blue Racer Midstream LLC / Blue Racer Finance Corp.	6.125%	11/15/22	1,042	1,037
2	Blue Racer Midstream LLC / Blue Racer Finance Corp.	6.625%	7/15/26	775	694
2	Buckeye Partners LP	4.125%	3/1/25	2,285	2,182
2	Buckeye Partners LP	4.500%	3/1/28	1,954	1,837
	Cheniere Corpus Christi Holdings LLC	5.875%	3/31/25	95	106
	Cheniere Corpus Christi Holdings LLC	5.125%	6/30/27	1,233	1,353
	Cheniere Energy Partners LP	4.500%	10/1/29	1,566	1,527
2	Chesapeake Energy Corp.	11.500%	1/1/25	2,526	253
	Continental Resources Inc.	5.000%	9/15/22	2,840	2,783
	Continental Resources Inc.	4.375%	1/15/28	1,553	1,370
	Continental Resources Inc.	4.900%	6/1/44	2,355	1,875
2	DCP Midstream Operating LP	4.750%	9/30/21	672	684
	DCP Midstream Operating LP	4.950%	4/1/22	1,436	1,447
	DCP Midstream Operating LP	3.875%	3/15/23	801	775
	EnLink Midstream Partners LP	5.050%	4/1/45	906	564
	EQM Midstream Partners LP	4.750%	7/15/23	1,125	1,135
	EQM Midstream Partners LP	4.000%	8/1/24	420	397
2	EQM Midstream Partners LP	6.000%	7/1/25	615	621
2	EQM Midstream Partners LP	6.500%	7/1/27	625	638
	EQM Midstream Partners LP	5.500%	7/15/28	466	444
	EQT Corp.	3.000%	10/1/22	385	362
	EQT Corp.	6.125%	2/1/25	145	144
	EQT Corp.	3.900%	10/1/27	125	101
	EQT Corp.	7.000%	2/1/30	699	716
	Matador Resources Co.	5.875%	9/15/26	2,040	1,510
2	MEG Energy Corp.	6.500%	1/15/25	1,310	1,222
2	Noble Holding International Ltd.	7.875%	2/1/26	460	120
2	Parsley Energy LLC / Parsley Finance Corp.	5.375%	1/15/25	1,344	1,304
2	Parsley Energy LLC / Parsley Finance Corp.	5.250%	8/15/25	190	182
2	Parsley Energy LLC / Parsley Finance Corp.	4.125%	2/15/28	420	380
	QEP Resources Inc.	5.375%	10/1/22	1,270	965
	QEP Resources Inc.	5.250%	5/1/23	1,262	858
2	Rockies Express Pipeline LLC	7.500%	7/15/38	1,134	1,103
2	Rockies Express Pipeline LLC	6.875%	4/15/40	420	404
	SM Energy Co.	6.125%	11/15/22	935	682
	SM Energy Co.	5.000%	1/15/24	1,994	1,072
	SM Energy Co.	5.625%	6/1/25	1,651	867

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	SM Energy Co.	6.750%	9/15/26	720	360
	SM Energy Co.	6.625%	1/15/27	500	245
	Sunoco LP / Sunoco Finance Corp.	4.875%	1/15/23	1,475	1,464
	Sunoco LP / Sunoco Finance Corp.	5.500%	2/15/26	1,589	1,541
	Sunoco LP / Sunoco Finance Corp.	6.000%	4/15/27	2,265	2,265
	Sunoco LP / Sunoco Finance Corp.	5.875%	3/15/28	1,655	1,643
2	Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.	4.750%	10/1/23	1,880	1,734
2	Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.	5.500%	9/15/24	1,740	1,575
2	Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.	5.500%	1/15/28	1,845	1,596
	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	4.250%	11/15/23	407	390
	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	6.750%	3/15/24	300	299
	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	5.375%	2/1/27	160	154
	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	6.875%	1/15/29	1,200	1,257
1,2	Transocean Guardian Ltd.	5.875%	1/15/24	1,475	1,280
2	Transocean Inc.	7.250%	11/1/25	300	165
2	Transocean Inc.	8.000%	2/1/27	205	113
1,2	Transocean Phoenix 2 Ltd.	7.750%	10/15/24	663	620
1,2	Transocean Pontus Ltd.	6.125%	8/1/25	1,199	1,076
1,2	Transocean Proteus Ltd.	6.250%	12/1/24	777	707
2	Vine Oil & Gas LP / Vine Oil & Gas Finance Corp.	8.750%	4/15/23	1,915	1,159
	Western Midstream Operating LP	5.300%	3/1/48	607	492
	Western Midstream Operating LP	5.250%	2/1/50	699	603
	Whiting Petroleum Corp.	6.625%	1/15/26	3,281	623
	WPX Energy Inc.	5.250%	9/15/24	3,734	3,687
	WPX Energy Inc.	5.750%	6/1/26	370	357
	Other Industrial (0.4%)				
2	Brand Energy & Infrastructure Services Inc.	8.500%	7/15/25	3,262	2,936
3,4	Core & Main LP Bank Loan, 3M USD LIBOR + 3.000%	3.750%	8/1/24	113	108
3,4	Core & Main LP Bank Loan, 3M USD LIBOR + 3.000%	3.750%	8/1/24	104	98
3,4	Core & Main LP Bank Loan, 3M USD LIBOR + 3.000%	3.750%	8/1/24	47	44
	Technology (10.0%)				
	Alcatel-Lucent USA Inc.	6.500%	1/15/28	1,355	1,416
	Alcatel-Lucent USA Inc.	6.450%	3/15/29	2,612	2,743
2	Cardtronics Inc / Cardtronics USA Inc	5.500%	5/1/25	450	430
	CDK Global Inc.	5.875%	6/15/26	915	949
	CDK Global Inc.	4.875%	6/1/27	785	807
2	CDK Global Inc.	5.250%	5/15/29	2,220	2,298
	CDW LLC / CDW Finance Corp.	5.500%	12/1/24	112	122
	CDW LLC / CDW Finance Corp.	4.125%	5/1/25	1,340	1,347
	CDW LLC / CDW Finance Corp.	5.000%	9/1/25	910	935
	CDW LLC / CDW Finance Corp.	4.250%	4/1/28	3,590	3,617
2	Dun & Bradstreet Corp.	6.875%	8/15/26	755	799
3,4	Dun & Bradstreet Corp. Bank Loan, 1M USD LIBOR + 4.000%	4.184%	2/8/26	3,352	3,262
2	Entegris Inc.	4.625%	2/10/26	150	153
2	Entegris Inc.	4.375%	4/15/28	1,905	1,938
3,4	Grizzly Acquisitions Inc. Bank Loan, 3M USD LIBOR + 3.250%	4.683%	10/1/25	732	694
	Iron Mountain Inc.	5.750%	8/15/24	972	978
2	Iron Mountain Inc.	4.875%	9/15/27	595	582
2	Iron Mountain Inc.	4.875%	9/15/29	2,177	2,112
2	Microchip Technology Inc.	4.250%	9/1/25	4,025	4,040
2	MSCI Inc.	4.750%	8/1/26	210	218

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
2	MSCI Inc.	5.375%	5/15/27	690	731
2	MSCI Inc.	4.000%	11/15/29	2,670	2,723
2	MSCI Inc.	3.625%	9/1/30	445	441
2	MSCI Inc.	3.875%	2/15/31	1,935	1,974
	Nokia Oyj	6.625%	5/15/39	3,750	4,350
2	Open Text Corp.	5.875%	6/1/26	2,065	2,137
2	Open Text Corp.	3.875%	2/15/28	2,920	2,810
2	Open Text Corp.	4.125%	2/15/30	3,080	3,018
	Pitney Bowes Inc.	5.125%	5/15/22	68	56
	Pitney Bowes Inc.	5.700%	4/1/23	449	333
2	Presidio Holdings Inc.	4.875%	2/1/27	900	880
2	Presidio Holdings Inc.	8.250%	2/1/28	1,130	1,120
2	PTC Inc.	3.625%	2/15/25	335	332
2	PTC Inc.	4.000%	2/15/28	1,705	1,692
	Qorvo Inc.	5.500%	7/15/26	2,694	2,798
2	Qorvo Inc.	4.375%	10/15/29	3,160	3,239
2	Sensata Technologies BV	4.875%	10/15/23	300	312
2	Sensata Technologies BV	5.625%	11/1/24	575	610
2	Sensata Technologies BV	5.000%	10/1/25	1,625	1,723
2	Sensata Technologies Inc.	4.375%	2/15/30	500	495
2	Sensata Technologies UK Financing Co. plc	6.250%	2/15/26	1,520	1,575
3,4	SS&C Technologies Holdings Inc. Bank Loan, 1M USD LIBOR + 1.750%	1.928%	4/16/25	544	518
3,4	SS&C Technologies Holdings Inc. Bank Loan, 1M USD LIBOR + 1.750%	1.928%	4/16/25	673	640
3,4	SS&C Technologies Holdings Inc. Bank Loan, 1M USD LIBOR + 1.750%	3.174%	4/16/25	774	737
2	SS&C Technologies Inc.	5.500%	9/30/27	3,575	3,646
	Symantec Corp.	3.950%	6/15/22	345	349
2	Symantec Corp.	5.000%	4/15/25	4,250	4,303
2	VTR Comunicaciones SPA	5.125%	1/15/28	430	439
	Western Digital Corp.	4.750%	2/15/26	3,879	4,015
	Xerox Corp.	4.500%	5/15/21	720	724
	Xerox Corp.	4.125%	3/15/23	698	694
	Xerox Corp.	4.800%	3/1/35	542	505
	Xerox Corp.	6.750%	12/15/39	1,600	1,656
					677,618
	Utilities (0.9%)				
	Electric (0.9%)				
	AES Corp.	5.500%	4/15/25	150	154
	AES Corp.	6.000%	5/15/26	60	62
	AES Corp.	5.125%	9/1/27	1,815	1,879
2	NextEra Energy Operating Partners LP	4.250%	7/15/24	683	686
2	NextEra Energy Operating Partners LP	4.250%	9/15/24	1,145	1,148
2	NextEra Energy Operating Partners LP	3.875%	10/15/26	3,035	3,024
2	NextEra Energy Operating Partners LP	4.500%	9/15/27	700	732
					7,685
	Total Corporate Bonds (Cost $764,637)				**749,285**
	Sovereign Bonds (0.4%)				
2	DAE Funding LLC	4.000%	8/1/20	105	104
2	DAE Funding LLC	5.250%	11/15/21	705	694
2	DAE Funding LLC	4.500%	8/1/22	1,264	1,204
2	DAE Funding LLC	5.000%	8/1/24	1,020	954
2,5,7	Vertical Midco GmbH	4.375%	7/15/27	275	309
	Total Sovereign Bonds (Cost $3,428)				**3,265**

		Shares	
	Common Stocks (0.0%)		
	Utilities (0.0%)		
§,*	Homer City Generation LP **(Cost $1,287)**	62,633	—

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Temporary Cash Investment (17.1%)				
Repurchase Agreement (17.1%)				
Bank of America Securities, LLC (Dated 6/30/20, Repurchase Value $138,500,000, collateralized by Government National Mortgage Assn., 3.000%–4.500%, 12/20/49–6/20/50, with a value of $141,270,000) (Cost $138,500)	0.090%	7/1/20	138,500	138,500
Total Investments (109.9%) (Cost $907,852)				891,050
Other Asset and Liabilities—Net (-9.9%)				(80,287)
Net Assets (100%)				810,763

Cost is in $000.

• See Note A in Notes to Financial Statements.

§ Security value determined using significant unobservable inputs.

* Non-income-producing security.

1 The average or expected maturity is shorter than the final maturity shown because of the possibility of interim principal payments and prepayments or the possibility of the issue being called.

2 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2020, the aggregate value of these securities was $425,820,000, representing 52.5% of net assets.

3 Security is a senior, secured, high-yield floating-rate loan. These loans are debt obligations issued by public and private companies and are comparable to high-yield bonds from a ratings and leverage perspective. At June 30, 2020, the aggregate value of these securities was $15,828,000, representing 2.0% of net assets.

4 Adjustable-rate security; rate shown is effective rate at period end. Certain adjustable-rate securities are not based on a published reference rate and spread but are determined by the issuer or agent based on current market conditions.

5 Face amount denominated in euro.

6 Face amount denominated in British pounds.

7 Security purchased on a when-issued or delayed-delivery basis for which the portfolio has not taken delivery as of June 30, 2020.

LIBOR—London Interbank Offered Rate.

Derivative Financial Instruments Outstanding as of Period End

Forward Currency Contracts

Counterparty	Contract Settlement Date	Contract Amount (000)				Unrealized Appreciation ($000)	Unrealized (Depreciation) ($000)
			Receive		Deliver		
BNP Paribas	7/31/20	USD	25,716	EUR	22,695	200	—
Goldman Sachs International	7/31/20	USD	3,266	EUR	2,905	—	(1)
Citibank, N.A.	7/31/20	USD	1,415	GBP	1,133	12	—
						212	(1)

EUR—euro.

GBP—British pound.

USD—U.S. dollar.

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2020

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value—Unaffiliated Issuers (Cost $907,852)	891,050
Investment in Vanguard	32
Cash	1,631
Cash Collateral Pledged—Forward Currency Contracts	640
Foreign Currency, at Value (Cost $4)	4
Receivables for Investment Securities Sold	737
Receivables for Accrued Income	10,537
Receivables for Capital Shares Issued	380
Unrealized Appreciation—Forward Currency Contracts	212
Total Assets	**905,223**
Liabilities	
Payables for Investment Securities Purchased	94,188
Payables to Investment Advisor	102
Payables for Capital Shares Redeemed	93
Payables to Vanguard	76
Unrealized Depreciation—Forward Currency Contracts	1
Total Liabilities	**94,460**
Net Assets	**810,763**

At June 30, 2020, net assets consisted of:

Paid-in Capital	830,079
Total Distributable Earnings (Loss)	(19,316)
Net Assets	**810,763**

Net Assets	
Applicable to 108,948,794 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	810,763
Net Asset Value Per Share	**$7.44**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2020
	($000)
Investment Income	
Income	
Interest	17,904
Total Income	17,904
Expenses	
Investment Advisory Fees—Note B	214
The Vanguard Group—Note C	
Management and Administrative	657
Marketing and Distribution	36
Custodian Fees	10
Shareholders' Reports	8
Trustees' Fees and Expenses	1
Total Expenses	926
Net Investment Income	**16,978**
Realized Net Gain (Loss)	
Investment Securities Sold	(6,603)
Swap Contracts	(3,010)
Forward Currency Contracts	(352)
Foreign Currencies	36
Realized Net Gain (Loss)	**(9,929)**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities	(36,225)
Swap Contracts	(211)
Forward Currency Contracts	338
Foreign Currencies	1
Change in Unrealized Appreciation (Depreciation)	**(36,097)**
Net Increase (Decrease) in Net Assets Resulting from Operations	**(29,048)**

Statement of Changes in Net Assets

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	16,978	38,680
Realized Net Gain (Loss)	(9,929)	(474)
Change in Unrealized Appreciation (Depreciation)	(36,097)	69,137
Net Increase (Decrease) in Net Assets Resulting from Operations	(29,048)	107,343
Distributions[1]		
Total Distributions	(39,449)	(42,939)
Capital Share Transactions		
Issued	191,809	152,281
Issued in Lieu of Cash Distributions	39,449	42,939
Redeemed	(134,903)	(180,636)
Net Increase (Decrease) from Capital Share Transactions	96,355	14,584
Total Increase (Decrease)	27,858	78,988
Net Assets		
Beginning of Period	**782,905**	**703,917**
End of Period	**810,763**	**782,905**

1 Certain prior period numbers have been reclassified to conform with current period presentation.

See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2020	Year Ended December 31, 2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$8.19	$7.53	$8.13	$7.99	$7.59	$8.14
Investment Operations						
Net Investment Income	.181[1]	.410[1]	.420[1]	.419[1]	.397	.427
Net Realized and Unrealized Gain (Loss) on Investments	(.487)	.731	(.636)	.119	.426	(.541)
Total from Investment Operations	(.306)	1.141	(.216)	.538	.823	(.114)
Distributions						
Dividends from Net Investment Income	(.444)	(.481)	(.384)	(.398)	(.423)	(.423)
Distributions from Realized Capital Gains	—	—	—	—	—	(.013)
Total Distributions	(.444)	(.481)	(.384)	(.398)	(.423)	(.436)
Net Asset Value, End of Period	$7.44	$8.19	$7.53	$8.13	$7.99	$7.59
Total Return	-3.18%	15.67%	-2.73%	7.00%	11.35%	-1.58%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$811	$783	$704	$752	$622	$521
Ratio of Total Expenses to Average Net Assets	0.26%	0.26%	0.26%	0.28%	0.28%	0.28%
Ratio of Net Investment Income to Average Net Assets	4.78%	5.21%	5.39%	5.22%	5.44%	5.41%
Portfolio Turnover Rate	23%	27%	23%	28%	27%	38%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

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See accompanying Notes, which are an integral part of the Financial Statements.

Notes to Financial Statements

The High Yield Bond Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Certain of the portfolio's investments are in corporate debt instruments; the issuers' abilities to meet their obligations may be affected by economic developments in their respective industries. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The portfolio consistently follows such policies in preparing its financial statements.

1. Security Valuation: Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Bonds and temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value.

2. Foreign Currency: Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates obtained from an independent third party as of the portfolio's pricing time on the valuation date. Realized gains (losses) and unrealized appreciation (depreciation) on investment securities include the effects of changes in exchange rates since the securities were purchased, combined with the effects of changes in security prices. Fluctuations in the value of other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses) until the assets or liabilities are settled in cash, at which time they are recorded as realized foreign currency gains (losses).

3. Forward Currency Contracts: The portfolio enters into forward currency contracts to protect the value of securities and related receivables and payables against changes in future foreign exchange rates. The portfolio's risks in using these contracts include movement in the values of the foreign currencies relative to the U.S. dollar and the ability of the counterparties to fulfill their obligations under the contracts. The portfolio mitigates its counterparty risk by entering into forward currency contracts only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. The master netting arrangements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate the forward currency contracts, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements. The forward currency contracts contain provisions whereby a counterparty may terminate open contracts if the portfolio's net assets decline below a certain level, triggering a payment by the portfolio if the portfolio is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the portfolio has pledged. Any assets pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the forward currency contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

Forward currency contracts are valued at their quoted daily prices obtained from an independent third party, adjusted for currency risk based on the expiration date of each contract. The notional amounts of the contracts are not recorded in the Schedule of Investments. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on forward currency contracts.

During the six months ended June 30, 2020, the portfolio's average investment in forward currency contracts represented 3% of net assets, based on the average of notional amounts at each quarter-end during the period.

4. Swap Contracts: The portfolio invests in credit default swaps to adjust the overall credit risk of the portfolio or to actively overweight or underweight credit risk to a specific issuer or group of issuers. The portfolio may sell credit protection through credit default swaps to simulate investments in long positions that are either unavailable or considered to be less attractively priced in the bond market. The portfolio may purchase credit protection through credit default swaps to reduce credit exposure to a given issuer or issuers. Under the terms of the swaps, an up-front payment may be exchanged between the seller and buyer. In addition, the seller of the credit protection receives a periodic payment of premium from the buyer that is a fixed percentage applied to a notional amount. If, for example, the reference entity is subject to a credit event (such as bankruptcy, failure to pay, or obligation acceleration) during the term of the swap, the seller agrees to either physically settle or cash settle the swap contract. If the swap is physically settled, the seller agrees to pay the buyer an amount equal to the notional amount and take delivery of a debt instrument of the reference issuer with a par amount equal to such notional amount. If the swap is cash settled, the seller agrees to pay the buyer the difference between the notional amount and the final price for the relevant debt instrument, as determined either in a market auction or pursuant to a pre-agreed-upon valuation procedure.

The notional amounts of swap contracts are not recorded in the Schedule of Investments. Swaps are valued daily based on market quotations received from independent pricing services or recognized dealers and the change in value is recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the seller of credit protection is required to take delivery (or, in a cash settled swap, pay the settlement amount determined) upon occurrence of a credit event, periodic payments are made, or the swap terminates, at which time realized gain (loss) is recorded. The net premium to be received or paid by the portfolio under swap contracts is accrued daily and recorded as realized gain (loss) over the life of the contract.

The primary risk associated with selling credit protection is that, upon the occurrence of a defined credit event, the market value of the debt instrument received by the portfolio (or, in a cash settled swap, the debt instruments used to determine the settlement payment by the portfolio) will be significantly less than the amount paid by the portfolio and, in a physically settled swap, the portfolio may receive an illiquid debt instrument. A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the portfolio. The portfolio's maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The portfolio mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the portfolio may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the portfolio's net assets decline below a certain level, triggering a payment by the portfolio if the portfolio is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the portfolio has pledged. Any securities pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

The portfolio enters into centrally cleared credit default swaps to achieve the same objectives specified with respect to the equivalent over-the-counter swaps but with less counterparty risk because a regulated clearinghouse is the counterparty instead of the clearing broker or executing broker. The clearinghouse imposes initial margin requirements to secure the portfolio's performance, and requires daily settlement of variation margin representing changes in the market value of each contract. To further mitigate counterparty risk, the portfolio trades with a diverse group of prequalified executing brokers; monitors the financial strength of its clearing brokers, executing brokers, and clearinghouse; and has entered into agreements with its clearing brokers and executing brokers.

During the six months ended June 30, 2020, the portfolio's average amounts of investments in credit protection sold and credit protection purchased represented less than 1%and 0% of net assets, respectively, based on the average of notional amounts at each quarter-end during the period. The portfolio had no open swap contracts at June 30, 2020.

5. Repurchase Agreements: The portfolio enters into repurchase agreements with institutional counterparties. Securities pledged as collateral to the portfolio under repurchase agreements are held by a custodian bank until the agreements mature, and in the absence of a default, such collateral cannot be repledged, resold, or rehypothecated. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal. The portfolio further mitigates its counterparty risk by entering into repurchase agreements only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master repurchase agreements with its counterparties. The master repurchase agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any repurchase agreements with that counterparty, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio. Such action may be subject to legal proceedings, which may delay or limit the disposition of collateral.

6. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2016–2019), and for the period ended June 30, 2020, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

7. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

8. Credit Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a $4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended June 30, 2020, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

9. Other: Interest income is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. Wellington Management Company LLP provides investment advisory services to the portfolio for a fee calculated at an annual percentage rate of average net assets. For the six months ended June 30, 2020, the investment advisory fee represented an effective annual rate of 0.06% of the portfolio's average net assets.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2020, the portfolio had contributed to Vanguard capital in the amount of $32,000 representing less than 0.01% of the portfolio's net assets and 0.01% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

D. Various inputs may be used to determine the value of the portfolio's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.
Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the portfolio's investments and derivatives as of June 30, 2020, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Corporate Bonds	—	749,285	—	749,285
Sovereign Bonds	—	3,265	—	3,265
Common Stocks	—	—	—	—
Temporary Cash Investments	—	138,500	—	138,500
Total	—	891,050	—	891,050
Derivative Financial Instruments				
Assets				
Forward Currency Contracts	—	212	—	—
Liabilities				
Forward Currency Contracts	—	1	—	—

E. At June 30, 2020, the fair values of derivatives were reflected in the Statement of Assets and Liabilities as follows:

Statement of Assets and Liabilities Caption	Foreign Exchange Contracts ($000)	Total ($000)
Assets		
Unrealized Appreciation—Forward Currency Contracts	212	212
Liabilities		
Unrealized Depreciation—Forward Currency Contracts	1	1

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended June 30, 2020, were:

Realized Net Gain (Loss) on Derivatives	Foreign Exchange Contracts ($000)	Credit Contracts ($000)	Total ($000)
Swap Contracts	—	(3,010)	(3,010)
Forward Currency Contracts	(352)	—	(352)
Realized Net Gain (Loss) on Derivatives	(352)	(3,010)	(3,362)
Change in Unrealized Appreciation (Depreciation) on Derivatives			
Swap Contracts	—	(211)	(211)
Forward Currency Contracts	337	—	337
Change in Unrealized Appreciation (Depreciation) on Derivatives	337	(211)	126

F. As of June, 2020, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount ($000)
Tax Cost	907,853
Gross Unrealized Appreciation	15,038
Gross Unrealized Depreciation	(31,630)
Net Unrealized Appreciation (Depreciation)	(16,592)

The portfolio's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at December 31, 2019, the portfolio had available capital losses totaling $7,692,000 that may be carried forward indefinitely to offset future net capital gains. The portfolio will use these capital losses to offset net taxable capital gains, if any, realized during the year ending December 31, 2020; should the portfolio realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

G. During the six months ended June 30, 2020, the portfolio purchased $228,976,000 of investment securities and sold $149,547,000 of investment securities, other than U.S. government securities and temporary cash investments.

H. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	Shares (000)	Shares (000)
Issued	25,622	19,313
Issued in Lieu of Cash Distributions	5,853	5,672
Redeemed	(18,105)	(22,931)
Net Increase (Decrease) in Shares Outstanding	13,370	2,054

At June 30, 2020, one shareholder (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders) was the record beneficial owner of 41% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

I. Management has determined that no events or transactions occurred subsequent to June 30, 2020, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Variable Insurance Funds High Yield Bond Portfolio has renewed the portfolio's investment advisory arrangement with Wellington Management Company LLP (Wellington Management). The board determined that renewing the portfolio's advisory arrangement was in the best interests of the portfolio and its shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangement. Rather, it was the totality of the circumstances that drove the board's decision.

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Wellington Management, founded in 1928, is among the nation's oldest and most respected institutional investment managers. The portfolio manager is supported by a dedicated team of high-yield and bank loan analysts who conduct in-depth credit research on high-yield issuers, seeking to identify those with stable or improving business prospects and attractive yields. Wellington Management focuses on higher-quality bonds, as it believes that these issues offer a more attractive risk/return trade-off over the long term than lower-rated bonds. The advisor seeks to maintain credit quality and diversification guidelines in order to minimize the risk of potential defaults. Wellington Management has advised the portfolio since its inception in 1996.

The board concluded that the advisor's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangement.

Investment performance

The board considered the short- and long-term performance of the portfolio, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangement should continue.

Cost

The board concluded that the portfolio's expense ratio was well below the average expense ratio charged by funds in its peer group and that the portfolio's advisory fee rate was also well below the peer-group average.

The board did not consider the profitability of Wellington Management in determining whether to approve the advisory fee, because Wellington Management is independent of Vanguard and the advisory fee is the result of arm's-length negotiations.

The benefit of economies of scale

The board concluded that the portfolio realizes economies of scale that are built into the negotiated advisory fee rate without any need for asset-level breakpoints. The advisory fee rate is very low relative to the average rate paid by funds in the portfolio's peer group.

The board will consider whether to renew the advisory arrangement again after a one-year period.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the "Program") as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund's liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors' interests in the fund.

Assessment and management of a fund's liquidity risk under the Program take into consideration certain factors, such as the fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the High Yield Bond Portfolio's Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program's operation, its adequacy, and the effectiveness of its implementation for the past year (the "Program Administrator Report"). The board has reviewed the Program Administrator Report covering the period from December 1, 2018, through December 31, 2019 (the "Review Period"). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio's liquidity risk.

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You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, www.sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or www.sec.gov.

You can review information about your portfolio on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.

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Semiannual Report | June 30, 2020

Vanguard Variable Insurance Funds

Mid-Cap Index Portfolio

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to vanguard.com.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to vanguard.com. Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

Contents

Mid-Cap Index Portfolio

About Your Portfolio's Expenses

As a shareholder of the portfolio, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a portfolio's gross income, directly reduce the investment return of the portfolio.

A portfolio's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your portfolio and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The accompanying table illustrates your portfolio's costs in two ways:

- Based on actual portfolio return. This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the portfolio's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with $1,000 in the portfolio. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, 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 given for your portfolio under the heading "Expenses Paid During Period."

- Based on hypothetical 5% yearly return. This section is intended to help you compare your portfolio's costs with those of other mutual funds. It assumes that the portfolio had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the portfolio's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your portfolio's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the portfolio for buying and selling securities. The portfolio's expense ratio does not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the portfolio's expenses in the Financial Statements section. For additional information on operating expenses and other shareholder costs, please refer to the prospectus.

Six Months Ended June 30, 2020

Mid-Cap Index Portfolio	Beginning Account Value 12/31/2019	Ending Account Value 6/30/2020	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$926.88	$0.81
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.02	0.86

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.17%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (182/366).

Portfolio Allocation

As of June 30, 2020

Basic Materials	3.6%
Consumer Goods	9.3
Consumer Services	11.4
Financials	20.8
Health Care	10.3
Industrials	15.2
Oil & Gas	2.8
Technology	20.2
Telecommunications	0.3
Utilities	6.1

The table reflects the portfolio's investments, except for short-term investments and derivatives. Sector categories are based on the Industry Classification Benchmark ("ICB"), except for the "Other" category (if applicable), which includes securities that have not been provided an ICB classification as of the effective reporting period.

The portfolio may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2020

The portfolio files its 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 portfolio's Form N-PORT reports are available on the SEC's website at www.sec.gov.

		Shares	Market Value• ($000)
	Common Stocks (99.9%)		
	Basic Materials (3.6%)		
	Newmont Corp.	171,264	10,574
	Fastenal Co.	245,502	10,517
	Freeport-McMoRan Inc.	620,619	7,181
	International Paper Co.	167,952	5,914
^	International Flavors & Fragrances Inc.	45,655	5,591
	FMC Corp.	55,307	5,510
	Nucor Corp.	128,739	5,331
	Celanese Corp. Class A	50,467	4,357
	Eastman Chemical Co.	57,625	4,013
	Albemarle Corp.	45,470	3,511
	CF Industries Holdings Inc.	91,194	2,566
	Mosaic Co.	81,371	1,018
	Westlake Chemical Corp.	13,747	737
			66,820
	Consumer Goods (9.3%)		
*	Lululemon Athletica Inc.	50,437	15,737
	Clorox Co.	53,811	11,804
	McCormick & Co. Inc.	52,863	9,484
	Aptiv plc	114,351	8,910
	DR Horton Inc.	147,639	8,187
	Church & Dwight Co. Inc.	104,930	8,111
	Lennar Corp. Class A	117,092	7,215
	Conagra Brands Inc.	197,814	6,957
*	Take-Two Interactive Software Inc.	48,697	6,797
	Tiffany & Co.	51,788	6,315
	Garmin Ltd.	61,246	5,971
	Hormel Foods Corp.	114,887	5,546
	Genuine Parts Co.	58,583	5,094
	J M Smucker Co.	46,180	4,886
*	NVR Inc.	1,490	4,856
	Corteva Inc.	159,807	4,281
	Hasbro Inc.	55,488	4,159
	Campbell Soup Co.	83,758	4,157
	Lamb Weston Holdings Inc.	62,254	3,980
	Fortune Brands Home & Security Inc.	58,676	3,751
	Tyson Foods Inc. Class A	62,817	3,751
	PulteGroup Inc.	108,828	3,703
	Kellogg Co.	54,820	3,621
	Whirlpool Corp.	26,516	3,435
	BorgWarner Inc.	88,544	3,126
*	LKQ Corp.	116,738	3,059
	Lear Corp.	25,529	2,783
	Molson Coors Beverage Co. Class B	75,408	2,591
*	Mohawk Industries Inc.	24,422	2,485
	Newell Brands Inc.	81,970	1,302
	Bunge Ltd.	29,023	1,194
	Tapestry Inc.	59,313	788
	PVH Corp.	15,246	733
	Ralph Lauren Corp. Class A	9,482	688
*	Under Armour Inc. Class C	44,923	397
*	Under Armour Inc. Class A	38,115	371
	Lennar Corp. Class B	6,899	318
	Coty Inc. Class A	57,316	256
	Levi Strauss & Co. Class A	11,900	159
			170,958
	Consumer Services (11.4%)		
*	Chipotle Mexican Grill Inc.	11,940	12,565
*	IAC/InterActiveCorp	33,810	10,934
*	Dollar Tree Inc.	101,244	9,383
	Best Buy Co. Inc.	99,330	8,669
*	Liberty Broadband Corp.	62,029	7,689
*	Copart Inc.	90,330	7,522
	Tractor Supply Co.	49,436	6,515
*	CarMax Inc.	69,577	6,231
	Domino's Pizza Inc.	16,720	6,177
	AmerisourceBergen Corp. Class A	60,824	6,129
*	AutoZone Inc.	4,942	5,575
	ViacomCBS Inc. Class B	230,641	5,379
	FactSet Research Systems Inc.	16,110	5,292
*	Wayfair Inc.	26,013	5,140
*	Roku Inc.	43,496	5,069
	Omnicom Group Inc.	91,544	4,998
	Expedia Group Inc.	57,865	4,756
*	Ulta Beauty Inc.	22,810	4,640
	Darden Restaurants Inc.	54,694	4,144
*	United Airlines Holdings Inc.	118,004	4,084
	Advance Auto Parts Inc.	28,086	4,001
	Delta Air Lines Inc.	136,300	3,823
*	DraftKings Inc. Class A	112,866	3,754
^	Royal Caribbean Cruises Ltd.	71,488	3,596
*	DISH Network Corp. Class A	103,731	3,580
*	Carvana Co.	29,600	3,558
*	Trade Desk Inc. Class A	8,700	3,537
^	Carnival Corp.	204,700	3,361
	MGM Resorts International	189,596	3,185
	Wynn Resorts Ltd.	41,450	3,088
*	Lyft Inc. Class A	88,798	2,931
	Interpublic Group of Cos. Inc.	166,201	2,852
^	American Airlines Group Inc.	211,851	2,769
*	Burlington Stores Inc.	14,060	2,769
*	Altice USA Inc. Class A	120,470	2,715
*	Discovery Communications Inc. Class C	138,512	2,668
	Rollins Inc.	62,878	2,665
*	Live Nation Entertainment Inc.	59,719	2,647
	News Corp. Class A	212,721	2,523
*	Liberty Media Corp-Liberty SiriusXM Class C	64,579	2,225
	Aramark	96,849	2,186
	Fox Corp. Class A	71,700	1,923
	Vail Resorts Inc.	8,600	1,566
^,*	Discovery Inc. Class A	64,704	1,365
*	Liberty Broadband Corp. Class A	10,786	1,318
*	Liberty Media Corp-Liberty SiriusXM Class A	34,945	1,206
	Nielsen Holdings plc	76,567	1,138
*	Chewy Inc.	25,300	1,131
*	Warner Music Group Corp. Class A	33,067	975
	Alaska Air Group Inc.	26,333	955
	Fox Corp. Class B	34,238	919
*	Norwegian Cruise Line Holdings Ltd.	55,077	905
	Kohl's Corp.	33,344	693
^	Hyatt Hotels Corp. Class A	7,648	385
	ViacomCBS Inc. Class A	2,790	71
	News Corp. Class B	3,475	42
			209,916
	Financials (20.7%)		
	Digital Realty Trust Inc.	114,593	16,285
	SBA Communications Corp. Class A	47,605	14,182
*	CoStar Group Inc.	16,772	11,919
	IHS Markit Ltd.	153,293	11,574
	MSCI Inc. Class A	33,860	11,303
	Willis Towers Watson plc	54,967	10,826
	AvalonBay Communities Inc.	60,159	9,303
	Alexandria Real Estate Equities Inc.	53,900	8,745
	Realty Income Corp.	146,569	8,721
	Arthur J Gallagher & Co.	80,900	7,887
	Ameriprise Financial Inc.	52,292	7,846
	First Republic Bank	72,930	7,730
	MarketAxess Holdings Inc.	15,345	7,687
	Weyerhaeuser Co.	318,989	7,164
	KKR & Co. Inc.	226,872	7,006
	Invitation Homes Inc.	238,574	6,568
	Essex Property Trust Inc.	27,928	6,400
	Healthpeak Properties Inc.	230,109	6,342
	Broadridge Financial Solutions Inc.	49,092	6,195
*	CBRE Group Inc. Class A	135,719	6,137
	Hartford Financial Services Group Inc.	152,912	5,895
	Nasdaq Inc.	49,051	5,860
	Sun Communities Inc.	41,988	5,697
	Mid-America Apartment Communities Inc.	48,838	5,600
	Duke Realty Corp.	157,318	5,567
	M&T Bank Corp.	52,053	5,412
	Synchrony Financial	235,900	5,227
*	Markel Corp.	5,584	5,155
	Extra Space Storage Inc.	55,092	5,089
	KeyCorp	416,639	5,075
	WP Carey Inc.	73,627	4,981
	Principal Financial Group Inc.	117,149	4,866
*	SVB Financial Group	22,001	4,742
*	Arch Capital Group Ltd.	164,548	4,714
	UDR Inc.	126,050	4,712
	E*TRADE Financial Corp.	94,428	4,696
	Citizens Financial Group Inc.	182,150	4,597
	Regions Financial Corp.	410,393	4,564
	Cboe Global Markets Inc.	46,970	4,381
	Cincinnati Financial Corp.	65,169	4,173
	Annaly Capital Management Inc.	611,390	4,011
	Huntington Bancshares Inc.	432,933	3,912
	Camden Property Trust	42,530	3,880
	Western Union Co.	175,526	3,795
	Fidelity National Financial Inc.	121,244	3,717

		Shares	Market Value• ($000)
	Raymond James Financial Inc.	52,540	3,616
	Everest Re Group Ltd.	17,076	3,521
	Loews Corp.	102,233	3,506
	Northern Trust Corp.	42,233	3,351
	Equitable Holdings Inc.	173,213	3,341
	Regency Centers Corp.	72,399	3,322
	Discover Financial Services	65,500	3,281
	W R Berkley Corp.	57,156	3,274
	Host Hotels & Resorts Inc.	300,958	3,247
^	Iron Mountain Inc.	122,863	3,207
	Ally Financial Inc.	159,208	3,157
	SEI Investments Co.	57,033	3,136
	AGNC Investment Corp.	238,701	3,079
	Globe Life Inc.	40,907	3,036
	Lincoln National Corp.	82,436	3,033
	VEREIT Inc.	459,980	2,958
	Fifth Third Bancorp	151,952	2,930
	Ventas Inc.	79,600	2,915
	Alleghany Corp.	5,797	2,836
	Vornado Realty Trust	73,341	2,802
	Federal Realty Investment Trust	32,123	2,737
	Boston Properties Inc.	29,800	2,693
	Franklin Resources Inc.	116,047	2,433
	Interactive Brokers Group Inc.	30,950	1,293
	Voya Financial Inc.	27,047	1,262
*	Athene Holding Ltd. Class A	39,599	1,235
	Zions Bancorp NA	35,215	1,197
	Reinsurance Group of America Inc.	14,546	1,141
	Comerica Inc.	29,838	1,137
	Kimco Realty Corp.	88,241	1,133
	Invesco Ltd.	98,473	1,060
	SL Green Realty Corp.	16,451	811
			381,818
Health Care (10.3%)			
*	DexCom Inc.	39,393	15,970
*	Centene Corp.	247,260	15,713
*	IDEXX Laboratories Inc.	36,245	11,967
	ResMed Inc.	61,832	11,872
*	BioMarin Pharmaceutical Inc.	77,214	9,524
*	Seattle Genetics Inc.	51,744	8,792
*	Align Technology Inc.	30,283	8,311
*	Incyte Corp.	78,952	8,209
*	Moderna Inc.	116,300	7,468
*	Alnylam Pharmaceuticals Inc.	49,048	7,264
	Teleflex Inc.	19,818	7,213
*	Laboratory Corp. of America Holdings	41,567	6,905
	Cardinal Health Inc.	124,823	6,514
	Quest Diagnostics Inc.	57,092	6,506
	Cooper Cos. Inc.	22,748	6,452
*	Hologic Inc.	110,389	6,292
*	Exact Sciences Corp.	63,948	5,560
*	Varian Medical Systems Inc.	38,814	4,755
*	ABIOMED Inc.	18,246	4,407
	Dentsply Sirona Inc.	93,673	4,127
*	Elanco Animal Health Inc.	170,496	3,657
	West Pharmaceutical Services Inc.	15,700	3,567
*	Henry Schein Inc.	60,922	3,557
*	Mylan NV	220,857	3,551
	Perrigo Co. plc	58,143	3,214
	Universal Health Services Inc. Class B	31,463	2,923
*	DaVita Inc.	33,815	2,676
*	Jazz Pharmaceuticals plc	11,245	1,241
*	PPD Inc.	29,917	802
			189,009
Industrials (15.2%)			
	Amphenol Corp. Class A	126,426	12,113
	Verisk Analytics Inc. Class A	69,321	11,798
	Waste Connections Inc.	112,325	10,535
	Cintas Corp.	37,781	10,063
	TransDigm Group Inc.	21,955	9,705
	Ball Corp.	139,342	9,683
*	FleetCor Technologies Inc.	35,816	9,009
	Equifax Inc.	51,864	8,914
	AMETEK Inc.	98,022	8,760
*	Mettler-Toledo International Inc.	10,219	8,232
	Carrier Global Corp.	370,205	8,226
*	Square Inc.	77,565	8,140
*	Keysight Technologies Inc.	79,720	8,034
	Old Dominion Freight Line Inc.	45,305	7,683
	TransUnion	81,103	7,059
	Vulcan Materials Co.	56,512	6,547
	WW Grainger Inc.	19,336	6,075
	Kansas City Southern	40,600	6,061
	Dover Corp.	61,543	5,943
	Masco Corp.	112,728	5,660
	Martin Marietta Materials Inc.	26,569	5,488
	Expeditors International of Washington Inc.	71,118	5,408
	Rockwell Automation Inc.	24,772	5,276
	Otis Worldwide Corp.	92,596	5,265
	Xylem Inc.	76,868	4,993
*	Waters Corp.	26,428	4,768
	Jacobs Engineering Group Inc.	55,577	4,713
*	Trimble Inc.	106,704	4,609
*	United Rentals Inc.	30,778	4,587
	CH Robinson Worldwide Inc.	57,472	4,544
	Westinghouse Air Brake Technologies Corp.	77,255	4,448
	JB Hunt Transport Services Inc.	36,042	4,337
*	Ingersoll Rand Inc.	151,312	4,255
	Corning Inc.	162,645	4,212
	Avery Dennison Corp.	35,617	4,064
	Packaging Corp. of America	40,506	4,042
*	Crown Holdings Inc.	57,463	3,743
	Snap-on Inc.	23,087	3,198
	Textron Inc.	97,118	3,196
	Westrock Co.	110,603	3,126
	Huntington Ingalls Industries Inc.	17,277	3,015
	Jack Henry & Associates Inc.	16,360	3,011
	Hubbell Inc. Class B	23,032	2,887
	HEICO Corp. Class A	31,099	2,526
*	IPG Photonics Corp.	14,741	2,364
	Cognex Corp.	34,687	2,072
	HEICO Corp.	17,269	1,721
*	XPO Logistics Inc.	19,401	1,499
	A O Smith Corp.	29,025	1,368
	Pentair plc	35,120	1,334
*	Sensata Technologies Holding plc	33,737	1,256
			279,565
Oil & Gas (2.8%)			
	Occidental Petroleum Corp.	384,600	7,038
	ONEOK Inc.	187,982	6,245
	Hess Corp.	118,036	6,115
*	Cheniere Energy Inc.	96,920	4,683
	Halliburton Co.	337,055	4,375
	Concho Resources Inc.	83,953	4,324
	Baker Hughes Co. Class A	279,779	4,306
	Pioneer Natural Resources Co.	35,200	3,439
	Diamondback Energy Inc.	67,362	2,817
	Cabot Oil & Gas Corp.	85,515	1,469
	Apache Corp.	80,998	1,093
	Marathon Oil Corp.	169,689	1,038
	National Oilwell Varco Inc.	83,307	1,021
	Targa Resources Corp.	47,571	955
	Devon Energy Corp.	82,143	931
	Noble Energy Inc.	102,960	923
	HollyFrontier Corp.	31,254	913
	Continental Resources Inc.	15,713	275
			51,960
Technology (20.2%)			
*	Veeva Systems Inc. Class A	57,638	13,511
*	Splunk Inc.	67,787	13,469
	KLA Corp.	66,219	12,878
*	DocuSign Inc. Class A	74,300	12,795
*	Synopsys Inc.	64,361	12,550
*	Twilio Inc.	54,986	12,065
*	Cadence Design Systems Inc.	119,345	11,452
	Microchip Technology Inc.	104,689	11,025
*	IQVIA Holdings Inc.	77,373	10,978
*	ANSYS Inc.	36,585	10,673
	Xilinx Inc.	103,736	10,207
	Motorola Solutions Inc.	72,631	10,178
*	Snap Inc.	431,013	10,124
	Marvell Technology Group Ltd.	283,438	9,937
*	Okta Inc.	49,577	9,927
*	Twitter Inc.	317,777	9,467
*	RingCentral Inc. Class A	32,848	9,362
*	VeriSign Inc.	44,431	9,190
	Skyworks Solutions Inc.	71,246	9,110
*	Palo Alto Networks Inc.	39,166	8,995
	Cerner Corp.	129,848	8,901
*	Zoom Video Communications Inc. Class A	33,937	8,604
*	Fortinet Inc.	58,670	8,054
	Citrix Systems Inc.	52,753	7,803
*	Akamai Technologies Inc.	69,352	7,427
	CDW Corp.	60,777	7,061
	Maxim Integrated Products Inc.	113,989	6,909
*	Paycom Software Inc.	21,285	6,593
*	Crowdstrike Holdings Inc. Class A	61,400	6,158
*	Qorvo Inc.	48,978	5,414
*	Slack Technologies Inc. Class A	172,703	5,369
	Western Digital Corp.	121,128	5,348
	Hewlett Packard Enterprise Co.	548,119	5,333
	SS&C Technologies Holdings Inc.	93,061	5,256
*	Datadog Inc. Class A	60,200	5,234
*	GoDaddy Inc. Class A	70,664	5,182
*	Arista Networks Inc.	22,590	4,745
	Seagate Technology plc	93,290	4,516
	NortonLifeLock Inc.	226,263	4,487
*	Black Knight Inc.	60,785	4,411
*	Gartner Inc.	36,137	4,384
	NetApp Inc.	94,580	4,197

	Shares	Market Value• ($000)
* Pinterest Inc. Class A	172,404	3,822
* F5 Networks Inc.	26,031	3,631
Juniper Networks Inc.	141,439	3,233
* Tyler Technologies Inc.	8,500	2,948
Leidos Holdings Inc.	30,300	2,838
^,* Match Group Inc.	23,855	2,554
* Dropbox Inc. Class A	106,486	2,318
* ZoomInfo Technologies Inc. Class A	19,508	995
Xerox Holdings Corp.	38,860	594
		372,212
Telecommunications (0.3%)		
CenturyLink Inc.	468,662	4,701
Utilities (6.1%)		
Eversource Energy	143,584	11,956
WEC Energy Group Inc.	134,647	11,802
American Water Works Co. Inc.	77,357	9,953
FirstEnergy Corp.	231,078	8,961
DTE Energy Co.	82,096	8,825
Entergy Corp.	85,556	8,026
Ameren Corp.	105,206	7,402
CMS Energy Corp.	122,311	7,145
Evergy Inc.	96,865	5,743
Alliant Energy Corp.	106,598	5,100
Edison International	80,811	4,389
AES Corp.	284,123	4,117
CenterPoint Energy Inc.	214,795	4,010
Vistra Energy Corp.	208,746	3,887
NiSource Inc.	163,493	3,718
Pinnacle West Capital Corp.	47,994	3,518
NRG Energy Inc.	49,171	1,601
OGE Energy Corp.	42,936	1,304
Avangrid Inc.	26,545	1,114
		112,571
Total Common Stocks (Cost $1,612,372)		1,839,530

	Shares	Market Value• ($000)
Temporary Cash Investments (0.9%)		
Money Market Fund (0.9%)		
1,2 Vanguard Market Liquidity Fund, 0.227%	167,697	16,769
	Face Amount ($000)	
U.S. Government and Agency Obligations (0.0%)		
3 United States Cash Management Bill, 0.116%, 9/29/20	400	400
Total Temporary Cash Investments (Cost $17,173)		17,169
Total Investments (100.8%) (Cost $1,629,545)		1,856,699
Other Asset and Liabilities—Net (-0.8%)		(14,387)
Net Assets (100%)		1,842,312

Cost is in $000.

• See Note A in Notes to Financial Statements.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $12,728,000.

* Non-income-producing security.

1 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

2 Collateral of $13,177,000 was received for securities on loan.

3 Securities with a value of $400,000 and cash of $15,000 have been segregated as initial margin for open futures contracts.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

			($000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
E-mini S&P Mid-Cap 400 Index	September 2020	14	2,491	75
E-mini S&P 500 Index	September 2020	16	2,472	40
				115

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2020

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $1,612,772)	1,839,930
Affiliated Issuers (Cost $16,773)	16,769
Total Investments in Securities	1,856,699
Investment in Vanguard	83
Cash Collateral Pledged—Futures Contracts	15
Receivables for Investment Securities Sold	1,721
Receivables for Accrued Income	2,091
Receivables for Capital Shares Issued	212
Variation Margin Receivable—Futures Contracts	66
Total Assets	**1,860,887**
Liabilities	
Due to Custodian	1,336
Payables for Investment Securities Purchased	32
Collateral for Securities on Loan	13,177
Payables for Capital Shares Redeemed	3,868
Payables to Vanguard	162
Total Liabilities	**18,575**
Net Assets	**1,842,312**

At June 30, 2020, net assets consisted of:

Paid-in Capital	1,521,276
Total Distributable Earnings (Loss)	321,036
Net Assets	**1,842,312**

Net Assets	
Applicable to 91,054,621 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	1,842,312
Net Asset Value Per Share	**$20.23**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2020
	($000)
Investment Income	
Income	
Dividends	17,051
Interest[1]	27
Securities Lending—Net	112
Total Income	17,190
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	139
Management and Administrative	1,322
Marketing and Distribution	96
Custodian Fees	12
Shareholders' Reports	16
Trustees' Fees and Expenses	1
Total Expenses	1,586
Net Investment Income	**15,604**
Realized Net Gain (Loss)	
Investment Securities Sold[1]	82,141
Futures Contracts	(588)
Realized Net Gain (Loss)	**81,553**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	(253,242)
Futures Contracts	6
Change in Unrealized Appreciation (Depreciation)	**(253,236)**
Net Increase (Decrease) in Net Assets Resulting from Operations	**(156,079)**

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $25,000, $8,000, and ($2,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	15,604	29,001
Realized Net Gain (Loss)	81,553	112,918
Change in Unrealized Appreciation (Depreciation)	(253,236)	360,047
Net Increase (Decrease) in Net Assets Resulting from Operations	(156,079)	501,966
Distributions[1]		
Total Distributions	(142,409)	(172,303)
Capital Share Transactions		
Issued	177,024	300,982
Issued in Lieu of Cash Distributions	142,409	172,303
Redeemed	(333,411)	(269,427)
Net Increase (Decrease) from Capital Share Transactions	(13,978)	203,858
Total Increase (Decrease)	(312,466)	533,521
Net Assets		
Beginning of Period	**2,154,778**	**1,621,257**
End of Period	**1,842,312**	**2,154,778**

1 Certain prior period numbers have been reclassified to conform with current period presentation.

See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2020	Year Ended December 31, 2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$24.03	$20.23	$23.72	$21.11	$20.76	$22.49
Investment Operations						
Net Investment Income	.171[1,2]	.334[1]	.343[1]	.292[1]	.280	.291
Net Realized and Unrealized Gain (Loss) on Investments	(2.339)	5.621	(2.386)	3.575	1.814	(.552)
Total from Investment Operations	(2.168)	5.955	(2.043)	3.867	2.094	(.261)
Distributions						
Dividends from Net Investment Income	(.344)	(.350)	(.286)	(.270)	(.292)	(.268)
Distributions from Realized Capital Gains	(1.288)	(1.805)	(1.161)	(.987)	(1.452)	(1.201)
Total Distributions	(1.632)	(2.155)	(1.447)	(1.257)	(1.744)	(1.469)
Net Asset Value, End of Period	$20.23	$24.03	$20.23	$23.72	$21.11	$20.76
Total Return	-7.31%	30.87%	-9.33%	19.08%	11.11%	-1.43%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$1,842	$2,155	$1,621	$1,804	$1,495	$1,363
Ratio of Total Expenses to Average Net Assets	0.17%	0.17%	0.17%	0.19%	0.19%	0.19%
Ratio of Net Investment Income to Average Net Assets	1.59%[2]	1.49%	1.49%	1.32%	1.40%	1.35%
Portfolio Turnover Rate	11%	21%	21%	18%	21%	23%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include $.036 and 0.17%, respectively, resulting from a special dividend from NortonLifeLock Inc. in February 2020.

See accompanying Notes, which are an integral part of the Financial Statements.

Notes to Financial Statements

The Mid-Cap Index Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The portfolio consistently follows such policies in preparing its financial statements.

1. Security Valuation: Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. Futures Contracts: The portfolio uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The portfolio may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the portfolio and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the portfolio's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any assets pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Schedule of Investments. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended June 30, 2020, the portfolio's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2016–2019), and for the period ended June 30, 2020, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Securities Lending: To earn additional income, the portfolio lends its securities to qualified institutional borrowers. Security loans are subject to termination by the portfolio at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The portfolio further mitigates its counterparty risk

by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the portfolio may experience delays and costs in recovering the securities loaned. The portfolio invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the portfolio is entitled to all distributions made on or in respect of the loaned securities.

6. Credit Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a $4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended June 30, 2020, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

7. Other: Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2020, the portfolio had contributed to Vanguard capital in the amount of $83,000, representing less than 0.01% of the portfolio's net assets and 0.03% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

C. Various inputs may be used to determine the value of the portfolio's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.
Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the portfolio's investments and derivatives as of June 30, 2020, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	1,839,530	—	—	1,839,530
Temporary Cash Investments	16,769	400	—	17,169
Total	1,856,299	400	—	1,856,699
Derivative Financial Instruments				
Assets				
Futures Contracts[1]	66	—	—	66

1 Represents variation margin on the last day of the reporting period.

D. As of June 30, 2020, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount ($000)
Tax Cost	1,629,545
Gross Unrealized Appreciation	438,027
Gross Unrealized Depreciation	(210,758)
Net Unrealized Appreciation (Depreciation)	227,269

E. During the six months ended June 30, 2020, the portfolio purchased $215,415,000 of investment securities and sold $349,206,000 of investment securities, other than temporary cash investments.

The portfolio purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the six months ended June 30, 2020, such purchases and sales were $14,179,000 and $62,453,000, respectively; these amounts are included in the purchases and sales of investment securities noted above.

F. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	Shares (000)	Shares (000)
Issued	9,001	13,473
Issued in Lieu of Cash Distributions	8,812	8,135
Redeemed	(16,443)	(12,082)
Net Increase (Decrease) in Shares Outstanding	1,370	9,526

At June 30, 2020, one shareholder (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders) was the record or beneficial owner of 40% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

G. Management has determined that no events or transactions occurred subsequent to June 30, 2020, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Variable Insurance Funds Mid-Cap Index Portfolio has renewed the portfolio's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing the portfolio's internalized management structure was in the best interests of the portfolio and its shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangement. Rather, it was the totality of the circumstances that drove the board's decision.

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Vanguard has been managing investments for more than four decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangement.

Investment performance

The board considered the short- and long-term performance of the portfolio, including any periods of outperformance or underperformance compared with its target index and peer group. The board concluded that the performance was such that the advisory arrangement should continue.

Cost

The board concluded that the portfolio's expense ratio was well below the average expense ratio charged by funds in its peer group and that the portfolio's advisory expenses were also well below the peer-group average.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

The benefit of economies of scale

The board concluded that the portfolio's arrangement with Vanguard ensures that the portfolio will realize economies of scale as it grows, with the cost to shareholders declining as portfolio assets increase.

The board will consider whether to renew the advisory arrangement again after a one-year period.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the "Program") as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund's liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors' interests in the fund.

Assessment and management of a fund's liquidity risk under the Program take into consideration certain factors, such as the fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the Mid-Cap Index Portfolio's Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program's operation, its adequacy, and the effectiveness of its implementation for the past year (the "Program Administrator Report"). The board has reviewed the Program Administrator Report covering the period from December 1, 2018, through December 31, 2019 (the "Review Period"). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio's liquidity risk.

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This material may be used in conjunction with the offering of shares of any Vanguard fund only if preceded or accompanied by the fund's current prospectus.

You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, www.sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or www.sec.gov.

You can review information about your portfolio on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.

Vanguard Marketing Corporation, Distributor.

Q692MC 082020

Semiannual Report | June 30, 2020

Vanguard Variable Insurance Funds

Real Estate Index Portfolio

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to vanguard.com.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to vanguard.com. Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

Contents

About Your Portfolio's Expenses

As a shareholder of the portfolio, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a portfolio's gross income, directly reduce the investment return of the portfolio.

A portfolio's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your portfolio and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The accompanying table illustrates your portfolio's costs in two ways:

• **Based on actual portfolio return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the portfolio's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with $1,000 in the portfolio. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, 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 given for your portfolio under the heading "Expenses Paid During Period."

• **Based on hypothetical 5% yearly return.** This section is intended to help you compare your portfolio's costs with those of other mutual funds. It assumes that the portfolio had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the portfolio's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your portfolio's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the portfolio for buying and selling securities. The portfolio's expense ratio does not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the portfolio's expenses in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your portfolio's current prospectus.

Six Months Ended June 30, 2020

Real Estate Index Portfolio	Beginning Account Value 12/31/2019	Ending Account Value 6/30/2020	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$860.39	$1.20
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.57	1.31

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.26%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (182/366).

Portfolio Allocation

As of June 30, 2020

Diversified REITs	3.6%
Health Care REITs	8.5
Hotel & Resort REITs	2.6
Industrial REITs	11.0
Office REITs	8.3
Residential REITs	14.2
Retail REITs	8.9
Specialized REITs	39.7
Real Estate Management & Development	3.2

The table reflects the portfolio's investments, except for short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

The portfolio may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking their target index as closely as possible.

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2020

The portfolio files its 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 portfolio's Form N-PORT reports are available on the SEC's website at www.sec.gov.

	Shares	Market Value• ($000)
Equity Real Estate Investment Trusts (REITs) (94.5%)		
Diversified REITs (3.5%)		
WP Carey Inc.	153,896	10,411
VEREIT Inc.	959,430	6,169
STORE Capital Corp.	207,137	4,932
PS Business Parks Inc.	18,330	2,427
Washington REIT	72,489	1,609
Global Net Lease Inc.	79,881	1,336
American Assets Trust Inc.	45,710	1,273
Essential Properties Realty Trust Inc.	82,398	1,223
Colony Capital Inc.	436,439	1,048
Empire State Realty Trust Inc.	137,749	964
iStar Inc.	69,427	855
Alexander & Baldwin Inc.	61,367	748
Gladstone Commercial Corp.	30,408	570
Armada Hoffler Properties Inc.	50,742	505
One Liberty Properties Inc.	14,099	249
		34,319
Health Care REITs (8.3%)		
Welltower Inc.	366,160	18,949
Healthpeak Properties Inc.	451,339	12,439
Ventas Inc.	333,053	12,196
Medical Properties Trust Inc.	464,754	8,737
Omega Healthcare Investors Inc.	202,286	6,014
Healthcare Trust of America Inc. Class A	193,456	5,130
Healthcare Realty Trust Inc.	120,167	3,520
Physicians Realty Trust	175,994	3,083
Sabra Health Care REIT Inc.	183,452	2,647
National Health Investors Inc.	39,669	2,409
CareTrust REIT Inc.	84,493	1,450
LTC Properties Inc.	35,624	1,342
Diversified Healthcare Trust	211,922	938
Universal Health Realty Income Trust	11,688	929
Community Healthcare Trust Inc.	18,422	754
Global Medical REIT Inc.	37,298	423
New Senior Investment Group Inc.	74,353	269
		81,229
Hotel & Resort REITs (2.5%)		
Host Hotels & Resorts Inc.	630,043	6,798
MGM Growth Properties LLC Class A	117,146	3,188
Park Hotels & Resorts Inc.	213,887	2,115
Apple Hospitality REIT Inc.	189,973	1,835
Sunstone Hotel Investors Inc.	198,557	1,618
Ryman Hospitality Properties Inc.	46,736	1,617
Pebblebrook Hotel Trust	117,364	1,603
RLJ Lodging Trust	151,054	1,426
Service Properties Trust	147,460	1,045
DiamondRock Hospitality Co.	179,420	992
Xenia Hotels & Resorts Inc.	101,274	945
Summit Hotel Properties Inc.	93,499	554
Chatham Lodging Trust	41,591	255
Hersha Hospitality Trust Class A	31,588	182
CorePoint Lodging Inc.	33,213	140
Braemar Hotels & Resorts Inc.	26,792	77
Ashford Hospitality Trust Inc.	82,542	60
		24,450
Industrial REITs (10.8%)		
Prologis Inc.	659,327	61,535
Duke Realty Corp.	328,923	11,641
Americold Realty Trust	178,783	6,490
First Industrial Realty Trust Inc.	113,483	4,362
Rexford Industrial Realty Inc.	101,518	4,206
EastGroup Properties Inc.	34,662	4,111
STAG Industrial Inc.	132,371	3,881
Terreno Realty Corp.	60,095	3,163
Lexington Realty Trust Class B	228,366	2,409
Innovative Industrial Properties Inc.	14,818	1,304
Monmouth Real Estate Investment Corp.	83,288	1,207
Industrial Logistics Properties Trust	58,179	1,196
		105,505
Office REITs (8.1%)		
Alexandria Real Estate Equities Inc.	109,513	17,768
Boston Properties Inc.	131,341	11,871
Vornado Realty Trust	144,689	5,529
Kilroy Realty Corp.	85,185	5,000
Douglas Emmett Inc.	148,305	4,547
Cousins Properties Inc.	131,040	3,909
Equity Commonwealth	109,264	3,518
Hudson Pacific Properties Inc.	137,733	3,465
Highwoods Properties Inc.	92,343	3,447
SL Green Realty Corp.	69,377	3,420
JBG SMITH Properties	108,316	3,203
Corporate Office Properties Trust	99,513	2,522
Piedmont Office Realty Trust Inc. Class A	111,727	1,856
Brandywine Realty Trust	158,176	1,723
Easterly Government Properties Inc.	66,277	1,532
Columbia Property Trust Inc.	103,261	1,357
Paramount Group Inc.	163,182	1,258
Mack-Cali Realty Corp.	80,232	1,227
Office Properties Income Trust	43,062	1,118
City Office REIT Inc.	48,936	492
Franklin Street Properties Corp.	95,892	488
		79,250
Residential REITs (13.8%)		
Equity Residential	331,968	19,526
AvalonBay Communities Inc.	125,501	19,407
Essex Property Trust Inc.	59,046	13,532
Invitation Homes Inc.	483,764	13,318
Mid-America Apartment Communities Inc.	101,935	11,689
Sun Communities Inc.	83,359	11,310
UDR Inc.	262,864	9,826
Equity LifeStyle Properties Inc.	154,443	9,650
Camden Property Trust	86,845	7,922
American Homes 4 Rent Class A	241,030	6,484
Apartment Investment & Management Co.	132,664	4,993
American Campus Communities Inc.	122,652	4,288
Independence Realty Trust Inc.	91,918	1,056
Investors Real Estate Trust	10,846	764
NexPoint Residential Trust Inc.	18,140	641
UMH Properties Inc.	33,180	429
Front Yard Residential Corp.	45,475	396
Preferred Apartment Communities Inc. Class A	41,536	316
		135,547
Retail REITs (8.7%)		
Simon Property Group Inc.	273,769	18,720
Realty Income Corp.	297,763	17,717
Regency Centers Corp.	149,444	6,858
Federal Realty Investment Trust	64,153	5,466
National Retail Properties Inc.	153,254	5,437
Kimco Realty Corp.	385,319	4,948
Brixmor Property Group Inc.	265,367	3,402
Spirit Realty Capital Inc.	91,201	3,179
Agree Realty Corp.	40,465	2,659
Taubman Centers Inc.	54,877	2,072
Weingarten Realty Investors	108,575	2,055
Retail Properties of America Inc.	191,937	1,405
Urban Edge Properties	108,777	1,291
Retail Opportunity Investments Corp.	104,351	1,182

		Shares	Market Value• ($000)
	SITE Centers Corp.	136,321	1,104
	Acadia Realty Trust	73,627	956
	Getty Realty Corp.	31,464	934
^	Macerich Co.	99,733	895
	Kite Realty Group Trust	75,277	869
	American Finance Trust Inc.	96,249	764
^	Tanger Factory Outlet Centers Inc.	83,240	594
	RPT Realty	72,047	501
	Alexander's Inc.	2,053	495
	Saul Centers Inc.	12,444	402
^,*	Seritage Growth Properties Class A	31,303	357
	Urstadt Biddle Properties Inc. Class A	26,942	320
	Whitestone REIT	33,985	247
	Retail Value Inc.	15,292	189
^	Washington Prime Group Inc.	167,048	140
	Cedar Realty Trust Inc.	85,440	85
^	Pennsylvania REIT	59,196	81
§	Spirit MTA REIT	42,040	32
			85,356
Specialized REITs (38.8%)			
	American Tower Corp.	395,317	102,205
	Crown Castle International Corp.	371,091	62,102
	Digital Realty Trust Inc.	234,450	33,318
	Equinix Inc.	46,266	32,493
	SBA Communications Corp. Class A	99,898	29,762
	Public Storage	140,403	26,942
	Weyerhaeuser Co.	665,529	14,948
	Extra Space Storage Inc.	115,772	10,694
	VICI Properties Inc.	417,871	8,437
	CyrusOne Inc.	102,750	7,475
	Iron Mountain Inc.	256,682	6,699
	Gaming and Leisure Properties Inc.	185,798	6,428
	Lamar Advertising Co. Class A	76,936	5,136
	CubeSmart	172,645	4,660
	CoreSite Realty Corp.	33,576	4,065
	Life Storage Inc.	41,695	3,959
	QTS Realty Trust Inc. Class A	51,843	3,323
	Rayonier Inc.	115,834	2,871
	EPR Properties	69,970	2,318
	PotlatchDeltic Corp.	59,724	2,271
	Outfront Media Inc.	128,175	1,816
	Uniti Group Inc.	164,544	1,538
	Four Corners Property Trust Inc.	62,771	1,532
	National Storage Affiliates Trust	53,344	1,529
	GEO Group Inc.	108,804	1,287
	CoreCivic Inc.	106,730	999
	Safehold Inc.	10,706	615
	CatchMark Timber Trust Inc. Class A	43,932	389
	Jernigan Capital Inc.	20,855	285
	CorEnergy Infrastructure Trust Inc.	12,425	114
			380,210
Total Equity Real Estate Investment Trusts (REITs) (Cost $1,029,360)			925,866

		Shares	Market Value• ($000)
Real Estate Management & Development (3.1%)			
*	CBRE Group Inc. Class A	298,557	13,501
	Jones Lang LaSalle Inc.	45,938	4,753
*	Redfin Corp.	79,233	3,321
*	Howard Hughes Corp.	36,868	1,915
	Kennedy-Wilson Holdings Inc.	115,036	1,751
*	Cushman & Wakefield plc	97,857	1,219
	Realogy Holdings Corp.	102,938	763
	Newmark Group Inc. Class A	135,025	656
*	Marcus & Millichap Inc.	21,064	608
*	St. Joe Co.	29,311	569
	RE/MAX Holdings Inc. Class A	15,912	500
	RMR Group Inc. Class A	13,763	406
^,*	eXp World Holdings Inc.	23,203	395
*	Tejon Ranch Co.	19,594	282
*	Forestar Group Inc.	15,074	228
*	Five Point Holdings LLC Class A	46,324	213
*	Altisource Portfolio Solutions SA	4,880	72
Total Real Estate Management & Development (Cost $39,579)			31,152
Temporary Cash Investments (2.4%)			
Money Market Fund (2.4%)			
1,2	Vanguard Market Liquidity Fund, 0.227%	232,777	23,277
		Face Amount ($000)	
U.S. Government and Agency Obligations (0.0%)			
3	United States Cash Management Bill, 0.116%, 9/29/20	100	100
Total Temporary Cash Investments (Cost $23,381)			23,377
Total Investments (100.0%) (Cost $1,092,320)			980,395
Other Assets and Liabilities—Net (0.0%)			(486)
Net Assets (100%)			979,909

Cost is in $000.

• See Note A in Notes to Financial Statements.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $2,158,000.

* Non-income-producing security.

§ Security value determined using significant unobservable inputs.

1 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

2 Collateral of $2,324,000 was received for securities on loan.

3 Securities with a value of $100,000 and cash of $130,000 has been segregated as initial margin for open futures contracts.

REIT—Real Estate Investment Trust.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount ($000)	Value and Unrealized Appreciation (Depreciation) ($000)
Long Futures Contracts				
Dow Jones U.S. Real Estate Index	September 2020	65	2,014	(34)

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount ($000)	Floating Interest Rate Received (Paid)[1] (%)	Value and Unrealized Appreciation ($000)	Value and Unrealized (Depreciation) ($000)
Equinix Inc.	2/2/21	GSCM	20,836	(0.594)	308	—

1 Based on 1-month Interbank Offered Rate (LIBOR) as of the most recent payment date. Floating interest payment received/paid monthly.

GSCM—Goldman Sachs Capital Management.

Statement of Assets and Liabilities

As of June 30, 2020

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $1,069,039)	957,118
Affiliated Issuers (Cost $23,281)	23,277
Total Investments in Securities	980,395
Investment in Vanguard	44
Cash Collateral Pledged—Futures Contracts	130
Receivables for Accrued Income	3,263
Receivables for Capital Shares Issued	58
Variation Margin Receivable—Futures Contracts	27
Unrealized Appreciation—Over-the-Counter Swap Contracts	308
Total Assets	**984,225**
Liabilities	
Due to Custodian	39
Payables for Investment Securities Purchased	1,431
Collateral for Securities on Loan	2,324
Payables for Capital Shares Redeemed	389
Payables to Vanguard	133
Total Liabilities	**4,316**
Net Assets	**979,909**

At June 30, 2020, net assets consisted of:

Paid-in Capital	1,051,090
Total Distributable Earnings (Loss)	(71,181)
Net Assets	**979,909**

Net Assets	
Applicable to 87,194,511 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	979,909
Net Asset Value Per Share	**$11.24**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2020
	($000)
Investment Income	
Income	
Dividends	14,427
Interest[1]	31
Securities Lending—Net	75
Total Income	14,533
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	78
Management and Administrative	1,230
Marketing and Distribution	50
Custodian Fees	6
Shareholders' Reports	10
Trustees' Fees and Expenses	—
Total Expenses	1,374
Net Investment Income	**13,159**
Realized Net Gain (Loss)	
Capital Gain Distributions Received	1,893
Investment Securities Sold[1]	23,250
Futures Contracts	(442)
Swap Contracts	3,535
Realized Net Gain (Loss)	**28,236**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	(216,956)
Futures Contracts	(119)
Swap Contracts	308
Change in Unrealized Appreciation (Depreciation)	**(216,767)**
Net Increase (Decrease) in Net Assets Resulting from Operations	**(175,372)**

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $30,000, $15,000, and ($3,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	13,159	29,148
Realized Net Gain (Loss)	28,236	17,588
Change in Unrealized Appreciation (Depreciation)	(216,767)	230,170
Net Increase (Decrease) in Net Assets Resulting from Operations	(175,372)	276,906
Distributions[1]		
Total Distributions	(44,948)	(85,887)
Capital Share Transactions		
Issued	68,701	159,509
Issued in Lieu of Cash Distributions	44,948	85,887
Redeemed	(155,871)	(159,033)
Net Increase (Decrease) from Capital Share Transactions	(42,222)	86,363
Total Increase (Decrease)	(262,542)	277,382
Net Assets		
Beginning of Period	**1,242,451**	**965,069**
End of Period	**979,909**	**1,242,451**

1 Certain prior period numbers have been reclassified to conform with current period presentation.

See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2020	Year Ended December 31, 2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$13.74	$11.57	$13.14	$13.48	$13.77	$14.17
Investment Operations						
Net Investment Income	.148[1]	.329[1]	.367[1]	.375[1]	.346	.358
Net Realized and Unrealized Gain (Loss) on Investments	(2.134)	2.874	(1.084)	.220	.734	(.032)
Total from Investment Operations	(1.986)	3.203	(.717)	.595	1.080	.326
Distributions						
Dividends from Net Investment Income	(.316)	(.368)	(.383)	(.336)	(.375)	(.251)
Distributions from Realized Capital Gains	(.198)	(.665)	(.470)	(.599)	(.995)	(.475)
Total Distributions	(.514)	(1.033)	(.853)	(.935)	(1.370)	(.726)
Net Asset Value, End of Period	$11.24	$13.74	$11.57	$13.14	$13.48	$13.77
Total Return	-13.96%	28.81%	-5.35%	4.78%	8.36%	2.22%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$980	$1,242	$965	$1,077	$1,093	$990
Ratio of Total Expenses to Average Net Assets	0.26%	0.26%	0.26%	0.27%	0.27%	0.27%
Ratio of Net Investment Income to Average Net Assets	2.49%	2.52%	3.04%	2.87%	2.55%	2.60%
Portfolio Turnover Rate	5%	7%	35%	10%	14%	21%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

See accompanying Notes, which are an integral part of the Financial Statements.

Notes to Financial Statements

The Real Estate Index Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The portfolio consistently follows such policies in preparing its financial statements.

1. Security Valuation: Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. Futures Contracts: The portfolio uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The portfolio may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the portfolio and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the portfolio's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any assets pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Schedule of Investments. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended June 30, 2020, the portfolio's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. Swap Contracts: The portfolio has entered into equity swap contracts to earn the total return on selected reference stocks in the portfolio's target index. Under the terms of the swaps, the portfolio receives the total return on the referenced stock (i.e., receiving the increase or paying the decrease in value of the selected reference stock and receiving the equivalent of any dividends in respect of the selected referenced stock) over a specified period of time, applied to a notional amount that represents the value of a designated number of shares of the selected reference stock at the beginning of the equity swap contract. The portfolio also pays a floating rate that is based on short-term interest rates, applied to the notional amount. At the same time, the portfolio generally invests an amount approximating the notional amount of the swap in high-quality temporary cash investments.

The notional amounts of swap contracts are not recorded in the Schedule of Investments. Swaps are valued daily based on market quotations received from independent pricing services or recognized dealers and the change in value is recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until periodic payments are made or the termination of the swap, at which time realized gain (loss) is recorded.

A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the portfolio. The portfolio's maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The portfolio mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the portfolio may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the portfolio net assets decline below a certain level, triggering a payment by the portfolio if the portfolio is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the portfolio has pledged. Any securities pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

During the six months ended June 30, 2020, the portfolio's average amounts of investments in total return swaps represented 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

4. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2016–2019), and for the period ended June 30, 2020, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

6. Securities Lending: To earn additional income, the portfolio lends its securities to qualified institutional borrowers. Security loans are subject to termination by the portfolio at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The portfolio further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the portfolio may experience delays and costs in recovering the securities loaned. The portfolio invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the portfolio is entitled to all distributions made on or in respect of the loaned securities.

7. Credit Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a $4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended June 30, 2020, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

8. Other: Distributions received from investment securities are recorded on the ex-dividend date. Each investment security typically reports annually the tax character of its distributions. Dividend income, capital gain distributions received, and unrealized appreciation (depreciation) reflect the amounts of taxable income, capital gain, and return of capital reported by the investment securities, and management's estimates of such amounts for investment security distributions for which actual information has not been reported. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2020, the portfolio had contributed to Vanguard capital in the amount of $44,000, representing less than 0.01% of the portfolio's net assets and 0.02% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

C. Various inputs may be used to determine the value of the portfolio's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.
Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the portfolio's investments and derivatives as of June 30, 2020, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	956,986	—	32	957,018
Temporary Cash Investments	23,277	100	—	23,377
Total	980,263	100	32	980,395
Derivative Financial Instruments				
Assets				
Futures Contracts[1]	27	—	—	27
Swap Contracts	—	308	—	308
Total	27	308	—	335

1 Represents variation margin on the last day of the reporting period.

D. As of June 30, 2020, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount ($000)
Tax Cost	1,092,320
Gross Unrealized Appreciation	163,316
Gross Unrealized Depreciation	(274,967)
Net Unrealized Appreciation (Depreciation)	(111,651)

E. During the six months ended June 30, 2020, the portfolio purchased $48,620,000 of investment securities and sold $136,446,000 of investment securities, other than temporary cash investments.

F. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	Shares (000)	Shares (000)
Issued	5,917	12,229
Issued in Lieu of Cash Distributions	4,527	7,040
Redeemed	(13,681)	(12,225)
Net Increase (Decrease) in Shares Outstanding	(3,237)	7,044

At June 30, 2020, one shareholder (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders) was the record or beneficial owner of 43% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

G. Management has determined that no events or transactions occurred subsequent to June 30, 2020, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Variable Insurance Funds Real Estate Index Portfolio has renewed the portfolio's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing the portfolio's internalized management structure was in the best interests of the portfolio and its shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangement. Rather, it was the totality of the circumstances that drove the board's decision.

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Vanguard has been managing investments for more than four decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangement.

Investment performance

The board considered the short- and long-term performance of the portfolio, including any periods of outperformance or underperformance compared with its target index and peer group. The board concluded that the performance was such that the advisory arrangement should continue.

Cost

The board concluded that the portfolio's expense ratio was well below the average expense ratio charged by funds in its peer group and that the portfolio's advisory expenses were also well below the peer-group average.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

The benefit of economies of scale

The board concluded that the portfolio's arrangement with Vanguard ensures that the portfolio will realize economies of scale as it grows, with the cost to shareholders declining as portfolio assets increase.

The board will consider whether to renew the advisory arrangement again after a one-year period.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the "Program") as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund's liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors' interests in the fund.

Assessment and management of a fund's liquidity risk under the Program take into consideration certain factors, such as the fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the Real Estate Index Portfolio's Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program's operation, its adequacy, and the effectiveness of its implementation for the past year (the "Program Administrator Report"). The board has reviewed the Program Administrator Report covering the period from December 1, 2018, through December 31, 2019 (the "Review Period"). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio's liquidity risk.

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You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, www.sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or www.sec.gov.

You can review information about your portfolio on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.

Vanguard Marketing Corporation, Distributor.

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Semiannual Report | June 30, 2020

Vanguard Variable Insurance Funds

Small Company Growth Portfolio

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to vanguard.com.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to vanguard.com. Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

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Small Company Growth Portfolio

About Your Portfolio's Expenses

As a shareholder of the portfolio, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a portfolio's gross income, directly reduce the investment return of the portfolio.

A portfolio's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your portfolio and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The table below illustrates your portfolio's costs in two ways:

- Based on actual portfolio return. This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the portfolio's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with $1,000 in the portfolio. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, 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 given for your portfolio under the heading "Expenses Paid During Period."

- Based on hypothetical 5% yearly return. This section is intended to help you compare your portfolio's costs with those of other mutual funds. It assumes that the portfolio had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the portfolio's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your portfolio's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the portfolio for buying and selling securities. The portfolio's expense ratio does not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the portfolio's expenses in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your portfolio's current prospectus.

Six Months Ended June 30, 2020

Small Company Growth Portfolio	Beginning Account Value 12/31/2019	Ending Account Value 6/30/2020	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$921.99	$1.43
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.37	1.51

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.30%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (182/366).

Portfolio Allocation

As of June 30, 2020

Communication Services	3.4%
Consumer Discretionary	13.2
Consumer Staples	1.3
Energy	0.1
Financials	3.7
Health Care	29.9
Industrials	17.8
Information Technology	26.7
Materials	2.0
Real Estate	1.4
Utilities	0.5

The table reflects the portfolio's investments, except for short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2020

The portfolio files its 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 portfolio's Form N-PORT reports are available on the SEC's website at www.sec.gov.

		Shares	Market Value• ($000)
	Common Stocks (96.1%)		
	Communication Services (3.3%)		
*	Pinterest Inc. Class A	965,157	21,397
	Cinemark Holdings Inc.	527,914	6,097
*	Cargurus Inc.	177,147	4,491
*	EverQuote Inc. Class A	75,852	4,412
*	Zynga Inc.	462,153	4,409
*,^	Match Group Inc.	33,339	3,569
*	TechTarget Inc.	116,776	3,507
*	Boingo Wireless Inc.	230,353	3,068
*	Bandwidth Inc. Class A	20,316	2,580
*	Glu Mobile Inc.	264,226	2,449
*	Eventbrite Inc. Class A	64,653	554
*	Vonage Holdings Corp.	51,490	518
*,^	Eros International plc	159,123	503
*	Liberty Media Corp-Liberty Braves	22,395	442
*	Cardlytics Inc.	5,901	413
*	Liberty TripAdvisor Holdings Inc. Class A	154,840	330
			58,739
	Consumer Discretionary (12.7%)		
*	Skechers USA Inc. Class A	738,099	23,162
	Hanesbrands Inc.	2,008,599	22,677
*	Sally Beauty Holdings Inc.	1,772,947	22,215
*	frontdoor Inc.	426,541	18,909
	Carter's Inc.	131,607	10,621
	Shutterstock Inc.	283,081	9,899
*	Etsy Inc.	86,337	9,172
	Polaris Inc.	87,623	8,110
*	Vroom Inc.	155,354	8,100
	Wingstop Inc.	53,396	7,420
*	NVR Inc.	2,050	6,680
	Domino's Pizza Inc.	17,097	6,316
*	Rh	25,059	6,237
	Rent-A-Center Inc.	223,833	6,227
*	Grand Canyon Education Inc.	67,587	6,119
*	Planet Fitness Inc. Class A	100,026	6,059
	Papa John's International Inc.	67,883	5,391
*	TopBuild Corp.	44,570	5,071
*	Fox Factory Holding Corp.	53,690	4,435
*	Murphy USA Inc.	37,351	4,205
	PulteGroup Inc.	122,120	4,156
	H&R Block Inc.	220,376	3,147
	PetMed Express Inc.	83,458	2,974
	Gentex Corp.	97,163	2,504
*	1-800-Flowers.com Inc. Class A	112,200	2,246
	Strategic Education Inc.	11,564	1,777
*	Gentherm Inc.	45,602	1,774
*	Perdoceo Education Corp.	100,822	1,606
	Service Corp. International	41,022	1,595
	Kontoor Brands Inc.	78,137	1,392
*	Rubicon Project Inc.	207,214	1,382
*	Everi Holdings Inc.	262,576	1,355
*	Skyline Champion Corp.	45,324	1,103
*	Asbury Automotive Group Inc.	7,195	556
	Core-Mark Holding Co. Inc.	16,239	405
*	Mattel Inc.	40,090	388
	Camping World Holdings Inc. Class A	9,678	263
	Lithia Motors Inc. Class A	1,212	183
	Winnebago Industries Inc.	2,524	168
			225,999
	Consumer Staples (1.2%)		
	Coca-Cola Consolidated Inc.	22,006	5,044
	John B Sanfilippo & Son Inc.	57,411	4,899
	Casey's General Stores Inc.	22,352	3,342
*	elf Beauty Inc.	129,419	2,468
*	Beyond Meat Inc.	15,946	2,136
^	B&G Foods Inc.	50,350	1,228
	Reynolds Consumer Products Inc.	26,976	937
*	TreeHouse Foods Inc.	15,580	682
*	USANA Health Sciences Inc.	7,590	557
			21,293
	Energy (0.1%)		
*	Dorian LPG Ltd.	180,084	1,394
	DMC Global Inc.	15,374	424
*	CONSOL Energy Inc.	46,768	237
			2,055
	Financials (3.6%)		
	LPL Financial Holdings Inc.	174,631	13,691
	Primerica Inc.	59,857	6,979
	WisdomTree Investments Inc.	1,963,900	6,815
	MarketAxess Holdings Inc.	12,435	6,229
	Bank OZK	211,262	4,958
*	Palomar Holdings Inc.	43,758	3,753
	Walker & Dunlop Inc.	61,656	3,133
	First Financial Bankshares Inc.	90,391	2,611
	Virtus Investment Partners Inc.	19,798	2,302
	Artisan Partners Asset Management Inc. Class A	61,283	1,992
	Lazard Ltd. Class A	63,974	1,832
	National General Holdings Corp.	74,905	1,619
	Brightsphere Investment Group Inc.	104,544	1,303
	Cowen Inc. Class A	75,327	1,221
	Erie Indemnity Co. Class A	5,068	973
	Westamerica BanCorp	16,128	926
	Universal Insurance Holdings Inc.	51,576	915
	FactSet Research Systems Inc.	2,376	780
	Hannon Armstrong Sustainable Infrastructure Capital Inc.	19,034	542
	Prosperity Bancshares Inc.	6,690	397
*	Assetmark Financial Holdings Inc.	10,903	298
	Curo Group Holdings Corp.	36,049	294
	PennyMac Financial Services Inc.	1,800	75
			63,638
	Health Care (28.6%)		
*	Quidel Corp.	118,303	26,469
	STERIS plc	155,990	23,935
*	BioTelemetry Inc.	483,863	21,866
*	Merit Medical Systems Inc.	441,122	20,137
*	Syneos Health Inc.	316,323	18,426
*	MEDNAX Inc.	867,742	14,838
*	Hologic Inc.	205,705	11,725
*	ABIOMED Inc.	43,700	10,556
	Cooper Cos. Inc.	35,418	10,046
*	Deciphera Pharmaceuticals Inc.	164,973	9,852
*	Sarepta Therapeutics Inc.	60,776	9,745
*	Neurocrine Biosciences Inc.	78,561	9,584
*	Immunomedics Inc.	256,376	9,086
*	Agios Pharmaceuticals Inc.	150,928	8,072
	Chemed Corp.	17,257	7,784
*	PRA Health Sciences Inc.	77,492	7,539
*	Revance Therapeutics Inc.	295,166	7,208
*	HealthEquity Inc.	121,093	7,105
*	Heron Therapeutics Inc.	452,729	6,660
*	AMN Healthcare Services Inc.	145,835	6,598
	Bruker Corp.	158,427	6,445
*	Exact Sciences Corp.	73,525	6,392
*	Novocure Ltd.	103,301	6,126
*	Alnylam Pharmaceuticals Inc.	41,089	6,086
*	Medpace Holdings Inc.	63,761	5,931
*	Schrodinger Inc.	64,758	5,930
*,^	Viking Therapeutics Inc.	816,143	5,884
*,^	Esperion Therapeutics Inc.	111,582	5,725
*	Axogen Inc.	617,202	5,703
*	Kodiak Sciences Inc.	103,023	5,576
	Encompass Health Corp.	88,293	5,468
*	Haemonetics Corp.	60,799	5,445
*	Retrophin Inc.	257,527	5,256
*,^	Inovio Pharmaceuticals Inc.	189,315	5,102
*	Integer Holdings Corp.	68,105	4,975
*	Halozyme Therapeutics Inc.	184,698	4,952
*	Ironwood Pharmaceuticals Inc.	476,954	4,922
*	STAAR Surgical Co.	71,127	4,377
*	Nevro Corp.	35,569	4,249
*	Tenet Healthcare Corp.	228,036	4,130
*	CorVel Corp.	57,375	4,067
*	Acceleron Pharma Inc.	41,327	3,937
*	Biohaven Pharmaceutical Holding Co. Ltd.	53,815	3,934
*	Teladoc Health Inc.	20,082	3,832
*	Masimo Corp.	16,737	3,816
*	Novavax Inc.	45,744	3,813
	Hill-Rom Holdings Inc.	34,040	3,737

		Shares	Market Value• ($000)
*	Integra LifeSciences Holdings Corp.	79,429	3,732
*	Horizon Therapeutics plc	65,347	3,632
*	Puma Biotechnology Inc.	347,310	3,622
*	Natera Inc.	71,731	3,577
*	Veeva Systems Inc. Class A	15,203	3,564
*	MacroGenics Inc.	126,697	3,537
*	Molina Healthcare Inc.	19,674	3,502
*	Ionis Pharmaceuticals Inc.	54,830	3,233
*	IQVIA Holdings Inc.	22,260	3,158
*	Spectrum Pharmaceuticals Inc.	858,877	2,903
*	Alkermes plc	145,887	2,831
*	Arrowhead Pharmaceuticals Inc.	64,882	2,802
*	Voyager Therapeutics Inc.	219,290	2,767
*	Avantor Inc.	157,592	2,679
*	GenMark Diagnostics Inc.	174,983	2,574
*	DBV Technologies SA ADR	583,691	2,562
*	Corcept Therapeutics Inc.	148,298	2,494
*,^	Precigen Inc.	496,250	2,476
*	Inovalon Holdings Inc. Class A	122,243	2,354
*	Enanta Pharmaceuticals Inc.	45,617	2,290
*	Eidos Therapeutics Inc.	48,030	2,290
*	VBI Vaccines Inc.	684,224	2,121
	PerkinElmer Inc.	20,711	2,032
*	ImmunoGen Inc.	406,114	1,868
*	Vanda Pharmaceuticals Inc.	162,991	1,865
*	Karuna Therapeutics Inc.	16,539	1,843
	West Pharmaceutical Services Inc.	7,986	1,814
*	Surmodics Inc.	41,525	1,796
*	Viela Bio Inc.	39,455	1,709
*	Constellation Pharmaceuticals Inc.	54,373	1,634
*	DexCom Inc.	3,953	1,603
*	Iovance Biotherapeutics Inc.	54,146	1,486
*	Adverum Biotechnologies Inc	70,057	1,463
*	Precision BioSciences Inc.	161,005	1,341
*	Lantheus Holdings Inc.	88,795	1,270
*	TG Therapeutics Inc.	61,052	1,189
*	Karyopharm Therapeutics Inc.	62,246	1,179
*	OraSure Technologies Inc.	100,409	1,168
*	Charles River Laboratories International Inc.	6,679	1,165
*	IGM Biosciences Inc.	15,768	1,151
*	Momenta Pharmaceuticals Inc.	33,027	1,099
*	ACADIA Pharmaceuticals Inc.	22,302	1,081
*	Meridian Bioscience Inc.	45,139	1,051
	Bio-Techne Corp.	3,922	1,036
*	Bioxcel Therapeutics Inc.	19,303	1,023
*	Epizyme Inc.	59,418	954
*	Denali Therapeutics Inc.	38,989	943
	Phibro Animal Health Corp. Class A	32,100	843
*	HMS Holdings Corp.	25,170	815
*	Minerva Neurosciences Inc.	221,844	801
*	Krystal Biotech Inc.	18,622	771
*	Vapotherm Inc.	18,654	765
*	Progyny Inc.	28,906	746
*	Agenus Inc.	186,382	733
*	Kala Pharmaceuticals Inc.	67,476	709
*,^	Selecta Biosciences Inc.	248,496	706
	Luminex Corp.	21,539	701
*	Aprea Therapeutics Inc.	18,041	700
*	Translate Bio Inc.	38,939	698
*	Ocular Therapeutix Inc.	79,746	664
*	Radius Health Inc.	46,807	638
*	Apellis Pharmaceuticals Inc.	19,358	632
*	Pieris Pharmaceuticals Inc.	190,939	592
*	Cue Biopharma Inc.	23,438	575
*	Jounce Therapeutics Inc.	82,112	567
*	Arvinas Inc.	16,050	538
*	Y-mAbs Therapeutics Inc.	12,451	538
*	NextCure Inc.	24,501	525
*	Rocket Pharmaceuticals Inc.	24,941	522
*	Surgery Partners Inc.	44,523	515
*	Catalyst Pharmaceuticals Inc.	105,854	489
*	Pennant Group Inc.	21,188	479
*	Fluidigm Corp.	116,474	467
*	Natus Medical Inc.	20,851	455
*	Heska Corp.	4,877	454
	US Physical Therapy Inc.	5,539	449
*	MannKind Corp.	255,927	448
*	Fulgent Genetics Inc.	27,108	434
*	Applied Therapeutics Inc.	11,832	428
*	Kiniksa Pharmaceuticals Ltd. Class A	15,571	397
	Atrion Corp.	615	392
*	Silk Road Medical Inc.	9,084	381
*,^	Endologix Inc.	462,140	372
*,^	Cassava Sciences Inc.	120,446	371
*	ICU Medical Inc.	1,975	364
*	Myriad Genetics Inc.	30,657	348
*	Quotient Ltd.	46,273	342
*	Akebia Therapeutics Inc.	24,390	331
*	Collegium Pharmaceutical Inc.	18,849	330
*	Pacific Biosciences of California Inc.	93,744	323
*	Marinus Pharmaceuticals Inc.	114,669	291
*	Ardelyx Inc.	39,892	276
*	Assembly Biosciences Inc.	11,583	270
*,^	Acorda Therapeutics Inc.	367,609	270
*	Syros Pharmaceuticals Inc.	24,648	263
*	Sientra Inc.	66,528	257
*	CytoSorbents Corp.	25,802	255
*	Recro Pharma Inc.	49,143	224
*	Calithera Biosciences Inc.	39,387	208
*	Bellerophon Therapeutics Inc.	14,592	183
*	Eiger BioPharmaceuticals Inc.	15,901	153
			508,502

Industrials (17.1%)

		Shares	Market Value• ($000)
*	TriNet Group Inc.	496,581	30,262
	ABM Industries Inc.	522,331	18,961
*	Sensata Technologies Holding plc	503,417	18,742
	Ritchie Bros Auctioneers Inc.	439,736	17,963
*	Clean Harbors Inc.	283,744	17,019
*	Middleby Corp.	212,633	16,785
*	Kirby Corp.	263,645	14,121
	John Bean Technologies Corp.	151,723	13,051
	Tennant Co.	183,243	11,913
*,^	Cimpress plc	128,214	9,788
	CH Robinson Worldwide Inc.	99,998	7,906
	Matson Inc.	251,870	7,329
	Heartland Express Inc.	332,417	6,921
	Forward Air Corp.	125,466	6,251
	Landstar System Inc.	53,034	5,956
	Woodward Inc.	69,428	5,384
	Allegion plc	52,145	5,330
*	GMS Inc.	199,252	4,900
	Huntington Ingalls Industries Inc.	27,101	4,729
	BWX Technologies Inc.	80,415	4,555
*	Atkore International Group Inc.	161,813	4,426
	Kennametal Inc.	152,150	4,368
*	Builders FirstSource Inc.	208,717	4,320
	Kforce Inc.	146,099	4,273
	Allison Transmission Holdings Inc.	115,355	4,243
*	Aerojet Rocketdyne Holdings Inc.	104,031	4,124
*	Foundation Building Materials Inc.	252,701	3,945
	EMCOR Group Inc.	57,699	3,816
*	Great Lakes Dredge & Dock Corp.	322,237	2,984
	Albany International Corp.	40,670	2,388
	Steelcase Inc. Class A	188,058	2,268
	Tetra Tech Inc.	28,174	2,229
	Mueller Industries Inc.	81,751	2,173
*	Generac Holdings Inc.	16,363	1,995
	Enerpac Tool Group Corp. Class A	108,709	1,913
	Exponent Inc.	23,008	1,862
	Fortune Brands Home & Security Inc.	29,090	1,860
	MSA Safety Inc.	15,951	1,825
	Hubbell Inc. Class B	13,282	1,665
	Robert Half International Inc.	30,177	1,594
	AAON Inc.	27,309	1,483
*,^	Alpha Pro Tech Ltd.	83,559	1,479
*	Vicor Corp.	19,638	1,413
*	MasTec Inc.	30,693	1,377
*	American Woodmark Corp.	17,834	1,349
	McGrath RentCorp	24,904	1,345
*	HD Supply Holdings Inc.	36,941	1,280
*	FTI Consulting Inc.	6,983	800
	Barrett Business Services Inc.	14,086	748
	UFP Industries Inc.	14,397	713
	Graco Inc.	14,031	673
*	Vivint Solar Inc.	65,084	644
	Franklin Electric Co. Inc.	11,472	603
	Covanta Holding Corp.	48,859	469
*	Echo Global Logistics Inc.	20,938	453
	National Presto Industries Inc.	4,939	432
	Lindsay Corp.	4,548	419
*	SPX Corp.	9,778	402
*	Ameresco Inc. Class A	14,240	396
	CoreLogic Inc.	3,473	233
*	Mastech Digital Inc.	8,834	229
	Kimball International Inc. Class B	16,522	191
	Acuity Brands Inc.	1,907	183
	Brady Corp. Class A	3,740	175
	Terex Corp.	8,648	162
			303,788

Information Technology (25.7%)

		Shares	Market Value• ($000)
*	ON Semiconductor Corp.	1,178,384	23,356
*	2U Inc.	534,514	20,290

		Shares	Market Value• ($000)
*	J2 Global Inc.	313,436	19,812
*	SolarWinds Corp.	993,877	17,562
*	Pluralsight Inc. Class A	755,429	13,635
*	Trimble Inc.	260,619	11,256
*	Fair Isaac Corp.	26,409	11,040
	Belden Inc.	338,590	11,021
*	Proofpoint Inc.	93,627	10,404
	LogMeIn Inc.	115,737	9,811
*	Nuance Communications Inc.	382,161	9,671
*	Gartner Inc.	78,033	9,468
	Booz Allen Hamilton Holding Corp. Class A	120,381	9,364
*	New Relic Inc.	135,869	9,361
*	FireEye Inc.	767,956	9,350
*	Manhattan Associates Inc.	93,337	8,792
*	Five9 Inc.	77,613	8,589
*	Zendesk Inc.	96,001	8,499
*	Lattice Semiconductor Corp.	287,493	8,162
*	Inphi Corp.	64,396	7,567
*	Workiva Inc.	139,082	7,440
*	Enphase Energy Inc.	148,491	7,064
*	Alteryx Inc. Class A	39,317	6,459
*	Paycom Software Inc.	20,335	6,298
*	Cadence Design Systems Inc.	65,276	6,264
	SS&C Technologies Holdings Inc.	108,457	6,126
*	Fortinet Inc.	44,123	6,057
*	ChannelAdvisor Corp.	365,181	5,784
*	DocuSign Inc. Class A	33,515	5,772
*	Atlassian Corp. plc Class A	31,067	5,600
*	Verint Systems Inc.	119,332	5,391
	MAXIMUS Inc.	75,947	5,350
*	Anaplan Inc.	116,432	5,276
*	Wix.com Ltd.	20,372	5,220
*	Fastly Inc. Class A	60,299	5,133
	CDW Corp.	44,070	5,120
	Jabil Inc.	155,570	4,991
*	Teradata Corp.	233,523	4,857
*	EPAM Systems Inc.	19,212	4,842
*	Zebra Technologies Corp.	18,639	4,771
*	Euronet Worldwide Inc.	48,981	4,693
	CDK Global Inc.	112,635	4,665
*	Ceridian HCM Holding Inc.	57,920	4,591
*	Diodes Inc.	83,128	4,215
*	Box Inc.	190,790	3,961
*	Synaptics Inc.	61,111	3,674
*	Silicon Laboratories Inc.	35,769	3,587
*	Cardtronics plc Class A	148,691	3,566
	TTEC Holdings Inc.	70,278	3,272
*	Cornerstone OnDemand Inc.	81,666	3,149
	Switch Inc.	176,307	3,142
*	SunPower Corp.	400,857	3,071
*	HubSpot Inc.	13,247	2,972
*	SPS Commerce Inc.	38,739	2,910
*	Domo Inc.	89,272	2,872
*	eGain Corp.	257,311	2,859
*	Model N Inc.	79,699	2,770
*	Cirrus Logic Inc.	41,396	2,557
*	FormFactor Inc.	77,808	2,282
	Perspecta Inc.	95,647	2,222
*	Itron Inc.	33,356	2,210
*	Okta Inc.	10,848	2,172
*	Paylocity Holding Corp.	14,831	2,164
*	NCR Corp.	104,270	1,806
	Xperi Holding Corp.	118,007	1,742
	CSG Systems International Inc.	40,732	1,686
	Teradyne Inc.	19,292	1,630
*	Unisys Corp.	143,830	1,569
*	Digital Turbine Inc.	122,197	1,536
*	MACOM Technology Solutions Holdings Inc.	41,741	1,434
*	NeoPhotonics Corp.	128,995	1,145
*	Amkor Technology Inc.	89,348	1,100
*	Everbridge Inc.	7,635	1,056
*	MobileIron Inc.	202,540	999
*	OSI Systems Inc.	11,744	877
*	Paysign Inc.	86,862	843
*	Avid Technology Inc.	114,851	835
*	Calix Inc.	55,120	821
	Badger Meter Inc.	12,296	774
*	Perficient Inc.	20,799	744
*	Endurance International Group Holdings Inc.	173,073	697
*	Axcelis Technologies Inc.	22,276	620
*	SiTime Corp.	13,021	617
*	PagerDuty Inc.	21,346	611
*	A10 Networks Inc.	85,805	584
	Jack Henry & Associates Inc.	2,983	549
*	Extreme Networks Inc.	124,999	543
*	Sprout Social Inc. Class A	19,429	525
	NIC Inc.	22,686	521
*	MaxLinear Inc.	23,478	504
*	PFSweb Inc.	73,268	489
*	MicroStrategy Inc.	3,950	467
*	ePlus Inc.	6,264	443
*	Insight Enterprises Inc.	8,650	426
*	Fabrinet	6,637	414
*,^	GTT Communications Inc.	44,847	366
*	CEVA Inc.	9,344	350
*	Akoustis Technologies Inc.	39,395	327
*	Sanmina Corp.	11,637	291
*	Infinera Corp.	46,336	274
	InterDigital Inc.	4,727	268
*	Onto Innovation Inc.	7,650	260
*,^	Atomera Inc.	28,715	258
*	DSP Group Inc.	15,480	246
*	Mitek Systems Inc.	24,289	233
*	PDF Solutions Inc.	10,930	214
*	Lumentum Holdings Inc.	2,319	189
*	Virtusa Corp.	5,504	179
			456,463
	Materials (2.0%)		
*	Element Solutions Inc.	545,827	5,922
	Scotts Miracle-Gro Co.	41,025	5,517
	Graphic Packaging Holding Co.	306,381	4,286
	Myers Industries Inc.	218,361	3,177
*	Axalta Coating Systems Ltd.	135,518	3,056
	Boise Cascade Co.	78,016	2,934
	Royal Gold Inc.	23,274	2,894
*	Novagold Resources Inc.	242,851	2,229
	Sealed Air Corp.	43,728	1,437
	Avery Dennison Corp.	8,259	942
	Verso Corp.	70,312	841
*,^	Amyris Inc.	148,222	633
*	Summit Materials Inc. NV	29,379	472
*	Koppers Holdings Inc.	9,186	173
			34,513
	Other (0.0%)		
*	Assertio Holdings Inc.	528,241	453
*,§	NuPathe Inc. CVR	345,900	—
			453
	Real Estate (1.4%)		
	EastGroup Properties Inc.	33,623	3,988
	GEO Group Inc.	321,285	3,801
	American Homes 4 Rent Class A	141,252	3,800
	PS Business Parks Inc.	23,204	3,072
	National Health Investors Inc.	48,026	2,916
	American Finance Trust Inc.	178,456	1,416
	Universal Health Realty Income Trust	17,506	1,392
	Uniti Group Inc.	148,702	1,390
	Kennedy-Wilson Holdings Inc.	76,928	1,171
	Equity LifeStyle Properties Inc.	9,715	607
	iStar Inc.	42,560	524
	Alexander's Inc.	1,022	246
^	Pennsylvania REIT	126,859	173
	Innovative Industrial Properties Inc.	1,804	159
			24,655
	Utilities (0.4%)		
	American States Water Co.	53,685	4,221
	Ormat Technologies Inc.	21,414	1,360
*	Sunnova Energy International Inc.	37,873	647
	California Water Service Group	8,882	424
	South Jersey Industries Inc.	15,381	384
	Clearway Energy Inc. Class A	15,611	327
	Middlesex Water Co.	4,166	280
			7,643
	Total Common Stocks (Cost $1,722,172)		1,707,741

	Shares	Market Value• ($000)
Temporary Cash Investments (6.0%)		
Money Market Fund (5.6%)		
[1,2] Vanguard Market Liquidity Fund, 0.227%	1,000,465	100,046
	Face Amount ($000)	
U.S. Government and Agency Obligations (0.4%)		
[3] United States Cash Management Bill, 0.100%–0.135%, 7/14/20	3,030	3,030
[3] United States Cash Management Bill, 0.210%, 9/15/20	1,520	1,520
[3] United States Cash Management Bill, 0.116%, 9/29/20	1,720	1,699
		6,249
Total Temporary Cash Investments (Cost $106,305)		106,295
Total Investments (102.1%) (Cost $1,828,477)		1,814,036

	Market Value• ($000)
Other Assets and Liabilities—Net (-2.1%)	(36,525)
Net Assets (100%)	1,777,511

Cost is in $000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $31,062,000.

§ Security value determined using significant unobservable inputs.

1 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

2 Collateral of $33,706,000 was received for securities on loan.

3 Cash with a value of $5,529,000 has been segregated as initial margin for open futures contracts.

ADR—American Depositary Receipt.

CVR—Contingent Value Rights.

REIT—Real Estate Investment Trust.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount ($000)	Value and Unrealized Appreciation (Depreciation) ($000)
Long Futures Contracts				
E-mini Russell 2000 Index	September 2020	776	55,779	2,389

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2020

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $1,728,421)	1,713,990
Affiliated Issuers (Cost $100,056)	100,046
Total Investments in Securities	1,814,036
Investment in Vanguard	81
Receivables for Investment Securities Sold	392
Receivables for Accrued Income	394
Receivables for Capital Shares Issued	119
Variation Margin Receivable—Futures Contracts	548
Total Assets	**1,815,570**
Liabilities	
Due to Custodian	32
Payables for Investment Securities Purchased	1,113
Collateral for Securities on Loan	33,706
Payable to Investment Advisor	310
Payables for Capital Shares Redeemed	2,698
Payables to Vanguard	200
Total Liabilities	**38,059**
Net Assets	**1,777,511**

At June 30, 2020, net assets consisted of:

Paid-in Capital	1,801,981
Total Distributable Earnings (Loss)	(24,470)
Net Assets	**1,777,511**

Net Assets	
Applicable to 96,990,560 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	1,777,511
Net Asset Value Per Share	$18.33

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2020
	($000)
Investment Income	
Income	
Dividends	6,748
Interest[1]	378
Securities Lending—Net	924
Total Income	8,050
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	1,234
Performance Adjustment	(159)
The Vanguard Group—Note C	
Management and Administrative	1,408
Marketing and Distribution	94
Custodian Fees	16
Shareholders' Reports	20
Trustees' Fees and Expenses	1
Total Expenses	2,614
Net Investment Income	**5,436**
Realized Net Gain (Loss)	
Investment Securities Sold[1]	(5,914)
Futures Contracts	(6,853)
Realized Net Gain (Loss)	**(12,767)**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	(164,512)
Futures Contracts	1,712
Change in Unrealized Appreciation (Depreciation)	**(162,800)**
Net Increase (Decrease) in Net Assets Resulting from Operations	**(170,131)**

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $360,000, $55,000, and ($2,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	5,436	12,062
Realized Net Gain (Loss)	(12,767)	174,524
Change in Unrealized Appreciation (Depreciation)	(162,800)	302,576
Net Increase (Decrease) in Net Assets Resulting from Operations	(170,131)	489,162
Distributions[1]		
Total Distributions	(190,506)	(234,887)
Capital Share Transactions		
Issued	129,256	241,143
Issued in Lieu of Cash Distributions	190,506	234,887
Redeemed	(292,740)	(446,197)
Net Increase (Decrease) from Capital Share Transactions	27,022	29,833
Total Increase (Decrease)	(333,615)	284,108
Net Assets		
Beginning of Period	**2,111,126**	**1,827,018**
End of Period	**1,777,511**	**2,111,126**

1 Certain prior period numbers have been reclassified to conform with current period presentation.

See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2020	Year Ended December 31, 2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	**$23.08**	**$20.30**	**$24.62**	**$21.50**	**$20.79**	**$24.14**
Investment Operations						
Net Investment Income	.058[1]	.128[1]	.123[1]	.109[1]	.116	.078
Net Realized and Unrealized Gain (Loss) on Investments	(2.595)	5.323	(1.563)	4.652	2.547	(.577)
Total from Investment Operations	(2.537)	5.451	(1.440)	4.761	2.663	(.499)
Distributions						
Dividends from Net Investment Income	(.143)	(.118)	(.103)	(.111)	(.074)	(.087)
Distributions from Realized Capital Gains	(2.070)	(2.553)	(2.777)	(1.530)	(1.879)	(2.764)
Total Distributions	(2.213)	(2.671)	(2.880)	(1.641)	(1.953)	(2.851)
Net Asset Value, End of Period	**$18.33**	**$23.08**	**$20.30**	**$24.62**	**$21.50**	**$20.79**
Total Return	**-7.80%**	**28.05%**	**-7.22%**	**23.46%**	**14.94%**	**-2.75%**
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$1,778	$2,111	$1,827	$1,750	$1,397	$1,256
Ratio of Total Expenses to Average Net Assets[2]	0.30%	0.32%	0.32%	0.34%	0.36%	0.37%
Ratio of Net Investment Income to Average Net Assets	0.64%	0.59%	0.52%	0.48%	0.58%	0.33%
Portfolio Turnover Rate	30%	58%	66%	93%	91%	57%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Includes performance-based investment advisory fee increases (decreases) of (0.02%), 0.01%, 0.01%, 0.00%, 0.00%, and (0.01%).

Notes to Financial Statements

The Small Company Growth Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The portfolio consistently follows such policies in preparing its financial statements.

1. Security Valuation: Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the portfolio's pricing time. When fair-value pricing is employed, the prices of securities used by a portfolio to calculate its net asset value may differ from quoted or published prices for the same securities. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are

valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. Futures Contracts: The portfolio uses index futures contracts to a limited extent, with the objective of maintaining full exposure to the stock market while maintaining liquidity. The portfolio may purchase or sell futures contracts to achieve a desired level of investment, whether to accommodate portfolio turnover or cash flows from capital share transactions. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the portfolio and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the portfolio's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any assets pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Schedule of Investments. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended June 30, 2020, the portfolio's average investments in long and short futures contracts represented 3% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2016–2019), and for the period ended June 30, 2020, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Securities Lending: To earn additional income, the portfolio lends its securities to qualified institutional borrowers. Security loans are subject to termination by the portfolio at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The portfolio further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the portfolio may experience delays and costs in recovering the securities loaned. The portfolio invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the portfolio is entitled to all distributions made on or in respect of the loaned securities.

6. Credit Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a $4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the

committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended June 30, 2020, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

7. Other: Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. The investment advisory firm ArrowMark Colorado Holdings, LLC, provides investment advisory services to a portion of the portfolio for a fee calculated at an annual percentage rate of average net assets managed by the advisor. The basic fee of ArrowMark Colorado Holdings, LLC, is subject to quarterly adjustments based on performance relative to the Russell 2500 Growth Index since March 31, 2016.

Vanguard provides investment advisory services to a portion of the portfolio as described below; the portfolio paid Vanguard advisory fees of $385,000 for the six months ended June 30, 2020.

For the six months ended June 30, 2020, the aggregate investment advisory fee paid to all advisors represented an effective annual basic rate of 0.14% of the portfolio's average net assets, before a decrease of $159,000 (0.02%) based on performance.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2020, the portfolio had contributed to Vanguard capital in the amount of $81,000, representing less than 0.01% of the portfolio's net assets and 0.03% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

D. Various inputs may be used to determine the value of the portfolio's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.
Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the portfolio's investments and derivatives as of June 30, 2020, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	1,707,741	—	—	1,707,741
Temporary Cash Investments	100,046	6,249	—	106,295
Total	1,807,787	6,249	—	1,814,036
Derivative Financial Instruments				
Assets				
Futures Contracts[1]	548	—	—	548

1 Represents variation margin on the last day of the reporting period.

E. As of June 30, 2020, gross unrealized appreciation and depreciation for investments and derivatives were as follows:

	Amount ($000)
Tax Cost	1,828,477
Gross Unrealized Appreciation	271,989
Gross Unrealized Depreciation	(284,041)
Net Unrealized Appreciation (Depreciation)	(12,052)

F. During the six months ended June 30, 2020, the portfolio purchased $518,297,000 of investment securities and sold $673,757,000 of investment securities, other than temporary cash investments.

G. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	Shares (000)	Shares (000)
Issued	7,720	11,011
Issued in Lieu of Cash Distributions	13,855	11,101
Redeemed	(16,060)	(20,656)
Net Increase (Decrease) in Shares Outstanding	5,515	1,456

At June 30, 2020, one shareholder (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders) was the record or beneficial owner of 43% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable gains.

H. Management has determined that no events or transactions occurred subsequent to June 30, 2020, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangements

The board of trustees of Vanguard Variable Insurance Funds Small Company Growth Portfolio has renewed the portfolio's investment advisory arrangements with ArrowMark Colorado Holdings, LLC (ArrowMark Partners), and The Vanguard Group, Inc. (Vanguard), through its Quantitative Equity Group. The board determined that renewing the portfolio's advisory arrangements was in the best interests of the portfolio and its shareholders.

The board based its decisions upon an evaluation of each advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisors and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangements. Rather, it was the totality of the circumstances that drove the board's decision.

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term, and took into account the organizational depth and stability of each advisor. The board considered the following:

ArrowMark Partners. Founded in 2007, ArrowMark Partners offers a wide range of investment strategies, including equity, fixed income, and structured products to institutional, high-net-worth, and retail investors. ArrowMark Partners has managed a portion of the portfolio since 2016.

Vanguard. Vanguard has been managing investments for more than four decades. The Quantitative Equity Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth. Vanguard has managed a portion of the portfolio since 2008.

The board concluded that each advisor's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangements.

Investment performance

The board considered the short- and long-term performance of the portfolio, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangements should continue.

Cost

The board concluded that the portfolio's expense ratio was well below the average expense ratio charged by funds in its peer group and that the portfolio's advisory expense rate was also well below the peer-group average.

The board did not consider the profitability of ArrowMark Partners in determining whether to approve the advisory fee, because the firm is independent of Vanguard and the advisory fee is the result of arm's-length negotiations. The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

The benefit of economies of scale

The board concluded that the portfolio realizes economies of scale that are built into the negotiated advisory fee rate with ArrowMark Partners without any need for asset-level breakpoints. The advisory fee rate is very low relative to the average rate paid by funds in the portfolio's peer group. The board also concluded that the portfolio's arrangement with Vanguard ensures that the portfolio will realize economies of scale as it grows, with the cost to shareholders declining as the portfolio's assets managed by Vanguard increase.

The board will consider whether to renew the advisory arrangements again after a one-year period.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the "Program") as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund's liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors' interests in the fund.

Assessment and management of a fund's liquidity risk under the Program take into consideration certain factors, such as the fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the Small Company Growth Portfolio's Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program's operation, its adequacy, and the effectiveness of its implementation for the past year (the "Program Administrator Report"). The board has reviewed the Program Administrator Report covering the period from December 1, 2018, through December 31, 2019 (the "Review Period"). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio's liquidity risk.

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You can review information about your portfolio on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.

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