The Patriot

Sentry Variable Account II

Semi-annual Report June 30, 2021

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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Janus Henderson VIT Balanced Portfolio

Janus Aspen Series

HIGHLIGHTS

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

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Janus Henderson VIT Balanced Portfolio

PORTFOLIO SNAPSHOT

Balanced Fund's dynamic asset allocation strategy has the flexibility to defensively position ahead of market volatility while seeking strong risk-adjusted returns. Unlike many competitor products, where asset allocations are constrained by static targets, the Fund's asset allocations may vary between 35% to 65% equities depending on market conditions.


Jeremiah Buckley
co-portfolio manager


Greg Wilensky
co-portfolio manager


Michael Keough
co-portfolio manager

Janus Henderson VIT Balanced Portfolio (unaudited)
Portfolio At A Glance
June 30, 2021

5 Top Contributors - Equity Sleeve Holdings

	Average Weight	Relative Contribution
Lam Research Corp	2.64%	0.48%
Alphabet Inc - Class C	4.98%	0.34%
Morgan Stanley	2.12%	0.31%
Eli Lilly & Co	1.95%	0.31%
NVIDIA Corp	1.90%	0.30%

5 Top Detractors - Equity Sleeve Holdings

	Average Weight	Relative Contribution
Mastercard Inc	3.88%	-0.40%
Merck & Co Inc	1.78%	-0.22%
Progressive Corp	1.82%	-0.20%
Monster Beverage Corp	1.14%	-0.18%
Honeywell International Inc	1.82%	-0.16%

5 Top Contributors - Equity Sleeve Sectors*

	Relative Contribution	Equity Sleeve Average Weight	S&P 500 Index Average Weight
Information Technology	0.61%	31.94%	26.99%
Utilities	0.35%	0.00%	2.62%
Industrials	0.13%	8.61%	8.59%
Health Care	0.10%	15.37%	13.11%
Communication Services	0.06%	9.89%	10.97%

5 Top Detractors - Equity Sleeve Sectors*

	Relative Contribution	Equity Sleeve Average Weight	S&P 500 Index Average Weight
Energy	-0.69%	0.00%	2.74%
Consumer Discretionary	-0.55%	16.93%	12.47%
Financials	-0.29%	9.67%	11.27%
Consumer Staples	-0.11%	6.29%	6.07%
Real Estate	-0.10%	0.60%	2.47%

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, 2021

5 Largest Equity Holdings - (% of Net Assets)

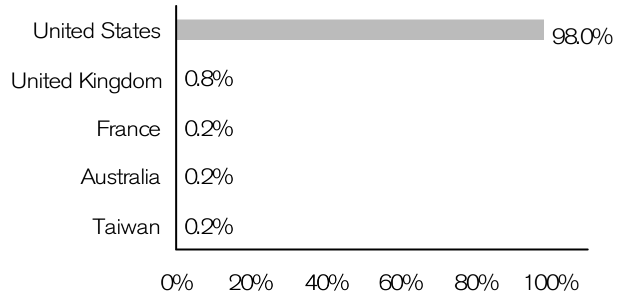
Microsoft Corp	
Software	5.2%
Alphabet Inc - Class C	
Interactive Media & Services	3.6%
Apple Inc	
Technology Hardware, Storage & Peripherals	3.3%
Amazon.com Inc	
Internet & Direct Marketing Retail	3.0%
Mastercard Inc	
Information Technology Services	2.4%
	17.5%

Asset Allocation - (% of Net Assets)

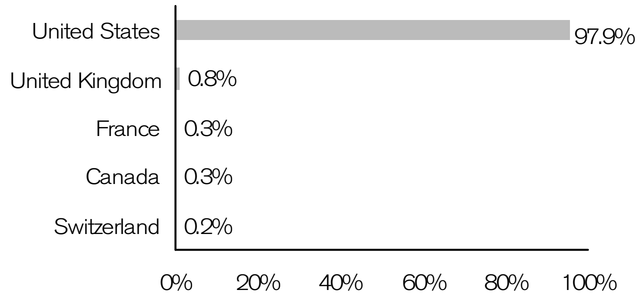
Common Stocks	64.5%
Corporate Bonds	13.0%
United States Treasury Notes/Bonds	9.4%
Asset-Backed/Commercial Mortgage-Backed Securities	5.2%
Mortgage-Backed Securities	5.0%
Investment Companies	4.0%
Inflation-Indexed Bonds	1.4%
Bank Loans and Mezzanine Loans	0.4%
Preferred Stocks	0.2%
Other	(3.1)%
	100.0%

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

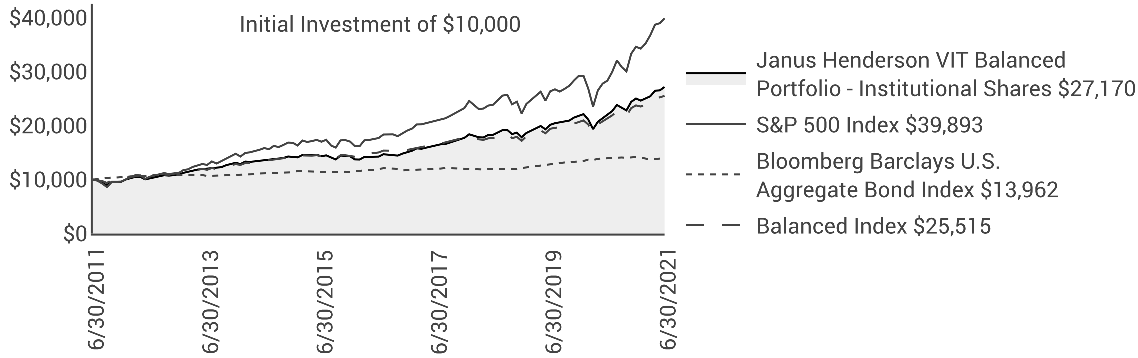
As of June 30, 2021



As of December 31, 2020



Janus Henderson VIT Balanced Portfolio (unaudited)
Performance



Average Annual Total Return - for the periods ended June 30, 2021	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Prospectus Expense Ratios: Total Annual Fund Operating Expenses‡
Institutional Shares	8.56%	24.28%	13.76%	10.51%	10.32%	0.62%
Service Shares	8.45%	24.00%	13.48%	10.24%	10.13%	0.87%
S&P 500 Index	15.25%	40.79%	17.65%	14.84%	10.49%	
Bloomberg Barclays U.S. Aggregate Bond Index	-1.60%	-0.33%	3.03%	3.39%	5.08%	
Balanced Index	7.43%	20.92%	11.16%	9.82%	8.31%	
Morningstar Quartile - Institutional Shares	-	3rd	1st	1st	1st	
Morningstar Ranking - based on total returns for Allocation - 50% to 70% Equity Funds	-	422/703	30/662	35/545	10/210	

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 foreign and emerging markets, fixed income securities, high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), non-diversification, portfolio turnover, derivatives, short sales, initial public offerings (IPOs) and potential conflicts of interest. 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 April 3, 2021, Jeremiah Buckley, Michael Keough, 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 (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Beginning Account Value (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Net Annualized Expense Ratio (1/1/21 - 6/30/21)
Institutional Shares	$1,000.00	$1,085.60	$3.15	$1,000.00	$1,021.77	$3.06	0.61%
Service Shares	$1,000.00	$1,084.50	$4.39	$1,000.00	$1,020.58	$4.26	0.85%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 181/365 (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, 2021

	Shares or Principal Amounts	Value
Asset-Backed/Commercial Mortgage-Backed Securities– 5.2%		
208 Park Avenue Mortgage Trust 2017-280P, ICE LIBOR USD 1 Month + 0.8800%, 0.9529%, 9/15/34 (144A)‡	$3,072,117	$3,072,174
Angel Oak Mortgage Trust I LLC 2018-2, ICE LIBOR USD 12 Month + 0.7600%, 3.6740%, 7/27/48 (144A)‡	228,189	228,189
Angel Oak Mortgage Trust I LLC 2019-5, 2.5930%, 10/25/49 (144A)‡	1,495,188	1,500,490
Angel Oak Mortgage Trust I LLC 2019-6, ICE LIBOR USD 12 Month + 0.9500%, 2.6200%, 11/25/59 (144A)‡	1,391,335	1,399,658
Angel Oak Mortgage Trust I LLC 2020-3, ICE LIBOR USD 12 Month + 1.0000%, 2.4100%, 4/25/65 (144A)‡	2,297,929	2,312,250
Arbys Funding LLC 2020-1A, 3.2370%, 7/30/50 (144A)	8,176,215	8,528,878
Bank 2018-BN12 A4, 4.2550%, 5/15/61‡	1,122,676	1,295,857
Bank 2019-BN17, 3.7140%, 4/15/52	2,498,288	2,813,309
Bank 2019-BN18, 3.5840%, 5/15/62	4,251,505	4,773,435
Bank 2019-BN20, 3.0110%, 9/15/62	2,044,338	2,208,568
Bank 2019-BN23, 2.9200%, 12/15/52	3,677,640	3,970,375
Bank 2019-BNK24, 2.9600%, 11/15/62	864,000	930,201
Barclays Comercial Mortgage Securities LLC 2015-SRCH, 4.1970%, 8/10/35 (144A)	2,528,000	2,864,922
Barclays Comercial Mortgage Securities LLC 2017-DELC, ICE LIBOR USD 1 Month + 0.8500%, 0.9229%, 8/15/36 (144A)‡	2,087,000	2,088,608
Benchmark Mortgage Trust 2020-B16, 2.7320%, 2/15/53	2,207,000	2,335,635
BVRT Financing Trust, 1.8270%, 7/10/32‡	123,281	123,281
BVRT Financing Trust 2021-1F M1, 1.5600%, 7/1/33‡	1,100,401	1,100,475
BVRT Financing Trust 2021-2F M1, 1.5600%, 1/10/32‡	3,476,726	3,476,726
BVRT Financing Trust 2021-CRT1 M2, 2.3270%, 1/10/33‡	3,439,000	3,445,448
BVRT Financing Trust 2021-CRT2 M1, 1.8451%, 11/10/32‡	3,801,315	3,801,315
BX Commercial Mortgage Trust 2018-IND, ICE LIBOR USD 1 Month + 0.7500%, 0.8230%, 11/15/35 (144A)‡	1,674,067	1,674,843
BX Commercial Mortgage Trust 2019-OC11, 3.2020%, 12/9/41 (144A)	2,230,000	2,401,899
BX Commercial Mortgage Trust 2019-OC11, 3.6050%, 12/9/41 (144A)	1,121,000	1,229,932
BX Commercial Mortgage Trust 2019-OC11, 3.8560%, 12/9/41 (144A)	2,229,000	2,428,652
BX Commercial Mortgage Trust 2019-OC11, 4.0755%, 12/9/41 (144A)‡	3,343,000	3,586,417
BX Commercial Mortgage Trust 2019-XL, ICE LIBOR USD 1 Month + 0.9200%, 0.9930%, 10/15/36 (144A)‡	4,051,064	4,058,076
BX Commercial Mortgage Trust 2019-XL, ICE LIBOR USD 1 Month + 1.0800%, 1.1530%, 10/15/36 (144A)‡	657,223	657,976
BX Commercial Mortgage Trust 2020-FOX A, ICE LIBOR USD 1 Month + 1.0000%, 1.0730%, 11/15/32 (144A)‡	7,005,575	7,023,533
BX Commercial Mortgage Trust 2020-FOX B, ICE LIBOR USD 1 Month + 1.3500%, 1.4230%, 11/15/32 (144A)‡	1,237,838	1,240,393
BX Commercial Mortgage Trust 2020-FOX C, ICE LIBOR USD 1 Month + 1.5500%, 1.6230%, 11/15/32 (144A)‡	1,128,791	1,131,878
BX Commercial Mortgage Trust 2021-LBA AJV, ICE LIBOR USD 1 Month + 0.8000%, 0.8730%, 2/15/36 (144A)‡	4,525,000	4,532,161
BX Commercial Mortgage Trust 2021-LBA AV, ICE LIBOR USD 1 Month + 0.8000%, 0.8730%, 2/15/36 (144A)‡	5,146,000	5,153,972
BXP Trust 2017-GM, 3.3790%, 6/13/39 (144A)	1,140,000	1,241,859
CarMax Auto Owner Trust 2017-3, 2.7200%, 5/15/23	2,701,000	2,712,952
CF Hippolyta Issuer LLC 2021-1A A1, 1.5300%, 3/15/61 (144A)	4,652,000	4,682,492
CF Hippolyta Issuer LLC 2021-1A B1, 1.9800%, 3/15/61 (144A)	1,757,000	1,777,947
Chase Auto Credit Linked Notes 2021-1 B, 0.8750%, 9/25/28 (144A)	2,398,000	2,399,767
CIM Trust 2021-NR1 A1, 2.5690%, 7/25/55 (144A)Ç	4,188,444	4,187,285
Cold Storage Trust 2020-ICE5 A, ICE LIBOR USD 1 Month + 0.9000%, 0.9729%, 11/15/37 (144A)‡	6,622,407	6,641,248
Cold Storage Trust 2020-ICE5 B, ICE LIBOR USD 1 Month + 1.3000%, 1.3729%, 11/15/37 (144A)‡	2,944,057	2,950,742
Cold Storage Trust 2020-ICE5 C, ICE LIBOR USD 1 Month + 1.6500%, 1.7229%, 11/15/37 (144A)‡	2,955,853	2,963,262
COLT Funding LLC 2020-2, ICE LIBOR USD 12 Month + 1.5000%, 1.8530%, 3/25/65 (144A)‡	1,108,775	1,115,254

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, 2021

	Shares or Principal Amounts	Value
Asset-Backed/Commercial Mortgage-Backed Securities– (continued)		
COLT Funding LLC 2020-3, ICE LIBOR USD 12 Month + 1.2000%, 1.5060%, 4/27/65 (144A)‡	$1,185,965	$1,190,579
Connecticut Avenue Securities Trust 2014-C04, ICE LIBOR USD 1 Month + 4.9000%, 4.9915%, 11/25/24‡	319,998	329,334
Connecticut Avenue Securities Trust 2016-C03, ICE LIBOR USD 1 Month + 5.9000%, 5.9915%, 10/25/28‡	631,672	663,110
Connecticut Avenue Securities Trust 2016-C04, ICE LIBOR USD 1 Month + 4.2500%, 4.3415%, 1/25/29‡	1,565,511	1,634,438
Connecticut Avenue Securities Trust 2016-C06 1M2, ICE LIBOR USD 1 Month + 4.2500%, 4.3415%, 4/25/29‡	1,957,353	2,040,188
Connecticut Avenue Securities Trust 2017-C01, ICE LIBOR USD 1 Month + 3.5500%, 3.6415%, 7/25/29‡	2,126,010	2,199,289
Connecticut Avenue Securities Trust 2017-C06 1M2, ICE LIBOR USD 1 Month + 2.6500%, 2.7415%, 2/25/30‡	1,635,067	1,664,700
Connecticut Avenue Securities Trust 2018-R07, ICE LIBOR USD 1 Month + 2.4000%, 2.4915%, 4/25/31 (144A)‡	2,072,131	2,082,393
Connecticut Avenue Securities Trust 2019-R02, ICE LIBOR USD 1 Month + 2.3000%, 2.3915%, 8/25/31 (144A)‡	1,165,830	1,173,721
Connecticut Avenue Securities Trust 2019-R03, ICE LIBOR USD 1 Month + 2.1500%, 2.2415%, 9/25/31 (144A)‡	1,688,182	1,700,145
Connecticut Avenue Securities Trust 2019-R04, ICE LIBOR USD 1 Month + 2.1000%, 2.1915%, 6/25/39 (144A)‡	1,755,570	1,756,657
Connecticut Avenue Securities Trust 2019-R05, ICE LIBOR USD 1 Month + 2.0000%, 2.0915%, 7/25/39 (144A)‡	1,486,698	1,492,443
Connecticut Avenue Securities Trust 2019-R07, ICE LIBOR USD 1 Month + 2.1000%, 2.1915%, 10/25/39 (144A)‡	652,224	654,646
Connecticut Avenue Securities Trust 2020-R02, ICE LIBOR USD 1 Month + 2.0000%, 2.0915%, 1/25/40 (144A)‡	3,770,825	3,786,747
Cosmopolitan Hotel Trust 2017, ICE LIBOR USD 1 Month + 0.9300%, 1.0029%, 11/15/36 (144A)‡	2,618,339	2,622,586
Credit Acceptance Auto Loan Trust 2018-2, 3.9400%, 7/15/27 (144A)	258,704	260,638
Credit Suisse Commercial Mortgage Trust 2019-ICE4, ICE LIBOR USD 1 Month + 0.9800%, 1.0530%, 5/15/36 (144A)‡	7,812,000	7,823,818
Credit Suisse Commercial Mortgage Trust 2019-ICE4 C, ICE LIBOR USD 1 Month + 1.4300%, 1.5030%, 5/15/36 (144A)‡	1,486,000	1,488,027
Credit Suisse Commercial Mortgage Trust 2020-UNFI, 4.1682%, 12/6/22‡	2,312,000	2,309,028
Credit Suisse Commercial Mortgage Trust 2021-WEHO A, 4.0422%, 4/15/23‡	4,280,225	4,280,031
DB Master Finance LLC 2019-1A A23, 4.3520%, 5/20/49 (144A)	1,289,040	1,426,362
DB Master Finance LLC 2019-1A A2I, 3.7870%, 5/20/49 (144A)	1,612,283	1,633,566
DB Master Finance LLC 2019-1A A2II, 4.0210%, 5/20/49 (144A)	1,014,923	1,070,835
Diamond Infrastructure Funding LLC 2021-1A A, 1.7600%, 4/15/49 (144A)	4,917,000	4,892,667
Domino's Pizza Master Issuer LLC, 4.1180%, 7/25/47 (144A)	911,385	983,084
Domino's Pizza Master Issuer LLC, 4.1160%, 7/25/48 (144A)	3,349,125	3,494,783
Domino's Pizza Master Issuer LLC, 4.3280%, 7/25/48 (144A)	2,015,325	2,194,061
Domino's Pizza Master Issuer LLC, 3.6680%, 10/25/49 (144A)	6,437,513	6,955,422
Drive Auto Receivables Trust 2017-1, 5.1700%, 9/16/24	2,997,000	3,032,606
Drive Auto Receivables Trust 2017-2, 5.2700%, 11/15/24	2,613,000	2,661,789
Drive Auto Receivables Trust 2017-3, 3.5300%, 12/15/23 (144A)	220,457	222,465
Drive Auto Receivables Trust 2018-4, 3.6600%, 11/15/24	30,296	30,329
Exeter Automobile Receivables Trust 2021-1A C, 0.7400%, 1/15/26	965,000	964,234
Exeter Automobile Receivables Trust 2021-1A D, 1.0800%, 11/16/26	3,089,000	3,087,558
Extended Stay America Trust 2021-ESH A, ICE LIBOR USD 1 Month + 1.0800%, 0%, 7/15/38 (144A)‡	6,114,000	6,114,000
Extended Stay America Trust 2021-ESH B, ICE LIBOR USD 1 Month + 1.3800%, 0%, 7/15/38 (144A)‡	1,663,000	1,663,000
Fannie Mae Connecticut Avenue Securities, ICE LIBOR USD 1 Month + 5.0000%, 5.0915%, 7/25/25‡	1,754,085	1,799,372
Fannie Mae Connecticut Avenue Securities, ICE LIBOR USD 1 Month + 5.7000%, 5.7915%, 4/25/28‡	1,331,102	1,409,812
Fannie Mae REMICS, 3.0000%, 5/25/48	3,526,092	3,737,559

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

	Shares or Principal Amounts	Value
Asset-Backed/Commercial Mortgage-Backed Securities– (continued)		
Fannie Mae REMICS, 3.0000%, 11/25/49	$4,810,305	$5,093,815
Freddie Mac Structured Agency Credit Risk Debt Notes 2016-DNA1 M3, ICE LIBOR USD 1 Month + 5.5500%, 5.6416%, 7/25/28‡	1,810,072	1,890,064
Freddie Mac Structured Agency Credit Risk Debt Notes 2019-DNA4 M2, ICE LIBOR USD 1 Month + 1.9500%, 2.0415%, 10/25/49 (144A)‡	688,488	691,737
Freddie Mac Structured Agency Credit Risk Debt Notes 2020-DNA6 M2, US 30 Day Average SOFR + 2.0000%, 2.0180%, 12/25/50 (144A)‡	4,640,000	4,683,067
Freddie Mac Structured Agency Credit Risk Debt Notes 2020-HQA4 M2, ICE LIBOR USD 1 Month + 3.1500%, 3.2415%, 9/25/50 (144A)‡	2,020,920	2,043,655
Freddie Mac Structured Agency Credit Risk Debt Notes 2020-HQA5 M2, US 30 Day Average SOFR + 2.6000%, 2.6180%, 11/25/50 (144A)‡	7,495,000	7,642,564
Freddie Mac Structured Agency Credit Risk Debt Notes 2021-DNA2 M2, US 30 Day Average SOFR + 2.3000%, 2.3180%, 8/25/33 (144A)‡	1,710,000	1,753,522
Freddie Mac Structured Agency Credit Risk Debt Notes 2021-HQA1 M2, US 30 Day Average SOFR + 2.2500%, 2.2680%, 8/25/33 (144A)‡	2,628,000	2,658,458
Great Wolf Trust, ICE LIBOR USD 1 Month + 1.0340%, 1.1070%, 12/15/36 (144A)‡	1,067,000	1,068,126
Great Wolf Trust, ICE LIBOR USD 1 Month + 1.3340%, 1.4070%, 12/15/36 (144A)‡	1,195,000	1,195,416
Great Wolf Trust, ICE LIBOR USD 1 Month + 1.6330%, 1.7060%, 12/15/36 (144A)‡	1,332,000	1,332,488
GS Mortgage Securities Trust 2018-GS10, 4.1550%, 7/10/51‡	1,603,823	1,843,809
GS Mortgage Securities Trust 2018-GS9, 3.9920%, 3/10/51‡	2,669,380	3,031,020
GS Mortgage Securities Trust 2020-GC45, 2.9106%, 2/13/53	2,189,000	2,347,086
GS Mortgage Securities Trust 2020-GC47, 2.3772%, 5/12/53	3,112,000	3,206,921
Jack in the Box Funding LLC 2019-1A A23, 4.9700%, 8/25/49 (144A)	3,528,338	3,869,955
Jack in the Box Funding LLC 2019-1A A2I, 3.9820%, 8/25/49 (144A)	3,528,338	3,585,349
Jack in the Box Funding LLC 2019-1A A2II, 4.4760%, 8/25/49 (144A)	4,962,500	5,241,495
Life Financial Services Trust 2021-BMR A, ICE LIBOR USD 1 Month + 0.7000%, 0.7730%, 3/15/38 (144A)‡	8,608,000	8,622,408
Life Financial Services Trust 2021-BMR C, ICE LIBOR USD 1 Month + 1.1000%, 1.1730%, 3/15/38 (144A)‡	4,272,000	4,281,116
Mercury Financial Credit Card Master Trust 2021-1A A, 1.5400%, 3/20/26 (144A)	3,873,000	3,885,521
MHC Commercial Mortgage Trust 2021-MHC A, ICE LIBOR USD 1 Month + 0.8010%, 0.8738%, 4/15/38 (144A)‡	9,039,888	9,047,049
MHC Commercial Mortgage Trust 2021-MHC C, ICE LIBOR USD 1 Month + 1.3510%, 1.4238%, 4/15/38 (144A)‡	4,357,691	4,361,874
Morgan Stanley Capital I Trust 2016-UB11, 2.7820%, 8/15/49	2,782,000	2,945,925
Morgan Stanley Capital I Trust 2019-H6, 3.4170%, 6/15/52	1,423,916	1,576,227
Morgan Stanley Capital I Trust 2015-UBS8, 3.8090%, 12/15/48	2,221,000	2,432,141
Morgan Stanley Capital I Trust 2018-H3, 4.1770%, 7/15/51	2,249,599	2,589,443
Morgan Stanley Capital I Trust 2018-H4, 4.3100%, 12/15/51	3,365,443	3,891,395
MRA Issuance Trust 2021-NA1 A1X, ICE LIBOR USD 1 Month + 1.5000%, 0%, 3/8/22 (144A)‡	7,199,000	7,199,000
New Residential Mortgage Loan Trust 2018-2, ICE LIBOR USD 6 Month + 0.6800%, 4.5000%, 2/25/58 (144A)‡	715,705	772,475
Newday Funding Master Issuer PLC 2021-1A A2, SOFR + 1.1000%, 1.1100%, 3/15/29 (144A)‡	3,636,000	3,655,242
NRZ Excess Spread Collateralized Notes 2020-PLS1 A, 3.8440%, 12/25/25 (144A)	1,788,885	1,856,421
Oak Street Investment Grade Net Lease Fund 2020-1A A1, 1.8500%, 11/20/50 (144A)	3,722,740	3,777,959
OneMain Direct Auto Receivables Trust 2018-1, 3.8500%, 10/14/25 (144A)	570,000	580,116
OneMain Direct Auto Receivables Trust 2018-1, 4.4000%, 1/14/28 (144A)	566,000	577,291
Planet Fitness Master Issuer LLC 2018-1A, 4.2620%, 9/5/48 (144A)	2,652,980	2,652,980
Planet Fitness Master Issuer LLC 2019-1A, 3.8580%, 12/5/49 (144A)	3,355,895	3,380,129
Preston Ridge Partners Mortgage Trust 2020-1A, 2.9810%, 2/25/25 (144A)Ç	871,226	878,697
Preston Ridge Partners Mortgage Trust 2020-3, 2.8570%, 9/25/25 (144A)Ç	5,239,242	5,282,011
Preston Ridge Partners Mortgage Trust 2020-4 A1, 2.9510%, 10/25/25 (144A)Ç	3,450,104	3,464,751

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

	Shares or Principal Amounts	*Value*
Asset-Backed/Commercial Mortgage-Backed Securities– (continued)		
Preston Ridge Partners Mortgage Trust 2020-5 A1, 3.1040%, 11/25/25 (144A)Ç	$1,767,894	$1,772,494
Santander Drive Auto Receivables Trust 2020-3 D, 1.6400%, 11/16/26	7,470,000	7,570,491
Sequoia Mortgage Trust 2013-5, 2.5000%, 5/25/43 (144A)‡	1,015,995	1,032,554
Sequoia Mortgage Trust 2020-2, 3.5000%, 3/25/50 (144A)‡	474,495	483,675
Spruce Hill Mortgage Loan Trust 2020-SH1 A1, ICE LIBOR USD 12 Month + 0.9500%, 2.5210%, 1/28/50 (144A)‡	397,250	439,819
Spruce Hill Mortgage Loan Trust 2020-SH1 A2, ICE LIBOR USD 12 Month + 1.0500%, 2.6240%, 1/28/50 (144A)‡	988,517	1,094,006
Spruce Hill Mortgage Loan Trust 2020-SH2, 3.4070%, 6/25/55 (144A)‡	2,455,943	2,497,389
Taco Bell Funding LLC 2016-1A A23, 4.9700%, 5/25/46 (144A)	2,252,160	2,433,825
Taco Bell Funding LLC 2018-1A A2I, 4.3180%, 11/25/48 (144A)	2,943,525	2,943,525
Taco Bell Funding LLC 2018-1A A2II, 4.9400%, 11/25/48 (144A)	2,167,425	2,445,461
Vantage Data Centers LLC 2020-1A A2, 1.6450%, 9/15/45 (144A)	7,100,000	7,112,062
Vantage Data Centers LLC 2020-2A A2, 1.9920%, 9/15/45 (144A)	3,097,000	3,084,388
VASA Trust 2021-VASA A, ICE LIBOR USD 1 Month + 0.9000%, 0.9730%, 7/15/39 (144A)‡	2,382,000	2,371,414
VCAT Asset Securitization LLC 2020-NPL1, 3.6710%, 8/25/50 (144A)Ç	1,635,761	1,660,248
VCAT Asset Securitization LLC 2021-NPL1 A1, 2.2891%, 12/26/50 (144A)	1,726,072	1,730,719
Wells Fargo Commercial Mortgage Trust 2021-SAVE A, ICE LIBOR USD 1 Month + 1.1500%, 1.2230%, 2/15/40 (144A)‡	2,281,645	2,291,554
Wendy's Funding LLC, 3.8840%, 3/15/48 (144A)	322,310	349,502
Wendy's Funding LLC, 3.7830%, 6/15/49 (144A)	2,023,245	2,156,854
Wendy's Funding LLC 2021-1A A2I, 2.3700%, 6/15/51 (144A)	2,076,000	2,083,999
Wendy's Funding LLC 2021-1A A2II, 2.7750%, 6/15/51 (144A)	2,415,000	2,434,644
Westlake Automobile Receivable Trust 2020-1A D, 2.8000%, 6/16/25 (144A)	3,399,000	3,518,853
Wingstop Funding LLC 2020-1A A2, 2.8410%, 12/5/50 (144A)	3,614,940	3,745,524
Zaxby's Funding LLC 2021-1A A2, 3.2380%, 7/30/51 (144A)	3,052,000	3,105,746
Total Asset-Backed/Commercial Mortgage-Backed Securities (cost $389,303,231)		395,835,820
Bank Loans and Mezzanine Loans– 0.4%		
Basic Industry – 0%		
Alpha 3 BV, ICE LIBOR USD 1 Month + 2.5000%, 3.0000%, 3/18/28‡	4,325,000	4,300,693
Capital Goods – 0.1%		
Madison IAQ LLC, ICE LIBOR USD 1 Month + 3.2500%, 3.7500%, 6/21/28ƒ,‡	7,309,932	7,309,931
Consumer Non-Cyclical – 0.3%		
Elanco Animal Health Inc, ICE LIBOR USD 1 Month + 1.7500%, 1.8651%, 8/1/27‡	9,185,883	9,040,470
ICON Luxembourg Sarl, ICE LIBOR USD 1 Month + 2.5000%, 3.0000%, 6/16/28ƒ,‡	9,399,720	9,412,974
Indigo Merger Sub Inc, ICE LIBOR USD 1 Month + 2.5000%, 3.0000%, 7/1/28ƒ,‡	2,341,946	2,345,248
		20,798,692
Total Bank Loans and Mezzanine Loans (cost $32,485,137)		32,409,316
Corporate Bonds– 13.0%		
Banking – 2.9%		
Ally Financial Inc, US Treasury Yield Curve Rate 5 Year + 3.8680%, 4.7000%‡,µ	5,533,000	5,730,528
Bank of America Corp, ICE LIBOR USD 3 Month + 1.5120%, 3.7050%, 4/24/28‡	7,355,000	8,133,026
Bank of America Corp, ICE LIBOR USD 3 Month + 1.0700%, 3.9700%, 3/5/29‡	3,294,000	3,713,153
Bank of America Corp, SOFR + 1.0600%, 2.0870%, 6/14/29‡	7,305,000	7,364,110
Bank of America Corp, SOFR + 2.1500%, 2.5920%, 4/29/31‡	14,103,000	14,539,307
Bank of America Corp, ICE LIBOR USD 3 Month + 3.1350%, 5.2000%‡,µ	2,002,000	2,082,581
Bank of America Corp, ICE LIBOR USD 3 Month + 3.7050%, 6.2500%‡,µ	5,841,000	6,461,606
Bank of New York Mellon Corp, US Treasury Yield Curve Rate 5 Year + 4.3580%, 4.7000%‡,µ	8,577,000	9,359,651
BNP Paribas SA, ICE LIBOR USD 3 Month + 2.2350%, 4.7050%, 1/10/25 (144A)‡	3,042,000	3,318,811
BNP Paribas SA, ICE LIBOR USD 3 Month + 1.1110%, 2.8190%, 11/19/25 (144A)‡	2,067,000	2,174,776
BNP Paribas SA, US Treasury Yield Curve Rate 5 Year + 2.0500%, 2.5880%, 8/12/35 (144A)‡	7,787,000	7,607,221
Citigroup Inc, ICE LIBOR USD 3 Month + 1.5630%, 3.8870%, 1/10/28‡	9,899,000	11,017,051
Citigroup Inc, SOFR + 3.9140%, 4.4120%, 3/31/31‡	6,795,000	7,934,300
Citigroup Inc, ICE LIBOR USD 3 Month + 4.0680%, 5.9500%‡,µ	3,565,000	3,748,081

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

	Shares or Principal Amounts	Value
Corporate Bonds– (continued)		
Banking– (continued)		
Citigroup Inc, ICE LIBOR USD 3 Month + 3.4660%, 5.3500%[‡,µ]	$2,436,000	$2,527,391
Citigroup Inc, ICE LIBOR USD 3 Month + 3.4230%, 6.3000%[‡,µ]	555,000	597,014
Citigroup Inc, ICE LIBOR USD 3 Month + 3.9050%, 5.9500%[‡,µ]	2,339,000	2,559,919
Citigroup Inc, SOFR + 3.8130%, 5.0000%[‡,µ]	3,727,000	3,900,678
Credit Agricole SA/London, SOFR + 1.6760%, 1.9070%, 6/16/26 (144A)[‡]	1,778,000	1,812,744
First Republic Bank/CA, 4.6250%, 2/13/47	1,653,000	2,096,586
Goldman Sachs Group Inc, 3.5000%, 4/1/25	10,761,000	11,674,580
Goldman Sachs Group Inc, US Treasury Yield Curve Rate 5 Year + 3.2240%, 4.9500%[‡,µ]	1,666,000	1,780,721
HSBC Holdings PLC, SOFR + 1.5380%, 1.6450%, 4/18/26[‡]	3,742,000	3,792,172
HSBC Holdings PLC, SOFR + 1.2900%, 1.5890%, 5/24/27[‡]	7,498,000	7,512,452
JPMorgan Chase & Co, SOFR + 1.8500%, 2.0830%, 4/22/26[‡]	2,623,000	2,712,298
JPMorgan Chase & Co, ICE LIBOR USD 3 Month + 1.2450%, 3.9600%, 1/29/27[‡]	6,655,000	7,411,042
JPMorgan Chase & Co, SOFR + 0.8850%, 1.5780%, 4/22/27[‡]	6,670,000	6,704,558
JPMorgan Chase & Co, SOFR + 2.5150%, 2.9560%, 5/13/31[‡]	13,078,000	13,738,526
JPMorgan Chase & Co, SOFR + 3.3800%, 5.0000%, 7/31/69[‡]	2,000,000	2,113,900
JPMorgan Chase & Co, SOFR + 3.1250%, 4.6000%, 1/23/70[‡]	2,111,000	2,187,629
Morgan Stanley, SOFR + 1.9900%, 2.1880%, 4/28/26[‡]	6,824,000	7,085,371
Morgan Stanley, 4.3500%, 9/8/26	3,985,000	4,512,081
Morgan Stanley, 3.9500%, 4/23/27	6,273,000	7,009,251
Morgan Stanley, SOFR + 0.8790%, 1.5930%, 5/4/27[‡]	3,223,000	3,245,804
Morgan Stanley, SOFR + 1.0340%, 1.7940%, 2/13/32[‡]	5,529,000	5,312,330
National Australia Bank Ltd, 2.9900%, 5/21/31 (144A)	8,080,000	8,203,576
Natwest Group PLC, US Treasury Yield Curve Rate 5 Year + 2.3500%, 3.0320%, 11/28/35[‡]	5,500,000	5,508,800
SVB Financial Group, 1.8000%, 2/2/31	2,878,000	2,752,865
SVB Financial Group, US Treasury Yield Curve Rate 10 Year + 3.0640%, 4.1000%[‡,µ]	6,329,000	6,419,948
Westpac Banking Corp, US Treasury Yield Curve Rate 5 Year + 1.7500%, 2.6680%, 11/15/35[‡]	5,490,000	5,400,074
		221,756,512
Basic Industry – 0.3%		
Allegheny Technologies Inc, 5.8750%, 12/1/27	4,100,000	4,294,750
Axalta Coating Systems Ltd, 3.3750%, 2/15/29 (144A)	7,654,000	7,481,785
Element Solutions Inc, 3.8750%, 9/1/28 (144A)	5,787,000	5,904,476
Georgia-Pacific LLC, 3.1630%, 11/15/21 (144A)	3,657,000	3,678,477
Reliance Steel & Aluminum Co, 4.5000%, 4/15/23	2,242,000	2,373,615
		23,733,103
Brokerage – 0.3%		
Charles Schwab Corp, US Treasury Yield Curve Rate 5 Year + 4.9710%, 5.3750%[‡,µ]	15,360,000	16,977,408
Charles Schwab Corp, US Treasury Yield Curve Rate 10 Year + 3.0790%, 4.0000%[‡,µ]	3,606,000	3,688,938
		20,666,346
Capital Goods – 0.6%		
Boeing Co, 4.5080%, 5/1/23	6,065,000	6,465,864
Boeing Co, 4.8750%, 5/1/25	1,957,000	2,192,756
Boeing Co, 2.1960%, 2/4/26	1,978,000	1,996,906
Boeing Co, 3.2500%, 2/1/28	2,110,000	2,236,789
Boeing Co, 3.6250%, 2/1/31	4,560,000	4,904,408
Boeing Co, 3.9500%, 8/1/59	2,752,000	2,879,237
General Dynamics Corp, 3.5000%, 4/1/27	2,033,000	2,255,631
TransDigm Inc, 4.6250%, 1/15/29 (144A)	9,491,000	9,494,322
Wabtec Corp, 4.4000%, 3/15/24	3,516,000	3,809,543
Wabtec Corp, 4.9500%, 9/15/28	3,028,000	3,512,439
Westinghouse Air Brake Technologies Corp, 3.2000%, 6/15/25	2,775,000	2,951,212
		42,699,107
Communications – 1.5%		
AT&T Inc, 3.8000%, 12/1/57 (144A)	3,657,000	3,810,164

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, 2021

	Shares or Principal Amounts	Value
Corporate Bonds– (continued)		
Communications– (continued)		
AT&T Inc, 3.6500%, 9/15/59 (144A)	$604,000	$612,516
CCO Holdings LLC / CCO Holdings Capital Corp, 4.2500%, 2/1/31 (144A)	6,601,000	6,724,769
CCO Holdings LLC / CCO Holdings Capital Corp, 4.5000%, 5/1/32	9,894,000	10,252,657
Cellnex Finance Co SA, 3.8750%, 7/7/41 (144A)	5,694,000	5,673,559
CenturyLink Inc, 5.8000%, 3/15/22	1,479,000	1,522,024
Charter Communications Operating LLC / Charter Communications Operating Capital, 2.8000%, 4/1/31	4,500,000	4,600,402
Charter Communications Operating LLC / Charter Communications Operating Capital, 6.4840%, 10/23/45	936,000	1,289,042
Charter Communications Operating LLC / Charter Communications Operating Capital, 5.3750%, 5/1/47	1,778,000	2,178,780
Charter Communications Operating LLC / Charter Communications Operating Capital, 4.8000%, 3/1/50	2,585,000	2,968,999
Comcast Corp, 3.7500%, 4/1/40	1,775,000	2,000,922
Crown Castle International Corp, 3.6500%, 9/1/27	1,958,000	2,158,877
Crown Castle International Corp, 3.1000%, 11/15/29	3,265,000	3,464,032
CSC Holdings LLC, 4.1250%, 12/1/30 (144A)	5,750,000	5,714,062
CSC Holdings LLC, 4.6250%, 12/1/30 (144A)	6,461,000	6,338,952
CSC Holdings LLC, 3.3750%, 2/15/31 (144A)	4,001,000	3,780,585
CSC Holdings LLC, 5.0000%, 11/15/31 (144A)	2,768,000	2,781,286
Fox Corp, 4.0300%, 1/25/24	2,592,000	2,807,945
GCI LLC, 4.7500%, 10/15/28 (144A)	9,592,000	9,817,412
Level 3 Financing Inc, 3.8750%, 11/15/29 (144A)	4,402,000	4,714,674
Sirius XM Radio Inc, 4.1250%, 7/1/30 (144A)	6,938,000	6,999,609
T-Mobile USA Inc, 3.5000%, 4/15/25	3,170,000	3,435,789
T-Mobile USA Inc, 2.2500%, 2/15/26	2,963,000	2,985,222
T-Mobile USA Inc, 3.7500%, 4/15/27	4,405,000	4,867,525
T-Mobile USA Inc, 2.6250%, 2/15/29	7,441,000	7,347,987
T-Mobile USA Inc, 3.0000%, 2/15/41	3,014,000	2,976,837
Verizon Communications Inc, 3.0000%, 3/22/27	2,200,000	2,367,486
Verizon Communications Inc, 2.1000%, 3/22/28	1,798,000	1,835,606
Verizon Communications Inc, 3.5500%, 3/22/51	3,036,000	3,243,561
		119,271,281
Consumer Cyclical – 1.0%		
1011778 BC ULC / New Red Finance Inc, 4.0000%, 10/15/30 (144A)	10,521,000	10,179,067
Choice Hotels International Inc, 3.7000%, 12/1/29	4,189,000	4,534,634
Choice Hotels International Inc, 3.7000%, 1/15/31	1,267,000	1,371,071
Dollar General Corp, 4.1250%, 4/3/50	3,153,000	3,693,636
Experian Finance PLC, 2.7500%, 3/8/30 (144A)	5,895,000	6,092,388
GLP Capital LP / GLP Financing II Inc, 5.2500%, 6/1/25	1,284,000	1,445,335
GLP Capital LP / GLP Financing II Inc, 5.3750%, 4/15/26	2,597,000	2,989,173
GLP Capital LP / GLP Financing II Inc, 5.3000%, 1/15/29	344,000	400,760
GLP Capital LP / GLP Financing II Inc, 4.0000%, 1/15/30	4,670,000	5,012,358
GoDaddy Operating Co LLC / GD Finance Co Inc, 3.5000%, 3/1/29 (144A)	7,625,000	7,575,437
IHS Markit Ltd, 5.0000%, 11/1/22 (144A)	1,475,000	1,545,120
IHS Markit Ltd, 4.7500%, 2/15/25 (144A)	2,588,000	2,897,266
Lithia Motors Inc, 3.8750%, 6/1/29 (144A)	8,746,000	9,065,666
MDC Holdings Inc, 5.5000%, 1/15/24	2,249,000	2,464,117
MGM Resorts International, 7.7500%, 3/15/22	544,000	568,589
Nordstrom Inc, 4.3750%, 4/1/30	3,998,000	4,165,923
Service Corp International/US, 3.3750%, 8/15/30	2,052,000	2,010,550
Service Corporation International, 4.0000%, 5/15/31	5,480,000	5,593,299
Yum! Brands Inc, 4.6250%, 1/31/32	5,533,000	5,809,650
		77,414,039
Consumer Non-Cyclical – 1.9%		
Anheuser-Busch Cos LLC / Anheuser-Busch InBev Worldwide Inc, 4.9000%, 2/1/46	4,540,000	5,746,505
Aramark Services Inc, 6.3750%, 5/1/25 (144A)	7,110,000	7,554,375
Coca-Cola Femsa SAB de CV, 2.7500%, 1/22/30	2,607,000	2,714,096

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, 2021

	Shares or Principal Amounts	Value
Corporate Bonds– (continued)		
Consumer Non-Cyclical– (continued)		
CVS Health Corp, 5.0500%, 3/25/48	$2,563,000	$3,329,018
DaVita Inc, 4.6250%, 6/1/30 (144A)	4,493,000	4,619,792
DaVita Inc, 3.7500%, 2/15/31 (144A)	6,903,000	6,626,880
Diageo Capital PLC, 1.3750%, 9/29/25	3,173,000	3,225,018
Diageo Capital PLC, 2.0000%, 4/29/30	2,989,000	2,991,093
Diageo Capital PLC, 2.1250%, 4/29/32	2,398,000	2,408,144
Elanco Animal Health Inc, 5.2720%, 8/28/23	5,460,000	5,872,721
Hasbro Inc, 3.9000%, 11/19/29	8,515,000	9,467,661
Hasbro Inc, 6.3500%, 3/15/40	1,921,000	2,678,192
Hasbro Inc, 5.1000%, 5/15/44	1,990,000	2,432,528
HCA Inc, 4.7500%, 5/1/23	3,958,000	4,240,930
HCA Inc, 5.3750%, 2/1/25	2,189,000	2,469,192
HCA Inc, 5.8750%, 2/15/26	1,152,000	1,331,309
HCA Inc, 5.3750%, 9/1/26	883,000	1,016,112
HCA Inc, 5.6250%, 9/1/28	2,351,000	2,785,935
HCA Inc, 5.8750%, 2/1/29	1,902,000	2,296,665
HCA Inc, 3.5000%, 9/1/30	9,956,000	10,606,824
HCA Inc, 5.5000%, 6/15/47	1,035,000	1,348,007
HCA Inc, 5.2500%, 6/15/49	1,552,000	1,978,322
HCA Inc, 3.5000%, 7/15/51	5,333,000	5,330,570
JBS Finance Luxembourg Sarl, 3.6250%, 1/15/32 (144A)	3,765,000	3,763,833
JBS USA LUX SA / JBS USA Finance Inc, 6.7500%, 2/15/28 (144A)	2,573,000	2,827,084
JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc, 6.5000%, 4/15/29 (144A)	7,364,000	8,275,369
JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc, 5.5000%, 1/15/30 (144A)	5,277,000	5,901,691
JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc, 3.7500%, 12/1/31 (144A)	3,507,000	3,588,538
Kraft Heinz Foods Co, 3.8750%, 5/15/27	4,757,000	5,226,865
Kraft Heinz Foods Co, 5.0000%, 6/4/42	2,892,000	3,531,417
Kraft Heinz Foods Co, 4.3750%, 6/1/46	833,000	943,955
Kraft Heinz Foods Co, 4.8750%, 10/1/49	1,946,000	2,362,349
Mondelez International Inc, 2.7500%, 4/13/30	720,000	758,406
Organon Finance 1 LLC, 4.1250%, 4/30/28 (144A)	6,012,000	6,131,038
Royalty Pharma PLC, 3.5500%, 9/2/50 (144A)	3,923,000	3,901,995
Sysco Corp, 6.6000%, 4/1/50	1,422,000	2,208,883
		142,491,312
Electric – 0.5%		
Dominion Energy Inc, 3.3750%, 4/1/30	5,928,000	6,455,061
Duquesne Light Holdings Inc, 2.7750%, 1/7/32 (144A)	4,842,000	4,879,267
East Ohio Gas Co/The, 2.0000%, 6/15/30 (144A)	648,000	640,619
NextEra Energy Capital Holdings Inc, 2.7500%, 5/1/25	2,601,000	2,762,430
NRG Energy Inc, 7.2500%, 5/15/26	4,447,000	4,609,782
NRG Energy Inc, 6.6250%, 1/15/27	4,756,000	4,923,506
NRG Energy Inc, 3.3750%, 2/15/29 (144A)	4,783,000	4,681,457
NRG Energy Inc, 3.6250%, 2/15/31 (144A)	5,400,000	5,306,580
Pacific Gas and Electric Co, 3.0000%, 6/15/28	5,674,000	5,699,522
		39,958,224
Energy – 0.5%		
Cheniere Corpus Christi Holdings LLC, 3.7000%, 11/15/29	4,749,000	5,187,248
Cheniere Energy Inc, 4.6250%, 10/15/28 (144A)	6,335,000	6,683,425
Cheniere Energy Partners LP, 4.0000%, 3/1/31 (144A)	3,621,000	3,783,945
Continental Resources Inc, 5.7500%, 1/15/31 (144A)	5,520,000	6,610,200
Energy Transfer Operating LP, 5.8750%, 1/15/24	1,589,000	1,760,777
Energy Transfer Operating LP, 5.5000%, 6/1/27	1,185,000	1,389,750
Energy Transfer Operating LP, 4.9500%, 6/15/28	184,000	212,590
Hess Midstream Operations LP, 5.1250%, 6/15/28 (144A)	6,466,000	6,781,217
NGPL PipeCo LLC, 3.2500%, 7/15/31 (144A)	2,236,000	2,304,487
ONEOK Inc, 6.3500%, 1/15/31	3,407,000	4,405,803

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

	Shares or Principal Amounts	Value
Corporate Bonds– (continued)		
Energy– (continued)		
ONEOK Inc, 7.1500%, 1/15/51	$890,000	$1,308,372
		40,427,814
Finance Companies – 0.4%		
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, 4.6250%, 10/15/27	5,280,000	5,913,248
Air Lease Corp, 1.8750%, 8/15/26	4,823,000	4,826,727
Air Lease Corp, 3.0000%, 2/1/30	2,435,000	2,469,882
GE Capital International Funding Co Unlimited Co, 4.4180%, 11/15/35	8,684,000	10,407,613
Quicken Loans LLC, 3.6250%, 3/1/29 (144A)	4,435,000	4,379,562
Quicken Loans LLC, 3.8750%, 3/1/31 (144A)	6,482,000	6,530,550
		34,527,582
Financial Institutions – 0%		
Jones Lang LaSalle Inc, 4.4000%, 11/15/22	2,938,000	3,055,732
Industrial Conglomerates – 0.1%		
General Electric Co, ICE LIBOR USD 3 Month + 3.3300%, 3.4489%[‡,µ]	5,540,000	5,429,200
Information Technology Services – 0.1%		
Booz Allen Hamilton Inc, 3.8750%, 9/1/28 (144A)	5,412,000	5,520,240
Insurance – 0.6%		
Brown & Brown Inc, 4.5000%, 3/15/29	2,493,000	2,867,580
Brown & Brown Inc, 2.3750%, 3/15/31	955,000	954,184
Centene Corp, 5.3750%, 6/1/26 (144A)	6,910,000	7,220,950
Centene Corp, 4.2500%, 12/15/27	5,363,000	5,651,261
Centene Corp, 2.4500%, 7/15/28	6,624,000	6,713,424
Centene Corp, 3.0000%, 10/15/30	2,372,000	2,436,708
Centene Corp, 2.5000%, 3/1/31	1,618,000	1,595,753
Molina Healthcare Inc, 4.3750%, 6/15/28 (144A)	13,333,000	13,899,652
Prudential Financial Inc, US Treasury Yield Curve Rate 5 Year + 3.0350%, 3.7000%, 10/1/50[‡]	7,720,000	8,048,100
		49,387,612
Real Estate Investment Trusts (REITs) – 0.3%		
Agree LP, 2.0000%, 6/15/28	3,231,000	3,204,422
Agree LP, 2.9000%, 10/1/30	2,058,000	2,147,283
Agree LP, 2.6000%, 6/15/33	2,424,000	2,415,054
MPT Operating Partnership LP / MPT Finance Corp, 3.5000%, 3/15/31	5,909,000	5,968,031
Sun Communities Inc, 2.7000%, 7/15/31	6,161,000	6,160,376
		19,895,166
Technology – 1.9%		
Analog Devices Inc, 2.9500%, 4/1/25	2,815,000	3,011,887
Broadcom Inc, 4.1500%, 11/15/30	5,187,000	5,816,780
Broadcom Inc, 4.3000%, 11/15/32	4,150,000	4,725,711
Broadcom Inc, 3.4190%, 4/15/33 (144A)	5,082,000	5,336,935
Broadcom Inc, 3.4690%, 4/15/34 (144A)	8,000,000	8,462,036
Broadridge Financial Solutions Inc, 2.6000%, 5/1/31	5,341,000	5,438,436
CoStar Group Inc, 2.8000%, 7/15/30 (144A)	6,989,000	7,099,850
Equinix Inc, 2.1500%, 7/15/30	2,665,000	2,647,987
Marvell Technology Inc, 4.2000%, 6/22/23 (144A)	1,361,000	1,446,890
Marvell Technology Inc, 1.6500%, 4/15/26 (144A)	3,675,000	3,672,879
Marvell Technology Inc, 4.8750%, 6/22/28 (144A)	4,065,000	4,699,144
Marvell Technology Inc, 2.9500%, 4/15/31 (144A)	5,823,000	6,034,788
Microchip Technology Inc, 2.6700%, 9/1/23	6,452,000	6,719,884
Microchip Technology Inc, 4.2500%, 9/1/25	5,055,000	5,307,072
MSCI Inc, 4.0000%, 11/15/29 (144A)	422,000	445,210
MSCI Inc, 3.6250%, 9/1/30 (144A)	7,118,000	7,279,294
MSCI Inc, 3.8750%, 2/15/31 (144A)	6,019,000	6,246,277
PayPal Holdings Inc, 1.6500%, 6/1/25	2,243,000	2,301,990
Qorvo Inc, 3.3750%, 4/1/31 (144A)	5,951,000	6,202,251
Seagate HDD Cayman, 4.8750%, 6/1/27	212,000	233,730
Seagate HDD Cayman, 4.0910%, 6/1/29 (144A)	1,690,000	1,730,222
Seagate HDD Cayman, 3.1250%, 7/15/29 (144A)	988,000	957,288

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

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	Shares or Principal Amounts	Value
Corporate Bonds– (continued)		
Technology– (continued)		
Seagate HDD Cayman, 4.1250%, 1/15/31 (144A)	$1,741,000	$1,775,820
Sensata Technologies Inc, 3.7500%, 2/15/31 (144A)	2,439,000	2,411,756
SK Hynix Inc, 1.5000%, 1/19/26 (144A)	4,696,000	4,632,228
SK Hynix Inc, 2.3750%, 1/19/31 (144A)	3,075,000	2,994,221
Skyworks Solutions Inc, 0.9000%, 6/1/23	1,126,000	1,129,348
Skyworks Solutions Inc, 1.8000%, 6/1/26	1,755,000	1,777,110
Skyworks Solutions Inc, 3.0000%, 6/1/31	1,575,000	1,609,822
Switch Ltd, 4.1250%, 6/15/29 (144A)	4,148,000	4,256,885
Total System Services Inc, 4.8000%, 4/1/26	3,189,000	3,646,016
Trimble Inc, 4.7500%, 12/1/24	5,510,000	6,121,229
Trimble Inc, 4.9000%, 6/15/28	3,194,000	3,746,015
TSMC Global Ltd, 1.2500%, 4/23/26 (144A)	6,559,000	6,502,088
TSMC Global Ltd, 1.7500%, 4/23/28 (144A)	6,559,000	6,557,163
Twilio Inc, 3.6250%, 3/15/29	2,158,000	2,201,160
Twilio Inc, 3.8750%, 3/15/31	2,158,000	2,214,647
		147,392,049
Transportation – 0.1%		
GXO Logistics inc, 1.6500%, 7/15/26 (144A)	4,255,000	4,233,555
GXO Logistics inc, 2.6500%, 7/15/31 (144A)	2,815,000	2,792,396
		7,025,951
Total Corporate Bonds (cost $962,731,057)		1,000,651,270
Inflation-Indexed Bonds– 1.4%		
United States Treasury Inflation Indexed Bonds, 0.6250%, 4/15/23ÇÇ	30,434,780	32,193,696
United States Treasury Inflation Indexed Bonds, 0.1250%, 4/15/26ÇÇ	47,941,487	52,148,852
United States Treasury Inflation Indexed Bonds, 0.1250%, 1/15/31ÇÇ	19,008,531	20,917,056
Total Inflation-Indexed Bonds (cost $105,283,501)		105,259,604
Mortgage-Backed Securities– 5.0%		
Fannie Mae:		
1.5000%, TBA, 15 Year Maturity	1,180,441	1,194,240
2.0000%, TBA, 15 Year Maturity	10,750,785	11,087,500
2.5000%, TBA, 15 Year Maturity	8,099,200	8,445,036
2.0000%, TBA, 30 Year Maturity	29,455,483	29,754,456
2.5000%, TBA, 30 Year Maturity	59,717,563	61,753,932
3.5000%, TBA, 30 Year Maturity	20,048,900	21,101,467
		133,336,631
Fannie Mae Pool:		
3.0000%, 10/1/34	507,998	538,185
2.5000%, 11/1/34	352,557	371,059
3.0000%, 11/1/34	208,353	221,994
3.0000%, 12/1/34	217,812	231,870
6.0000%, 2/1/37	81,075	96,097
4.5000%, 11/1/42	438,808	486,315
3.0000%, 1/1/43	239,491	253,978
3.0000%, 2/1/43	67,541	71,766
3.0000%, 5/1/43	2,230,851	2,346,359
3.0000%, 5/1/43	532,795	566,476
5.0000%, 7/1/44	56,704	63,617
4.5000%, 10/1/44	1,127,694	1,264,818
4.5000%, 3/1/45	1,647,554	1,847,891
4.5000%, 6/1/45	961,595	1,068,301
3.5000%, 12/1/45	678,568	723,873
3.0000%, 1/1/46	81,551	86,005
4.5000%, 2/1/46	2,009,907	2,227,506
3.5000%, 7/1/46	1,120,295	1,212,672
3.0000%, 9/1/46	5,696,089	6,047,051
3.0000%, 2/1/47	18,341,081	19,471,155
3.0000%, 3/1/47	2,018,751	2,149,184
3.5000%, 3/1/47	586,359	625,507

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)		
3.5000%, 7/1/47	$502,833	$536,404
3.5000%, 8/1/47	405,080	428,228
3.5000%, 8/1/47	345,860	376,333
3.5000%, 12/1/47	168,347	183,180
3.5000%, 12/1/47	99,171	107,909
3.5000%, 1/1/48	1,132,660	1,215,981
4.0000%, 1/1/48	4,061,838	4,440,589
4.0000%, 1/1/48	4,017,101	4,383,392
3.0000%, 2/1/48	1,025,147	1,096,989
3.5000%, 3/1/48	154,523	168,055
4.0000%, 3/1/48	1,380,563	1,507,816
4.5000%, 3/1/48	50,622	54,494
3.0000%, 5/1/48	451,817	477,540
5.0000%, 5/1/48	1,231,022	1,345,022
3.5000%, 7/1/48	14,049,133	14,930,545
4.5000%, 8/1/48	29,742	31,984
3.0000%, 11/1/48	2,130,839	2,241,169
4.0000%, 2/1/49	691,409	737,232
3.0000%, 8/1/49	1,258,058	1,336,870
3.0000%, 9/1/49	235,536	248,238
2.5000%, 1/1/50	632,780	657,058
2.5000%, 10/1/50	1,109,623	1,149,780
2.5000%, 1/1/51	2,127,757	2,201,060
3.5000%, 8/1/56	3,938,213	4,275,145
3.0000%, 2/1/57	3,800,251	4,037,566
3.0000%, 6/1/57	72,194	76,702
		90,216,960
Freddie Mac Gold Pool:		
3.5000%, 1/1/47	424,622	457,439
Freddie Mac Pool:		
3.0000%, 5/1/31	4,867,436	5,146,907
3.0000%, 9/1/32	993,118	1,052,081
3.0000%, 10/1/32	503,673	531,004
3.0000%, 1/1/33	616,713	653,329
2.5000%, 12/1/33	4,956,537	5,190,905
3.0000%, 10/1/34	1,063,618	1,129,787
3.0000%, 10/1/34	433,401	459,135
2.5000%, 11/1/34	1,522,513	1,602,582
2.5000%, 11/1/34	307,894	324,086
6.0000%, 4/1/40	1,281,553	1,525,033
2.0000%, 5/1/41	22,494,590	22,995,238
3.5000%, 7/1/42	200,281	215,721
3.5000%, 8/1/42	265,492	285,961
3.5000%, 8/1/42	213,858	230,346
3.5000%, 2/1/43	707,538	762,921
3.0000%, 3/1/43	2,088,249	2,217,348
3.0000%, 6/1/43	146,495	153,119
3.5000%, 2/1/44	743,981	802,216
4.5000%, 5/1/44	372,798	414,169
3.5000%, 12/1/44	4,453,510	4,781,796
3.0000%, 1/1/45	1,117,284	1,183,887
3.0000%, 1/1/46	175,487	188,446
3.5000%, 7/1/46	999,952	1,077,393
3.0000%, 8/1/46	282,405	297,018
3.0000%, 10/1/46	2,318,192	2,457,423
4.0000%, 3/1/47	461,858	501,304
3.0000%, 4/1/47	429,386	451,604
3.5000%, 4/1/47	178,197	193,002
3.5000%, 9/1/47	1,638,395	1,732,008

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	Shares or Principal Amounts	Value
Mortgage-Backed Securities– (continued)		
Freddie Mac Pool– (continued)		
3.5000%, 12/1/47	$2,516,537	$2,714,058
3.5000%, 2/1/48	987,316	1,056,445
4.0000%, 3/1/48	1,217,229	1,329,798
4.5000%, 3/1/48	46,617	50,138
4.0000%, 4/1/48	1,440,674	1,533,364
4.0000%, 4/1/48	1,022,569	1,111,718
4.0000%, 5/1/48	1,796,916	1,916,400
4.5000%, 7/1/48	318,710	343,138
5.0000%, 9/1/48	133,178	145,836
4.5000%, 12/1/48	912,824	993,953
3.0000%, 8/1/49	913,596	964,194
3.0000%, 8/1/49	376,688	400,316
3.0000%, 12/1/49	582,509	607,190
3.0000%, 12/1/49	577,743	602,222
2.5000%, 1/1/50	259,549	269,521
3.0000%, 3/1/50	723,550	755,510
3.5000%, 3/1/50	301,536	320,147
		73,669,717
Ginnie Mae:		
2.0000%, TBA, 30 Year Maturity	44,216,122	45,024,393
2.5000%, TBA, 30 Year Maturity	20,540,500	21,245,861
		66,270,254
Ginnie Mae I Pool:		
4.0000%, 1/15/45	4,169,981	4,625,273
4.5000%, 8/15/46	4,363,963	4,920,789
4.0000%, 7/15/47	1,041,749	1,138,196
4.0000%, 8/15/47	199,913	218,422
4.0000%, 11/15/47	342,101	373,773
4.0000%, 12/15/47	403,822	441,209
		11,717,662
Ginnie Mae II Pool:		
4.0000%, 8/20/47	487,051	522,409
4.0000%, 8/20/47	98,193	105,629
4.0000%, 8/20/47	71,989	77,216
4.5000%, 2/20/48	596,132	642,955
4.0000%, 5/20/48	286,365	304,422
4.5000%, 5/20/48	1,238,282	1,346,784
4.5000%, 5/20/48	144,446	157,103
4.0000%, 6/20/48	2,874,740	3,053,305
5.0000%, 8/20/48	2,259,066	2,452,358
		8,662,181
Total Mortgage-Backed Securities (cost $378,325,390)		384,330,844
United States Treasury Notes/Bonds– 9.4%		
0.1250%, 2/28/23	157,629,000	157,431,964
0.1250%, 4/30/23	134,497,000	134,244,818
0.2500%, 5/15/24	9,749,000	9,695,685
0.3750%, 1/31/26	46,025,100	45,102,800
0.5000%, 2/28/26	86,943,000	85,625,270
0.7500%, 4/30/26	45,488,000	45,257,006
1.2500%, 4/30/28	2,498,600	2,506,408
0.8750%, 11/15/30	38,146,900	36,275,318
1.1250%, 2/15/31	12,629,800	12,260,773
1.6250%, 5/15/31	4,193,500	4,257,713
1.1250%, 5/15/40	3,805,000	3,284,785
1.3750%, 11/15/40	13,566,000	12,186,083
1.8750%, 2/15/41	24,068,000	23,560,316
2.2500%, 5/15/41	9,735,000	10,128,963
2.7500%, 8/15/42	29,504,500	33,246,731

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

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	Shares or Principal Amounts	Value
United States Treasury Notes/Bonds– (continued)		
1.3750%, 8/15/50	$46,677,000	$39,349,076
1.6250%, 11/15/50	63,839,100	57,335,492
1.8750%, 2/15/51	12,086,200	11,534,767
Total United States Treasury Notes/Bonds (cost $727,245,639)		723,283,968
Common Stocks– 64.5%		
Aerospace & Defense – 1.1%		
General Dynamics Corp	265,689	50,018,611
L3Harris Technologies Inc	153,731	33,228,956
		83,247,567
Air Freight & Logistics – 1.2%		
United Parcel Service Inc	454,323	94,485,554
Airlines – 0.4%		
Southwest Airlines Co*	567,982	30,154,164
Auto Components – 0.4%		
Aptiv PLC*	193,564	30,453,424
Banks – 1.5%		
Bank of America Corp	2,744,103	113,139,367
Beverages – 0.8%		
Constellation Brands Inc	56,868	13,300,857
Monster Beverage Corp*	569,305	52,006,012
		65,306,869
Biotechnology – 0.9%		
AbbVie Inc	594,110	66,920,550
Capital Markets – 2.8%		
Charles Schwab Corp	185,614	13,514,555
CME Group Inc	308,206	65,549,252
Morgan Stanley	1,206,488	110,622,885
S&P Global Inc	52,759	21,654,932
		211,341,624
Chemicals – 0.4%		
Sherwin-Williams Co	126,458	34,453,482
Communications Equipment – 0.5%		
Motorola Solutions Inc	168,671	36,576,306
Consumer Finance – 1.1%		
American Express Co	524,948	86,737,158
Electrical Equipment – 0.4%		
Rockwell Automation Inc	102,035	29,184,051
Electronic Equipment, Instruments & Components – 0.4%		
Corning Inc	674,663	27,593,717
Entertainment – 1.7%		
Activision Blizzard Inc	475,311	45,363,682
Netflix Inc*	45,559	24,064,719
Walt Disney Co*	366,442	64,409,510
		133,837,911
Food & Staples Retailing – 1.5%		
Costco Wholesale Corp	224,314	88,754,320
Sysco Corp	351,279	27,311,942
		116,066,262
Food Products – 0.5%		
Hershey Co	206,936	36,044,112
Health Care Equipment & Supplies – 2.7%		
Abbott Laboratories	593,112	68,759,474
Edwards Lifesciences Corp*	342,096	35,430,883
Intuitive Surgical Inc*	30,613	28,152,939
Medtronic PLC	338,686	42,041,093
Stryker Corp	114,031	29,617,272
		204,001,661
Health Care Providers & Services – 2.1%		
UnitedHealth Group Inc	405,202	162,259,089

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	Shares or Principal Amounts	Value
Common Stocks– (continued)		
Hotels, Restaurants & Leisure – 2.6%		
Hilton Worldwide Holdings Inc*	393,686	$47,486,405
McDonald's Corp	432,113	99,813,782
Starbucks Corp	455,867	50,970,489
		198,270,676
Household Products – 0.9%		
Procter & Gamble Co	508,412	68,600,031
Industrial Conglomerates – 1.1%		
Honeywell International Inc	385,241	84,502,613
Information Technology Services – 3.4%		
Accenture PLC	171,258	50,485,146
Fidelity National Information Services Inc	214,300	30,359,881
Mastercard Inc	497,021	181,457,397
		262,302,424
Insurance – 1.1%		
Progressive Corp	866,994	85,147,481
Interactive Media & Services – 3.6%		
Alphabet Inc - Class C*	109,118	273,484,626
Internet & Direct Marketing Retail – 3.7%		
Amazon.com Inc*	68,092	234,247,375
Booking Holdings Inc*	22,694	49,656,514
		283,903,889
Leisure Products – 0.5%		
Hasbro Inc	383,896	36,285,850
Life Sciences Tools & Services – 1.2%		
Illumina Inc*	65,944	31,205,360
Thermo Fisher Scientific Inc	125,501	63,311,489
		94,516,849
Machinery – 1.4%		
Deere & Co	229,063	80,792,811
Parker-Hannifin Corp	32,303	9,920,574
Trane Technologies PLC	83,679	15,408,651
		106,122,036
Media – 1.4%		
Comcast Corp	1,856,679	105,867,837
Multiline Retail – 1.0%		
Dollar General Corp	347,704	75,239,669
Personal Products – 0.3%		
Estee Lauder Cos Inc	65,620	20,872,410
Pharmaceuticals – 2.4%		
AstraZeneca PLC (ADR)	398,761	23,885,784
Eli Lilly & Co	444,964	102,128,137
Merck & Co Inc	793,852	61,737,870
		187,751,791
Real Estate Management & Development – 0.3%		
CBRE Group Inc*	295,202	25,307,667
Road & Rail – 0.1%		
CSX Corp	284,748	9,134,716
Semiconductor & Semiconductor Equipment – 4.7%		
Advanced Micro Devices Inc*	381,973	35,878,724
Lam Research Corp	205,620	133,796,934
NVIDIA Corp	148,081	118,479,608
Texas Instruments Inc	384,992	74,033,962
		362,189,228
Software – 8.6%		
Adobe Inc*	273,374	160,098,749
Autodesk Inc*	61,021	17,812,030
Cadence Design Systems Inc*	214,782	29,386,473
Microsoft Corp	1,471,142	398,532,368

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Schedule of Investments (unaudited)
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	Shares or Principal Amounts	Value
Common Stocks– (continued)		
Software– (continued)		
salesforce.com Inc*	232,449	$56,780,317
		662,609,937
Specialty Retail – 1.6%		
Home Depot Inc	374,981	119,577,691
Technology Hardware, Storage & Peripherals – 3.3%		
Apple Inc	1,858,731	254,571,798
Textiles, Apparel & Luxury Goods – 0.9%		
NIKE Inc	454,865	70,272,094
Total Common Stocks (cost $2,739,755,600)		4,948,334,181
Preferred Stocks– 0.2%		
Banks – 0.2%		
First Republic Bank/CA, 4.1250%µ	242,075	6,209,224
Truist Financial Corp, 4.7500%µ	264,250	7,034,335
Total Preferred Stocks (cost $12,658,125)		13,243,559
Investment Companies– 4.0%		
Money Markets – 4.0%		
Janus Henderson Cash Liquidity Fund LLC, 0.0636%∞,£ (cost $303,857,826)	303,832,709	303,863,092
Total Investments (total cost $5,651,645,506) – 103.1%		7,907,211,654
Liabilities, net of Cash, Receivables and Other Assets – (3.1)%		(235,584,754)
Net Assets – 100%		$7,671,626,900

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

Country	*Value*	*% of Investment Securities*
United States	$7,752,652,269	98.0 %
United Kingdom	63,371,786	0.8
France	14,913,552	0.2
Australia	13,603,650	0.2
Taiwan	13,059,251	0.2
Canada	10,179,067	0.1
Luxembourg	9,412,974	0.1
Ireland	8,258,496	0.1
South Korea	7,626,449	0.1
Belgium	5,746,505	0.1
Spain	5,673,559	0.1
Mexico	2,714,096	0.0
Total	$7,907,211,654	100.0 %

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Schedules of Affiliated Investments – (% of Net Assets)

	Dividend Income	Realized Gain/(Loss)	Change in Unrealized Appreciation/ Depreciation	Value at 6/30/21
Investment Companies - 4.0%				
Money Markets - 4.0%				
Janus Henderson Cash Liquidity Fund LLC, 0.0636%[°°]	$ 75,485	$ -	$ -	$ 303,863,092

	Value at 12/31/20	Purchases	Sales Proceeds	Value at 6/30/21
Investment Companies - 4.0%				
Money Markets - 4.0%				
Janus Henderson Cash Liquidity Fund LLC, 0.0636%[°°]	182,258,962	795,208,916	(673,604,786)	303,863,092

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

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.
ADR	American Depositary Receipt
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.
ULC	Unlimited Liability 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, 2021 is $664,767,171, which represents 8.7% 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, 2021. 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.
ÇÇ	Security is a U.S. Treasury Inflation-Protected Security (TIPS).
ºº	Rate shown is the 7-day yield as of June 30, 2021.
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.

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, 2021. 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	$ -	$ 395,835,820	$ -
Bank Loans and Mezzanine Loans	-	32,409,316	-
Corporate Bonds	-	1,000,651,270	-
Inflation-Indexed Bonds	-	105,259,604	-
Mortgage-Backed Securities	-	384,330,844	-
United States Treasury Notes/Bonds	-	723,283,968	-
Common Stocks	4,948,334,181	-	-
Preferred Stocks	-	13,243,559	-
Investment Companies	-	303,863,092	-
Total Assets	$ 4,948,334,181	$ 2,958,877,473	$ -

Janus Henderson VIT Balanced Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2021

Assets:		
Unaffiliated investments, at value (cost $5,347,787,680)	$	7,603,348,562
Affiliated investments, at value (cost $303,857,826)		303,863,092
Cash		505,213
Non-interested Trustees' deferred compensation		186,701
Receivables:		
Interest		11,234,936
Investments sold		9,723,392
Portfolio shares sold		5,427,511
Dividends		1,533,004
Dividends from affiliates		13,547
Other assets		13,230
Total Assets		7,935,849,188
Liabilities:		
Payables:		
TBA investments purchased		209,053,540
Investments purchased		48,405,273
Advisory fees		3,387,904
12b-1 Distribution and shareholder servicing fees		1,441,097
Portfolio shares repurchased		1,186,525
Transfer agent fees and expenses		320,765
Non-interested Trustees' deferred compensation fees		186,701
Professional fees		31,739
Non-interested Trustees' fees and expenses		26,340
Affiliated portfolio administration fees payable		15,400
Custodian fees		6,307
Accrued expenses and other payables		160,697
Total Liabilities		264,222,288
Net Assets	$	7,671,626,900
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	5,262,092,892
Total distributable earnings (loss)		2,409,534,008
Total Net Assets	$	7,671,626,900
Net Assets - Institutional Shares	$	487,954,957
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		10,448,236
Net Asset Value Per Share	$	46.70
Net Assets - Service Shares	$	7,183,671,943
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		145,338,870
Net Asset Value Per Share	$	49.43

See Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2021

Investment Income:		
Interest	$	29,565,394
Dividends		27,915,347
Dividends from affiliates		75,485
Other income		185,793
Foreign tax withheld		(8,252)
Total Investment Income		57,733,767
Expenses:		
Advisory fees		18,951,717
12b-1 Distribution and shareholder servicing fees:		
Service Shares		8,041,184
Transfer agent administrative fees and expenses:		
Institutional Shares		114,647
Service Shares		1,608,237
Other transfer agent fees and expenses:		
Institutional Shares		11,310
Service Shares		64,248
Affiliated portfolio administration fees		107,927
Shareholder reports expense		78,501
Professional fees		52,374
Non-interested Trustees' fees and expenses		50,942
Custodian fees		20,163
Registration fees		7,623
Other expenses		179,124
Total Expenses		29,287,997
Net Investment Income/(Loss)		28,445,770
Net Realized Gain/(Loss) on Investments:		
Investments		163,429,222
Total Net Realized Gain/(Loss) on Investments		163,429,222
Change in Unrealized Net Appreciation/Depreciation:		
Investments and non-interested Trustees' deferred compensation		391,258,194
Total Change in Unrealized Net Appreciation/Depreciation		391,258,194
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	583,133,186

See Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Statements of Changes in Net Assets

		Period ended June 30, 2021 (unaudited)		Year ended December 31, 2020
Operations:				
Net investment income/(loss)	$	28,445,770	$	73,841,683
Net realized gain/(loss) on investments		163,429,222		57,037,728
Change in unrealized net appreciation/depreciation		391,258,194		675,809,821
Net Increase/(Decrease) in Net Assets Resulting from Operations		583,133,186		806,689,232
Dividends and Distributions to Shareholders:				
Institutional Shares		(6,234,497)		(14,605,878)
Service Shares		(79,456,433)		(160,131,796)
Net Decrease from Dividends and Distributions to Shareholders		(85,690,930)		(174,737,674)
Capital Share Transactions:				
Institutional Shares		(8,980,336)		(25,132,978)
Service Shares		501,833,480		782,520,443
Net Increase/(Decrease) from Capital Share Transactions		492,853,144		757,387,465
Net Increase/(Decrease) in Net Assets		990,295,400		1,389,339,023
Net Assets:				
Beginning of period		6,681,331,500		5,291,992,477
End of period	$	7,671,626,900	$	6,681,331,500

See Notes to Financial Statements.

Janus Henderson VIT Balanced Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$43.58	$39.48	$33.75	$35.27	$30.32	$30.08
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.23	0.61	0.74	0.66	0.64	0.58
Net realized and unrealized gain/(loss)	3.50	4.86	6.74	(0.42)	4.92	0.77
Total from Investment Operations	3.73	5.47	7.48	0.24	5.56	1.35
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.24)	(0.73)	(0.72)	(0.77)	(0.54)	(0.67)
Distributions (from capital gains)	(0.37)	(0.64)	(1.03)	(0.99)	(0.07)	(0.44)
Total Dividends and Distributions	(0.61)	(1.37)	(1.75)	(1.76)	(0.61)	(1.11)
Net Asset Value, End of Period	$46.70	$43.58	$39.48	$33.75	$35.27	$30.32
Total Return*	8.56%	14.31%	22.59%	0.68%	18.43%	4.60%
Net Assets, End of Period (in thousands)	$487,955	$464,280	$446,026	$402,796	$429,403	$403,833
Average Net Assets for the Period (in thousands)	$470,049	$430,893	$426,775	$429,843	$417,575	$413,338
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.61%	0.62%	0.62%	0.63%	0.63%	0.62%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.61%	0.62%	0.62%	0.63%	0.63%	0.62%
Ratio of Net Investment Income/(Loss)	1.05%	1.54%	1.99%	1.85%	1.94%	1.94%
Portfolio Turnover Rate	34%(2)	80%(2)	79%(2)	97%(2)	67%(2)	80%

Service Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$46.11	$41.70	$35.59	$37.09	$31.89	$31.61
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.19	0.54	0.68	0.60	0.58	0.53
Net realized and unrealized gain/(loss)	3.69	5.15	7.11	(0.44)	5.17	0.80
Total from Investment Operations	3.88	5.69	7.79	0.16	5.75	1.33
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.19)	(0.64)	(0.65)	(0.67)	(0.48)	(0.61)
Distributions (from capital gains)	(0.37)	(0.64)	(1.03)	(0.99)	(0.07)	(0.44)
Total Dividends and Distributions	(0.56)	(1.28)	(1.68)	(1.66)	(0.55)	(1.05)
Net Asset Value, End of Period	$49.43	$46.11	$41.70	$35.59	$37.09	$31.89
Total Return*	8.43%	14.05%	22.27%	0.43%	18.13%	4.32%
Net Assets, End of Period (in thousands)	$7,183,672	$6,217,051	$4,845,966	$3,445,696	$2,887,613	$2,227,878
Average Net Assets for the Period (in thousands)	$6,588,762	$5,239,258	$4,109,486	$3,235,435	$2,523,514	$1,938,234
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.85%	0.87%	0.87%	0.88%	0.88%	0.87%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.85%	0.87%	0.87%	0.88%	0.88%	0.87%
Ratio of Net Investment Income/(Loss)	0.80%	1.28%	1.74%	1.62%	1.69%	1.71%
Portfolio Turnover Rate	34%(2)	80%(2)	79%(2)	97%(2)	67%(2)	80%

* 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 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 principles ("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, 2021 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.

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 Fund 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 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. Extremely low or negative interest rates may become more prevalent or may not work as intended. As there is little precedent for this situation, the impact on various markets that interest rate or other significant policy changes may have is unknown. 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, including those which may be attributable to global climate change, 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 Management LLC ("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. 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.

A number of countries in the European Union (the "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. These difficulties may continue, worsen, or spread further within the EU. 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,” which immediately led to significant market volatility around the world, as well as political, economic and legal uncertainty. The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, which expired on December 31, 2020. The negative impact on not only the United Kingdom and European economies could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on the United Kingdom and/or Europe for their business activities and revenues. Any further exits from the EU, or an increase in the belief that such exits are likely or possible, would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

Inflation-Linked Securities
The Portfolio may invest in inflation-indexed bonds, including municipal inflation-indexed bonds and corporate inflation-indexed bonds, or in derivatives that are linked to these securities. Inflation-linked bonds are fixed-income securities that have a principal value that is periodically adjusted according to the rate of inflation. If an index measuring inflation falls, the principal value of inflation-indexed bonds will typically be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. Because of their inflation adjustment feature, inflation-linked bonds typically have lower yields than conventional fixed-rate bonds. In addition, inflation-linked bonds also normally decline in price when real interest rates rise. In the event of deflation, when prices decline over time, the principal and income of inflation-linked bonds would likely decline, resulting in losses to the Portfolio.

In the case of Treasury Inflation-Protected Securities, also known as TIPS, repayment of original bond principal upon maturity (as adjusted for inflation) is guaranteed by the U.S. Treasury. For inflation-linked bonds that do not provide a similar guarantee, the adjusted principal value of the inflation-linked bond repaid at maturity may be less than the original principal. Other non-U.S. sovereign governments also issue inflation-linked securities (sometimes referred to as “linkers”) that are tied to their own local consumer price indices. In certain of these non-U.S. jurisdictions, the repayment of the original bond principal upon the maturity of an inflation-linked bond is not guaranteed, allowing for the amount of the bond repaid at maturity to be less than par. Inflation-linked bonds may also be issued by, or related to, sovereign governments of other developed countries, emerging market countries, or companies or other entities not affiliated with governments.

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, 2021.

- **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 and commercial 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 as to the timely payment of principal and interest by the full faith and credit of the U.S. Government. 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, extension risk (if interest rates rise), 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.

To facilitate TBA commitments, the Portfolio is required to segregate or otherwise earmark liquid assets marked to market daily in an amount at least equal to such TBA commitments. Rules of the Financial Industry Regulatory Authority ("FINRA") which are expected to be effective in October 2021, include mandatory margin requirements for TBA commitments which, in some circumstances, will require the Portfolio to also post collateral. These collateral requirements may increase costs associated with the Portfolio's participation in the TBA market.

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. If the Portfolio remains substantially fully invested at a time when when-issued, delayed delivery, or forward commitment purchases (including TBA commitments) 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 $16,571 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2021. 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, 2021 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, 2021 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 $308,300 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2021.

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, 2021 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

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, 2021 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)*
$ 5,669,911,688	$2,251,553,674	$(14,253,708)	$ 2,237,299,966

5. Capital Share Transactions

	Period ended June 30, 2021		Year ended December 31, 2020	
	Shares	Amount	Shares	Amount
Institutional Shares:				
Shares sold	344,424	$ 15,411,887	833,472	$ 32,931,124
Reinvested dividends and distributions	135,591	6,234,497	377,963	14,605,878
Shares repurchased	(684,233)	(30,626,720)	(1,857,858)	(72,669,980)
Net Increase/(Decrease)	(204,218)	$ (8,980,336)	(646,423)	$ (25,132,978)
Service Shares:				
Shares sold	11,870,155	$563,905,898	21,712,567	$911,634,210
Reinvested dividends and distributions	1,632,555	79,456,433	3,917,443	160,131,796
Shares repurchased	(2,999,779)	(141,528,851)	(7,010,260)	(289,245,563)
Net Increase/(Decrease)	10,502,931	$501,833,480	18,619,750	$782,520,443

6. Purchases and Sales of Investment Securities

For the period ended June 30, 2021, 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
$1,256,862,387	$1,428,743,096	$ 1,398,593,540	$ 872,494,259

7. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2021 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 files its complete portfolio holdings (schedule of investments) with the SEC 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 shareholders. The Portfolio's Form N-PORT filings and annual and semiannual reports: (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 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 9, 2020, 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, 2021 through February 1, 2022, 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, 2020, approximately 75% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers, and for the 12 months ended September 30, 2020, approximately 62% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers.

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, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile for the 12 months ended May 31, 2020. 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 Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving.

- 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, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile-for the 12 months ended May 31, 2020. 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.
- For Janus Henderson Global Technology and Innovation Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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 and Perkins had taken or were taking to improve performance.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- 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, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020.

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 fees and any administration fees 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 comparable mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of the respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 9% under the average management fees for the respective Broadridge Expense Group. 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 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 operate in markets very distinct relative to retail funds; 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) 9 of 10 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) 5 of 8 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 2019, 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 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, 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 Technology and Innovation Portfolio, the Trustees noted that the Fund's total expenses were below the peer group 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 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 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 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 exists 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 fixed base rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 73% of these Janus Henderson Funds' 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 of those 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

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 significant investments made by Janus Capital and its affiliates related to services provided to the Funds and 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 economies of scale 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 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

The 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 of the Portfolio (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 Risk Working Group").

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, 2021, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from January 1, 2020 through December 31, 2020 (the "Reporting Period").

The Program Administrator Report discussed the operation and effectiveness of the LRMP during the Reporting Period. It noted that the Portfolio was able to meet redemptions during the normal course of business during the Reporting Period, and discussed the additional actions that the Liquidity Risk Working Group took during the period of market volatility in the spring of 2020 to monitor the Portfolio's liquidity. The Program Administrator Report also stated that the Portfolio did not exceed the 15% limit on illiquid assets during the Reporting Period, that the Portfolio held primarily highly liquid assets, and was considered to be a primarily highly liquid fund 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.

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

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

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. 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. 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
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 08-21

SEMIANNUAL REPORT
June 30, 2021

Janus Henderson VIT Enterprise Portfolio

Janus Aspen Series

HIGHLIGHTS

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

Janus Henderson INVESTORS

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Janus Henderson VIT Enterprise Portfolio

PORTFOLIO SNAPSHOT

By taking a moderate approach to an asset class with potential for rapid growth, this mid-cap growth fund has demonstrated lower volatility than the index. Unlike other competitor products that focus on short-term growth rates, this strategy seeks to invest in companies that exhibit sustainable and durable growth.

Philip Cody Wheaton
co-portfolio manager

Brian Demain
co-portfolio manager

Janus Henderson VIT Enterprise Portfolio (unaudited)
Portfolio At A Glance
June 30, 2021

5 Top Contributors - Holdings

	Average Weight	Relative Contribution
Lam Research Corp	1.71%	0.46%
LPL Financial Holdings Inc	2.46%	0.36%
CarMax Inc	1.70%	0.34%
Sealed Air Corp	1.15%	0.29%
Waters Corp	1.15%	0.28%

5 Top Detractors - Holdings

	Average Weight	Relative Contribution
Nice Ltd (ADR)	2.30%	-0.67%
Global Payments Inc	1.69%	-0.45%
Ritchie Bros Auctioneers Inc	1.36%	-0.40%
Ceridian HCM Holding Inc	1.41%	-0.30%
SS&C Technologies Holdings Inc	2.52%	-0.29%

5 Top Contributors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell Midcap Growth Index Average Weight
Financials	1.06%	11.25%	3.44%
Materials	0.54%	1.15%	2.02%
Consumer Staples	0.35%	0.00%	3.39%
Communication Services	0.18%	0.55%	6.47%
Energy	0.00%	1.40%	0.53%

5 Top Detractors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell Midcap Growth Index Average Weight
Health Care	-1.13%	17.52%	21.91%
Industrials	-0.71%	14.69%	11.96%
Information Technology	-0.53%	37.81%	37.55%
Other**	-0.33%	3.70%	0.00%
Consumer Discretionary	-0.13%	8.04%	11.01%

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)
Portfolio At A Glance
June 30, 2021

5 Largest Equity Holdings - (% of Net Assets)

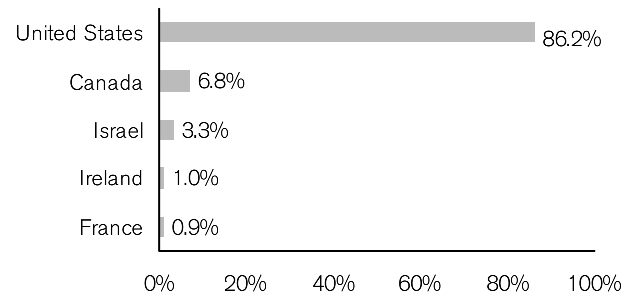
KLA Corp	
Semiconductor & Semiconductor Equipment	2.8%
SS&C Technologies Holdings Inc	
Software	2.6%
LPL Financial Holdings Inc	
Capital Markets	2.5%
TE Connectivity Ltd	
Electronic Equipment, Instruments & Components	2.3%
Broadridge Financial Solutions Inc	
Information Technology Services	2.3%
	12.5%

Asset Allocation - (% of Net Assets)

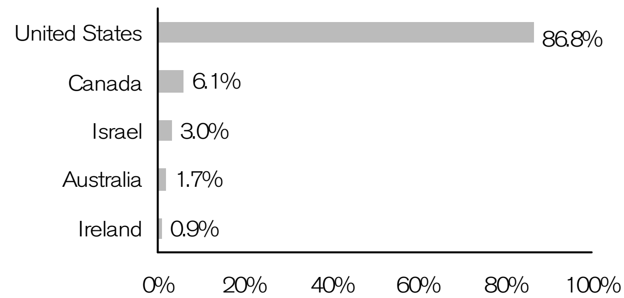
Common Stocks	97.8%
Investment Companies	2.1%
Investments Purchased with Cash Collateral from Securities Lending	0.6%
Other	(0.5)%
	100.0%

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

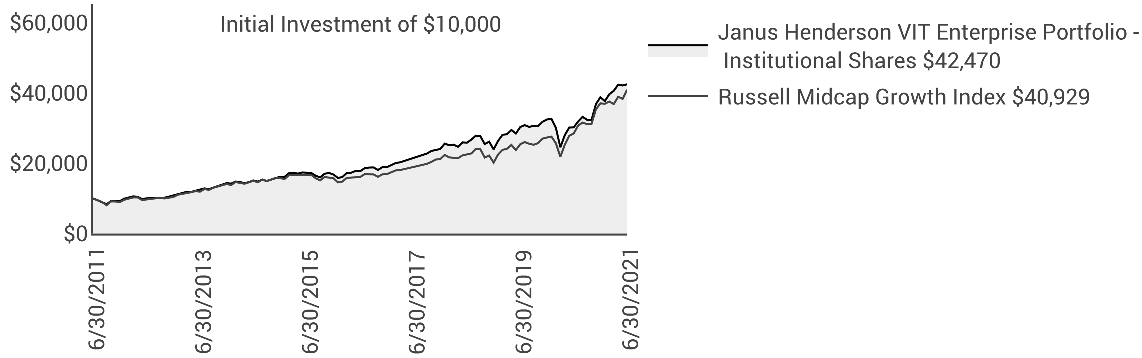
As of June 30, 2021



As of December 31, 2020



Janus Henderson VIT Enterprise Portfolio (unaudited)
Performance



Average Annual Total Return - for the periods ended June 30, 2021	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Prospectus Expense Ratios: Total Annual Fund Operating Expenses‡
Institutional Shares	9.47%	40.51%	19.07%	15.56%	11.87%	0.72%
Service Shares	9.33%	40.15%	18.77%	15.27%	11.59%	0.97%
Russell Midcap Growth Index	10.44%	43.77%	20.52%	15.13%	11.16%	
Morningstar Quartile - Institutional Shares	-	3rd	3rd	1st	2nd	
Morningstar Ranking - based on total returns for Mid-Cap Growth Funds	-	409/583	336/539	106/503	46/150	

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 foreign and emerging markets, fixed income securities, high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), non-diversification, portfolio turnover, derivatives, short sales, initial public offerings (IPOs) and potential conflicts of interest. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

High absolute short-term performance is not typical and may not be achieved in the future. Such results should not be the sole basis for evaluating material facts in making an investment decision.

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 important disclosures on the next page.

Janus Henderson VIT Enterprise Portfolio (unaudited)
Performance

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 Enterprise 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 (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Beginning Account Value (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Net Annualized Expense Ratio (1/1/21 - 6/30/21)
Institutional Shares	$1,000.00	$1,094.70	$3.69	$1,000.00	$1,021.27	$3.56	0.71%
Service Shares	$1,000.00	$1,093.30	$4.93	$1,000.00	$1,020.08	$4.76	0.95%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 181/365 (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, 2021

	Shares or Principal Amounts	Value
Common Stocks– 97.8%		
Aerospace & Defense – 2.9%		
L3Harris Technologies Inc	111,517	$24,104,400
Teledyne Technologies Inc*	62,980	26,377,913
		50,482,313
Airlines – 0.9%		
Ryanair Holdings PLC (ADR)*	144,035	15,586,027
Auto Components – 0.6%		
Visteon Corp*	83,313	10,075,874
Banks – 1.0%		
SVB Financial Group*	29,796	16,579,388
Biotechnology – 2.5%		
Abcam PLC (ADR)*	217,491	4,141,029
Ascendis Pharma A/S (ADR)*	43,606	5,736,369
BioMarin Pharmaceutical Inc*	131,071	10,936,564
Emergent BioSolutions Inc*	77,304	4,869,379
Neurocrine Biosciences Inc*	123,256	11,995,274
Sarepta Therapeutics Inc*	79,924	6,213,292
		43,891,907
Capital Markets – 4.5%		
Cboe Global Markets Inc	111,698	13,297,647
Charles Schwab Corp	124,674	9,077,514
LPL Financial Holdings Inc	318,706	43,018,936
MSCI Inc	23,722	12,645,724
		78,039,821
Commercial Services & Supplies – 3.1%		
Cimpress PLC*	150,495	16,315,163
Edenred	266,708	15,193,929
Ritchie Bros Auctioneers Inc	370,885	21,986,063
		53,495,155
Containers & Packaging – 0.9%		
Sealed Air Corp	254,561	15,082,739
Diversified Consumer Services – 1.7%		
Courser Inc*,#	46,793	1,851,131
frontdoor Inc*	259,707	12,938,603
Terminix Global Holdings Inc*	320,713	15,301,217
		30,090,951
Electric Utilities – 1.4%		
Alliant Energy Corp	436,714	24,351,173
Electrical Equipment – 1.8%		
Sensata Technologies Holding PLC*	548,418	31,791,791
Electronic Equipment, Instruments & Components – 5.5%		
Dolby Laboratories Inc	127,415	12,523,620
Flex Ltd*	1,330,400	23,774,248
National Instruments Corp	439,730	18,591,784
TE Connectivity Ltd	297,727	40,255,668
		95,145,320
Entertainment – 0.8%		
Liberty Media Corp-Liberty Formula One*	304,044	14,657,961
Equity Real Estate Investment Trusts (REITs) – 2.4%		
Crown Castle International Corp	37,064	7,231,186
Lamar Advertising Co	333,522	34,826,367
		42,057,553
Health Care Equipment & Supplies – 8.2%		
Boston Scientific Corp*	899,817	38,476,175
Cooper Cos Inc	94,163	37,313,972
Dentsply Sirona Inc	287,160	18,165,742
ICU Medical Inc*	76,971	15,840,632
STERIS PLC	78,372	16,168,144

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, 2021

	Shares or Principal Amounts	Value
Common Stocks– (continued)		
Health Care Equipment & Supplies– (continued)		
Teleflex Inc	39,346	$15,808,829
		141,773,494
Health Care Technology – 0.1%		
Doximity Inc - Class A*	22,722	1,322,420
Hotels, Restaurants & Leisure – 1.4%		
Aramark	353,233	13,157,929
GVC Holdings PLC*	429,793	10,376,118
		23,534,047
Information Technology Services – 12.1%		
Amdocs Ltd	390,967	30,245,207
Broadridge Financial Solutions Inc	243,635	39,354,362
Fidelity National Information Services Inc	199,502	28,263,448
Global Payments Inc	148,932	27,930,707
GoDaddy Inc*	422,516	36,741,991
WEX Inc*	146,626	28,430,781
Wix.com Ltd*	65,073	18,889,390
		209,855,886
Insurance – 6.1%		
Aon PLC	159,109	37,988,865
Intact Financial Corp	267,396	36,333,839
Oscar Health Inc - Class A*,#	116,407	2,502,751
WR Berkley Corp	390,009	29,028,370
		105,853,825
Internet & Direct Marketing Retail – 1.2%		
Wayfair Inc*,#	66,522	21,001,661
Life Sciences Tools & Services – 4.2%		
ICON PLC*	8,122	1,678,899
Illumina Inc*	29,154	13,795,964
PerkinElmer Inc	98,426	15,197,959
PRA Health Sciences Inc*	135,378	22,365,799
Waters Corp*	57,809	19,979,369
		73,017,990
Machinery – 2.9%		
Ingersoll Rand Inc*	427,312	20,857,099
Rexnord Corp	354,726	17,750,489
Wabtec Corp	138,337	11,385,135
		49,992,723
Oil, Gas & Consumable Fuels – 1.5%		
Magellan Midstream Partners LP	536,430	26,236,791
Pharmaceuticals – 2.4%		
Catalent Inc*	209,668	22,669,304
Elanco Animal Health Inc*	453,126	15,718,941
Royalty Pharma PLC - Class A	85,249	3,494,357
		41,882,602
Professional Services – 0.7%		
Verisk Analytics Inc	67,174	11,736,641
Real Estate Management & Development – 0.6%		
Redfin Corp*	162,405	10,298,101
Road & Rail – 1.9%		
JB Hunt Transport Services Inc	206,490	33,647,546
Semiconductor & Semiconductor Equipment – 8.2%		
KLA Corp	151,315	49,057,836
Lam Research Corp	37,734	24,553,514
Microchip Technology Inc	180,278	26,994,828
NXP Semiconductors NV	67,266	13,837,962
ON Semiconductor Corp*	745,279	28,529,280
		142,973,420

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, 2021

	Shares or Principal Amounts	Value
Common Stocks– (continued)		
Software – 10.7%		
Atlassian Corp PLC*	48,654	$12,497,266
Ceridian HCM Holding Inc*	259,960	24,935,363
Constellation Software Inc/Canada	25,668	38,881,201
Dynatrace Inc*	217,904	12,729,952
j2 Global Inc*	66,856	9,196,043
Nice Ltd (ADR)*	152,715	37,790,854
SS&C Technologies Holdings Inc	632,117	45,550,351
Topicus.com Inc*	47,167	3,426,971
		185,008,001
Specialty Retail – 3.3%		
Burlington Stores Inc*	44,576	14,353,026
CarMax Inc*	256,819	33,168,174
Vroom Inc*,#	237,086	9,924,420
		57,445,620
Textiles, Apparel & Luxury Goods – 1.1%		
Gildan Activewear Inc	508,994	18,792,058
Trading Companies & Distributors – 1.2%		
Ferguson PLC	151,231	21,021,446
Total Common Stocks (cost $899,578,407)		1,696,722,245
Investment Companies– 2.1%		
Money Markets – 2.1%		
Janus Henderson Cash Liquidity Fund LLC, 0.0636%∞,£ (cost $36,994,152)	36,990,453	36,994,152
Investments Purchased with Cash Collateral from Securities Lending– 0.6%		
Investment Companies – 0.5%		
Janus Henderson Cash Collateral Fund LLC, 0.0011%∞,£	8,682,250	8,682,250
Time Deposits – 0.1%		
Royal Bank of Canada, 0.0500%, 7/1/21	$2,170,563	2,170,563
Total Investments Purchased with Cash Collateral from Securities Lending (cost $10,852,813)		10,852,813
Total Investments (total cost $947,425,372) – 100.5%		1,744,569,210
Liabilities, net of Cash, Receivables and Other Assets – (0.5)%		(9,500,920)
Net Assets – 100%		$1,735,068,290

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

Country	Value	% of Investment Securities
United States	$1,503,259,197	86.2 %
Canada	119,420,132	6.8
Israel	56,680,244	3.3
Ireland	17,264,926	1.0
France	15,193,929	0.9
United Kingdom	14,517,147	0.8
Australia	12,497,266	0.7
Denmark	5,736,369	0.3
Total	$1,744,569,210	100.0 %

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, 2021

Schedules of Affiliated Investments – (% of Net Assets)

		Dividend Income		Realized Gain/(Loss)		Change in Unrealized Appreciation/ Depreciation		Value at 6/30/21
Investment Companies - 2.1%								
Money Markets - 2.1%								
Janus Henderson Cash Liquidity Fund LLC, 0.0636%[ºº]	$	22,061	$	3,439	$	(3,439)	$	36,994,152
Investments Purchased with Cash Collateral from Securities Lending - 0.5%								
Investment Companies - 0.5%								
Janus Henderson Cash Collateral Fund LLC, 0.0011%[ºº]		7,166[Δ]		-		-		8,682,250
Total Affiliated Investments - 2.6%	$	29,227	$	3,439	$	(3,439)	$	45,676,402

	Value at 12/31/20	Purchases	Sales Proceeds	Value at 6/30/21
Investment Companies - 2.1%				
Money Markets - 2.1%				
Janus Henderson Cash Liquidity Fund LLC, 0.0636%[ºº]	67,878,884	153,768,801	(184,653,533)	36,994,152
Investments Purchased with Cash Collateral from Securities Lending - 0.5%				
Investment Companies - 0.5%				
Janus Henderson Cash Collateral Fund LLC, 0.0011%[ºº]	2,859,857	57,158,549	(51,336,156)	8,682,250

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

Schedule of Forward Foreign Currency Exchange Contracts

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	8/5/21	(10,128,000)	$ 8,388,116	$ 216,433
Euro	8/5/21	1,300,000	(1,593,904)	(51,465)
Euro	8/5/21	(4,161,000)	5,095,644	158,654
				323,622
Citibank, National Association:				
Canadian Dollar	8/5/21	903,000	(741,270)	(12,693)
Canadian Dollar	8/5/21	(6,513,000)	5,384,393	129,439
Euro	8/5/21	(4,921,000)	6,030,937	192,214
				308,960
Credit Suisse International:				
Canadian Dollar	8/5/21	(15,859,000)	13,150,442	354,755
Euro	8/5/21	349,000	(427,792)	(13,707)
				341,048
HSBC Securities (USA), Inc.:				
Canadian Dollar	8/5/21	(10,862,000)	8,994,477	230,572
Euro	8/5/21	(5,887,800)	7,214,027	228,204
				458,776
JPMorgan Chase Bank, National Association:				
Canadian Dollar	8/5/21	(952,000)	788,779	20,666
Euro	8/5/21	(13,889,000)	17,011,800	532,625
				553,291
State Street:				
Canadian Dollar	8/5/21	(27,000)	22,408	624
Euro	8/5/21	(392,000)	480,398	15,293
				15,917
Total				$ 2,001,614

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

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, 2021.

Fair Value of Derivative Instruments (not accounted for as hedging instruments) as of June 30, 2021

	Currency Contracts
Asset Derivatives:	
Forward foreign currency exchange contracts	$2,079,479
Liability Derivatives:	
Forward foreign currency exchange contracts	$ 77,865

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, 2021.

The effect of Derivative Instruments (not accounted for as hedging instruments) on the Statement of Operations for the period ended June 30, 2021

Amount of Realized Gain/(Loss) Recognized on Derivatives

Derivative	*Currency Contracts*
Forward foreign currency exchange contracts	$(1,951,311)

Amount of Change in Unrealized Appreciation/Depreciation Recognized on Derivatives

Derivative	*Currency Contracts*
Forward foreign currency exchange contracts	$ 2,199,004

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, 2021

	Market Value[(a)]
Forward foreign currency exchange contracts, purchased	$ 14,350,610
Forward foreign currency exchange contracts, sold	82,905,960

(a) Forward foreign currency exchange contracts are reported as the average ending monthly currency amount purchased or 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, 2021.
#	Loaned security; a portion of the security is on loan at June 30, 2021.
£	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, 2021. 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	$ 1,696,722,245	$ -	$ -
Investment Companies	-	36,994,152	-
Investments Purchased with Cash Collateral from Securities Lending	-	10,852,813	-
Total Investments in Securities	$ 1,696,722,245	$ 47,846,965	$ -
Other Financial Instruments(a):			
Forward Foreign Currency Exchange Contracts	-	2,079,479	-
Total Assets	$ 1,696,722,245	$ 49,926,444	$ -
Liabilities			
Other Financial Instruments(a):			
Forward Foreign Currency Exchange Contracts	$ -	$ 77,865	$ -

(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, 2021

Assets:		
Unaffiliated investments, at value (cost $901,748,970)[1]	$	1,698,892,808
Affiliated investments, at value (cost $45,676,402)		45,676,402
Forward foreign currency exchange contracts		2,079,479
Non-interested Trustees' deferred compensation		42,245
Receivables:		
Investments sold		4,743,294
Portfolio shares sold		1,549,007
Dividends		671,822
Dividends from affiliates		1,738
Other assets		4,068
Total Assets		1,753,660,863
Liabilities:		
Foreign cash due to custodian		174
Collateral for securities loaned (Note 3)		10,852,813
Forward foreign currency exchange contracts		77,865
Payables:		
Investments purchased		4,954,184
Portfolio shares repurchased		1,371,337
Advisory fees		911,703
12b-1 Distribution and shareholder servicing fees		200,412
Transfer agent fees and expenses		75,759
Non-interested Trustees' deferred compensation fees		42,245
Professional fees		23,966
Non-interested Trustees' fees and expenses		6,616
Affiliated portfolio administration fees payable		3,561
Custodian fees		2,430
Accrued expenses and other payables		69,508
Total Liabilities		18,592,573
Net Assets	$	1,735,068,290
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	799,781,071
Total distributable earnings (loss)		935,287,219
Total Net Assets	$	1,735,068,290
Net Assets - Institutional Shares	$	744,228,084
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		7,902,424
Net Asset Value Per Share	$	94.18
Net Assets - Service Shares	$	990,840,206
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		11,418,752
Net Asset Value Per Share	$	86.77

(1) Includes $10,629,969 of securities on loan. See Note 3 in Notes to Financial Statements.

See Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2021

Investment Income:		
Dividends	$	9,419,898
Dividends from affiliates		22,061
Affiliated securities lending income, net		7,166
Unaffiliated securities lending income, net		159
Foreign tax withheld		(143,681)
Total Investment Income		9,305,603
Expenses:		
Advisory fees		5,428,726
12b-1 Distribution and shareholder servicing fees:		
Service Shares		1,167,273
Transfer agent administrative fees and expenses:		
Institutional Shares		190,665
Service Shares		233,455
Other transfer agent fees and expenses:		
Institutional Shares		19,037
Service Shares		9,636
Shareholder reports expense		45,968
Affiliated portfolio administration fees		26,422
Professional fees		22,673
Non-interested Trustees' fees and expenses		12,877
Custodian fees		12,876
Registration fees		11,471
Other expenses		60,254
Total Expenses		7,241,333
Net Investment Income/(Loss)		2,064,270
Net Realized Gain/(Loss) on Investments:		
Investments and foreign currency transactions		138,826,597
Investments in affiliates		3,439
Forward foreign currency exchange contracts		(1,951,311)
Total Net Realized Gain/(Loss) on Investments		136,878,725
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation		15,204,233
Investments in affiliates		(3,439)
Forward foreign currency exchange contracts		2,199,004
Total Change in Unrealized Net Appreciation/Depreciation		17,399,798
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	156,342,793

See Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Statements of Changes in Net Assets

	Period ended June 30, 2021 (unaudited)	Year ended December 31, 2020
Operations:		
Net investment income/(loss)	$ 2,064,270	$ 1,751,409
Net realized gain/(loss) on investments	136,878,725	152,530,739
Change in unrealized net appreciation/depreciation	17,399,798	116,773,165
Net Increase/(Decrease) in Net Assets Resulting from Operations	156,342,793	271,055,313
Dividends and Distributions to Shareholders:		
Institutional Shares	(68,341,267)	(51,851,530)
Service Shares	(91,137,615)	(59,611,141)
Net Decrease from Dividends and Distributions to Shareholders	(159,478,882)	(111,462,671)
Capital Share Transactions:		
Institutional Shares	(26,881,039)	(91,362,702)
Service Shares	74,722,835	9,681,015
Net Increase/(Decrease) from Capital Share Transactions	47,841,796	(81,681,687)
Net Increase/(Decrease) in Net Assets	44,705,707	77,910,955
Net Assets:		
Beginning of period	1,690,362,583	1,612,451,628
End of period	$ 1,735,068,290	$ 1,690,362,583

See Notes to Financial Statements.

Janus Henderson VIT Enterprise Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$94.21	$85.46	$67.02	$70.65	$59.27	$57.33
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.18	0.20	0.29	0.21	0.11	0.28
Net realized and unrealized gain/(loss)	8.70	14.53	23.06	(0.16)	15.67	6.50
Total from Investment Operations	8.88	14.73	23.35	0.05	15.78	6.78
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.33)	(0.06)	(0.16)	(0.18)	(0.17)	(0.09)
Distributions (from capital gains)	(8.58)	(5.92)	(4.75)	(3.50)	(4.23)	(4.75)
Total Dividends and Distributions	(8.91)	(5.98)	(4.91)	(3.68)	(4.40)	(4.84)
Net Asset Value, End of Period	$94.18	$94.21	$85.46	$67.02	$70.65	$59.27
Total Return*	9.47%	19.47%	35.48%	(0.41)%	27.42%	12.36%
Net Assets, End of Period (in thousands)	$744,228	$768,141	$791,044	$577,477	$618,750	$459,250
Average Net Assets for the Period (in thousands)	$781,691	$699,442	$707,052	$641,390	$556,940	$435,190
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.71%	0.72%	0.72%	0.72%	0.73%	0.72%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.71%	0.72%	0.72%	0.72%	0.73%	0.72%
Ratio of Net Investment Income/(Loss)	0.37%	0.25%	0.37%	0.29%	0.17%	0.48%
Portfolio Turnover Rate	11%	16%	14%	14%	14%	20%

Service Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$87.46	$79.93	$63.00	$66.67	$56.22	$54.67
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.06	—(2)	0.09	0.03	(0.05)	0.12
Net realized and unrealized gain/(loss)	8.06	13.45	21.63	(0.12)	14.82	6.19
Total from Investment Operations	8.12	13.45	21.72	(0.09)	14.77	6.31
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.23)	—	(0.04)	(0.08)	(0.09)	(0.01)
Distributions (from capital gains)	(8.58)	(5.92)	(4.75)	(3.50)	(4.23)	(4.75)
Total Dividends and Distributions	(8.81)	(5.92)	(4.79)	(3.58)	(4.32)	(4.76)
Net Asset Value, End of Period	$86.77	$87.46	$79.93	$63.00	$66.67	$56.22
Total Return*	9.33%	19.18%	35.14%	(0.65)%	27.09%	12.10%
Net Assets, End of Period (in thousands)	$990,840	$922,221	$821,408	$588,973	$555,550	$419,251
Average Net Assets for the Period (in thousands)	$956,774	$773,949	$734,274	$612,433	$489,237	$373,400
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.95%	0.97%	0.97%	0.97%	0.98%	0.97%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.95%	0.97%	0.97%	0.97%	0.98%	0.97%
Ratio of Net Investment Income/(Loss)	0.13%	0.00%(3)	0.12%	0.04%	(0.08)%	0.22%
Portfolio Turnover Rate	11%	16%	14%	14%	14%	20%

* 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) Less than $0.005 on a per share basis.

(3) Less than 0.005%.

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 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 principles ("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, 2021 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.

The following describes the amounts of transfers into or out of Level 3 of the fair value hierarchy during the period.

Financial assets of $3,426,971 were transferred out of Level 3 to Level 1 since the current market for the securities with quoted prices are considered active.

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, 2021 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 purchase 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.

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 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. Extremely low or negative interest rates may become more prevalent or may not work as intended. As there is little precedent for this situation, the impact on various markets that interest rate or other significant policy changes may have is unknown. 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, including those which may be attributable to global climate change, 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. 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.

A number of countries in the European Union (the "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. These difficulties may continue, worsen, or spread further within the EU. 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," which immediately led to significant market volatility around the world, as well as political, economic and legal uncertainty. The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, which expired on December 31, 2020. The negative impact on not only the United Kingdom and European economies could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on the United Kingdom and/or Europe for their business activities and revenues. Any further exits from the EU, or an increase in the belief that such exits are likely or possible, would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

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, 2021" 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
Barclays Capital, Inc.	$	375,087	$	(51,465)	$	—	$	323,622
Citibank, National Association		321,653		(12,693)		—		308,960
Credit Suisse International		354,755		(13,707)		—		341,048
HSBC Securities (USA), Inc.		458,776		—		—		458,776
JPMorgan Chase Bank, National Association		11,183,260		—		(10,629,969)		553,291
State Street		15,917		—		—		15,917
Total	$	12,709,448	$	(77,865)	$	(10,629,969)	$	2,001,614

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.	$	51,465	$	(51,465)	$	—	$	—
Citibank, National Association		12,693		(12,693)		—		—
Credit Suisse International		13,707		(13,707)		—		—
Total	$	77,865	$	(77,865)	$	—	$	—

(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.

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. 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, or in time deposits. 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, 2021, securities lending transactions accounted for as secured borrowings with an overnight and continuous contractual maturity are $10,629,969. Gross amounts of recognized liabilities for securities lending (collateral received) as of June 30, 2021 is $10,852,813, resulting in the net amount due to the counterparty of $222,844.

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 $16,571 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2021. 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, 2021 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, 2021 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 $308,300 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2021.

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, 2021 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

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, 2021 are noted below. The primary differences between book and tax appreciation or depreciation of investments are wash sale loss deferrals, investments in partnerships, and investments in passive foreign investment companies.

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ 950,397,543	$804,087,166	$ (9,915,499)	$ 794,171,667

Information on the tax components of derivatives as of June 30, 2021 is as follows:

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
	$ 2,079,479	$ (77,865)	$ 2,001,614

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, 2021		Year ended December 31, 2020	
	Shares	*Amount*	*Shares*	*Amount*
Institutional Shares:				
Shares sold	356,687	$ 34,890,362	962,490	$ 74,261,046
Reinvested dividends and distributions	729,518	68,341,267	726,925	51,851,530
Shares repurchased	(1,337,113)	(130,112,668)	(2,792,786)	(217,475,278)
Net Increase/(Decrease)	(250,908)	$(26,881,039)	(1,103,371)	$ (91,362,702)
Service Shares:				
Shares sold	818,907	$ 74,737,807	2,291,089	$163,267,970
Reinvested dividends and distributions	1,055,689	91,137,615	898,977	59,611,141
Shares repurchased	(1,000,100)	(91,152,587)	(2,922,142)	(213,198,096)
Net Increase/(Decrease)	874,496	$ 74,722,835	267,924	$ 9,681,015

7. Purchases and Sales of Investment Securities

For the period ended June 30, 2021, 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*
$181,389,661	$ 263,196,548	$ -	$ -

8. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2021 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 files its complete portfolio holdings (schedule of investments) with the SEC 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 shareholders. The Portfolio's Form N-PORT filings and annual and semiannual reports: (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 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 9, 2020, 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, 2021 through February 1, 2022, 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, 2020, approximately 75% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers, and for the 12 months ended September 30, 2020, approximately 62% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers.

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, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile for the 12 months ended May 31, 2020. 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 Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving.

- 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, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile-for the 12 months ended May 31, 2020. 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.
- For Janus Henderson Global Technology and Innovation Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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 and Perkins had taken or were taking to improve performance.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- 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, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020.

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 fees and any administration fees 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 comparable mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of the respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 9% under the average management fees for the respective Broadridge Expense Group. 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 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 operate in markets very distinct relative to retail funds; 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) 9 of 10 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) 5 of 8 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 2019, 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 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, 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 Technology and Innovation Portfolio, the Trustees noted that the Fund's total expenses were below the peer group 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 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 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 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 exists 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 fixed base rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 73% of these Janus Henderson Funds' 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 of those 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

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 significant investments made by Janus Capital and its affiliates related to services provided to the Funds and 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 economies of scale 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 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

The 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 of the Portfolio (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 Risk Working Group").

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, 2021, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from January 1, 2020 through December 31, 2020 (the "Reporting Period").

The Program Administrator Report discussed the operation and effectiveness of the LRMP during the Reporting Period. It noted that the Portfolio was able to meet redemptions during the normal course of business during the Reporting Period, and discussed the additional actions that the Liquidity Risk Working Group took during the period of market volatility in the spring of 2020 to monitor the Portfolio's liquidity. The Program Administrator Report also stated that the Portfolio did not exceed the 15% limit on illiquid assets during the Reporting Period, that the Portfolio held primarily highly liquid assets, and was considered to be a primarily highly liquid fund 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.

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

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. 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. 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
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 08-21

SEMIANNUAL REPORT
June 30, 2021

Janus Henderson VIT Forty Portfolio

Janus Aspen Series

HIGHLIGHTS

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

Janus Henderson INVESTORS

Table of Contents

PORTFOLIO SNAPSHOT

Forty Fund is a concentrated large-cap growth fund, leveraging Janus Henderson's three decades of experience in high-conviction investing. By investing in our best wide-moat ideas, the Fund seeks to add excess return over the long term. Given its concentrated nature, the Fund may exhibit moderately higher volatility than its benchmark.

Doug Rao
co-portfolio manager

Nick Schommer
co-portfolio manager

Janus Henderson VIT Forty Portfolio (unaudited)
Portfolio At A Glance
June 30, 2021

5 Top Contributors - Holdings

	Average Weight	Relative Contribution
Blackstone Group Inc	2.90%	1.03%
ASML Holding NV	2.73%	0.66%
Snap Inc	3.24%	0.66%
Apple Inc	4.43%	0.62%
NVIDIA Corp	2.48%	0.33%

5 Top Detractors - Holdings

	Average Weight	Relative Contribution
Mastercard Inc	6.00%	-0.52%
CoStar Group Inc	1.99%	-0.47%
Uber Technologies Inc	1.45%	-0.46%
Alphabet Inc - Class C	3.25%	-0.40%
Booking Holdings Inc	2.72%	-0.40%

5 Top Contributors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell 1000 Growth Index Average Weight
Information Technology	1.42%	35.54%	44.60%
Financials	1.05%	3.16%	1.90%
Consumer Discretionary	0.32%	15.66%	16.54%
Health Care	0.31%	13.62%	13.51%
Consumer Staples	0.12%	2.00%	4.32%

5 Top Detractors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell 1000 Growth Index Average Weight
Industrials	-0.91%	5.66%	4.67%
Other**	-0.22%	1.49%	0.00%
Energy	-0.02%	0.00%	0.10%
Real Estate	-0.01%	2.04%	1.69%
Utilities	0.00%	0.00%	0.02%

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, 2021

5 Largest Equity Holdings - (% of Net Assets)

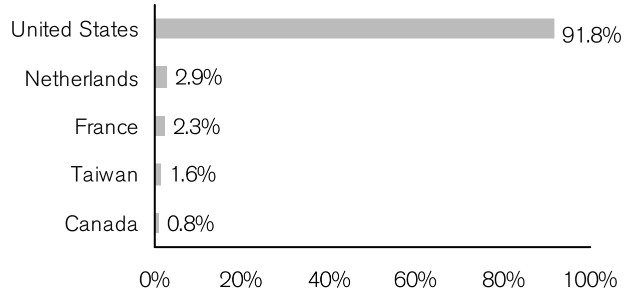
Microsoft Corp	
Software	8.4%
Amazon.com Inc	
Internet & Direct Marketing Retail	8.2%
Facebook Inc	
Interactive Media & Services	6.4%
Mastercard Inc	
Information Technology Services	5.7%
Apple Inc	
Technology Hardware, Storage & Peripherals	3.9%
	32.6%

Asset Allocation - (% of Net Assets)

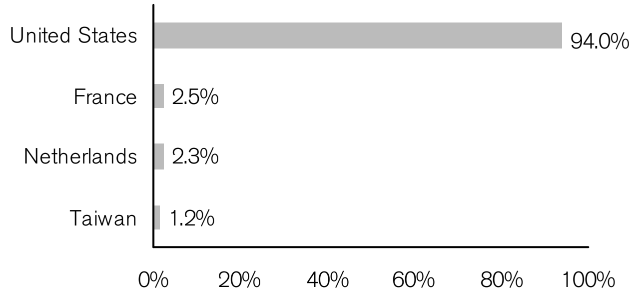
Common Stocks	98.5%
Investment Companies	1.5%
Private Investment in Public Equity (PIPES)	0.6%
Investments Purchased with Cash Collateral from Securities Lending	0.2%
Warrants	0.0%
Other	(0.8)%
	100.0%

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

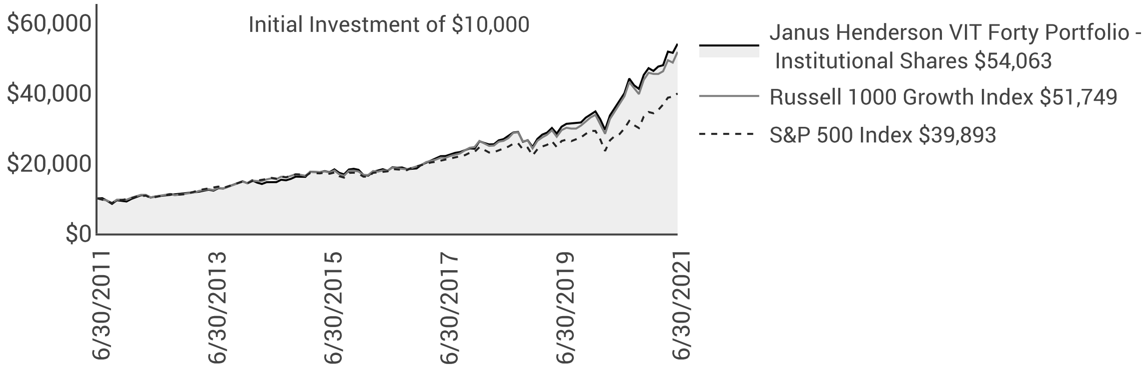
As of June 30, 2021



As of December 31, 2020



Janus Henderson VIT Forty Portfolio (unaudited)
Performance



Average Annual Total Return - for the periods ended June 30, 2021	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Prospectus Expense Ratios: Total Annual Fund Operating Expenses‡
Institutional Shares	14.76%	44.33%	24.78%	18.38%	13.42%	0.76%
Service Shares	14.61%	43.97%	24.48%	18.09%	13.11%	1.01%
Russell 1000 Growth Index	12.99%	42.50%	23.66%	17.87%	9.85%	
S&P 500 Index	15.25%	40.79%	17.65%	14.84%	9.24%	
Morningstar Quartile - Institutional Shares	-	1st	1st	1st	1st	
Morningstar Ranking - based on total returns for Large Growth Funds	-	267/1,259	211/1,150	145/1,012	12/515	

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 foreign and emerging markets, fixed income securities, high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), non-diversification, portfolio turnover, derivatives, short sales, initial public offerings (IPOs) and potential conflicts of interest. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

High absolute short-term performance is not typical and may not be achieved in the future. Such results should not be the sole basis for evaluating material facts in making an investment decision.

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 important disclosures on the next page.

Janus Henderson VIT Forty Portfolio (unaudited)
Performance

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."

*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 (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Beginning Account Value (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Net Annualized Expense Ratio (1/1/21 - 6/30/21)
Institutional Shares	$1,000.00	$1,147.60	$4.10	$1,000.00	$1,020.98	$3.86	0.77%
Service Shares	$1,000.00	$1,146.10	$5.37	$1,000.00	$1,019.79	$5.06	1.01%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 181/365 (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, 2021

	Shares or Principal Amounts	Value
Common Stocks– 98.5%		
Aerospace & Defense – 1.7%		
L3Harris Technologies Inc	93,519	$20,214,132
Biotechnology – 1.1%		
Vertex Pharmaceuticals Inc*	64,670	13,039,412
Capital Markets – 3.1%		
Blackstone Group Inc	376,677	36,590,404
Chemicals – 2.2%		
Sherwin-Williams Co	97,032	26,436,368
Diversified Financial Services – 0.3%		
Altimeter Growth Corp - Class A*,#	284,205	3,325,198
Entertainment – 3.0%		
Netflix Inc*	46,933	24,790,480
Walt Disney Co*	65,620	11,534,027
		36,324,507
Equity Real Estate Investment Trusts (REITs) – 2.1%		
American Tower Corp	94,791	25,606,841
Health Care Equipment & Supplies – 11.8%		
Align Technology Inc*	45,709	27,928,199
Boston Scientific Corp*	822,355	35,163,900
Danaher Corp	139,362	37,399,186
DexCom Inc*	66,501	28,395,927
Edwards Lifesciences Corp*	125,970	13,046,713
		141,933,925
Hotels, Restaurants & Leisure – 0.9%		
Caesars Entertainment Inc*	106,944	11,095,440
Household Products – 1.8%		
Procter & Gamble Co	157,909	21,306,661
Information Technology Services – 8.4%		
Mastercard Inc	187,412	68,422,247
Shopify Inc*	7,082	10,346,660
Twilio Inc*	56,118	22,119,471
		100,888,378
Interactive Media & Services – 14.9%		
Alphabet Inc - Class C*	16,836	42,196,403
Facebook Inc*	219,722	76,399,537
Match Group Inc*	107,516	17,336,955
Snap Inc*	618,449	42,141,115
		178,074,010
Internet & Direct Marketing Retail – 11.2%		
Amazon.com Inc*	28,685	98,680,990
Booking Holdings Inc*	13,052	28,558,951
Farfetch Ltd - Class A*	143,744	7,238,948
		134,478,889
Pharmaceuticals – 0.9%		
Elanco Animal Health Inc*	316,672	10,985,352
Professional Services – 1.9%		
CoStar Group Inc*	267,500	22,154,350
Road & Rail – 0.5%		
Uber Technologies Inc*	121,951	6,112,184
Semiconductor & Semiconductor Equipment – 10.6%		
ASML Holding NV	50,830	35,115,397
NVIDIA Corp	49,906	39,929,791
Taiwan Semiconductor Manufacturing Co Ltd (ADR)	158,012	18,986,722
Texas Instruments Inc	174,170	33,492,891
		127,524,801
Software – 12.9%		
Adobe Inc*	73,795	43,217,304
Microsoft Corp	369,831	100,187,218
Workday Inc*	49,025	11,704,228
		155,108,750

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, 2021

	Shares or Principal Amounts	Value
Common Stocks– (continued)		
Technology Hardware, Storage & Peripherals – 3.9%		
Apple Inc	342,983	$46,974,952
Textiles, Apparel & Luxury Goods – 3.4%		
LVMH Moet Hennessy Louis Vuitton SE	35,465	27,806,040
NIKE Inc	80,075	12,370,787
		40,176,827
Wireless Telecommunication Services – 1.9%		
T-Mobile US Inc*	160,388	23,228,994
Total Common Stocks (cost $560,747,037)		1,181,580,375
Private Investment in Public Equity (PIPES)– 0.6%		
Diversified Financial Services – 0.6%		
Altimeter Growth Corp*,§ (cost $5,715,450)	571,545	6,687,076
Warrants– 0%		
Diversified Financial Services – 0%		
Altimeter Growth Corp, expires 9/30/25* (cost $181,685)	56,841	181,323
Investment Companies– 1.5%		
Money Markets – 1.5%		
Janus Henderson Cash Liquidity Fund LLC, 0.0636%∞,£ (cost $18,059,697)	18,057,891	18,059,697
Investments Purchased with Cash Collateral from Securities Lending– 0.2%		
Investment Companies – 0.2%		
Janus Henderson Cash Collateral Fund LLC, 0.0011%∞,£	2,046,269	2,046,269
Time Deposits – 0%		
Royal Bank of Canada, 0.0500%, 7/1/21	$511,567	511,567
Total Investments Purchased with Cash Collateral from Securities Lending (cost $2,557,836)		2,557,836
Total Investments (total cost $587,261,705) – 100.8%		1,209,066,307
Liabilities, net of Cash, Receivables and Other Assets – (0.8)%		(9,275,192)
Net Assets – 100%		$1,199,791,115

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

Country	*Value*	*% of Investment Securities*
United States	$1,109,572,540	91.8 %
Netherlands	35,115,397	2.9
France	27,806,040	2.3
Taiwan	18,986,722	1.6
Canada	10,346,660	0.8
United Kingdom	7,238,948	0.6
Total	$1,209,066,307	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 6/30/21
Investment Companies - 1.5%				
Money Markets - 1.5%				
Janus Henderson Cash Liquidity Fund LLC, 0.0636%[ºº]	$ 5,007	$ -	$ -	$ 18,059,697
Investments Purchased with Cash Collateral from Securities Lending - 0.2%				
Investment Companies - 0.2%				
Janus Henderson Cash Collateral Fund LLC, 0.0011%[ºº]	55,612[Δ]	-	-	2,046,269
Total Affiliated Investments - 1.7%	$ 60,619	$ -	$ -	$ 20,105,966

	Value at 12/31/20	Purchases	Sales Proceeds	Value at 6/30/21
Investment Companies - 1.5%				
Money Markets - 1.5%				
Janus Henderson Cash Liquidity Fund LLC, 0.0636%[ºº]	22,532,880	93,320,488	(97,793,671)	18,059,697
Investments Purchased with Cash Collateral from Securities Lending - 0.2%				
Investment Companies - 0.2%				
Janus Henderson Cash Collateral Fund LLC, 0.0011%[ºº]	-	7,414,150	(5,367,881)	2,046,269

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.
S&P 500® Index	S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.
ADR	American Depositary Receipt
LLC	Limited Liability Company

*	Non-income producing security.
ºº	Rate shown is the 7-day yield as of June 30, 2021.
#	Loaned security; a portion of the security is on loan at June 30, 2021.
£	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, 2021)

	Acquisition Date	*Cost*	*Value*	*Value as a % of Net Assets*
Altimeter Growth Corp	4/14/21	$ 5,715,450	$ 6,687,076	0.6%

The Portfolio has registration rights for certain restricted securities held as of June 30, 2021. 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, 2021. 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	$ 1,181,580,375	$ -	$ -
Private Investment in Public Equity (PIPES)	-	6,687,076	-
Warrants	181,323	-	-
Investment Companies	-	18,059,697	-
Investments Purchased with Cash Collateral from Securities Lending	-	2,557,836	-
Total Assets	$ 1,181,761,698	$ 27,304,609	$ -

Janus Henderson VIT Forty Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2021

Assets:		
Unaffiliated investments, at value (cost $567,155,739)[1]	$	1,188,960,341
Affiliated investments, at value (cost $20,105,966)		20,105,966
Non-interested Trustees' deferred compensation		29,223
Receivables:		
Portfolio shares sold		274,941
Dividends		238,407
Foreign tax reclaims		26,796
Dividends from affiliates		816
Other assets		60,597
Total Assets		1,209,697,087
Liabilities:		
Due to custodian		34
Foreign cash due to custodian		104
Collateral for securities loaned (Note 2)		2,557,836
Payables:		
Investments purchased		5,715,450
Advisory fees		687,745
Portfolio shares repurchased		620,827
12b-1 Distribution and shareholder servicing fees		138,278
Transfer agent fees and expenses		50,411
Non-interested Trustees' deferred compensation fees		29,223
Professional fees		22,412
Non-interested Trustees' fees and expenses		4,210
Affiliated portfolio administration fees payable		2,375
Custodian fees		1,287
Accrued expenses and other payables		75,780
Total Liabilities		9,905,972
Net Assets	$	1,199,791,115
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	513,447,150
Total distributable earnings (loss)		686,343,965
Total Net Assets	$	1,199,791,115
Net Assets - Institutional Shares	$	503,030,336
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		8,724,165
Net Asset Value Per Share	$	57.66
Net Assets - Service Shares	$	696,760,779
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		13,157,922
Net Asset Value Per Share	$	52.95

(1) Includes $2,504,548 of securities on loan. See Note 2 in Notes to Financial Statements.

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2021

Investment Income:		
Dividends	$	2,906,237
Affiliated securities lending income, net		55,612
Dividends from affiliates		5,007
Unaffiliated securities lending income, net		72
Foreign tax withheld		(71,313)
Total Investment Income		2,895,615
Expenses:		
Advisory fees		3,861,243
12b-1 Distribution and shareholder servicing fees:		
Service Shares		792,846
Transfer agent administrative fees and expenses:		
Institutional Shares		114,732
Service Shares		158,569
Other transfer agent fees and expenses:		
Institutional Shares		11,450
Service Shares		6,565
Professional fees		21,422
Shareholder reports expense		18,415
Affiliated portfolio administration fees		17,039
Registration fees		9,803
Non-interested Trustees' fees and expenses		7,944
Custodian fees		3,888
Other expenses		45,565
Total Expenses		5,069,481
Net Investment Income/(Loss)		(2,173,866)
Net Realized Gain/(Loss) on Investments:		
Investments and foreign currency transactions		69,874,100
Total Net Realized Gain/(Loss) on Investments		69,874,100
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation		88,138,160
Total Change in Unrealized Net Appreciation/Depreciation		88,138,160
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	155,838,394

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Statements of Changes in Net Assets

	Period ended June 30, 2021 (unaudited)	Year ended December 31, 2020
Operations:		
Net investment income/(loss)	$ (2,173,866)	$ (1,577,379)
Net realized gain/(loss) on investments	69,874,100	142,555,684
Change in unrealized net appreciation/depreciation	88,138,160	177,594,441
Net Increase/(Decrease) in Net Assets Resulting from Operations	155,838,394	318,572,746
Dividends and Distributions to Shareholders:		
Institutional Shares	(57,583,957)	(28,629,140)
Service Shares	(86,533,730)	(43,209,494)
Net Decrease from Dividends and Distributions to Shareholders	(144,117,687)	(71,838,634)
Capital Share Transactions:		
Institutional Shares	32,636,865	(4,352,608)
Service Shares	58,824,456	(32,885,634)
Net Increase/(Decrease) from Capital Share Transactions	91,461,321	(37,238,242)
Net Increase/(Decrease) in Net Assets	103,182,028	209,495,870
Net Assets:		
Beginning of period	1,096,609,087	887,113,217
End of period	$ 1,199,791,115	$ 1,096,609,087

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$57.00	$44.38	$35.20	$39.76	$32.19	$36.37
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	(0.07)	(0.01)	0.09	0.07	0.02	0.05
Net realized and unrealized gain/(loss)	8.22	16.29	12.55	1.31	9.58	0.58
Total from Investment Operations	8.15	16.28	12.64	1.38	9.60	0.63
Less Dividends and Distributions:						
Dividends (from net investment income)	—	(0.14)	(0.06)	—	—	—
Distributions (from capital gains)	(7.49)	(3.52)	(3.40)	(5.94)	(2.03)	(4.81)
Total Dividends and Distributions	(7.49)	(3.66)	(3.46)	(5.94)	(2.03)	(4.81)
Net Asset Value, End of Period	$57.66	$57.00	$44.38	$35.20	$39.76	$32.19
Total Return*	14.76%	39.40%	37.16%	1.98%	30.31%	2.20%
Net Assets, End of Period (in thousands)	$503,030	$462,216	$362,001	$292,132	$309,258	$257,009
Average Net Assets for the Period (in thousands)	$470,362	$389,419	$337,416	$327,962	$297,125	$273,374
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.77%	0.76%	0.77%	0.71%	0.82%	0.72%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.77%	0.76%	0.77%	0.71%	0.82%	0.72%
Ratio of Net Investment Income/(Loss)	(0.25)%	(0.02)%	0.23%	0.17%	0.05%	0.15%
Portfolio Turnover Rate	14%	41%	35%	41%	39%	53%

Service Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$52.96	$41.53	$33.15	$37.84	$30.79	$35.08
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	(0.13)	(0.12)	(0.01)	(0.03)	(0.07)	(0.03)
Net realized and unrealized gain/(loss)	7.61	15.15	11.80	1.28	9.15	0.55
Total from Investment Operations	7.48	15.03	11.79	1.25	9.08	0.52
Less Dividends and Distributions:						
Dividends (from net investment income)	—	(0.08)	(0.01)	—	—	—
Distributions (from capital gains)	(7.49)	(3.52)	(3.40)	(5.94)	(2.03)	(4.81)
Total Dividends and Distributions	(7.49)	(3.60)	(3.41)	(5.94)	(2.03)	(4.81)
Net Asset Value, End of Period	$52.95	$52.96	$41.53	$33.15	$37.84	$30.79
Total Return*	14.61%	39.03%	36.85%	1.72%	29.99%	1.94%
Net Assets, End of Period (in thousands)	$696,761	$634,393	$525,112	$427,321	$466,969	$430,510
Average Net Assets for the Period (in thousands)	$650,014	$548,645	$495,465	$487,559	$457,168	$464,943
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	1.01%	1.01%	1.02%	0.96%	1.06%	0.97%
Ratio of Net Expenses (After Waivers and Expense Offsets)	1.01%	1.01%	1.02%	0.96%	1.06%	0.97%
Ratio of Net Investment Income/(Loss)	(0.49)%	(0.27)%	(0.02)%	(0.08)%	(0.19)%	(0.09)%
Portfolio Turnover Rate	14%	41%	35%	41%	39%	53%

* 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 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 principles ("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, 2021 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 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. Extremely low or negative interest rates may become more prevalent or may not work as intended. As there is little precedent for this situation, the impact on various markets that interest rate or other significant policy changes may have is unknown. 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, including those which may be attributable to global climate change, 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 Management LLC ("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. 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.

A number of countries in the European Union (the "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. These difficulties may continue, worsen, or spread further within the EU. 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," which immediately led to significant market volatility around the world, as well as political, economic and legal uncertainty. The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, which expired on December 31, 2020. The negative impact on not only the United Kingdom and European economies could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on the United Kingdom and/or Europe for their business activities and revenues. Any further exits from the EU, or an increase in the belief that such exits are likely or possible, would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

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	$	2,504,548	$	—	$	(2,504,548)	$	—

(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.

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. 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, or in time deposits. 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, 2021, securities lending transactions accounted for as secured borrowings with an overnight and continuous contractual maturity are $2,504,548. Gross amounts of recognized liabilities for securities lending (collateral received) as of June 30, 2021 is $2,557,836, resulting in the net amount due to the counterparty of $53,288.

3. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital an investment advisory fee rate that may adjust up or down based on the Portfolio’s performance relative to its benchmark index.

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 (the “Base Fee Rate”), plus or minus (2) a performance-fee adjustment (the “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 advisory fee rate is calculated daily and paid monthly.

The investment performance of the Portfolio’s Service Shares for the performance measurement period is used to calculate the Performance Adjustment. The Portfolio’s Base Fee Rate prior to any performance adjustment (expressed as an annual rate) is 0.64%, and the Portfolio’s benchmark index used in the calculation is the Russell 1000® Growth Index.

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 Base Fee Rate is subject to an upward or downward Performance Adjustment for every full 0.50% increment by which the Portfolio outperforms or underperforms its benchmark index, up to the Portfolio’s full performance rate of ±8.50%. Because the Performance Adjustment is tied to a Portfolio’s relative performance compared to its benchmark index (and not its absolute performance), the Performance Adjustment could increase Janus Capital’s fee even if the Portfolio’s Shares lose value during the performance measurement period and could decrease Janus Capital’s fee even if the Portfolio’s Shares increase in value during the performance measurement period. For purposes of computing the Base Fee Rate and the Performance Adjustment, net assets are averaged over different periods (average daily net assets during the previous month for the Base Fee Rate, versus average daily net assets during the performance measurement period for the Performance Adjustment). Performance of the Portfolio is calculated net of expenses whereas the Portfolio's benchmark index does not have any fees or expenses. Reinvestment of dividends and distributions is included in calculating both the performance of a Portfolio and the Portfolio's benchmark index.

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, 2021, 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 $16,571 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2021. 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, 2021 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, 2021 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 $308,300 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2021.

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, 2021 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

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, 2021 are noted below. The primary differences between book and tax appreciation or depreciation of investments are wash sale loss deferrals, investments in partnerships, and investments in passive foreign investment companies.

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ 590,265,603	$621,038,920	$ (2,238,216)	$ 618,800,704

5. Capital Share Transactions

	Period ended June 30, 2021		Year ended December 31, 2020	
	Shares	*Amount*	*Shares*	*Amount*
Institutional Shares:				
Shares sold	279,373	$16,493,323	1,037,980	$ 48,778,741
Reinvested dividends and distributions	1,032,896	57,583,957	667,502	28,629,140
Shares repurchased	(697,412)	(41,440,415)	(1,752,621)	(81,760,489)
Net Increase/(Decrease)	614,857	$32,636,865	(47,139)	$ (4,352,608)
Service Shares:				
Shares sold	557,156	$30,491,175	1,055,239	$ 47,177,425
Reinvested dividends and distributions	1,689,782	86,533,730	1,082,945	43,209,494
Shares repurchased	(1,067,736)	(58,200,449)	(2,804,441)	(123,272,553)
Net Increase/(Decrease)	1,179,202	$58,824,456	(666,257)	$(32,885,634)

6. Purchases and Sales of Investment Securities

For the period ended June 30, 2021, 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*
$154,504,950	$ 194,022,784	$ -	$ -

7. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2021 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 files its complete portfolio holdings (schedule of investments) with the SEC 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 shareholders. The Portfolio's Form N-PORT filings and annual and semiannual reports: (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 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 9, 2020, 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, 2021 through February 1, 2022, 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, 2020, approximately 75% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers, and for the 12 months ended September 30, 2020, approximately 62% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers.

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, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile for the 12 months ended May 31, 2020. 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 Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving.

- 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, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile-for the 12 months ended May 31, 2020. 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.
- For Janus Henderson Global Technology and Innovation Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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 and Perkins had taken or were taking to improve performance.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- 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, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020.

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 fees and any administration fees 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 comparable mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of the respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 9% under the average management fees for the respective Broadridge Expense Group. 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 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 operate in markets very distinct relative to retail funds; 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) 9 of 10 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) 5 of 8 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 2019, 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 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, 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 Technology and Innovation Portfolio, the Trustees noted that the Fund’s total expenses were below the peer group 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 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 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 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 exists 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 fixed base rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 73% of these Janus Henderson Funds' 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 of those 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

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 significant investments made by Janus Capital and its affiliates related to services provided to the Funds and 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 economies of scale 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 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

The 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 of the Portfolio (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 Risk Working Group").

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, 2021, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from January 1, 2020 through December 31, 2020 (the "Reporting Period").

The Program Administrator Report discussed the operation and effectiveness of the LRMP during the Reporting Period. It noted that the Portfolio was able to meet redemptions during the normal course of business during the Reporting Period, and discussed the additional actions that the Liquidity Risk Working Group took during the period of market volatility in the spring of 2020 to monitor the Portfolio's liquidity. The Program Administrator Report also stated that the Portfolio did not exceed the 15% limit on illiquid assets during the Reporting Period, that the Portfolio held primarily highly liquid assets, and was considered to be a primarily highly liquid fund 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.

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

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. 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. 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
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 08-21

SEMIANNUAL REPORT
June 30, 2021

Janus Henderson VIT Global Research Portfolio

Janus Aspen Series

HIGHLIGHTS

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

Janus Henderson
INVESTORS

Table of Contents

PORTFOLIO SNAPSHOT

By investing in the best ideas from each global research sector team, this global large-cap growth fund 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

Janus Henderson VIT Global Research Portfolio (unaudited)
Portfolio At A Glance
June 30, 2021

5 Top Contributors - Holdings

	Average Weight	Relative Contribution
ASML Holding NV	2.64%	0.53%
Entain PLC	1.28%	0.45%
Blackstone Group Inc	1.06%	0.34%
Canadian Natural Resources Ltd	0.82%	0.26%
ConocoPhillips	0.81%	0.21%

5 Top Detractors - Holdings

	Average Weight	Relative Contribution
Daikin Industries Ltd	1.08%	-0.32%
Sarepta Therapeutics Inc	0.26%	-0.28%
Unilever PLC	1.57%	-0.25%
RWE AG	0.64%	-0.19%
Autodesk Inc	0.99%	-0.18%

4 Top Contributors - Sectors*

	Relative Contribution	Portfolio Average Weight	MSCI World Index Average Weight
Technology	0.86%	18.31%	18.01%
Energy	0.49%	6.29%	6.05%
Communications	0.37%	10.68%	10.62%
Consumer	0.06%	16.37%	16.42%

4 Top Detractors - Sectors*

	Relative Contribution	Portfolio Average Weight	MSCI World Index Average Weight
Financials	-1.05%	18.39%	18.47%
Healthcare	-0.62%	12.26%	12.65%
Industrials	-0.21%	17.42%	17.57%
Other**	-0.06%	0.28%	0.21%

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, 2021

5 Largest Equity Holdings - (% of Net Assets)

Microsoft Corp	
Software	4.4%
Amazon.com Inc	
Internet & Direct Marketing Retail	3.3%
Alphabet Inc - Class C	
Interactive Media & Services	3.1%
ASML Holding NV	
Semiconductor & Semiconductor Equipment	2.6%
Apple Inc	
Technology Hardware, Storage & Peripherals	2.3%
	15.7%

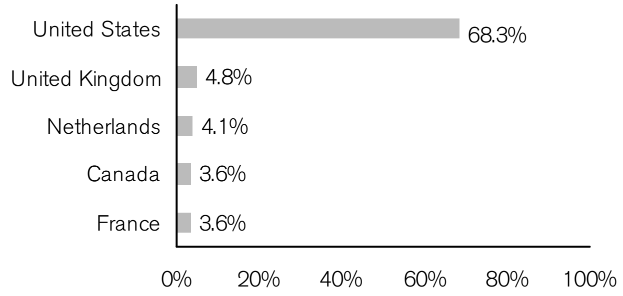
Asset Allocation - (% of Net Assets)

Common Stocks	99.7%
Investment Companies	0.6%
Other	(0.3)%
	100.0%

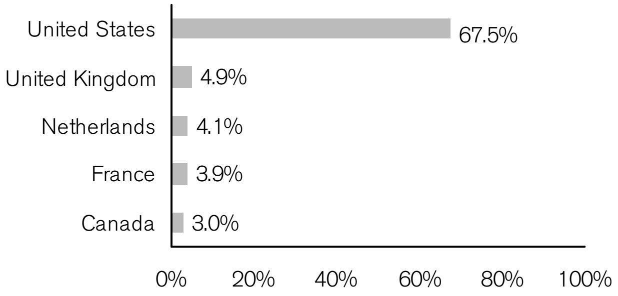
Emerging markets comprised 5.1% of total net assets.

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

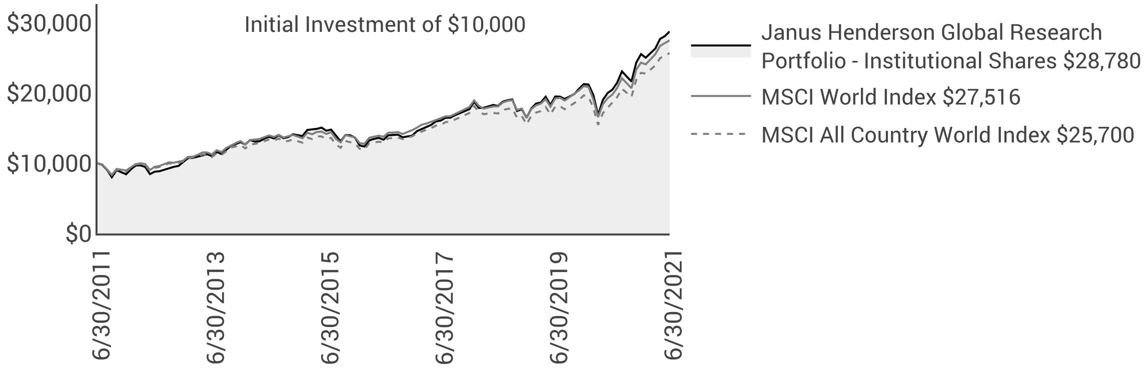
As of June 30, 2021



As of December 31, 2020



Janus Henderson VIT Global Research Portfolio (unaudited)
Performance



Average Annual Total Return - for the periods ended June 30, 2021	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Prospectus Expense Ratios: Total Annual Fund Operating Expenses‡
Institutional Shares	12.62%	40.40%	16.58%	11.15%	9.22%	0.84%
Service Shares	12.47%	40.05%	16.29%	10.87%	8.94%	1.09%
MSCI World Index	13.05%	39.04%	14.83%	10.65%	7.88%	
MSCI All Country World Index	12.30%	39.27%	14.61%	9.90%	N/A**	
Morningstar Quartile - Institutional Shares	-	2nd	3rd	3rd	2nd	
Morningstar Ranking - based on total returns for World Large Stock Funds	-	182/363	219/303	171/225	61/92	

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 foreign and emerging markets, fixed income securities, high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), non-diversification, portfolio turnover, derivatives, short sales, initial public offerings (IPOs) and potential conflicts of interest. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

High absolute short-term performance is not typical and may not be achieved in the future. Such results should not be the sole basis for evaluating material facts in making an investment decision.

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 important disclosures on the next page.

Janus Henderson VIT Global Research Portfolio (unaudited)
Performance

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.”

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

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

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

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 (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Beginning Account Value (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Net Annualized Expense Ratio (1/1/21 - 6/30/21)
Institutional Shares	$1,000.00	$1,126.20	$4.06	$1,000.00	$1,020.98	$3.86	0.77%
Service Shares	$1,000.00	$1,124.70	$5.32	$1,000.00	$1,019.79	$5.06	1.01%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 181/365 (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, 2021

	Shares	Value
Common Stocks– 99.7%		
Aerospace & Defense – 2.8%		
CAE Inc*	205,183	$6,320,709
L3Harris Technologies Inc	43,142	9,325,143
Safran SA	69,701	9,662,032
		25,307,884
Air Freight & Logistics – 1.4%		
United Parcel Service Inc	58,445	12,154,807
Airlines – 0.7%		
Ryanair Holdings PLC (ADR)*	53,798	5,821,482
Auto Components – 1.0%		
Aptiv PLC*	56,304	8,858,308
Banks – 4.5%		
BNP Paribas SA	121,839	7,637,237
Citigroup Inc	145,143	10,268,867
HDFC Bank Ltd	226,971	4,574,233
JPMorgan Chase & Co	116,520	18,123,521
		40,603,858
Beverages – 3.3%		
Constellation Brands Inc	68,750	16,079,938
Pernod Ricard SA	61,293	13,603,710
		29,683,648
Biotechnology – 2.4%		
AbbVie Inc	73,471	8,275,773
Ascendis Pharma A/S (ADR)*	16,620	2,186,361
Global Blood Therapeutics Inc*	29,261	1,024,720
Neurocrine Biosciences Inc*	32,742	3,186,451
Sarepta Therapeutics Inc*	27,478	2,136,140
Vertex Pharmaceuticals Inc*	23,380	4,714,109
		21,523,554
Building Products – 1.9%		
Assa Abloy AB	293,359	8,839,585
Daikin Industries Ltd	41,600	7,748,506
		16,588,091
Capital Markets – 3.1%		
Apollo Global Management Inc	95,492	5,939,602
Blackstone Group Inc	77,768	7,554,384
London Stock Exchange Group PLC	50,827	5,602,844
Morgan Stanley	99,113	9,087,671
		28,184,501
Chemicals – 2.0%		
Air Products & Chemicals Inc	30,361	8,734,253
Sherwin-Williams Co	34,780	9,475,811
		18,210,064
Consumer Finance – 1.7%		
Nexi SpA (144A)*	364,560	8,000,481
Synchrony Financial	150,328	7,293,915
		15,294,396
Electric Utilities – 0.2%		
NextEra Energy Inc	27,933	2,046,930
Electronic Equipment, Instruments & Components – 1.6%		
Hexagon AB - Class B	987,890	14,641,224
Entertainment – 2.8%		
Liberty Media Corp-Liberty Formula One*	178,241	8,592,999
Netflix Inc*	22,694	11,987,198
Sea Ltd (ADR)*	16,783	4,608,612
		25,188,809
Health Care Equipment & Supplies – 2.8%		
Abbott Laboratories	58,471	6,778,543
Boston Scientific Corp*	179,240	7,664,302

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, 2021

	Shares	Value
Common Stocks– (continued)		
Health Care Equipment & Supplies– (continued)		
Dentsply Sirona Inc	58,259	$3,685,464
DexCom Inc*	6,313	2,695,651
Edwards Lifesciences Corp*	41,246	4,271,848
		25,095,808
Health Care Providers & Services – 1.2%		
Centene Corp*	61,999	4,521,587
Humana Inc	14,168	6,272,457
		10,794,044
Hotels, Restaurants & Leisure – 2.8%		
GVC Holdings PLC*	417,037	10,068,161
McDonald's Corp	34,644	8,002,418
Sands China Ltd*	1,589,200	6,693,221
		24,763,800
Household Durables – 0.6%		
Roku Inc*	12,128	5,569,784
Independent Power and Renewable Electricity Producers – 1.5%		
NRG Energy Inc	203,675	8,208,103
Vistra Energy Corp	268,171	4,974,572
		13,182,675
Industrial Conglomerates – 1.0%		
Honeywell International Inc	40,313	8,842,657
Information Technology Services – 4.9%		
Fidelity National Information Services Inc	61,784	8,752,939
Mastercard Inc	45,394	16,572,895
Visa Inc	65,624	15,344,204
Wix.com Ltd*	10,636	3,087,418
		43,757,456
Insurance – 4.0%		
AIA Group Ltd	822,400	10,221,610
Aon PLC	26,470	6,319,977
Beazley PLC*	747,497	3,436,578
Intact Financial Corp	35,340	4,802,009
Progressive Corp	63,786	6,264,423
Prudential PLC	259,932	4,937,921
		35,982,518
Interactive Media & Services – 6.3%		
Alphabet Inc - Class C*	10,903	27,326,407
Facebook Inc*	47,782	16,614,279
Snap Inc*	81,613	5,561,110
Tencent Holdings Ltd	88,900	6,686,879
		56,188,675
Internet & Direct Marketing Retail – 6.2%		
Amazon.com Inc*	8,617	29,643,859
Booking Holdings Inc*	3,925	8,588,253
DoorDash Inc - Class A*	22,207	3,960,174
Meituan Dianping (144A)*	91,000	3,755,284
MercadoLibre Inc*	5,913	9,211,212
		55,158,782
Life Sciences Tools & Services – 0.7%		
Thermo Fisher Scientific Inc	13,180	6,648,915
Machinery – 1.0%		
Parker-Hannifin Corp	29,692	9,118,710
Metals & Mining – 1.9%		
Freeport-McMoRan Inc	75,258	2,792,824
Rio Tinto PLC	91,191	7,503,288
Teck Resources Ltd	290,591	6,693,862
		16,989,974

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, 2021

	Shares	Value
Common Stocks– (continued)		
Multi-Utilities – 0.4%		
RWE AG	92,444	$3,349,444
Oil, Gas & Consumable Fuels – 3.9%		
Canadian Natural Resources Ltd	240,127	8,718,505
Cheniere Energy Inc*	24,396	2,116,109
ConocoPhillips	137,459	8,371,253
Enterprise Products Partners LP	60,344	1,456,101
Marathon Petroleum Corp	118,689	7,171,189
Suncor Energy Inc	250,023	5,989,336
Total SE	29,307	1,325,756
		35,148,249
Personal Products – 1.5%		
Unilever PLC	227,635	13,322,902
Pharmaceuticals – 5.3%		
AstraZeneca PLC	97,246	11,678,774
Bristol-Myers Squibb Co	76,419	5,106,318
Catalent Inc*	51,282	5,544,610
Merck & Co Inc	115,969	9,018,909
Novartis AG	86,850	7,916,964
Organon & Co*	11,099	335,856
Roche Holding AG	20,670	7,788,679
		47,390,110
Road & Rail – 1.3%		
Full Truck Alliance Co (ADR)*	124,548	2,538,288
Uber Technologies Inc*	184,316	9,237,918
		11,776,206
Semiconductor & Semiconductor Equipment – 7.7%		
Advanced Micro Devices Inc*	28,928	2,717,207
ASML Holding NV	33,899	23,286,597
Marvell Technology Inc	53,077	3,095,981
Microchip Technology Inc	29,678	4,443,984
NVIDIA Corp	15,294	12,236,729
Taiwan Semiconductor Manufacturing Co Ltd	656,000	14,010,050
Texas Instruments Inc	48,532	9,332,704
		69,123,252
Software – 8.7%		
Adobe Inc*	31,272	18,314,134
Autodesk Inc*	28,495	8,317,691
Microsoft Corp	145,690	39,467,421
SS&C Technologies Holdings Inc	58,772	4,235,110
Workday Inc*	30,037	7,171,033
		77,505,389
Technology Hardware, Storage & Peripherals – 2.3%		
Apple Inc	152,508	20,887,496
Textiles, Apparel & Luxury Goods – 2.0%		
adidas AG	22,876	8,513,577
NIKE Inc	58,817	9,086,638
		17,600,215
Trading Companies & Distributors – 1.7%		
Ferguson PLC	106,896	14,858,782
Wireless Telecommunication Services – 0.6%		
T-Mobile US Inc*	34,200	4,953,186
Total Common Stocks (cost $530,476,150)		892,116,585

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, 2021

	Shares	Value
Investment Companies– 0.6%		
Money Markets – 0.6%		
Janus Henderson Cash Liquidity Fund LLC, 0.0636%[∞,£] (cost $5,684,802)	5,684,234	$5,684,802
Total Investments (total cost $536,160,952) – 100.3%		897,801,387
Liabilities, net of Cash, Receivables and Other Assets – (0.3)%		(2,468,963)
Net Assets – 100%		$895,332,424

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

Country	Value	% of Investment Securities
United States	$613,018,056	68.3 %
United Kingdom	43,227,566	4.8
Netherlands	36,609,499	4.1
Canada	32,524,421	3.6
France	32,228,735	3.6
Sweden	23,480,809	2.6
Taiwan	18,618,662	2.1
Hong Kong	16,914,831	1.9
Switzerland	15,705,643	1.8
China	12,980,451	1.4
Germany	11,863,021	1.3
Argentina	9,211,212	1.0
Italy	8,000,481	0.9
Japan	7,748,506	0.9
Ireland	5,821,482	0.7
India	4,574,233	0.5
Israel	3,087,418	0.3
Denmark	2,186,361	0.2
Total	$897,801,387	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, 2021

Schedules of Affiliated Investments – (% of Net Assets)

	Dividend Income	Realized Gain/(Loss)	Change in Unrealized Appreciation/ Depreciation	Value at 6/30/21
Investment Companies - 0.6%				
Money Markets - 0.6%				
Janus Henderson Cash Liquidity Fund LLC, 0.0636%°°	$ 591	$ -	$ -	$ 5,684,802
Investments Purchased with Cash Collateral from Securities Lending - N/A				
Investment Companies - N/A				
Janus Henderson Cash Collateral Fund LLC, 0.0011%°°	4,266Δ	-	-	-
Total Affiliated Investments - 0.6%	$ 4,857	$ -	$ -	$ 5,684,802

	Value at 12/31/20	Purchases	Sales Proceeds	Value at 6/30/21
Investment Companies - 0.6%				
Money Markets - 0.6%				
Janus Henderson Cash Liquidity Fund LLC, 0.0636%°°	3,707,498	38,187,217	(36,209,913)	5,684,802
Investments Purchased with Cash Collateral from Securities Lending - N/A				
Investment Companies - N/A				
Janus Henderson Cash Collateral Fund LLC, 0.0011%°°	1,691,642	31,458,207	(33,149,849)	-

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

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, 2021 is $11,755,765, which represents 1.3% of net assets.

* Non-income producing security.

ºº Rate shown is the 7-day yield as of June 30, 2021.

£ 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, 2021. 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	$ 892,116,585	$ -	$ -
Investment Companies	-	5,684,802	-
Total Assets	$ 892,116,585	$ 5,684,802	$ -

Janus Henderson VIT Global Research Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2021

Assets:		
Unaffiliated investments, at value (cost $530,476,150)	$	892,116,585
Affiliated investments, at value (cost $5,684,802)		5,684,802
Non-interested Trustees' deferred compensation		21,810
Receivables:		
Investments sold		3,276,367
Dividends		322,649
Foreign tax reclaims		321,349
Portfolio shares sold		141,359
Dividends from affiliates		24
Other assets		13,680
Total Assets		901,898,625
Liabilities:		
Due to custodian		162
Foreign cash due to custodian		3
Payables:		
Investments purchased		5,305,818
Portfolio shares repurchased		488,308
Advisory fees		474,413
Foreign tax liability		96,925
12b-1 Distribution and shareholder servicing fees		50,939
Transfer agent fees and expenses		39,122
Professional fees		24,560
Non-interested Trustees' deferred compensation fees		21,810
Custodian fees		4,138
Non-interested Trustees' fees and expenses		3,238
Affiliated portfolio administration fees payable		1,817
Accrued expenses and other payables		54,948
Total Liabilities		6,566,201
Net Assets	$	895,332,424
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	481,377,320
Total distributable earnings (loss) (includes $96,925 of foreign capital gains tax)		413,955,104
Total Net Assets	$	895,332,424
Net Assets - Institutional Shares	$	644,089,897
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		9,450,814
Net Asset Value Per Share	$	68.15
Net Assets - Service Shares	$	251,242,527
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		3,789,925
Net Asset Value Per Share	$	66.29

See Notes to Financial Statements.

Janus Henderson VIT Global Research Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2021

Investment Income:		
Dividends	$	6,432,986
Affiliated securities lending income, net		4,266
Dividends from affiliates		591
Unaffiliated securities lending income, net		146
Foreign tax withheld		(274,850)
Total Investment Income		6,163,139
Expenses:		
Advisory fees		2,911,279
12b-1 Distribution and shareholder servicing fees:		
Service Shares		293,884
Transfer agent administrative fees and expenses:		
Institutional Shares		151,572
Service Shares		58,777
Other transfer agent fees and expenses:		
Institutional Shares		15,098
Service Shares		2,481
Shareholder reports expense		28,164
Professional fees		24,924
Custodian fees		15,262
Affiliated portfolio administration fees		13,111
Registration fees		11,467
Non-interested Trustees' fees and expenses		6,225
Other expenses		41,124
Total Expenses		3,573,368
Net Investment Income/(Loss)		2,589,771
Net Realized Gain/(Loss) on Investments:		
Investments and foreign currency transactions		50,059,098
Total Net Realized Gain/(Loss) on Investments		50,059,098
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation (includes $(28,279) of foreign capital gains tax)		49,940,286
Total Change in Unrealized Net Appreciation/Depreciation		49,940,286
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	102,589,155

See Notes to Financial Statements.

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

	Period ended June 30, 2021 (unaudited)	Year ended December 31, 2020
Operations:		
Net investment income/(loss)	$ 2,589,771	$ 4,653,529
Net realized gain/(loss) on investments	50,059,098	40,036,236
Change in unrealized net appreciation/depreciation	49,940,286	94,175,782
Net Increase/(Decrease) in Net Assets Resulting from Operations	102,589,155	138,865,547
Dividends and Distributions to Shareholders:		
Institutional Shares	(31,277,033)	(31,186,676)
Service Shares	(12,316,303)	(12,545,127)
Net Decrease from Dividends and Distributions to Shareholders	(43,593,336)	(43,731,803)
Capital Share Transactions:		
Institutional Shares	374,162	(7,319,597)
Service Shares	(692,472)	(5,498,429)
Net Increase/(Decrease) from Capital Share Transactions	(318,310)	(12,818,026)
Net Increase/(Decrease) in Net Assets	58,677,509	82,315,718
Net Assets:		
Beginning of period	836,654,915	754,339,197
End of period	$ 895,332,424	$ 836,654,915

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, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$63.62	$56.59	$47.13	$51.20	$40.63	$40.24
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.22	0.39	0.60	0.62	0.51	0.45
Net realized and unrealized gain/(loss)	7.76	10.04	12.67	(4.09)	10.45	0.37
Total from Investment Operations	7.98	10.43	13.27	(3.47)	10.96	0.82
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.18)	(0.41)	(0.54)	(0.60)	(0.39)	(0.43)
Distributions (from capital gains)	(3.27)	(2.99)	(3.27)	—	—	—
Total Dividends and Distributions	(3.45)	(3.40)	(3.81)	(0.60)	(0.39)	(0.43)
Net Asset Value, End of Period	$68.15	$63.62	$56.59	$47.13	$51.20	$40.63
Total Return*	12.62%	20.06%	29.04%	(6.87)%	27.03%	2.07%
Net Assets, End of Period (in thousands)	$644,090	$600,868	$539,915	$463,402	$540,594	$469,321
Average Net Assets for the Period (in thousands)	$621,259	$516,468	$511,859	$533,418	$512,287	$478,402
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.77%	0.84%	0.79%	0.60%	0.64%	0.65%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.77%	0.84%	0.79%	0.60%	0.64%	0.65%
Ratio of Net Investment Income/(Loss)	0.67%	0.72%	1.13%	1.19%	1.05%	1.15%
Portfolio Turnover Rate	11%	33%	36%	36%	41%	45%

Service Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$62.00	$55.27	$46.15	$50.17	$39.87	$39.53
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.14	0.25	0.45	0.48	0.38	0.35
Net realized and unrealized gain/(loss)	7.55	9.77	12.39	(4.00)	10.24	0.36
Total from Investment Operations	7.69	10.02	12.84	(3.52)	10.62	0.71
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.13)	(0.30)	(0.45)	(0.50)	(0.32)	(0.37)
Distributions (from capital gains)	(3.27)	(2.99)	(3.27)	—	—	—
Total Dividends and Distributions	(3.40)	(3.29)	(3.72)	(0.50)	(0.32)	(0.37)
Net Asset Value, End of Period	$66.29	$62.00	$55.27	$46.15	$50.17	$39.87
Total Return*	12.47%	19.76%	28.71%	(7.08)%	26.68%	1.82%
Net Assets, End of Period (in thousands)	$251,243	$235,787	$214,425	$180,168	$210,318	$179,125
Average Net Assets for the Period (in thousands)	$240,963	$206,127	$198,883	$206,497	$197,483	$186,563
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	1.01%	1.09%	1.04%	0.85%	0.89%	0.90%
Ratio of Net Expenses (After Waivers and Expense Offsets)	1.01%	1.09%	1.04%	0.85%	0.89%	0.90%
Ratio of Net Investment Income/(Loss)	0.43%	0.47%	0.88%	0.94%	0.81%	0.91%
Portfolio Turnover Rate	11%	33%	36%	36%	41%	45%

* 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 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 principles ("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, 2021 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 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. Extremely low or negative interest rates may become more prevalent or may not work as intended. As there is little precedent for this situation, the impact on various markets that interest rate or other significant policy changes may have is unknown. 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, including those which may be attributable to global climate change, 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 Management LLC ("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. 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.

A number of countries in the European Union (the "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. These difficulties may continue, worsen, or spread further within the EU. 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," which immediately led to significant market volatility around the world, as well as political, economic and legal uncertainty. The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, which expired on December 31, 2020. The negative impact on not only the United Kingdom and European economies could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on the United Kingdom and/or Europe for their business activities and revenues. Any further exits from the EU, or an increase in the belief that such exits are likely or possible, would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

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.

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. 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 Securities and Exchange Commission (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, or in time deposits. 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.

There were no securities on loan as of June 30, 2021.

3. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital an investment advisory fee rate that may adjust up or down based on the Portfolio’s performance relative to its benchmark index.

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 (the “Base Fee Rate”), plus or minus (2) a performance-fee adjustment (the “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 advisory fee rate is calculated daily and paid monthly.

The investment performance of the Portfolio’s Service Shares for the performance measurement period is used to calculate the Performance Adjustment. The Portfolio’s Base Fee Rate prior to any performance adjustment (expressed as an annual rate) is 0.60%, and the Portfolio’s benchmark index used in the calculation is the MSCI World Index^{SM}.

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 Base Fee Rate is subject to an upward or downward Performance Adjustment for every full 0.50% increment by which the Portfolio outperforms or underperforms its benchmark index, up to the Portfolio’s full performance rate of ±6.00%. Because the Performance Adjustment is tied to a Portfolio’s relative performance compared to its benchmark index (and not its absolute performance), the Performance Adjustment could increase Janus Capital's fee even if the Portfolio's Shares lose value during the performance measurement period and could decrease Janus Capital's fee even if the Portfolio's Shares increase in value during the performance measurement period. For purposes of computing the Base Fee Rate and the Performance Adjustment, net assets are averaged over different periods (average daily net assets during the previous month for the Base Fee Rate, versus average daily net assets during the performance measurement period for the Performance Adjustment). Performance of the Portfolio is calculated net of expenses whereas the Portfolio's benchmark index does not have any fees or expenses. Reinvestment of dividends and distributions is included in calculating both the performance of a Portfolio and the Portfolio's benchmark index.

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, 2021, the performance adjusted investment advisory fee rate before any waivers and/or reimbursements of expenses is 0.68%.

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 $16,571 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2021. 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, 2021 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, 2021 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 $308,300 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2021.

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, 2021 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

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, 2021 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)*
$ 534,630,906	$366,992,872	$ (3,822,391)	$ 363,170,481

5. Capital Share Transactions

	Period ended June 30, 2021		Year ended December 31, 2020	
	Shares	*Amount*	*Shares*	*Amount*
Institutional Shares:				
Shares sold	193,164	$12,835,647	332,367	$18,355,000
Reinvested dividends and distributions	464,810	31,277,033	621,750	31,186,676
Shares repurchased	(651,278)	(43,738,518)	(1,050,167)	(56,861,273)
Net Increase/(Decrease)	6,696	$ 374,162	(96,050)	$ (7,319,597)
Service Shares:				
Shares sold	70,753	$ 4,591,585	240,326	$12,343,506
Reinvested dividends and distributions	188,150	12,316,303	257,316	12,545,127
Shares repurchased	(272,009)	(17,600,360)	(574,118)	(30,387,062)
Net Increase/(Decrease)	(13,106)	$ (692,472)	(76,476)	$ (5,498,429)

6. Purchases and Sales of Investment Securities

For the period ended June 30, 2021, 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*
$92,197,358	$ 133,374,577	$ -	$ -

7. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2021 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 files its complete portfolio holdings (schedule of investments) with the SEC 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 shareholders. The Portfolio's Form N-PORT filings and annual and semiannual reports: (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 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 9, 2020, 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, 2021 through February 1, 2022, 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, 2020, approximately 75% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers, and for the 12 months ended September 30, 2020, approximately 62% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers.

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, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile for the 12 months ended May 31, 2020. 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 Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving.

- 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, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile-for the 12 months ended May 31, 2020. 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.
- For Janus Henderson Global Technology and Innovation Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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 and Perkins had taken or were taking to improve performance.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- 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, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020.

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 fees and any administration fees 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 comparable mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of the respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 9% under the average management fees for the respective Broadridge Expense Group. 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 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 operate in markets very distinct relative to retail funds; 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) 9 of 10 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) 5 of 8 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 2019, 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 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, 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 Technology and Innovation Portfolio, the Trustees noted that the Fund's total expenses were below the peer group 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 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 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 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 exists 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 fixed base rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 73% of these Janus Henderson Funds' 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 of those 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

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 significant investments made by Janus Capital and its affiliates related to services provided to the Funds and 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 economies of scale 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 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

The 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 of the Portfolio (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 Risk Working Group").

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, 2021, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from January 1, 2020 through December 31, 2020 (the "Reporting Period").

The Program Administrator Report discussed the operation and effectiveness of the LRMP during the Reporting Period. It noted that the Portfolio was able to meet redemptions during the normal course of business during the Reporting Period, and discussed the additional actions that the Liquidity Risk Working Group took during the period of market volatility in the spring of 2020 to monitor the Portfolio's liquidity. The Program Administrator Report also stated that the Portfolio did not exceed the 15% limit on illiquid assets during the Reporting Period, that the Portfolio held primarily highly liquid assets, and was considered to be a primarily highly liquid fund 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.

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

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

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. 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. 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
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 08-21

SEMIANNUAL REPORT
June 30, 2021

Janus Henderson VIT Research Portfolio

Janus Aspen Series

HIGHLIGHTS

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

Janus Henderson INVESTORS

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Janus Henderson VIT Research Portfolio

PORTFOLIO SNAPSHOT

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

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

Janus Henderson VIT Research Portfolio (unaudited)
Portfolio At A Glance
June 30, 2021

5 Top Contributors - Holdings

	Average Weight	Relative Contribution
NVIDIA Corp	3.36%	0.63%
Lam Research Corp	1.92%	0.31%
Alphabet Inc - Class C	5.64%	0.18%
Blackstone Group Inc	0.49%	0.18%
Roku Inc	0.63%	0.15%

5 Top Detractors - Holdings

	Average Weight	Relative Contribution
Sarepta Therapeutics Inc	0.51%	-0.40%
RingCentral Inc	1.05%	-0.39%
CoStar Group Inc	1.39%	-0.30%
Vertex Pharmaceuticals Inc	1.04%	-0.21%
Zendesk Inc	1.61%	-0.19%

4 Top Contributors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell 1000 Growth Index Average Weight
Industrials	0.57%	7.11%	7.45%
Communications	0.09%	14.09%	13.88%
Consumer	0.07%	18.08%	18.06%
Energy	0.02%	0.14%	0.11%

4 Top Detractors - Sectors*

	Relative Contribution	Portfolio Average Weight	Russell 1000 Growth Index Average Weight
Healthcare	-0.89%	13.56%	13.51%
Financials	-0.46%	9.10%	9.25%
Technology	-0.17%	37.71%	37.74%
Other**	-0.08%	0.21%	0.00%

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, 2021

5 Largest Equity Holdings - (% of Net Assets)

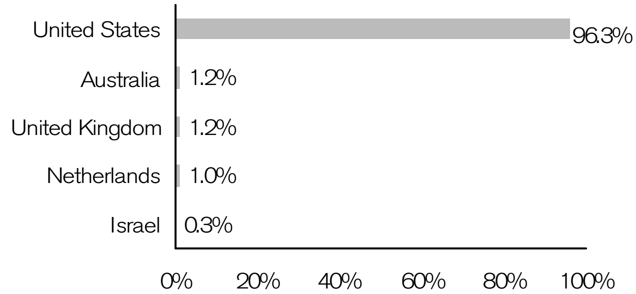
Microsoft Corp	
Software	8.9%
Amazon.com Inc	
Internet & Direct Marketing Retail	7.6%
Alphabet Inc - Class C	
Interactive Media & Services	6.3%
Apple Inc	
Technology Hardware, Storage & Peripherals	4.6%
NVIDIA Corp	
Semiconductor & Semiconductor Equipment	4.5%
	31.9%

Asset Allocation - (% of Net Assets)

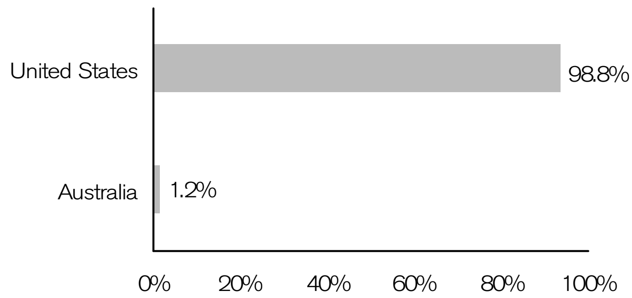
Common Stocks	99.2%
Investment Companies	1.5%
Investments Purchased with Cash Collateral from Securities Lending	0.7%
Other	(1.4)%
	100.0%

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

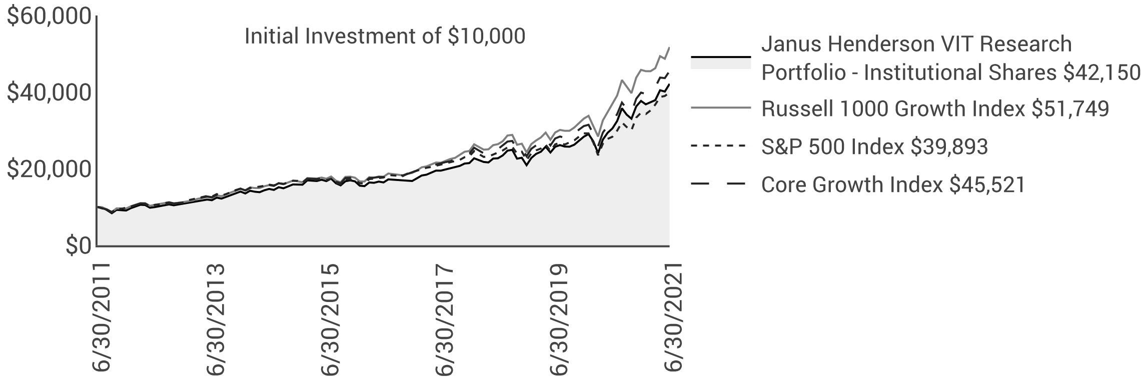
As of June 30, 2021



As of December 31, 2020



Janus Henderson VIT Research Portfolio (unaudited)
Performance



Average Annual Total Return - for the periods ended June 30, 2021						Prospectus Expense Ratios
	Fiscal Year-to-Date	One Year	Five Year	Ten Year	Since Inception*	Total Annual Fund Operating Expenses‡
Institutional Shares	11.83%	38.20%	20.76%	15.47%	10.00%	0.60%
Service Shares	11.70%	37.84%	20.45%	15.18%	9.71%	0.85%
Russell 1000 Growth Index	12.99%	42.50%	23.66%	17.87%	11.11%	
S&P 500 Index	15.25%	40.79%	17.65%	14.84%	10.49%	
Core Growth Index	14.16%	41.73%	20.65%	16.36%	10.84%	
Morningstar Quartile - Institutional Shares	-	3rd	3rd	3rd	3rd	
Morningstar Ranking - based on total returns for Large Growth Funds	-	892/1,259	735/1,150	678/1,012	248/369	

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 foreign and emerging markets, fixed income securities, high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), non-diversification, portfolio turnover, derivatives, short sales, initial public offerings (IPOs) and potential conflicts of interest. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

High absolute short-term performance is not typical and may not be achieved in the future. Such results should not be the sole basis for evaluating material facts in making an investment decision.

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.

See important disclosures on the next page.

Janus Henderson VIT Research Portfolio (unaudited)
Performance

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.”

*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 (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Beginning Account Value (1/1/21)	Ending Account Value (6/30/21)	Expenses Paid During Period (1/1/21 - 6/30/21)†	Net Annualized Expense Ratio (1/1/21 - 6/30/21)
Institutional Shares	$1,000.00	$1,118.30	$3.10	$1,000.00	$1,021.87	$2.96	0.59%
Service Shares	$1,000.00	$1,117.00	$4.36	$1,000.00	$1,020.68	$4.16	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 181/365 (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, 2021

	Shares or Principal Amounts	Value
Common Stocks– 99.2%		
Aerospace & Defense – 2.0%		
Howmet Aerospace Inc*	122,596	$4,225,884
L3Harris Technologies Inc	23,482	5,075,634
Teledyne Technologies Inc*	10,670	4,468,916
		13,770,434
Air Freight & Logistics – 1.7%		
United Parcel Service Inc	56,223	11,692,697
Auto Components – 0.6%		
Aptiv PLC*	25,506	4,012,859
Beverages – 1.3%		
Constellation Brands Inc	36,810	8,609,491
Biotechnology – 3.2%		
AbbVie Inc	75,378	8,490,578
Global Blood Therapeutics Inc*	49,151	1,721,268
Neurocrine Biosciences Inc*	34,907	3,397,149
Sarepta Therapeutics Inc*	42,212	3,281,561
Vertex Pharmaceuticals Inc*	25,033	5,047,404
		21,937,960
Capital Markets – 1.1%		
Apollo Global Management Inc	47,377	2,946,849
Blackstone Group Inc	44,694	4,341,575
		7,288,424
Chemicals – 1.5%		
Air Products & Chemicals Inc	13,194	3,795,650
Sherwin-Williams Co	23,545	6,414,835
		10,210,485
Commercial Services & Supplies – 0.4%		
Copart Inc*	21,510	2,835,663
Containers & Packaging – 0.4%		
Ball Corp	33,921	2,748,279
Diversified Consumer Services – 0.4%		
Terminix Global Holdings Inc*	63,289	3,019,518
Entertainment – 2.5%		
Liberty Media Corp-Liberty Formula One*	128,562	6,197,974
Netflix Inc*	21,010	11,097,692
		17,295,666
Health Care Equipment & Supplies – 2.9%		
Abbott Laboratories	33,798	3,918,202
Boston Scientific Corp*	91,884	3,928,960
Dentsply Sirona Inc	46,285	2,927,989
DexCom Inc*	9,281	3,962,987
Edwards Lifesciences Corp*	49,727	5,150,225
		19,888,363
Health Care Providers & Services – 0.5%		
Humana Inc	7,787	3,447,461
Hotels, Restaurants & Leisure – 1.7%		
Aramark	121,131	4,512,130
Caesars Entertainment Inc*	66,308	6,879,455
		11,391,585
Household Durables – 0.7%		
Roku Inc*	10,417	4,784,007
Household Products – 1.5%		
Procter & Gamble Co	78,543	10,597,807
Industrial Conglomerates – 0.8%		
Honeywell International Inc	24,018	5,268,348
Information Technology Services – 8.3%		
Fidelity National Information Services Inc	41,676	5,904,239
Mastercard Inc	61,005	22,272,315
Okta Inc*	7,024	1,718,632
Snowflake Inc - Class A*	13,810	3,339,258

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, 2021

	Shares or Principal Amounts	Value
Common Stocks– (continued)		
Information Technology Services– (continued)		
Visa Inc	92,222	$21,563,348
Wix.com Ltd*	7,920	2,299,018
		57,096,810
Insurance – 0.5%		
Aon PLC	15,651	3,736,833
Interactive Media & Services – 10.9%		
Alphabet Inc - Class C*	17,293	43,341,792
Facebook Inc*	83,144	28,910,000
Snap Inc*	40,947	2,790,129
		75,041,921
Internet & Direct Marketing Retail – 10.6%		
Amazon.com Inc*	15,150	52,118,424
Booking Holdings Inc*	3,797	8,308,178
DoorDash Inc - Class A*	24,192	4,314,159
Farfetch Ltd - Class A*	66,273	3,337,508
Wayfair Inc*	15,447	4,876,772
		72,955,041
Life Sciences Tools & Services – 1.1%		
Illumina Inc*	10,076	4,768,064
Thermo Fisher Scientific Inc	5,266	2,656,539
		7,424,603
Machinery – 0.6%		
Ingersoll Rand Inc*	90,471	4,415,890
Oil, Gas & Consumable Fuels – 0.3%		
Cheniere Energy Inc*	27,227	2,361,670
Pharmaceuticals – 1.4%		
AstraZeneca PLC (ADR)#	81,073	4,856,273
Horizon Therapeutics PLC*	21,410	2,004,832
Merck & Co Inc	38,653	3,006,044
		9,867,149
Professional Services – 1.1%		
CoStar Group Inc*	91,560	7,582,999
Real Estate Management & Development – 0.2%		
Redfin Corp*	21,306	1,351,013
Road & Rail – 1.9%		
JB Hunt Transport Services Inc	26,415	4,304,324
Uber Technologies Inc*	179,017	8,972,332
		13,276,656
Semiconductor & Semiconductor Equipment – 10.4%		
Advanced Micro Devices Inc*	22,389	2,102,999
ASML Holding NV	10,456	7,223,423
Lam Research Corp	18,211	11,849,898
Marvell Technology Inc	39,714	2,316,518
Microchip Technology Inc	22,686	3,397,002
NVIDIA Corp	38,332	30,669,433
Texas Instruments Inc	56,535	10,871,681
Xilinx Inc	23,314	3,372,137
		71,803,091
Software – 20.7%		
Adobe Inc*	41,370	24,227,927
Atlassian Corp PLC*	32,453	8,335,878
Autodesk Inc*	29,597	8,639,364
Avalara Inc*	30,614	4,953,345
Cadence Design Systems Inc*	23,193	3,173,266
Microsoft Corp	227,188	61,545,229
RingCentral Inc*	22,520	6,543,862
SS&C Technologies Holdings Inc	20,203	1,455,828
Tyler Technologies Inc*	12,431	5,623,412
Workday Inc*	29,852	7,126,867

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, 2021

	Shares or Principal Amounts	Value
Common Stocks– (continued)		
Software– (continued)		
Zendesk Inc*	76,789	$11,083,724
		142,708,702
Specialty Retail – 1.4%		
Burlington Stores Inc*	18,242	5,873,742
Vroom Inc*,#	92,309	3,864,055
		9,737,797
Technology Hardware, Storage & Peripherals – 4.6%		
Apple Inc	228,955	31,357,677
Textiles, Apparel & Luxury Goods – 1.4%		
NIKE Inc	62,771	9,697,492
Trading Companies & Distributors – 0.2%		
Ferguson PLC	9,418	1,309,123
Wireless Telecommunication Services – 0.4%		
T-Mobile US Inc*	17,399	2,519,897
Total Common Stocks (cost $360,892,458)		683,043,411
Investment Companies– 1.5%		
Money Markets – 1.5%		
Janus Henderson Cash Liquidity Fund LLC, 0.0636%∞,£ (cost $10,399,690)	10,398,650	10,399,690
Investments Purchased with Cash Collateral from Securities Lending– 0.7%		
Investment Companies – 0.6%		
Janus Henderson Cash Collateral Fund LLC, 0.0011%∞,£	3,699,859	3,699,859
Time Deposits – 0.1%		
Royal Bank of Canada, 0.0500%, 7/1/21	$924,965	924,965
Total Investments Purchased with Cash Collateral from Securities Lending (cost $4,624,824)		4,624,824
Total Investments (total cost $375,916,972) – 101.4%		698,067,925
Liabilities, net of Cash, Receivables and Other Assets – (1.4)%		(9,528,171)
Net Assets – 100%		$688,539,754

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

Country	Value	% of Investment Securities
United States	$672,015,825	96.3 %
Australia	8,335,878	1.2
United Kingdom	8,193,781	1.2
Netherlands	7,223,423	1.0
Israel	2,299,018	0.3
Total	$698,067,925	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, 2021

Schedules of Affiliated Investments – (% of Net Assets)

		Dividend Income		*Realized Gain/(Loss)*		*Change in Unrealized Appreciation/ Depreciation*		*Value at 6/30/21*
Investment Companies - 1.5%								
Money Markets - 1.5%								
Janus Henderson Cash Liquidity Fund LLC, 0.0636%°°	$	319	$	-	$	-	$	10,399,690
Investments Purchased with Cash Collateral from Securities Lending - 0.6%								
Investment Companies - 0.6%								
Janus Henderson Cash Collateral Fund LLC, 0.0011%°°		4,159Δ		-		-		3,699,859
Total Affiliated Investments - 2.1%	$	4,478	$	-	$	-	$	14,099,549

	Value at 12/31/20	*Purchases*	*Sales Proceeds*	*Value at 6/30/21*
Investment Companies - 1.5%				
Money Markets - 1.5%				
Janus Henderson Cash Liquidity Fund LLC, 0.0636%°°	1,551,134	46,282,913	(37,434,357)	10,399,690
Investments Purchased with Cash Collateral from Securities Lending - 0.6%				
Investment Companies - 0.6%				
Janus Henderson Cash Collateral Fund LLC, 0.0011%°°	1,318,917	28,407,406	(26,026,464)	3,699,859

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.
ADR	American Depositary Receipt
LLC	Limited Liability Company
PLC	Public Limited Company

*	Non-income producing security.
ºº	Rate shown is the 7-day yield as of June 30, 2021.
#	Loaned security; a portion of the security is on loan at June 30, 2021.
£	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, 2021. 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	$ 683,043,411	$ -	$ -
Investment Companies	-	10,399,690	-
Investments Purchased with Cash Collateral from Securities Lending	-	4,624,824	-
Total Assets	$ 683,043,411	$ 15,024,514	$ -

Janus Henderson VIT Research Portfolio
Statement of Assets and Liabilities (unaudited)
June 30, 2021

Assets:		
Unaffiliated investments, at value (cost $361,817,423)(1)	$	683,968,376
Affiliated investments, at value (cost $14,099,549)		14,099,549
Non-interested Trustees' deferred compensation		16,776
Receivables:		
Investments sold		3,617,061
Dividends		155,620
Portfolio shares sold		99,295
Foreign tax reclaims		1,931
Dividends from affiliates		33
Other assets		73,823
Total Assets		702,032,464
Liabilities:		
Due to custodian		87
Foreign cash due to custodian		421,137
Collateral for securities loaned (Note 2)		4,624,824
Payables:		
Investments purchased		7,492,086
Portfolio shares repurchased		513,268
Advisory fees		282,915
12b-1 Distribution and shareholder servicing fees		36,536
Transfer agent fees and expenses		29,629
Professional fees		25,213
Non-interested Trustees' deferred compensation fees		16,776
Non-interested Trustees' fees and expenses		2,472
Affiliated portfolio administration fees payable		1,375
Custodian fees		846
Accrued expenses and other payables		45,546
Total Liabilities		13,492,710
Net Assets	$	688,539,754
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	301,296,141
Total distributable earnings (loss)		387,243,613
Total Net Assets	$	688,539,754
Net Assets - Institutional Shares	$	505,541,079
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		9,661,294
Net Asset Value Per Share	$	52.33
Net Assets - Service Shares	$	182,998,675
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)		3,619,408
Net Asset Value Per Share	$	50.56

(1) Includes $4,530,170 of securities on loan. See Note 2 in Notes to Financial Statements.

See Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Statement of Operations (unaudited)
For the period ended June 30, 2021

Investment Income:		
Dividends	$	2,156,246
Affiliated securities lending income, net		4,159
Dividends from affiliates		319
Unaffiliated securities lending income, net		164
Other income		16
Foreign tax withheld		(2,933)
Total Investment Income		2,157,971
Expenses:		
Advisory fees		1,626,265
12b-1 Distribution and shareholder servicing fees:		
Service Shares		210,906
Transfer agent administrative fees and expenses:		
Institutional Shares		116,710
Service Shares		42,181
Other transfer agent fees and expenses:		
Institutional Shares		11,701
Service Shares		1,811
Professional fees		23,057
Shareholder reports expense		15,036
Registration fees		11,471
Affiliated portfolio administration fees		9,889
Non-interested Trustees' fees and expenses		4,598
Custodian fees		3,282
Other expenses		39,548
Total Expenses		2,116,455
Net Investment Income/(Loss)		41,516
Net Realized Gain/(Loss) on Investments:		
Investments and foreign currency transactions		66,742,761
Total Net Realized Gain/(Loss) on Investments		66,742,761
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation		6,952,413
Total Change in Unrealized Net Appreciation/Depreciation		6,952,413
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	73,736,690

See Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Statements of Changes in Net Assets

	Period ended June 30, 2021 (unaudited)	Year ended December 31, 2020
Operations:		
Net investment income/(loss)	$ 41,516	$ 1,465,477
Net realized gain/(loss) on investments	66,742,761	34,158,380
Change in unrealized net appreciation/depreciation	6,952,413	129,988,619
Net Increase/(Decrease) in Net Assets Resulting from Operations	73,736,690	165,612,476
Dividends and Distributions to Shareholders:		
Institutional Shares	(25,510,438)	(35,272,315)
Service Shares	(9,384,084)	(13,034,956)
Net Decrease from Dividends and Distributions to Shareholders	(34,894,522)	(48,307,271)
Capital Share Transactions:		
Institutional Shares	2,255,912	(10,891,213)
Service Shares	718,792	(9,193,039)
Net Increase/(Decrease) from Capital Share Transactions	2,974,704	(20,084,252)
Net Increase/(Decrease) in Net Assets	41,816,872	97,220,953
Net Assets:		
Beginning of period	646,722,882	549,501,929
End of period	$ 688,539,754	$ 646,722,882

See Notes to Financial Statements.

Janus Henderson VIT Research Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$49.35	$40.79	$33.70	$36.51	$28.93	$30.84
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	0.02	0.14	0.21	0.19	0.16	0.14
Net realized and unrealized gain/(loss)	5.72	12.20	11.26	(0.94)	7.87	(0.03)
Total from Investment Operations	5.74	12.34	11.47	(0.75)	8.03	0.11
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.05)	(0.18)	(0.18)	(0.21)	(0.13)	(0.16)
Distributions (from capital gains)	(2.71)	(3.60)	(4.20)	(1.85)	(0.32)	(1.86)
Total Dividends and Distributions	(2.76)	(3.78)	(4.38)	(2.06)	(0.45)	(2.02)
Net Asset Value, End of Period	$52.33	$49.35	$40.79	$33.70	$36.51	$28.93
Total Return*	11.83%	32.95%	35.52%	(2.58)%	27.88%	0.50%
Net Assets, End of Period (in thousands)	$505,541	$474,525	$398,888	$328,803	$379,048	$330,516
Average Net Assets for the Period (in thousands)	$478,560	$414,413	$374,004	$380,194	$360,896	$353,738
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.59%	0.60%	0.59%	0.58%	0.61%	0.62%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.59%	0.60%	0.59%	0.58%	0.61%	0.62%
Ratio of Net Investment Income/(Loss)	0.08%	0.33%	0.55%	0.50%	0.48%	0.47%
Portfolio Turnover Rate	21%	33%	38%	47%	55%	58%

Service Shares

For a share outstanding during the period ended June 30, 2021 (unaudited) and the year ended December 31	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	$47.78	$39.64	$32.87	$35.68	$28.31	$30.24
Income/(Loss) from Investment Operations:						
Net investment income/(loss)(1)	(0.04)	0.03	0.11	0.09	0.08	0.06
Net realized and unrealized gain/(loss)	5.54	11.80	10.98	(0.92)	7.69	(0.02)
Total from Investment Operations	5.50	11.83	11.09	(0.83)	7.77	0.04
Less Dividends and Distributions:						
Dividends (from net investment income)	(0.01)	(0.09)	(0.12)	(0.13)	(0.08)	(0.11)
Distributions (from capital gains)	(2.71)	(3.60)	(4.20)	(1.85)	(0.32)	(1.86)
Total Dividends and Distributions	(2.72)	(3.69)	(4.32)	(1.98)	(0.40)	(1.97)
Net Asset Value, End of Period	$50.56	$47.78	$39.64	$32.87	$35.68	$28.31
Total Return*	11.70%	32.58%	35.22%	(2.84)%	27.55%	0.27%
Net Assets, End of Period (in thousands)	$182,999	$172,198	$150,614	$126,817	$160,439	$143,900
Average Net Assets for the Period (in thousands)	$172,974	$151,973	$141,550	$148,101	$155,006	$151,772
Ratios to Average Net Assets**:						
Ratio of Gross Expenses	0.83%	0.85%	0.84%	0.83%	0.86%	0.87%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.83%	0.85%	0.84%	0.83%	0.86%	0.87%
Ratio of Net Investment Income/(Loss)	(0.17)%	0.08%	0.30%	0.25%	0.23%	0.22%
Portfolio Turnover Rate	21%	33%	38%	47%	55%	58%

* 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 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 principles ("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, 2021 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 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. Extremely low or negative interest rates may become more prevalent or may not work as intended. As there is little precedent for this situation, the impact on various markets that interest rate or other significant policy changes may have is unknown. 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, including those which may be attributable to global climate change, 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 Management LLC ("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. 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.

A number of countries in the European Union (the "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. These difficulties may continue, worsen, or spread further within the EU. 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," which immediately led to significant market volatility around the world, as well as political, economic and legal uncertainty. The United Kingdom formally left the EU on January 31, 2020 and entered into an eleven-month transition period, which expired on December 31, 2020. The negative impact on not only the United Kingdom and European economies could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on the United Kingdom and/or Europe for their business activities and revenues. Any further exits from the EU, or an increase in the belief that such exits are likely or possible, would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

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.

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	$ 4,530,170	$ —	$ (4,530,170)	$ —

(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. 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, or in time deposits. 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, 2021, securities lending transactions accounted for as secured borrowings with an overnight and continuous contractual maturity are $4,530,170. Gross amounts of recognized liabilities for securities lending (collateral received) as of June 30, 2021 is $4,624,824, resulting in the net amount due to the counterparty of $94,654.

3. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital an investment advisory fee rate that may adjust up or down based on the Portfolio’s performance relative to its benchmark index.

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 (the “Base Fee Rate”), plus or minus (2) a performance-fee adjustment (the “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 advisory fee rate is calculated daily and paid monthly.

The investment performance of the Portfolio’s Service Shares for the performance measurement period is used to calculate the Performance Adjustment. The Portfolio’s Base Fee Rate prior to any performance adjustment (expressed as an annual rate) is 0.64%, and the Portfolio’s benchmark index used in the calculation is the Russell 1000 Growth Index®. Effective May 1, 2020, the Core Growth Index was eliminated from the Performance Adjustment calculation for the Portfolio..

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 Base Fee Rate is subject to an upward or downward Performance Adjustment for every full 0.50% increment by which the Portfolio outperforms or underperforms its benchmark index, up to the Portfolio’s full performance rate of ±5.00%. Because the Performance Adjustment is tied to a Portfolio’s relative performance compared to its benchmark index (and not its absolute performance), the Performance Adjustment could increase Janus Capital’s fee even if the Portfolio’s Shares lose value during the performance measurement period and could decrease Janus Capital’s fee even if the Portfolio’s Shares increase in value during the performance measurement period. For purposes of computing the Base Fee Rate and the Performance Adjustment, net assets are averaged over different periods (average daily net assets during the previous month for the Base Fee Rate, versus average daily net assets during the performance measurement period for the Performance Adjustment). Performance of the Portfolio is calculated net of expenses whereas the Portfolio’s benchmark index does not have any fees or expenses. Reinvestment of dividends and distributions is included in calculating both the performance of a Portfolio and the Portfolio’s benchmark index.

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, 2021, 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 $16,571 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2021. 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, 2021 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, 2021 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 $308,300 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2021.

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, 2021 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

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, 2021 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)*
$ 377,369,770	$323,791,360	$ (3,093,205)	$ 320,698,155

5. Capital Share Transactions

	Period ended June 30, 2021		Year ended December 31, 2020	
	Shares	*Amount*	*Shares*	*Amount*
Institutional Shares:				
Shares sold	77,542	$ 3,909,948	202,327	$ 8,569,372
Reinvested dividends and distributions	503,363	25,510,438	921,801	35,272,315
Shares repurchased	(536,022)	(27,164,474)	(1,285,622)	(54,732,900)
Net Increase/(Decrease)	44,883	$ 2,255,912	(161,494)	$(10,891,213)
Service Shares:				
Shares sold	93,344	$ 4,578,964	258,558	$ 10,480,986
Reinvested dividends and distributions	191,590	9,384,084	352,420	13,034,956
Shares repurchased	(269,411)	(13,244,256)	(807,058)	(32,708,981)
Net Increase/(Decrease)	15,523	$ 718,792	(196,080)	$ (9,193,039)

6. Purchases and Sales of Investment Securities

For the period ended June 30, 2021, 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*
$138,391,801	$ 174,362,268	$ -	$ -

7. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2021 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 files its complete portfolio holdings (schedule of investments) with the SEC 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 shareholders. The Portfolio's Form N-PORT filings and annual and semiannual reports: (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 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 9, 2020, 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, 2021 through February 1, 2022, 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, 2020, approximately 75% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers, and for the 12 months ended September 30, 2020, approximately 62% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers.

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, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile for the 12 months ended May 31, 2020. 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 Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the first Broadridge quartile for the 12 months ended May 31, 2020. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance, and that the performance trend was improving.

- 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, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the bottom Broadridge quartile-for the 12 months ended May 31, 2020. 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.
- For Janus Henderson Global Technology and Innovation Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2020 and the second Broadridge quartile for the 12 months ended May 31, 2020.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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 and Perkins had taken or were taking to improve performance.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- 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, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020. 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.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2020 and the third Broadridge quartile for the 12 months ended May 31, 2020.

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 fees and any administration fees 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 comparable mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of the respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 9% under the average management fees for the respective Broadridge Expense Group. 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 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 operate in markets very distinct relative to retail funds; 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) 9 of 10 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) 5 of 8 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 2019, 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 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, 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 Technology and Innovation Portfolio, the Trustees noted that the Fund's total expenses were below the peer group 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 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 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 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 exists 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 fixed base rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 73% of these Janus Henderson Funds' 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 of those 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

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 significant investments made by Janus Capital and its affiliates related to services provided to the Funds and 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 economies of scale 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 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

The 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 of the Portfolio (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 Risk Working Group").

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, 2021, the Program Administrator provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from January 1, 2020 through December 31, 2020 (the "Reporting Period").

The Program Administrator Report discussed the operation and effectiveness of the LRMP during the Reporting Period. It noted that the Portfolio was able to meet redemptions during the normal course of business during the Reporting Period, and discussed the additional actions that the Liquidity Risk Working Group took during the period of market volatility in the spring of 2020 to monitor the Portfolio's liquidity. The Program Administrator Report also stated that the Portfolio did not exceed the 15% limit on illiquid assets during the Reporting Period, that the Portfolio held primarily highly liquid assets, and was considered to be a primarily highly liquid fund 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.

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

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. 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. 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
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

109-24-93078 08-21

T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2021

T. ROWE PRICE

Government Money Portfolio

For more insights from T. Rowe Price investment professionals, go to **troweprice.com**.

INVEST WITH CONFIDENCE®

HIGHLIGHTS

- The Government Money Portfolio and the Lipper Variable Annuity Underlying U.S. Government Money Market Funds Average both returned 0.00% for the six-month period ended June 30, 2021.
- The Federal Reserve kept the fed funds target rate in the 0.00% to 0.25% range in response to the pandemic and its impact on the economy.
- We continued to focus on U.S. government money market securities with longer maturities in an attempt to preserve the portfolio's yield. As always, we try to take advantage of opportunities to buy money market instruments with attractive yields.
- Given the heightened economic uncertainty and the Fed's revised approach regarding inflation, we believe that the Fed is likely to keep short-term interest rates extremely low for the next several years.

Dear Investor

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

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

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

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

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

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

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

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

Sincerely,

Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund'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 and the Lipper Variable Annuity Underlying U.S. Government Money Market Funds Average both returned 0.00% for the six-month period ended June 30, 2021. (*Past performance cannot guarantee future results*.)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/21	Total Return
Government Money Portfolio	0.00%
Lipper Variable Annuity Underlying U.S. Government Money Market Funds Average	0.00

What factors influenced the portfolio's performance?

While the U.S. economy is recovering from the deep, pandemic-driven downturn that took place in the first half of 2020, the Federal Reserve has acknowledged that the pandemic has caused tremendous human and economic hardship in the U.S. and around the globe and that it will take some time before the employment situation improves to the point where it becomes appropriate for the central bank to begin reducing its monthly asset purchases and, later, raising short-term interest rates from near zero.

Inflation has shown signs of increasing from last year's lowest levels, as the broadening distribution of coronavirus vaccines is enabling the U.S. and other countries to ease some pandemic restrictions and as pent-up consumer demand and some supply chain disruptions are leading to shortages and, thus, higher prices of certain goods and materials. The fiscal stimulus measures and infrastructure spending plans supported by President Joe Biden are also seen as contributing to a faster economic growth rate and potentially higher inflation and have lifted longer-term Treasury yields from their lowest levels over the last year. However, the Fed considers current inflationary pressures to be largely transitory.

Nevertheless, the Fed has adopted a new framework whereby it intends to allow inflation to go above and remain above its long-term 2% target for some period of time to compensate for periods of below-average inflation. Considering that inflation has not consistently remained above 2% for any meaningful stretch over the last decade, the Fed may decide to keep short-term interest rates very low for the foreseeable future.

The yield on the 90-day Treasury bill fell from 0.09% to 0.05% during the past six months, while the six-month T-bill yield dropped from 0.09% to 0.06%. One-year T-bill yields fell from 0.10% to 0.07%.

How is the fund positioned?

At the end of our reporting period, the portfolio's weighted average maturity was positioned longer than that of the average competitor. With money market interest rates hovering just above 0%, we continued to focus on U.S. government money market securities with longer maturities in an attempt to preserve the portfolio's yield. As always, we try to take advantage of opportunities to buy money market instruments with attractive yields.

SECURITY DIVERSIFICATION

U.S. Treasury Bills	68%
Other U.S. Government and Agencies	25
Repurchase Agreements	10
U.S. Treasury Notes	2
Other and Reserves	-5
Total	**100%**

Based on net assets as of 6/30/21.

As shown in the Security Diversification exhibit, 70% of the fund's assets were invested in Treasury securities, mostly T-bills, at the end of June. Other U.S. government and agency securities represented 25% of assets; the remainder was invested in repurchase agreements.

What is portfolio management's outlook?

In response to the stress in certain funding markets at the onset of the pandemic in March 2020, the Securities and Exchange Commission (SEC) is contemplating another round of reforms and rule changes for money market funds—it would be the third since a certain money fund in the industry "broke the buck" during the 2008 global financial crisis. While we do not know which proposals are likely to be implemented, we do believe the regulatory landscape for money funds could become more complex. We will closely monitor the reform efforts in the months ahead.

Given the heightened economic uncertainty and the Fed's revised approach regarding inflation, we believe that the Fed is likely to keep short-term interest rates extremely low for the next several years. To balance our positions in money market securities with longer average maturities, the portfolio maintains a high degree of liquidity with very short-term securities. 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:

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. During periods of extremely low short-term interest rates, the fund may not be able to maintain a positive yield, and, given the current low interest rate environment, risks associated with rising rates are currently heightened.

Credit risks. An issuer of a debt instrument could suffer an adverse change in financial condition that results in a payment default (failure to make scheduled interest or principal payments), a rating downgrade, or an inability to meet a financial obligation. Although the portfolio only purchases securities that present minimal credit risk in the opinion of T. Rowe Price, the credit quality of its holdings could change rapidly during periods of market stress. The portfolio's overall credit risk is relatively low since it invests in securities that are backed by the full faith and credit of the U.S. government.

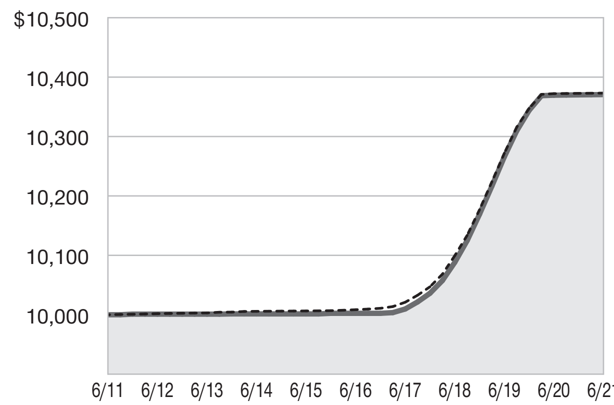
Repurchase agreement risks. A counterparty to a repurchase agreement may become insolvent or fail to repurchase securities from the portfolio as required, which could increase its costs or prevent it from immediately accessing its collateral.

BENCHMARK INFORMATION

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 6/30/21
Government Money Portfolio	$10,371
Lipper Variable Annuity Underlying U.S. Government Money Market Funds Average	10,373

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/21	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%	-0.52%	0.01%	0.73%	0.36%

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 1/1/21	Ending Account Value 6/30/21	Expenses Paid During Period* 1/1/21 to 6/30/21
Actual	$1,000.00	$1,000.00	$0.25
Hypothetical (assumes 5% return before expenses)	1,000.00	1,024.55	0.25

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.05%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Investment activities						
Net investment income(1)(2)(3)	–(4)	–(4)	0.02	0.01	–(4)	–
Net realized and unrealized gain/ loss	–(4)	–(4)	–(4)	–(4)	–(4)	–(4)
Total from investment activities	–(4)	–(4)	0.02	0.01	–(4)	–(4)
Distributions						
Net investment income	–(4)	–(4)	(0.02)	(0.01)	–(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)	**0.00%**	**0.25%**	**1.72%**	**1.33%**	**0.34%**	**0.00%**
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)	0.05%(6)	0.27%	0.55%	0.55%	0.55%	0.40%
Net investment income(3)	0.01%(6)	0.24%	1.70%	1.32%	0.38%	0.00%
Net assets, end of period (in thousands)	$ 33,129	$ 39,019	$ 35,348	$ 34,589	$ 33,318	$ 18,880

(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 (0.50%, 0.28%, 0.00%, 0.00%, 0.00% and 0.15% of average net assets) for the six months ended 6/30/21 and the years ended 12/31/20, 12/31/19, 12/31/18, 12/31/17 and 12/31/16, 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 24.8%		
Federal Farm Credit Discount Notes, 0.01%, 7/9/21	800	800
Federal Farm Credit Discount Notes, 0.01%, 7/14/21	2,200	2,200
Federal Home Loan Banks Discount Notes, 0.01%, 7/14/21	1,500	1,500
Federal Home Loan Banks Discount Notes, 0.015%, 8/18/21	640	640
Federal Home Loan Banks Discount Notes, 0.03%, 9/3/21	743	743
Federal Home Loan Banks Discount Notes, 0.035%, 7/2/21	200	200
Federal Home Loan Banks Discount Notes, 0.041%, 7/16/21	1,750	1,750
Federal Home Loan Banks Discount Notes, 0.06%, 8/13/21	400	400
Total U.S. Government Agency Debt (Cost $8,233)		**8,233**
U.S. GOVERNMENT AGENCY REPURCHASE AGREEMENTS 10.0%(1)		
Credit Agricole, Tri-Party, Dated 6/30/21, 0.06%, Delivery Value of $3,310,006 on 7/1/21, Collateralized by U.S. Government securities, 2.00%, 1/20/51, valued at $3,376,201	3,310	3,310
Total U.S. Government Agency Repurchase Agreements (Cost $3,310)		**3,310**
U.S. TREASURY DEBT 69.9%		
U.S. Treasury Bills, 0.012%, 8/5/21	1,500	1,500
U.S. Treasury Bills, 0.013%, 8/19/21	700	700
U.S. Treasury Bills, 0.016%, 7/1/21	1,800	1,800
U.S. Treasury Bills, 0.018%, 7/8/21	1,126	1,126

(Amounts in 000s)

	Par	$ Value
U.S. Treasury Bills, 0.02%, 7/15/21	1,000	1,000
U.S. Treasury Bills, 0.02%, 9/14/21	500	500
U.S. Treasury Bills, 0.02%, 9/28/21	300	300
U.S. Treasury Bills, 0.024%, 11/26/21	350	350
U.S. Treasury Bills, 0.025%, 8/31/21	600	600
U.S. Treasury Bills, 0.025%, 9/7/21	500	500
U.S. Treasury Bills, 0.025%, 9/9/21	500	500
U.S. Treasury Bills, 0.029%, 8/3/21	1,400	1,400
U.S. Treasury Bills, 0.029%, 8/26/21	800	800
U.S. Treasury Bills, 0.03%, 10/12/21	800	800
U.S. Treasury Bills, 0.033%, 11/18/21	400	400
U.S. Treasury Bills, 0.034%, 8/12/21	1,300	1,300
U.S. Treasury Bills, 0.035%, 9/16/21	1,500	1,500
U.S. Treasury Bills, 0.035%, 11/4/21	1,000	999
U.S. Treasury Bills, 0.038%, 11/12/21	400	400
U.S. Treasury Bills, 0.041%, 9/30/21	1,500	1,500
U.S. Treasury Bills, 0.05%, 7/22/21	1,300	1,300
U.S. Treasury Bills, 0.05%, 10/26/21	1,000	1,000
U.S. Treasury Bills, 0.055%, 7/20/21	1,000	1,000
U.S. Treasury Bills, 0.065%, 7/29/21	1,070	1,070
U.S. Treasury Bills, 0.11%, 12/2/21	312	312
U.S. Treasury Notes, 0.018%, 8/15/21	500	501
Total U.S. Treasury Debt (Cost $23,158)		**23,158**
Total Investments in Securities 104.7% of Net Assets (Cost $34,701)		**$ 34,701**

‡ Par is denominated in U.S. dollars unless otherwise noted.

(1) See Note 3. Collateralized by U.S. government securities valued at $3,376 at June 30, 2021.

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

June 30, 2021 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $34,701)	$	34,701
Cash		8
Receivable for shares sold		7
Total assets		34,716
Liabilities		
Payable for investment securities purchased		1,500
Payable for shares redeemed		72
Investment management and administrative fees payable		15
Total liabilities		1,587
NET ASSETS	**$**	**33,129**
Net Assets Consist of:		
Paid-in capital applicable to 33,110,679 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		33,129
NET ASSETS	**$**	**33,129**
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 6/30/21
Investment Income (Loss)	
Interest income	$ 11
Expenses	
Investment management and administrative expense	99
Voluntary management fee waivers and expense reimbursements	(90)
Net Expenses	9
Net investment income	2
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 2**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/21	Year Ended 12/31/20
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 2	$ 91
Distributions to shareholders		
Net earnings	(2)	(91)
Capital share transactions*		
Shares sold	2,716	18,168
Distributions reinvested	2	91
Shares redeemed	(8,608)	(14,588)
Increase (decrease) in net assets from capital share transactions	(5,890)	3,671
Net Assets		
Increase (decrease) during period	(5,890)	3,671
Beginning of period	39,019	35,348
End of period	**$ 33,129**	**$ 39,019**

* 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.

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

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 expects that the adoption of the guidance will not have a material impact 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 at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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. Specifically, the Valuation Committee establishes policies and procedures used in valuing financial instruments, including those which cannot be valued in accordance with normal procedures; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the pricing process to ensure policies and procedures are being followed; and provides guidance on internal controls and valuation-related matters. The Valuation Committee provides periodic reporting to the Board on valuation matters.

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

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the fund's own assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions 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.

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, in accordance with fair valuation policies and procedures. On June 30, 2021, 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.

LIBOR The fund may invest in instruments that are tied to reference rates, including LIBOR. On March 5, 2021, the ICE Benchmark Administration Limited, the administrator of LIBOR, announced its intention to cease publishing a majority of the USD LIBOR settings immediately after publication on June 30, 2023, with the remaining USD LIBOR settings to end immediately after publication on December 31, 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. Any potential effects of the transition away from LIBOR on the fund, or on certain instruments in which the fund invests, are not known. The transition process may result in, among other things, an increase in volatility or illiquidity of markets for instruments that currently rely on LIBOR, a reduction in the value of certain instruments held by the fund, or a reduction in the effectiveness of related fund transactions such as hedges. Any such effects could have an adverse impact on the fund's performance.

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

At June 30, 2021, the cost of investments for federal income tax purposes was $34,701,000.

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 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, 2021, expenses waived/paid totaled $90,000.

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, 2021, 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. During 2020, a novel strain of coronavirus (COVID-19) resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

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

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

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

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

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

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

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

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

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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

Fees and Expenses

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, total expenses, actual management fees, and nonmanagement expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) total expenses, actual management fees, and nonmanagement expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate, and total expenses (all of which generally reflect the all-inclusive management fee rate and do not deduct the operating expenses paid by the Advisor as part of the overall management fee) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group) and 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 proprietary mutual fund business. The Board considered information showing that the Advisor's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Advisor's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Advisor to manage its mutual fund business versus managing a discrete pool of assets as a subadvisor to another institution's mutual fund or for an institutional account, and that the Advisor generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

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

Approval of the Advisory Contract

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

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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.

202108-1676597 T. Rowe Price Investment Services, Inc. E306-051 8/21

T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2021

T. ROWE PRICE

Limited-Term Bond Portfolio

For more insights from T. Rowe Price investment professionals, go to **troweprice.com**.

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HIGHLIGHTS

- The Limited-Term Bond Portfolio returned 0.52% in the six-month period ended June 30, 2021, outperforming its benchmark and its Lipper peer group average.
- Corporate bonds generated positive excess returns as robust inflows absorbed higher-than-expected levels of new issuance, and securitized sectors provided an attractive option for investors seeking yield.
- To maintain yield levels, we have capitalized on an active primary calendar in the securitized sector and have added corporate bonds selectively given current valuations. Furthermore, we have built up liquidity to take advantage of any widening in credit spreads.
- Progress in managing the coronavirus, coupled with an improving economic recovery, should provide support for spreads to continue their path toward tighter levels.

Dear Investor

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

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

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

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

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

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

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

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

Sincerely,

Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks a high level of income consistent with moderate fluctuations in principal value.

FUND COMMENTARY

How did the fund perform in the past six months?

The Limited-Term Bond Portfolio returned 0.52% in the six-month period ended June 30, 2021, outperforming its benchmark, the Bloomberg Barclays 1–3 Year U.S. Government/Credit Bond Index, as well as its Lipper peer group average. (Returns for the II Class shares will vary, reflecting their different fee structure. *Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/21	Total Return
Limited-Term Bond Portfolio	0.52%
Limited-Term Bond Portfolio–II	0.40
Bloomberg Barclays 1–3 Year U.S. Government/Credit Bond Index	0.00
Lipper Variable Annuity Underlying Short Investment Grade Debt Funds Average	0.23

What factors influenced the fund's performance?

During the period, credit markets continued their broad-based recovery, although the pace of improvements slowed as valuations approached pre-pandemic highs across spread sectors and concerns surrounding climbing inflation figures emerged. Other economic data were generally encouraging as coronavirus vaccine distribution allowed economies to reopen, driving growth in retail sales and Purchasing Managers' Indices. The Federal Reserve maintained its commitment to accommodative monetary policy, and healthy corporate earnings and a fiscal stimulus package issued by the U.S. government bolstered sentiment. Corporate bonds generated positive excess returns as robust inflows absorbed higher-than-expected levels of new issuance, and securitized sectors provided an attractive option for investors seeking yield.

U.S. Treasuries produced negative absolute returns. Throughout most of the period, short-term U.S. Treasury yields remained anchored at very low levels due to the Federal Reserve's easy monetary policy, and longer-term yields rose on the back of heightened expectations for economic growth and inflation. However, the yield curve flattened late in the period. Front-end yields rose, while longer-term U.S. Treasuries rallied as their yield advantage over sovereign debt in other global markets increased demand. The yield of the two-year Treasury note rose from 0.13% to 0.25%, and the yield of the 10-year Treasury note increased from 0.93% to 1.74% at the end of March before falling to 1.45% by period-end.

Sector allocation was a significant contributor to relative performance. Out-of-benchmark allocations to commercial mortgage-backed securities (CMBS), asset-backed securities (ABS), and mortgage-backed securities (MBS) aided relative results as investors looked to diversify risk positioning. Additionally, our overweight to investment-grade corporate bonds and corresponding underweight to U.S. Treasuries were beneficial amid a search for yield in the low rate environment.

Security selection further added to gains. Investment-grade credits in the financials sector performed well as air lessors, which lease aircrafts to airlines, received a boost from economic reopenings. Credits issued by Avolon Holdings and SMBC Aviation Capital contributed. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Interest rate management was a modest detractor from performance. In 2021, we held overweight allocations to the intermediate-term portion of the curve, which had a negative impact as the yield curve steepened.

How is the fund positioned?

Relative to the benchmark, we continue to underweight U.S. Treasuries while aiming to add yield by overweighting non-Treasury sectors and taking out-of-benchmark positions in higher-yielding securitized debt. Within short-term bond portfolios, we believe yield plays a greater role than price appreciation in generating excess returns and limiting volatility. As corporate bonds and securitized issues typically have greater yields than Treasuries, advantageous yield can be achieved by selectively overweighting these sectors in the portfolio.

Corporate debt represented 49% of net assets. BBB rated bonds, which our research analysts believe are often mispriced and offer attractive relative value, remained a significant holding. Our exposure to credit risk decreased during the period as the supply of newly issued short-dated corporate debt was limited, increasingly tight valuations across sectors reduced the attractiveness of reinvestment, and our market outlook evolved. To maintain yield levels, we have capitalized on an active primary calendar in the securitized sector and have added corporate bonds selectively given current valuations. Furthermore, we have built up liquidity to take advantage of any widening in credit spreads.

We continued to hold out-of-benchmark positions in ABS, CMBS, and non-agency MBS, as securitized sectors offer an incremental yield advantage over U.S. Treasuries.

Additionally, the portfolio maintains holdings in interest rate derivatives, primarily for hedging risk or managing exposure to certain parts of the yield curve.

CREDIT QUALITY DIVERSIFICATION

	Percent of Net Assets 12/31/20	6/30/21
Quality Rating		
U.S. Government Agency Securities*	4%	3%
U.S. Treasury**	9	15
AAA	14	14
AA	7	6
A	21	20
BBB	40	38
BB and Below	5	4
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 0.19% 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?

Progress in managing the coronavirus, coupled with an improving economic recovery, should provide support for spreads to continue their path toward tighter levels. However, we believe increasingly positive economic data will likely place upward pressure on intermediate- and long-term U.S. Treasury yields. The Federal Reserve will face difficult decisions around when to taper asset purchases and how to convey policy changes to market participants.

Given tight valuations across much of the investable universe, we believe built-up liquidity will be advantageous in periods of credit spread widening. In such a climate, active sector and security selection are likely to play critical roles in generating yield and managing risk, and we are confident that our research platform is well positioned to capitalize on the current market 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 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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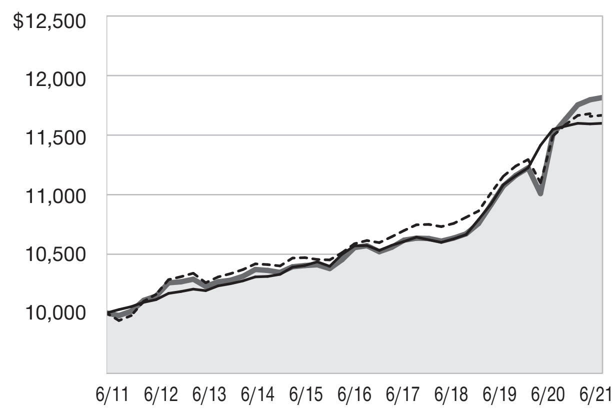
GROWTH OF $10,000

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 6/30/21
Limited-Term Bond Portfolio	$11,809
Bloomberg Barclays 1–3 Year U.S. Government/Credit Bond Index	11,592
Lipper Variable Annuity Underlying Short Investment Grade Debt Funds Average	11,682

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

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/21	1 Year	5 Years	10 Years
Limited-Term Bond Portfolio	2.67%	2.28%	1.68%
Limited-Term Bond Portfolio–II	2.42	2.03	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 1/1/21	Ending Account Value 6/30/21	Expenses Paid During Period* 1/1/21 to 6/30/21
Limited-Term Bond Portfolio			
Actual	$1,000.00	$1,005.20	$2.49
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.32	2.51
Limited-Term Bond Portfolio–II			
Actual	1,000.00	1,004.00	3.73
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.08	3.76

*Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the 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 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 5.00	$ 4.87	$ 4.78	$ 4.82	$ 4.84	$ 4.84
Investment activities						
Net investment income[1][2]	0.04	0.10	0.11	0.09	0.06	0.05
Net realized and unrealized gain/ loss	(0.01)	0.13	0.10	(0.03)	(0.01)	0.02
Total from investment activities	0.03	0.23	0.21	0.06	0.05	0.07
Distributions						
Net investment income	(0.04)	(0.10)	(0.12)	(0.10)	(0.07)	(0.07)
NET ASSET VALUE						
End of period	**$ 4.99**	**$ 5.00**	**$ 4.87**	**$ 4.78**	**$ 4.82**	**$ 4.84**
Ratios/Supplemental Data						
Total return[2][3]	**0.52%**	**4.71%**	**4.35%**	**1.18%**	**1.05%**	**1.37%**
Ratios to average net assets:[2]						
Gross expenses before waivers/ payments by Price Associates[4]	0.70%[5]	0.70%	0.70%	0.60%	0.70%	0.70%
Net expenses after waivers/ payments by Price Associates	0.50%[5]	0.50%	0.50%	0.60%	0.70%	0.70%
Net investment income	1.47%[5]	2.04%	2.37%	1.93%	1.29%	1.05%
Portfolio turnover rate	30.2%	70.4%	61.1%	52.6%	55.9%	58.0%
Net assets, end of period (in thousands)	$ 148,569	$ 139,173	$ 455,521	$ 434,175	$ 443,270	$ 390,964

(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 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 4.98	$ 4.85	$ 4.76	$ 4.80	$ 4.82	$ 4.82
Investment activities						
Net investment income[(1)(2)]	0.03	0.08	0.10	0.08	0.05	0.04
Net realized and unrealized gain/loss	(0.01)	0.13	0.09	(0.04)	(0.01)	0.01
Total from investment activities	0.02	0.21	0.19	0.04	0.04	0.05
Distributions						
Net investment income	(0.03)	(0.08)	(0.10)	(0.08)	(0.06)	(0.05)
NET ASSET VALUE						
End of period	**$ 4.97**	**$ 4.98**	**$ 4.85**	**$ 4.76**	**$ 4.80**	**$ 4.82**
Ratios/Supplemental Data						
Total return[(2)(3)]	**0.40%**	**4.46%**	**4.10%**	**0.93%**	**0.81%**	**1.12%**
Ratios to average net assets:[(2)]						
Gross expenses before waivers/payments by Price Associates[(4)]	0.95%[(5)]	0.95%	0.95%	0.84%	0.95%	0.95%
Net expenses after waivers/payments by Price Associates	0.75%[(5)]	0.75%	0.75%	0.84%	0.95%	0.95%
Net investment income	1.21%[(5)]	1.68%	2.11%	1.72%	1.09%	0.77%
Portfolio turnover rate	30.2%	70.4%	61.1%	52.6%	55.9%	58.0%
Net assets, end of period (in thousands)	$ 19,042	$ 15,503	$ 16,613	$ 15,247	$ 7,378	$ 9,979

(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
ASSET-BACKED SECURITIES 13.7%		
Car Loan 6.9%		
AmeriCredit Automobile Receivables Trust Series 2017-1, Class C 2.71%, 8/18/22	9	9
AmeriCredit Automobile Receivables Trust Series 2017-3, Class C 2.69%, 6/19/23	176	177
AmeriCredit Automobile Receivables Trust Series 2020-1, Class C 1.59%, 10/20/25	435	442
AmeriCredit Automobile Receivables Trust Series 2020-1, Class D 1.80%, 12/18/25	415	424
AmeriCredit Automobile Receivables Trust Series 2020-2, Class B 0.97%, 2/18/26	100	101
AmeriCredit Automobile Receivables Trust Series 2020-3, Class C 1.06%, 8/18/26	115	116
AmeriCredit Automobile Receivables Trust Series 2021-1, Class C 0.89%, 10/19/26	190	190
AmeriCredit Automobile Receivables Trust Series 2021-1, Class D 1.21%, 12/18/26	115	115
AmeriCredit Automobile Receivables Trust Series 2021-2, Class D 1.29%, 6/18/27	235	237
Ari Fleet Lease Trust Series 2020-A, Class B 2.06%, 11/15/28 (1)	475	484
Avis Budget Rental Car Funding AESOP Series 2017-1A, Class B 3.41%, 9/20/23 (1)	390	399
Avis Budget Rental Car Funding AESOP Series 2018-2A, Class C 4.95%, 3/20/25 (1)	260	281
Avis Budget Rental Car Funding AESOP Series 2019-1A, Class B 3.70%, 3/20/23 (1)	646	656
Avis Budget Rental Car Funding AESOP Series 2019-2A, Class A 3.35%, 9/22/25 (1)	475	509
Avis Budget Rental Car Funding AESOP Series 2019-2A, Class B 3.55%, 9/22/25 (1)	415	442
Avis Budget Rental Car Funding AESOP Series 2020-1A, Class A 2.33%, 8/20/26 (1)	340	354
Capital Auto Receivables Asset Trust Series 2017-1, Class C 2.70%, 9/20/22 (1)	119	119
Capital Auto Receivables Asset Trust Series 2018-2, Class C 3.69%, 12/20/23 (1)	174	174
CarMax Auto Owner Trust Series 2017-4, Class C 2.70%, 10/16/23	150	151
CarMax Auto Owner Trust Series 2020-4, Class D 1.75%, 4/15/27	145	147
Enterprise Fleet Financing Series 2018-2, Class A2 3.14%, 2/20/24 (1)	24	24
Enterprise Fleet Financing Series 2019-1, Class A2 2.98%, 10/20/24 (1)	127	128
Ford Credit Auto Owner Trust Series 2020-2, Class C 1.74%, 4/15/33 (1)	145	146
Ford Credit Floorplan Master Owner Trust Series 2020-1, Class C 1.42%, 9/15/25	220	223
GM Financial Consumer Automobile Receivables Trust Series 2020-2, Class A3 1.49%, 12/16/24	210	213
GM Financial Consumer Automobile Receivables Trust Series 2020-4, Class C 1.05%, 5/18/26	105	105
GMF Floorplan Owner Revolving Trust Series 2020-1, Class B 1.03%, 8/15/25 (1)	405	409
Hyundai Auto Receivables Trust Series 2019-A, Class B 2.94%, 5/15/25	460	477
Hyundai Auto Receivables Trust Series 2020-B, Class C 1.60%, 12/15/26	175	178
Navistar Financial Dealer Note Master Trust Series 2020-1, Class A, FRN 1M USD LIBOR + 0.95%, 1.042%, 7/25/25 (1)	220	222
Navistar Financial Dealer Note Master Trust Series 2020-1, Class B, FRN 1M USD LIBOR + 1.35%, 1.442%, 7/25/25 (1)	230	232
Nissan Auto Receivables Owner Trust Series 2020-A, Class A3 1.38%, 12/16/24	265	268
Santander Consumer Auto Receivables Trust Series 2020-BA, Class C 1.29%, 4/15/26 (1)	115	116
Santander Drive Auto Receivables Trust Series 2018-2, Class C 3.35%, 7/17/23	21	21
Santander Drive Auto Receivables Trust Series 2020-3, Class B 0.69%, 3/17/25	335	336
Santander Drive Auto Receivables Trust Series 2020-4, Class C 1.01%, 1/15/26	185	186
Santander Retail Auto Lease Trust Series 2019-C, Class D 2.88%, 6/20/24 (1)	525	540

	Par/Shares	$ Value
(Amounts in 000s)		
Santander Retail Auto Lease Trust Series 2020-A, Class D 2.52%, 11/20/24 (1)	435	447
Santander Retail Auto Lease Trust Series 2021-A, Class C 1.14%, 3/20/26 (1)	430	429
Santander Retail Auto Lease Trust Series 2021-B, Class D 1.41%, 11/20/25 (1)	185	184
World Omni Auto Receivables Trust Series 2019-C, Class C 2.40%, 6/15/26	460	473
World Omni Auto Receivables Trust Series 2020-A, Class C 1.64%, 8/17/26	295	300
World Omni Select Auto Trust Series 2020-A, Class B 0.84%, 6/15/26	140	140
World Omni Select Auto Trust Series 2020-A, Class C 1.25%, 10/15/26	160	161
		11,485
Other Asset-Backed Securities 5.5%		
Applebee's Funding Series 2019-1A, Class A2I 4.194%, 6/7/49 (1)	427	437
Ares LVII Series 2020-57A, Class A, CLO, FRN 3M USD LIBOR + 1.32%, 1.496%, 10/25/31 (1)	255	255
Ares LVIII Series 2020-58A, Class A, CLO, FRN 3M USD LIBOR + 1.22%, 1.456%, 1/15/33 (1)	250	250
Barings Series 2013-IA, Class AR, CLO, FRN 3M USD LIBOR + 0.80%, 0.988%, 1/20/28 (1)	500	500
BRE Grand Islander Timeshare Issuer Series 2019-A, Class A 3.28%, 9/26/33 (1)	160	168
Cayuga Park Series 2020-1A, Class A, CLO, FRN 3M USD LIBOR + 1.60%, 1.79%, 7/17/31 (1)	260	260
Cedar Funding XIV Series 2021-14A, Class A, CLO, FRN 3M USD LIBOR + 1.10%, 1.223%, 7/15/33 (1)	290	290
CIFC Funding Series 2020-3A, Class A1, CLO, FRN 3M USD LIBOR + 1.35%, 1.538%, 10/20/31 (1)	475	476
CNH Equipment Trust Series 2018-A, Class B 3.47%, 10/15/25	275	281
Dryden Series 2020-86A, Class A1R, CLO, FRN 3M USD LIBOR + 1.10%, 1.218%, 7/17/34 (1)	250	250

	Par/Shares	$ Value
(Amounts in 000s)		
Elara HGV Timeshare Issuer Series 2014-A, Class A 2.53%, 2/25/27 (1)	5	5
Elara HGV Timeshare Issuer Series 2016-A, Class A 2.73%, 4/25/28 (1)	306	312
Elara HGV Timeshare Issuer Series 2017-A, Class A 2.69%, 3/25/30 (1)	97	100
Elara HGV Timeshare Issuer Series 2019-A, Class A 2.61%, 1/25/34 (1)	414	427
Golub Capital Partners Series 2018-39A, Class A1, CLO, FRN 3M USD LIBOR + 1.15%, 1.338%, 10/20/28 (1)	348	348
Hilton Grand Vacations Trust Series 2017-AA, Class A 2.66%, 12/26/28 (1)	85	87
Hilton Grand Vacations Trust Series 2017-AA, Class B 2.96%, 12/26/28 (1)	30	30
KKR Series 29A, Class A, CLO, FRN 3M USD LIBOR + 1.20%, 1.341%, 1/15/32 (1)	250	250
Kubota Credit Owner Trust Series 2020-1A, Class A3 1.96%, 3/15/24 (1)	230	234
Madison Park Funding XXIII Series 2017-23A, Class AR, CLO, FRN 3M USD LIBOR + 0.97%, 1.089%, 7/27/31 (1)	285	285
Magnetite XXV Series 2020-25A, Class A, CLO, FRN 3M USD LIBOR + 1.20%, 1.455%, 1/25/32 (1)	250	250
MVW Series 2020-1A, Class B 2.73%, 10/20/37 (1)	81	83
MVW Owner Trust Series 2017-1A, Class B 2.75%, 12/20/34 (1)	24	25
MVW Owner Trust Series 2017-1A, Class C 2.99%, 12/20/34 (1)	40	40
Neuberger Berman Loan Advisers Series 2019-32A, Class AR, CLO, FRN 3M USD LIBOR + 0.99%, 1.18%, 1/20/32 (1)	400	400
Neuberger Berman Loan Advisers Series 2020-38A, Class A, CLO, FRN 3M USD LIBOR + 1.30%, 1.488%, 10/20/32 (1)	250	251
Neuberger Berman Loan Advisers Series 2021-40A, Class A, CLO, FRN 3M USD LIBOR + 1.06%, 1.248%, 4/16/33 (1)	250	251

	Par/Shares	$ Value
(Amounts in 000s)		
OZLM VIII Series 2014-8A, Class A1RR, CLO, FRN 3M USD LIBOR + 1.17%, 1.36%, 10/17/29 (1)	704	704
Palmer Square Series 2020-3A, Class A1A, CLO, FRN 3M USD LIBOR + 1.37%, 1.526%, 11/15/31 (1)	250	251
Planet Fitness Master Issuer Series 2018-1A, Class A2I 4.262%, 9/5/48 (1)	331	332
Reese Park Series 2020-1A, Class A1, CLO, FRN 3M USD LIBOR + 1.32%, 1.504%, 10/15/32 (1)	255	255
Sierra Timeshare Receivables Funding Series 2017-1A, Class A 2.91%, 3/20/34 (1)	51	52
Sierra Timeshare Receivables Funding Series 2019-1A, Class A 3.20%, 1/20/36 (1)	136	141
Symphony XXIII Series 2020-23A, Class A, CLO, FRN 3M USD LIBOR + 1.32%, 1.504%, 1/15/34 (1)	415	416
Symphony XXVI Series 2021-26A, Class AR, CLO, FRN 3M USD LIBOR + 1.08%, 1.189%, 4/20/33 (1)	250	250
Volvo Financial Equipment Series 2018-1A, Class B 2.91%, 1/17/23 (1)	315	318
		9,264
Student Loan 1.3%		
Navient Private Education Refi Loan Trust Series 2019-D, Class A2A 3.01%, 12/15/59 (1)	137	143
Navient Private Education Refi Loan Trust Series 2019-GA, Class A 2.40%, 10/15/68 (1)	141	143
Navient Private Education Refi Loan Trust Series 2020-DA, Class A 1.69%, 5/15/69 (1)	88	89
Navient Private Education Refi Loan Trust Series 2020-FA, Class A 1.22%, 7/15/69 (1)	243	245
Navient Private Education Refi Loan Trust Series 2020-GA, Class A 1.17%, 9/16/69 (1)	113	114
Navient Student Loan Trust Series 2019-2A, Class A1, FRN 1M USD LIBOR + 0.27%, 0.362%, 2/27/68 (1)	58	58
Nelnet Student Loan Trust Series 2005-4, Class A4, FRN 3M USD LIBOR + 0.18%, 0.315%, 3/22/32	450	436
Nelnet Student Loan Trust Series 2020-1A, Class A, FRN 1M USD LIBOR + 0.74%, 0.832%, 3/26/68 (1)	214	214

	Par/Shares	$ Value
(Amounts in 000s)		
SLM Student Loan Trust Series 2010-1, Class A, FRN 1M USD LIBOR + 0.40%, 0.492%, 3/25/25	507	498
SMB Private Education Loan Trust Series 2014-A, Class A2A 3.05%, 5/15/26 (1)	26	26
SMB Private Education Loan Trust Series 2015-A, Class A2B, FRN 1M USD LIBOR + 1.00%, 1.073%, 6/15/27 (1)	54	54
SMB Private Education Loan Trust Series 2020-PTB, Class A2A 1.60%, 9/15/54 (1)	180	181
		2,201
Total Asset-Backed Securities (Cost $22,690)		**22,950**

CORPORATE BONDS 48.5%

FINANCIAL INSTITUTIONS 17.5%

	Par/Shares	$ Value
Banking 12.3%		
Banco Bilbao Vizcaya Argentaria, 0.875%, 9/18/23	400	401
Banco Santander, VR, 0.701%, 6/30/24 (2)	400	401
Bank of America, 2.503%, 10/21/22	175	176
Bank of America, FRN, 3M USD LIBOR + 1.16%, 1.348%, 1/20/23	400	402
Bank of America, VR, 0.81%, 10/24/24 (2)	135	135
Bank of America, VR, 0.976%, 4/22/25 (2)	255	256
Bank of Ireland Group, 4.50%, 11/25/23 (1)	470	508
Banque Federative du Credit Mutuel, 0.65%, 2/27/24 (1)	235	234
Banque Federative du Credit Mutuel, 2.125%, 11/21/22 (1)	320	327
Barclays, VR, 4.338%, 5/16/24 (2)	200	213
BDO Unibank, 2.95%, 3/6/23	1,200	1,242
BPCE, 5.70%, 10/22/23 (1)	400	443
BPCE, FRN, 3M USD LIBOR + 1.22%, 1.37%, 5/22/22 (1)	400	404
Capital One Financial, 3.20%, 1/30/23	195	203
Capital One Financial, 3.50%, 6/15/23	140	148
Capital One Financial, 3.90%, 1/29/24	145	156
Citigroup, 2.90%, 12/8/21	400	404
Citigroup, VR, 0.981%, 5/1/25 (2)	200	200
Citigroup, VR, 2.312%, 11/4/22 (2)	330	332
Citigroup, VR, 3.106%, 4/8/26 (2)	240	257
Cooperatieve Rabobank, 3.95%, 11/9/22	540	565
Credicorp, 2.75%, 6/17/25 (1)	200	204
Credit Agricole, FRN, 3M USD LIBOR + 1.02%, 1.196%, 4/24/23 (1)	470	476
Credit Suisse, 1.00%, 5/5/23	635	641
Credit Suisse Group, VR, 2.997%, 12/14/23 (1)(2)	250	258
Danske Bank, 1.226%, 6/22/24 (1)	200	201
Danske Bank, 5.00%, 1/12/22 (1)	385	394
Danske Bank, VR, 3.001%, 9/20/22 (1)(2)	550	552
Deutsche Bank, 4.25%, 10/14/21	525	531

	Par/Shares	$ Value
(Amounts in 000s)		
First Niagara Financial Group, 7.25%, 12/15/21	145	149
Goldman Sachs Group, 3.50%, 4/1/25	250	271
Goldman Sachs Group, FRN, 3M USD LIBOR + 0.78%, 0.966%, 10/31/22	300	301
Goldman Sachs Group, VR, 0.673%, 3/8/24 (2)	280	280
HSBC Holdings, VR, 1.645%, 4/18/26 (2)	225	228
HSBC Holdings, VR, 2.099%, 6/4/26 (2)	590	606
ING Groep, FRN, 3M USD LIBOR + 1.15%, 1.296%, 3/29/22	275	277
JPMorgan Chase, FRN, SOFRRATE + 0.885%, 0.91%, 4/22/27	75	76
JPMorgan Chase, VR, 0.824%, 6/1/25 (2)	225	225
JPMorgan Chase, VR, 2.083%, 4/22/26 (2)	460	476
Lloyds Banking Group, VR, 1.326%, 6/15/23 (2)	200	202
Mizuho Financial Group Cayman 2, 4.20%, 7/18/22	390	406
Morgan Stanley, 4.875%, 11/1/22	110	116
Morgan Stanley, VR, 0.529%, 1/25/24 (2)	125	125
Morgan Stanley, VR, 0.56%, 11/10/23 (2)	295	295
Morgan Stanley, VR, 0.731%, 4/5/24 (2)	235	235
Nationwide Building Society, VR, 3.622%, 4/26/23 (1)(2)	200	205
Natwest Group, 3.875%, 9/12/23	380	406
NatWest Markets, 2.375%, 5/21/23 (1)	465	480
PNC Bank, 2.95%, 1/30/23	425	441
Standard Chartered, 3.95%, 1/11/23 (1)	200	209
Standard Chartered, FRN, 3M USD LIBOR + 1.15%, 1.338%, 1/20/23 (1)	365	367
Standard Chartered, VR, 1.319%, 10/14/23 (1)(2)	200	201
Standard Chartered, VR, 2.744%, 9/10/22 (1)(2)	315	316
Svenska Handelsbanken, VR, 1.418%, 6/11/27 (1)(2)	250	249
Swedbank, 1.30%, 6/2/23 (1)	365	370
Synchrony Financial, 2.85%, 7/25/22	897	918
Synchrony Financial, 4.25%, 8/15/24	230	252
Truist Financial, FRN, SOFRRATE + 0.40%, 0.446%, 6/9/25	165	165
UBS Group, FRN, 3M USD LIBOR + 1.22%, 1.37%, 5/23/23 (1)	340	343
UniCredit, 3.75%, 4/12/22 (1)	400	409
Wells Fargo, VR, 1.654%, 6/2/24 (2)	215	220
Wells Fargo, VR, 2.188%, 4/30/26 (2)	205	213
		20,696
Brokerage Asset Managers Exchanges 0.2%		
LSEGA Financing, 0.65%, 4/6/24 (1)	320	319
		319
Finance Companies 2.2%		
AerCap Ireland Capital, 3.95%, 2/1/22	455	462
AerCap Ireland Capital, 4.125%, 7/3/23	205	217
AerCap Ireland Capital, 4.45%, 12/16/21	380	386
AerCap Ireland Capital, 4.50%, 9/15/23	250	268
AerCap Ireland Capital, 4.875%, 1/16/24	150	163
Air Lease, 2.25%, 1/15/23	205	210

	Par/Shares	$ Value
(Amounts in 000s)		
Air Lease, 3.50%, 1/15/22	155	158
Avolon Holdings Funding, 2.875%, 2/15/25 (1)	250	257
Avolon Holdings Funding, 3.625%, 5/1/22 (1)	385	393
Avolon Holdings Funding, 3.95%, 7/1/24 (1)	75	80
Avolon Holdings Funding, 5.125%, 10/1/23 (1)	325	351
Park Aerospace Holdings, 5.25%, 8/15/22 (1)	215	225
SMBC Aviation Capital Finance, 3.55%, 4/15/24 (1)	235	249
SMBC Aviation Capital Finance, 4.125%, 7/15/23 (1)	200	213
		3,632
Insurance 2.1%		
Aetna, 2.80%, 6/15/23	115	120
AIA Group, FRN, 3M USD LIBOR + 0.52%, 0.655%, 9/20/21 (1)	515	515
AIG Global Funding, 2.30%, 7/1/22 (1)	180	183
American International Group, 2.50%, 6/30/25	330	347
American International Group, 4.875%, 6/1/22	195	203
Brighthouse Financial Global Funding, 0.60%, 6/28/23 (1)	545	545
Brighthouse Financial Global Funding, 1.00%, 4/12/24 (1)	200	200
Health Care Service Corp A Mutual Legal Reserve, 1.50%, 6/1/25 (1)	325	330
Humana, 2.90%, 12/15/22	45	46
Humana, 3.15%, 12/1/22	85	88
Humana, 3.85%, 10/1/24	180	195
Humana, 4.50%, 4/1/25	145	162
Lincoln National, 4.00%, 9/1/23	75	81
Marsh & McLennan, 3.875%, 3/15/24	205	223
Principal Life Global Funding II, 0.75%, 4/12/24 (1)	165	165
Trinity Acquisition, 3.50%, 9/15/21	180	180
		3,583
Real Estate Investment Trusts 0.7%		
American Campus Communities Operating Partnership, 3.75%, 4/15/23	250	262
Brixmor Operating Partnership, 3.25%, 9/15/23	325	342
Highwoods Realty, 3.625%, 1/15/23	145	150
Public Storage, FRN, SOFRRATE + 0.47%, 0.495%, 4/23/24	115	115
Simon Property Group, 3.375%, 10/1/24	235	252
		1,121
Total Financial Institutions		29,351
INDUSTRIAL 27.2%		
Basic Industry 0.9%		
LYB International Finance III, 1.25%, 10/1/25	180	180
Nucor, 2.00%, 6/1/25	80	83
POSCO, 2.375%, 11/12/22 (1)	1,175	1,200
		1,463

	Par/Shares	$ Value
(Amounts in 000s)		
Capital Goods 1.4%		
Amphenol, 2.05%, 3/1/25	220	228
Boral Finance, 3.00%, 11/1/22 (1)	40	41
Carrier Global, 2.242%, 2/15/25	455	474
CNH Industrial Capital, 3.875%, 10/15/21	275	278
General Electric, 3.45%, 5/15/24	135	144
Martin Marietta Materials, 0.65%, 7/15/23	195	195
Republic Services, 2.50%, 8/15/24	200	210
Roper Technologies, 2.35%, 9/15/24	90	94
Roper Technologies, 3.65%, 9/15/23	75	80
Yongda Investment, 2.25%, 6/16/25	600	603
		2,347
Communications 2.7%		
CC Holdings, 3.849%, 4/15/23	485	514
Charter Communications Operating, 4.464%, 7/23/22	880	911
Charter Communications Operating, 4.908%, 7/23/25	530	601
Cox Communications, 3.15%, 8/15/24 (1)	140	149
Crown Castle International, 1.05%, 7/15/26	255	249
Crown Castle Towers, 3.72%, 7/15/23 (1)	155	159
NTT Finance, 0.373%, 3/3/23 (1)	275	275
NTT Finance, 0.583%, 3/1/24 (1)	200	199
SBA Tower Trust, 1.631%, 11/15/26 (1)	115	115
SBA Tower Trust, 1.884%, 1/15/26 (1)	85	86
SBA Tower Trust, 2.836%, 1/15/25 (1)	255	269
SBA Tower Trust, 3.448%, 3/15/23 (1)	250	261
T-Mobile USA, 2.25%, 2/15/26	195	196
T-Mobile USA, 3.50%, 4/15/25	175	189
Verizon Communications, 1.45%, 3/20/26	270	272
WPP Finance 2010, 3.625%, 9/7/22	75	78
		4,523
Consumer Cyclical 5.0%		
7-Eleven, 0.625%, 2/10/23 (1)	85	85
7-Eleven, 0.80%, 2/10/24 (1)	135	135
7-Eleven, FRN, 3M USD LIBOR + 0.45%, 0.612%, 8/10/22 (1)	75	75
AutoZone, 3.625%, 4/15/25	120	131
Daimler Finance North America, 1.75%, 3/10/23 (1)	435	444
Expedia Group, 3.60%, 12/15/23	305	323
Ford Motor Credit, 3.813%, 10/12/21	320	322
Ford Motor Credit, 5.875%, 8/2/21	200	201
General Motors, 4.875%, 10/2/23	180	196
General Motors, 5.40%, 10/2/23	450	495
General Motors Financial, 2.90%, 2/26/25	485	513
Harley-Davidson Financial Services, 2.55%, 6/9/22 (1)	95	96
Harley-Davidson Financial Services, 4.05%, 2/4/22 (1)	330	336
Hyundai Capital America, 0.80%, 1/8/24 (1)	160	159
Hyundai Capital America, 0.875%, 6/14/24 (1)	80	80
Hyundai Capital America, 2.375%, 2/10/23 (1)	470	482
Hyundai Capital America, 2.85%, 11/1/22 (1)	131	135
Hyundai Capital America, 3.00%, 6/20/22 (1)	270	276

	Par/Shares	$ Value
(Amounts in 000s)		
Hyundai Capital America, 3.95%, 2/1/22 (1)	335	341
Marriott International, 2.30%, 1/15/22	20	20
Marriott International, 3.125%, 2/15/23	80	82
Marriott International, 3.60%, 4/15/24	160	171
Nissan Motor, 3.043%, 9/15/23 (1)	265	276
Nissan Motor Acceptance, 2.60%, 9/28/22 (1)	415	424
Nissan Motor Acceptance, 2.65%, 7/13/22 (1)	45	46
Nissan Motor Acceptance, 3.65%, 9/21/21 (1)	120	121
Nordstrom, 2.30%, 4/8/24 (1)	35	35
O'Reilly Automotive, 3.80%, 9/1/22	115	119
QVC, 4.375%, 3/15/23	295	310
Ralph Lauren, 1.70%, 6/15/22	50	51
Ross Stores, 0.875%, 4/15/26	115	113
Ross Stores, 4.60%, 4/15/25	550	620
Volkswagen Group of America Finance, 2.50%, 9/24/21 (1)	200	201
Volkswagen Group of America Finance, 2.70%, 9/26/22 (1)	415	426
Volkswagen Group of America Finance, 2.90%, 5/13/22 (1)	215	220
Volkswagen Group of America Finance, 3.125%, 5/12/23 (1)	200	209
		8,269
Consumer Non-Cyclical 7.3%		
AbbVie, 2.60%, 11/21/24	715	754
AbbVie, 3.20%, 11/6/22	45	46
AbbVie, 3.25%, 10/1/22	240	247
AbbVie, 3.45%, 3/15/22	260	264
AmerisourceBergen, 0.737%, 3/15/23	440	440
AstraZeneca, 0.30%, 5/26/23	335	334
Astrazeneca Finance, 0.70%, 5/28/24	230	230
Astrazeneca Finance, 1.20%, 5/28/26	320	319
BAT International Finance, 1.668%, 3/25/26	225	225
Baxalta, 3.60%, 6/23/22	190	195
Bayer U.S. Finance II, 3.875%, 12/15/23 (1)	250	268
Becton Dickinson & Company, 2.894%, 6/6/22	576	589
Becton Dickinson & Company, 3.363%, 6/6/24	310	331
Bristol-Myers Squibb, 3.25%, 2/20/23	48	50
Bunge Finance, 3.00%, 9/25/22	790	811
Bunge Finance, 4.35%, 3/15/24	30	33
Cardinal Health, 2.616%, 6/15/22	38	39
Cardinal Health, 3.079%, 6/15/24	180	191
Cardinal Health, 3.20%, 3/15/23	185	193
Cardinal Health, 3.50%, 11/15/24	215	232
China Mengniu Dairy, 1.875%, 6/17/25	650	657
Cigna, 3.00%, 7/15/23	180	188
Cigna, 3.75%, 7/15/23	104	111
CK Hutchison International II, 2.75%, 3/29/23	950	984
Coca-Cola Europacific Partners, 0.80%, 5/3/24 (1)	480	478
CommonSpirit Health, 1.547%, 10/1/25	170	171
EMD Finance, 2.95%, 3/19/22 (1)	110	112
Hasbro, 2.60%, 11/19/22	225	231

(Amounts in 000s)

	Par/Shares	$ Value
Hasbro, 3.00%, 11/19/24	310	330
Imperial Brands Finance, 3.50%, 2/11/23 (1)	600	620
Imperial Brands Finance, 3.75%, 7/21/22 (1)	860	881
PeaceHealth Obligated Group, Series 2020, 1.375%, 11/15/25	50	50
Perrigo Finance Unlimited, 3.90%, 12/15/24	905	973
Royalty Pharma, 0.75%, 9/2/23 (1)	215	215
Shire Acquisitions Investments Ireland, 2.875%, 9/23/23	425	445
		12,237
Energy 6.3%		
Aker BP, 3.00%, 1/15/25 (1)	360	378
BP Capital Markets America, 2.937%, 4/6/23	170	177
Canadian Natural Resources, 2.05%, 7/15/25	335	344
Cenovus Energy, 3.00%, 8/15/22	470	479
Cenovus Energy, 3.80%, 9/15/23	130	137
Cenovus Energy, 3.95%, 4/15/22	115	117
Cheniere Corpus Christi Holdings, 5.875%, 3/31/25	325	373
Cheniere Corpus Christi Holdings, 7.00%, 6/30/24	465	532
Diamondback Energy, 2.875%, 12/1/24	695	734
Diamondback Energy, 4.75%, 5/31/25	205	231
Enbridge, 2.50%, 1/15/25	230	241
Energy Transfer, 2.90%, 5/15/25	65	68
Energy Transfer, 3.45%, 1/15/23	30	31
Energy Transfer, 4.25%, 3/15/23	310	325
Energy Transfer, 4.25%, 4/1/24	15	16
Energy Transfer, 5.875%, 1/15/24	610	676
Energy Transfer, Series 5Y, 4.20%, 9/15/23	65	69
Eni, Series X-R, 4.00%, 9/12/23 (1)	270	288
EOG Resources, 2.625%, 3/15/23	74	76
EQT, 3.00%, 10/1/22	555	566
Gray Oak Pipeline, 2.00%, 9/15/23 (1)	50	51
Gray Oak Pipeline, 2.60%, 10/15/25 (1)	105	108
Kinder Morgan Energy Partners, 3.95%, 9/1/22	30	31
MPLX, FRN, 3M USD LIBOR + 1.10%, 1.223%, 9/9/22	215	215
Occidental Petroleum, 2.60%, 8/13/21	240	241
Pioneer Natural Resources, 0.55%, 5/15/23	140	140
Pioneer Natural Resources, 0.75%, 1/15/24	155	155
Plains All American Pipeline, 2.85%, 1/31/23	305	313
Sabine Pass Liquefaction, 5.625%, 4/15/23	320	344
Sabine Pass Liquefaction, 6.25%, 3/15/22	600	616
Schlumberger Finance Canada, 1.40%, 9/17/25	80	81
Schlumberger Holdings, 3.75%, 5/1/24 (1)	340	366
Schlumberger Holdings, 4.00%, 12/21/25 (1)	95	105
Suncor Energy, 2.80%, 5/15/23	155	161
Valero Energy, 1.20%, 3/15/24	195	196
Valero Energy, 2.70%, 4/15/23	355	368
Valero Energy, 3.65%, 3/15/25	55	60

(Amounts in 000s)

	Par/Shares	$ Value
Western Midstream Operating, 4.00%, 7/1/22	465	472
Williams, 3.35%, 8/15/22	55	56
Williams, 3.70%, 1/15/23	570	594
Williams, 4.30%, 3/4/24	75	82
		10,613
Technology 2.9%		
Avnet, 4.875%, 12/1/22	75	79
Equifax, FRN, 3M USD LIBOR + 0.87%, 1.026%, 8/15/21	170	170
Fidelity National Information Services, 0.375%, 3/1/23	275	275
Fidelity National Information Services, 0.60%, 3/1/24	130	130
Fortinet, 1.00%, 3/15/26	160	158
Global Payments, 2.65%, 2/15/25	195	205
IHS Markit, 3.625%, 5/1/24	150	161
Microchip Technology, 0.972%, 2/15/24 (1)	300	300
Microchip Technology, 0.983%, 9/1/24 (1)	220	219
Microchip Technology, 2.67%, 9/1/23	250	260
Micron Technology, 2.497%, 4/24/23	635	656
Micron Technology, 4.64%, 2/6/24	165	181
NXP, 2.70%, 5/1/25 (1)	45	47
NXP, 3.875%, 9/1/22 (1)	440	457
NXP, 4.625%, 6/1/23 (1)	430	462
Oracle, 2.40%, 9/15/23	305	316
Panasonic, 2.536%, 7/19/22 (1)	275	281
RELX Capital, 3.50%, 3/16/23	160	168
Skyworks Solutions, 0.90%, 6/1/23	70	70
Western Union, 2.85%, 1/10/25	295	312
		4,907
Transportation 0.7%		
American Airlines PTT, Series 2017-2, Class B, 3.70%, 10/15/25	387	373
Heathrow Funding, 4.875%, 7/15/21 (1)	340	340
Sydney Airport Finance, 3.90%, 3/22/23 (1)	250	263
United Airlines PTT, Series 2019-2, Class B, 3.50%, 5/1/28	233	231
		1,207
Total Industrial		45,566
UTILITY 3.8%		
Electric 3.8%		
AES, 3.30%, 7/15/25 (1)	190	203
Edison International, 2.95%, 3/15/23	110	113
Edison International, 3.125%, 11/15/22	170	175
Enel Finance International, 2.65%, 9/10/24 (1)	200	210
Enel Finance International, 2.875%, 5/25/22 (1)	690	705
Enel Finance International, 4.25%, 9/14/23 (1)	335	361
FirstEnergy, Series A, 3.35%, 7/15/22	235	238
NextEra Energy Capital Holdings, FRN, 3M USD LIBOR + 0.55%, 0.685%, 8/28/21	360	360
NRG Energy, 3.75%, 6/15/24 (1)	155	165
Pacific Gas & Electric, 1.75%, 6/16/22	880	880
Pacific Gas & Electric, 3.50%, 6/15/25	220	230

	Par/Shares	$ Value
(Amounts in 000s)		
Pacific Gas & Electric, FRN, 3M USD LIBOR + 1.375%, 1.531%, 11/15/21	500	501
San Diego Gas & Electric, Series PPP, 1.914%, 2/1/22	39	39
Sinosing Services Pte, 2.25%, 2/20/25	1,400	1,427
Vistra Operations, 3.55%, 7/15/24 (1)	780	823
Total Utility		6,430
Total Corporate Bonds (Cost $79,577)		**81,347**
FOREIGN GOVERNMENT OBLIGATIONS & MUNICIPALITIES 1.7%		
Owned No Guarantee 1.7%		
DAE Funding, 1.55%, 8/1/24 (1)	200	200
DAE Funding, 5.25%, 11/15/21 (1)	950	958
NBN, 1.45%, 5/5/26 (1)	405	405
Saudi Arabian Oil, 2.75%, 4/16/22 (1)	1,155	1,177
Total Foreign Government Obligations & Municipalities (Cost $2,706)		**2,740**
MUNICIPAL SECURITIES 1.0%		
Connecticut 0.1%		
Connecticut, Series A, GO, 1.998%, 7/1/24	95	99
Connecticut, Series A, GO, 2.00%, 7/1/23	35	36
Connecticut, Series A, GO, 2.098%, 7/1/25	60	63
		198
Florida 0.2%		
State Board of Administration Fin., Series A, 1.258%, 7/1/25	375	378
		378
Illinois 0.3%		
Chicago Transit Auth. Sales Tax Receipts Fund, Series B, 1.708%, 12/1/22	10	10
Chicago Transit Auth. Sales Tax Receipts Fund, Series B, 1.838%, 12/1/23	10	10
Chicago Transit Auth. Sales Tax Receipts Fund, Series B, 2.064%, 12/1/24	25	26
Illinois, Series A, GO, 2.25%, 10/1/22	415	419
		465
New York 0.3%		
Long Island Power Auth., Series C, 0.764%, 3/1/23	85	85
Port Auth. of New York & New Jersey, Series AAA, 1.086%, 7/1/23	335	339
		424
Texas 0.1%		
Dallas Fort Worth Int'l Airport, Series C, 1.329%, 11/1/25	55	56
Houston Airport System Revenue, Series C, 0.883%, 7/1/22	20	20
Houston Airport System Revenue, Series C, 1.054%, 7/1/23	35	35

	Par/Shares	$ Value
(Amounts in 000s)		
Houston Airport System Revenue, Series C, 1.272%, 7/1/24	110	112
		223
Total Municipal Securities (Cost $1,665)		**1,688**
NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 15.5%		
Collateralized Mortgage Obligations 9.3%		
Angel Oak Mortgage Trust Series 2020-3, Class A1, CMO, ARM 1.691%, 4/25/65 (1)	71	71
Angel Oak Mortgage Trust Series 2020-3, Class A3, CMO, ARM 2.872%, 4/25/65 (1)	74	75
Angel Oak Mortgage Trust Series 2020-5, Class A2, CMO, ARM 1.579%, 5/25/65 (1)	110	111
Angel Oak Mortgage Trust Series 2020-6, Class A1, CMO, ARM 1.261%, 5/25/65 (1)	150	150
Angel Oak Mortgage Trust Series 2021-1, Class A1, CMO, ARM 0.909%, 1/25/66 (1)	330	329
Angel Oak Mortgage Trust Series 2021-1, Class A2, CMO, ARM 1.115%, 1/25/66 (1)	94	94
Angel Oak Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.985%, 4/25/66 (1)	231	231
Angel Oak Mortgage Trust I Series 2019-2, Class M1, CMO, ARM 4.065%, 3/25/49 (1)	400	405
Bayview Opportunity Master Fund IVb Trust Series 2017-SPL4, Class A, CMO, ARM 3.50%, 1/28/55 (1)	150	154
CIM Trust Series 2020-INV1, Class A2, CMO, ARM 2.50%, 4/25/50 (1)	130	133
Citigroup Mortgage Loan Trust Series 2019-IMC1, Class A1, CMO, ARM 2.72%, 7/25/49 (1)	262	265
Citigroup Mortgage Loan Trust Series 2020-EXP2, Class A3, CMO, ARM 2.50%, 8/25/50 (1)	107	108
COLT Funding Series 2021-1, Class A2, CMO, ARM 1.167%, 6/25/66 (1)	168	167
Connecticut Avenue Securities Series 2017-C02, Class 2ED3, CMO, ARM 1M USD LIBOR + 1.35%, 1.442%, 9/25/29	345	347
Connecticut Avenue Securities Series 2017-C05, Class 1ED3, CMO, ARM 1M USD LIBOR + 1.20%, 1.292%, 1/25/30	351	342
Deephaven Residential Mortgage Trust Series 2019-3A, Class A1, CMO, ARM 2.964%, 7/25/59 (1)	137	138

	Par/Shares	$ Value
(Amounts in 000s)		
Deephaven Residential Mortgage Trust Series 2021-1, Class A2, CMO, ARM 0.973%, 5/25/65 (1)	91	91
Deephaven Residential Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.899%, 4/25/66 (1)	98	98
Deephaven Residential Mortgage Trust Series 2021-2, Class A3, CMO, ARM 1.26%, 4/25/66 (1)	98	98
Ellington Financial Mortgage Trust Series 2019-2, Class A1, CMO, ARM 2.739%, 11/25/59 (1)	234	238
Ellington Financial Mortgage Trust Series 2019-2, Class A3, CMO, ARM 3.046%, 11/25/59 (1)	57	58
Ellington Financial Mortgage Trust Series 2021-1, Class A1, CMO, ARM 0.797%, 2/25/66 (1)	86	86
Ellington Financial Mortgage Trust Series 2021-1, Class A3, CMO, ARM 1.106%, 2/25/66 (1)	86	86
Ellington Financial Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.931%, 6/25/66 (1)	98	98
Ellington Financial Mortgage Trust Series 2021-2, Class A3, CMO, ARM 1.291%, 6/25/66 (1)	103	103
Flagstar Mortgage Trust Series 2020-1INV, Class A11, CMO, ARM 1M USD LIBOR + 0.85%, 0.942%, 3/25/50 (1)	263	263
Flagstar Mortgage Trust Series 2021-5INV, Class A5, CMO, ARM 2.50%, 5/25/33 (1)	260	266
Freddie Mac Whole Loan Securities Trust Series 2017-SC01, Class M1, CMO, ARM 3.611%, 12/25/46 (1)	160	161
Freddie Mac Whole Loan Securities Trust Series 2017-SC02, Class M1, CMO, ARM 3.847%, 5/25/47 (1)	47	48
Galton Funding Mortgage Trust Series 2018-1, Class A33, CMO, ARM 3.50%, 11/25/57 (1)	155	157
Galton Funding Mortgage Trust Series 2019-1, Class A21, CMO, ARM 4.50%, 2/25/59 (1)	67	68
Galton Funding Mortgage Trust Series 2019-1, Class A32, CMO, ARM 4.00%, 2/25/59 (1)	102	104
Galton Funding Mortgage Trust Series 2019-H1, Class M1, CMO, ARM 3.339%, 10/25/59 (1)	230	232
Galton Funding Mortgage Trust Series 2020-H1, Class A1, CMO, ARM 2.31%, 1/25/60 (1)	155	158
Galton Funding Mortgage Trust Series 2020-H1, Class M1, CMO, ARM 2.832%, 1/25/60 (1)	380	382
GS Mortgage-Backed Securities Trust Series 2014-EB1A, Class 2A1, CMO, ARM 1.673%, 7/25/44 (1)	8	8

	Par/Shares	$ Value
(Amounts in 000s)		
GS Mortgage-Backed Securities Trust Series 2021-NQM1, Class A1, CMO, ARM 1.017%, 7/25/61 (1)	137	137
GS Mortgage-Backed Securities Trust Series 2021-PJ5, Class A8, CMO, ARM 2.50%, 10/25/51 (1)	353	361
Hundred Acre Wood Trust Series 2021-INV1, Class A9, CMO, ARM 2.50%, 7/25/51 (1)	243	250
JPMorgan Mortgage Trust Series 2020-INV1, Class A15, CMO, ARM 3.50%, 8/25/50 (1)	220	225
MFA Trust Series 2021-INV1, Class A1, CMO, ARM 0.852%, 1/25/56 (1)	147	146
Mill City Mortgage Loan Trust Series 2016-1, Class A1, CMO, ARM 2.50%, 4/25/57 (1)	24	24
New Residential Mortgage Loan Trust Series 2021-NQ1R, Class A1, CMO, ARM 0.943%, 7/25/55 (1)	241	241
OBX Trust Series 2019-EXP2, Class 2A2, CMO, ARM 1M USD LIBOR + 1.20%, 1.292%, 6/25/59 (1)	87	87
OBX Trust Series 2020-EXP1, Class 2A2, CMO, ARM 1M USD LIBOR + 0.95%, 1.042%, 2/25/60 (1)	104	103
OBX Trust Series 2020-EXP2, Class A8, CMO, ARM 3.00%, 5/25/60 (1)	230	234
OBX Trust Series 2020-EXP2, Class A9, CMO, ARM 3.00%, 5/25/60 (1)	61	62
OBX Trust Series 2020-INV1, Class A5, CMO, ARM 3.50%, 12/25/49 (1)	135	137
OBX Trust Series 2021-J1, Class A4, CMO, ARM 2.50%, 5/25/51 (1)	265	272
OBX Trust Series 2021-NQM1, Class A1, CMO, ARM 1.072%, 2/25/66 (1)	274	273
PSMC Trust Series 2021-1, Class A11, CMO, ARM 2.50%, 3/25/51 (1)	418	429
PSMC Trust Series 2021-2, Class A3, CMO, ARM 2.50%, 5/25/51 (1)	300	309
Sequoia Mortgage Trust Series 2018-CH2, Class A21, CMO, ARM 4.00%, 6/25/48 (1)	98	99
Sequoia Mortgage Trust Series 2018-CH3, Class A19, CMO, ARM 4.50%, 8/25/48 (1)	54	55
Sequoia Mortgage Trust Series 2018-CH4, Class A2, CMO, ARM 4.00%, 10/25/48 (1)	77	78

(Amounts in 000s)	Par/Shares	$ Value
SG Residential Mortgage Trust Series 2020-2, Class A1, CMO, ARM 1.381%, 5/25/65 (1)	110	110
Starwood Mortgage Residential Trust Series 2019-1, Class A3, CMO, ARM 3.299%, 6/25/49 (1)	340	341
Starwood Mortgage Residential Trust Series 2019-INV1, Class A1, CMO, ARM 2.61%, 9/27/49 (1)	47	48
Starwood Mortgage Residential Trust Series 2019-INV1, Class A3, CMO, ARM 2.916%, 9/27/49 (1)	236	238
Starwood Mortgage Residential Trust Series 2021-2, Class A1, CMO, ARM 0.943%, 5/25/65 (1)	168	168
Structured Agency Credit Risk Debt Notes Series 2017-DNA2, Class M1, CMO, ARM 1M USD LIBOR + 1.20%, 1.292%, 10/25/29	133	133
Structured Agency Credit Risk Debt Notes Series 2017-DNA3, Class M1, CMO, ARM 1M USD LIBOR + 0.75%, 0.842%, 3/25/30	172	172
Structured Agency Credit Risk Debt Notes Series 2018-DNA2, Class M1, CMO, ARM 1M USD LIBOR + 0.80%, 0.892%, 12/25/30 (1)	161	161
Structured Agency Credit Risk Debt Notes Series 2018-DNA2, Class M2AS, CMO, ARM 1M USD LIBOR + 0.95%, 1.042%, 12/25/30 (1)	275	275
Structured Agency Credit Risk Debt Notes Series 2018-DNA3, Class M1, CMO, ARM 1M USD LIBOR + 0.75%, 0.842%, 9/25/48 (1)	1	1
Structured Agency Credit Risk Debt Notes Series 2018-DNA3, Class M2AS, CMO, ARM 1M USD LIBOR + 0.90%, 0.992%, 9/25/48 (1)	455	455
Structured Agency Credit Risk Debt Notes Series 2018-HQA2, Class M1, CMO, ARM 1M USD LIBOR + 0.75%, 0.842%, 10/25/48 (1)	58	59
Structured Agency Credit Risk Debt Notes Series 2018-HRP2, Class M2, CMO, ARM 1M USD LIBOR + 1.25%, 1.342%, 2/25/47 (1)	330	330
Structured Agency Credit Risk Debt Notes Series 2020-DNA5, Class M1, CMO, ARM SOFR30A + 1.30%, 1.318%, 10/25/50 (1)	15	15
Structured Agency Credit Risk Debt Notes Series 2020-DNA6, Class M1, CMO, ARM SOFR30A + 0.90%, 0.918%, 12/25/50 (1)	55	55
Structured Agency Credit Risk Debt Notes Series 2020-HQA5, Class M1, CMO, ARM SOFR30A + 1.10%, 1.118%, 11/25/50 (1)	69	69
Structured Agency Credit Risk Debt Notes Series 2021-DNA1, Class M1, CMO, ARM SOFR30A + 0.65%, 0.668%, 1/25/51 (1)	87	87

(Amounts in 000s)	Par/Shares	$ Value
Structured Agency Credit Risk Debt Notes Series 2021-DNA2, Class M1, CMO, ARM SOFR30A + 0.80%, 0.818%, 8/25/33 (1)	205	206
Structured Agency Credit Risk Debt Notes Series 2021-HQA1, Class M1, CMO, ARM SOFR30A + 0.70%, 0.718%, 8/25/33 (1)	75	75
Towd Point Mortgage Trust Series 2015-5, Class A1B, CMO, ARM 2.75%, 5/25/55 (1)	10	10
Towd Point Mortgage Trust Series 2016-1, Class A1B, CMO, ARM 2.75%, 2/25/55 (1)	18	18
Towd Point Mortgage Trust Series 2016-1, Class A3B, CMO, ARM 3.00%, 2/25/55 (1)	66	67
Towd Point Mortgage Trust Series 2016-2, Class A1A, CMO, ARM 2.75%, 8/25/55 (1)	42	42
Towd Point Mortgage Trust Series 2017-1, Class A1, CMO, ARM 2.75%, 10/25/56 (1)	211	214
Towd Point Mortgage Trust Series 2017-2, Class A1, CMO, ARM 2.75%, 4/25/57 (1)	134	136
Towd Point Mortgage Trust Series 2018-1, Class A1, CMO, ARM 3.00%, 1/25/58 (1)	154	158
Verus Securitization Trust Series 2019-4, Class A3, CMO, STEP 3.00%, 11/25/59 (1)	502	510
Verus Securitization Trust Series 2019-INV3, Class A3, CMO, ARM 3.10%, 11/25/59 (1)	436	444
Verus Securitization Trust Series 2020-1, Class A3, CMO, STEP 2.724%, 1/25/60 (1)	423	428
Verus Securitization Trust Series 2020-5, Class A3, CMO, STEP 1.733%, 5/25/65 (1)	73	73
Verus Securitization Trust Series 2021-1, Class A1, CMO, ARM 0.815%, 1/25/66 (1)	90	90
Verus Securitization Trust Series 2021-1, Class A2, CMO, ARM 1.052%, 1/25/66 (1)	121	120
Verus Securitization Trust Series 2021-1, Class A3, CMO, ARM 1.155%, 1/25/66 (1)	86	86
Verus Securitization Trust Series 2021-2, Class A1, CMO, ARM 1.031%, 2/25/66 (1)	146	146
Verus Securitization Trust Series 2021-R1, Class A2, CMO, ARM 1.057%, 10/25/63 (1)	78	78
Verus Securitization Trust Series 2021-R2, Class A1, CMO, ARM 0.918%, 2/25/64 (1)	184	185

	Par/Shares	$ Value
(Amounts in 000s)		
Wells Fargo Mortgage Backed Securities Trust Series 2021-RR1, Class A3, CMO, ARM 2.50%, 12/25/50 (1)	360	369
		15,617
Commercial Mortgage-Backed Securities 6.1%		
Banc of America Commercial Mortgage Trust Series 2017-BNK3, Class A1 1.957%, 2/15/50	28	28
BCP Trust Series 2021-330N, Class A, ARM 1M USD LIBOR + 0.799%, 0.899%, 6/15/38 (1)	120	119
BX Commercial Mortgage Trust Series 2019-XL, Class A, ARM 1M USD LIBOR + 0.92%, 0.993%, 10/15/36 (1)	122	122
BX Trust Series 2021-SOAR, Class D, ARM 1M USD LIBOR + 1.40%, 1.50%, 6/15/38 (1)	145	145
CD Mortgage Trust Series 2017-CD3, Class A1 1.965%, 2/10/50	12	12
Citigroup Commercial Mortgage Trust Series 2013-375P, Class B, ARM 3.635%, 5/10/35 (1)	205	213
Citigroup Commercial Mortgage Trust Series 2013-375P, Class C, ARM 3.635%, 5/10/35 (1)	150	154
Cold Storage Trust Series 2020-ICE5, Class B, ARM 1M USD LIBOR + 1.30%, 1.373%, 11/15/37 (1)	256	256
Commercial Mortgage Trust Series 2014-CR19, Class D, ARM 4.865%, 8/10/47 (1)	250	247
Commercial Mortgage Trust Series 2014-UBS2, Class A5 3.961%, 3/10/47	280	301
Commercial Mortgage Trust Series 2014-UBS2, Class B 4.701%, 3/10/47	440	474
Commercial Mortgage Trust Series 2015-CR22, Class B, ARM 3.926%, 3/10/48	100	108
Commercial Mortgage Trust Series 2020-CBM, Class D, ARM 3.754%, 2/10/37 (1)	340	331
Credit Suisse Mortgage Trust Series 2020-NET, Class A 2.257%, 8/15/37 (1)	115	119
Extended Stay America Trust Series 2021-ESH, Class C, ARM 1M USD LIBOR + 1.70%, 1.775%, 7/15/38 (1)	195	195
Fontainebleau Miami Beach Trust Series 2019-FBLU, Class C 3.75%, 12/10/36 (1)	895	943

	Par/Shares	$ Value
(Amounts in 000s)		
GCT Commercial Mortgage Trust Series 2021-GCT, Class A, ARM 1M USD LIBOR + 0.80%, 0.873%, 2/15/38 (1)	140	140
Great Wolf Trust Series 2019-WOLF, Class A, ARM 1M USD LIBOR + 1.034%, 1.107%, 12/15/36 (1)	325	325
Great Wolf Trust Series 2019-WOLF, Class C, ARM 1M USD LIBOR + 1.633%, 1.706%, 12/15/36 (1)	390	390
GS Mortgage Securities Trust Series 2021-ROSS, Class B, ARM 1M USD LIBOR + 1.60%, 1.673%, 5/15/26 (1)	160	160
InTown Hotel Portfolio Trust Series 2018-STAY, Class A, ARM 1M USD LIBOR + 0.95%, 1.023%, 1/15/33 (1)	175	176
InTown Hotel Portfolio Trust Series 2018-STAY, Class C, ARM 1M USD LIBOR + 1.50%, 1.573%, 1/15/33 (1)	145	145
JPMorgan Chase Commercial Mortgage Securities Trust Series 2019-BKWD, Class C, ARM 1M USD LIBOR + 1.60%, 1.673%, 9/15/29 (1)	355	355
JPMorgan Chase Commercial Mortgage Securities Trust Series 2020-609M, Class B, ARM 1M USD LIBOR + 1.77%, 1.843%, 10/15/33 (1)	255	256
JPMorgan Chase Commercial Mortgage Securities Trust Series 2020-609M, Class C, ARM 1M USD LIBOR + 2.17%, 2.243%, 10/15/33 (1)	210	211
KKR Industrial Portfolio Trust Series 2021-KDIP, Class C, ARM 1M USD LIBOR + 1.00%, 1.073%, 12/15/37 (1)	250	250
KKR Industrial Portfolio Trust Series 2021-KDIP, Class D, ARM 1M USD LIBOR + 1.25%, 1.323%, 12/15/37 (1)	100	100
Merit Series 2020-HILL, Class B, ARM 1M USD LIBOR + 1.40%, 1.473%, 8/15/37 (1)	205	206
Merit Series 2020-HILL, Class C, ARM 1M USD LIBOR + 1.70%, 1.773%, 8/15/37 (1)	100	100
Merit Series 2020-HILL, Class D, ARM 1M USD LIBOR + 2.35%, 2.423%, 8/15/37 (1)	130	131

	Par/Shares	$ Value
(Amounts in 000s)		
MHC Trust Series 2021-MHC2, Class B, ARM 1M USD LIBOR + 1.10%, 1.173%, 5/15/23 (1)	150	150
Morgan Stanley Bank of America Merrill Lynch Trust Series 2016-C30, Class A1 1.389%, 9/15/49	5	5
Morgan Stanley Capital I Trust Series 2014-150E, Class A 3.912%, 9/9/32 (1)	340	365
Morgan Stanley Capital I Trust Series 2019-MEAD, Class D, ARM 3.283%, 11/10/36 (1)	710	707
Morgan Stanley Capital I Trust Series 2019-NUGS, Class D, ARM 1M USD LIBOR + 1.80%, 3.30%, 12/15/36 (1)	130	131
ONE Mortgage Trust Series 2021-PARK, Class B, ARM 1M USD LIBOR + 0.95%, 1.023%, 3/15/36 (1)	315	315
ONE Mortgage Trust Series 2021-PARK, Class C, ARM 1M USD LIBOR + 1.10%, 1.173%, 3/15/36 (1)	170	170
SLIDE Series 2018-FUN, Class D, ARM 1M USD LIBOR + 1.85%, 2.173%, 6/15/31 (1)	537	532
Wells Fargo Commercial Mortgage Trust Series 2015-NXS2, Class A2 3.02%, 7/15/58	181	184
WFRBS Commercial Mortgage Trust Series 2014-C23, Class A5 3.917%, 10/15/57	435	474
WFRBS Commercial Mortgage Trust Series 2014-LC14, Class A5 4.045%, 3/15/47	440	473
		10,218
Residential Mortgage 0.1%		
MetLife Securitization Trust Series 2017-1A, Class A, ARM 3.00%, 4/25/55 (1)	194	198
		198
Total Non-U.S. Government Mortgage-Backed Securities (Cost $25,960)		**26,033**
U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES 3.3%		
U.S. Government Agency Obligations 2.8%		
Federal Home Loan Mortgage		
3.50%, 3/1/46	134	145
5.00%, 12/1/23 - 7/1/25	24	25
5.50%, 4/1/23 - 10/1/38	10	11
6.00%, 10/1/21 - 1/1/38	98	114
7.00%, 3/1/39	83	96
7.50%, 6/1/38	86	99
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.591%, 2.216%, 9/1/35	3	3
12M USD LIBOR + 1.625%, 1.875%, 6/1/38	17	18
12M USD LIBOR + 1.625%, 1.921%, 4/1/37	9	9
12M USD LIBOR + 1.625%, 2.115%, 7/1/38	16	16
12M USD LIBOR + 1.726%, 1.976%, 7/1/35	3	3
12M USD LIBOR + 1.733%, 2.027%, 10/1/36	9	9
12M USD LIBOR + 1.735%, 2.11%, 2/1/37	3	4
12M USD LIBOR + 1.749%, 2.087%, 5/1/38	7	7
12M USD LIBOR + 1.75%, 2.125%, 2/1/35	6	7
12M USD LIBOR + 1.775%, 2.025%, 5/1/37	4	4
12M USD LIBOR + 1.839%, 2.214%, 1/1/37	3	3
12M USD LIBOR + 2.03%, 2.449%, 11/1/36	2	2
12M USD LIBOR + 2.082%, 2.457%, 2/1/38	12	13
1Y CMT + 2.245%, 2.37%, 1/1/36	8	9
1Y CMT + 2.25%, 2.464%, 10/1/36	2	2
Federal Home Loan Mortgage, CMO, 2.00%, 2/15/40	117	119
Federal Home Loan Mortgage, UMBS		
2.00%, 1/1/36	250	258
3.00%, 11/1/34	238	253
4.00%, 12/1/49	54	58
4.50%, 5/1/50	54	59
Federal National Mortgage Assn., ARM		
12M USD LIBOR + 1.34%, 1.715%, 12/1/35	2	2
12M USD LIBOR + 1.568%, 1.999%, 7/1/35	2	1
12M USD LIBOR + 1.59%, 2.043%, 12/1/35	6	6
12M USD LIBOR + 1.602%, 2.391%, 7/1/36	8	8
12M USD LIBOR + 1.655%, 1.973%, 8/1/37	3	3
12M USD LIBOR + 1.77%, 2.145%, 12/1/35	1	1
12M USD LIBOR + 1.78%, 2.155%, 1/1/34	6	6
12M USD LIBOR + 1.788%, 2.163%, 5/1/38	4	4
12M USD LIBOR + 1.83%, 2.69%, 4/1/38 - 8/1/38	28	29
12M USD LIBOR + 1.881%, 3.452%, 5/1/38	8	8
12M USD LIBOR + 1.892%, 2.307%, 12/1/35	2	2
12M USD LIBOR + 2.04%, 2.415%, 12/1/36	1	1
Federal National Mortgage Assn., CMO, 4.00%, 6/25/44	109	110
Federal National Mortgage Assn., UMBS		
2.50%, 11/1/50	61	63
3.00%, 1/1/27	146	154
3.50%, 3/1/28 - 1/1/48	121	129
4.00%, 11/1/49 - 12/1/49	129	137
4.50%, 8/1/24 - 1/1/50	822	893
5.00%, 3/1/23 - 6/1/35	264	300
5.50%, 3/1/22 - 5/1/40	326	375
6.00%, 1/1/22 - 4/1/40	601	711
6.50%, 7/1/32 - 12/1/32	72	84
UMBS, TBA		
1.50%, 7/1/36 (3)	115	116
3.00%, 7/1/51 (3)	80	84
4.00%, 7/1/51 (3)	165	176
		4,749

(Amounts in 000s)	Par/Shares	$ Value
U.S. Government Obligations 0.5%		
Government National Mortgage Assn.		
3.50%, 2/20/48	18	19
4.00%, 10/20/50	65	69
5.00%, 12/20/34 - 11/20/47	376	423
5.50%, 3/20/48 - 3/20/49	77	85
Government National Mortgage Assn., TBA, 3.50%, 7/20/51 (3)	230	242
		838
Total U.S. Government & Agency Mortgage-Backed Securities (Cost $5,384)		**5,587**
U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 15.3%		
Treasuries 15.3%		
U.S. Treasury Notes, 0.125%, 11/30/22	225	225
U.S. Treasury Notes, 0.125%, 12/31/22	9,715	9,707
U.S. Treasury Notes, 0.125%, 4/30/23	2,825	2,820
U.S. Treasury Notes, 0.125%, 5/15/23	1,425	1,422
U.S. Treasury Notes, 0.125%, 5/31/23	6,540	6,527
U.S. Treasury Notes, 0.125%, 6/30/23	1,680	1,676
U.S. Treasury Notes, 0.125%, 7/15/23	685	683
U.S. Treasury Notes, 0.125%, 10/15/23	2,375	2,365
U.S. Treasury Notes, 2.375%, 3/15/22 (4)	130	132
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost $25,581)		**25,557**
SHORT-TERM INVESTMENTS 2.2%		
Commercial Paper 0.8%		
4(2) 0.8%(5)		
AT&T, 0.40%, 12/14/21	540	539
Jabil, 0.52%, 8/9/21	300	300
Jabil, 0.55%, 7/19/21	445	445
		1,284
Money Market Funds 1.4%		
T. Rowe Price Government Reserve Fund, 0.03% (6)(7)	2,383	2,383
		2,383
Total Short-Term Investments (Cost $3,667)		**3,667**

(Amounts in 000s, except for contracts)

Options Purchased 0.0%

OTC Options Purchased 0.0%

Counterparty	Description	Contracts	Notional Amount	$ Value
Bank of America	Credit Default Swap, Protection Bought (Relevant Credit: Markit CDX.NA.IG-S35, 5 Year Index, 6/20/26), Pay 1.00% Quarterly, Receive upon credit default, 7/21/21 @ 0.55%* (8)	1	2,700	1
Total Options Purchased (Cost $5)				**1**
Total Investments in Securities 101.2% of Net Assets (Cost $167,235)				**$ 169,570**

‡ Par/Shares and Notional Amount are denominated in U.S. dollars unless otherwise noted.
* Exercise Spread
(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 $69,502 and represents 41.5% 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) See Note 4. To-Be-Announced purchase commitment. Total value of such securities at period-end amounts to $618 and represents 0.4% of net assets.
(4) At June 30, 2021, 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 $1,284 and represents 0.8% of net assets.
(6) Seven-day yield
(7) Affiliated Companies
(8) Non-income producing
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
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
OTC Over-the-counter
PTT Pass-Through Trust
SOFR30A 30-day Average SOFR (Secured Overnight Financing Rate)
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
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 for contracts)

OPTIONS WRITTEN (0.0)%

OTC Options Written (0.0)%

Counterparty	Description	Contracts	Notional Amount	$ Value
Bank of America	Credit Default Swap, Protection Sold (Relevant Credit: Markit CDX. NA.IG-S35, 5 Year Index, 6/20/26), Receive 1.00% Quarterly, Pay upon credit default, 7/21/21 @ 0.70%*	1	5,400	–
Total Options Written (Premiums $(4))				**$ –**

(Amounts in 000s)

SWAPS (0.0)%

Description	Notional Amount	$ Value	Upfront Payments/ $ (Receipts)	Unrealized $ Gain/(Loss)
BILATERAL SWAPS (0.0)%				
Credit Default Swaps, Protection Bought (0.0)%				
Bank of America, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	417	(11)	(9)	(2)
Barclays Bank, Protection Bought (Relevant Credit: Omnicom Group), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	1,250	(30)	(28)	(2)
Citibank, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	596	(15)	(13)	(2)
Goldman Sachs, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	1,220	(32)	(27)	(5)
Total Bilateral Credit Default Swaps, Protection Bought			**(77)**	**(11)**
Credit Default Swaps, Protection Sold 0.0%				
Bank of America, Protection Sold (Relevant Credit: Boeing, Baa2*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/21	2,300	7	6	1
Barclays Bank, Protection Sold (Relevant Credit: AT&T, Baa2*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/22	500	5	4	1
Barclays Bank, Protection Sold (Relevant Credit: Enbridge, Baa1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/23	1,750	22	(49)	71
Barclays Bank, Protection Sold (Relevant Credit: General Electric, Baa1*), Receive 1.00% Quarterly, Pay upon credit default, 12/20/21	500	2	—	2
Total Bilateral Credit Default Swaps, Protection Sold			**(39)**	**75**
Total Bilateral Swaps			**(116)**	**64**

* Credit ratings as of June 30, 2021. Ratings shown are from Moody's Investors Service and if Moody's does not rate a security, then Standard & Poor's (S&P) is used. Fitch is used for securities that are not rated by either Moody's or S&P.

FUTURES CONTRACTS

($000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Short, 35 U.S. Treasury Notes five year contracts	9/21	(4,320)	$ 6
Short, 29 U.S. Treasury Notes ten year contracts	9/21	(3,843)	(22)
Long, 89 U.S. Treasury Notes two year contracts	9/21	19,609	(27)
Net payments (receipts) of variation margin to date			**34**
Variation margin receivable (payable) on open futures contracts			**$ (9)**

AFFILIATED COMPANIES

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2021. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund, 0.03%	$ —#	$ —	$ —+

Supplementary Investment Schedule

Affiliate	Value 12/31/20	Purchase Cost	Sales Cost	Value 06/30/21
T. Rowe Price Government Reserve Fund, 0.03%	$ 1,702	¤	¤	$ 2,383^

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

\+ Investment income comprised $0 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 $2,383.

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

June 30, 2021 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $167,235)	$	169,570
Interest receivable		688
Receivable for investment securities sold		148
Unrealized gain on bilateral swaps		75
Receivable for shares sold		27
Cash		21
Bilateral swap premiums paid		10
Total assets		170,539
Liabilities		
Payable for investment securities purchased		2,521
Payable for shares redeemed		143
Bilateral swap premiums received		126
Investment management and administrative fees payable		114
Unrealized loss on bilateral swaps		11
Variation margin payable on futures contracts		9
Other liabilities		4
Total liabilities		2,928
NET ASSETS	**$**	**167,611**
Net Assets Consist of:		
Total distributable earnings (loss)	$	3,702
Paid-in capital applicable to 33,584,513 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		163,909
NET ASSETS	**$**	**167,611**
NET ASSET VALUE PER SHARE		
Limited-Term Bond Portfolio Class ($148,569,070 / 29,755,308 shares outstanding)	**$**	**4.99**
Limited-Term Bond Portfolio-II Class ($19,042,291 / 3,829,205 shares outstanding)	**$**	**4.97**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

		6 Months Ended 6/30/21
Investment Income (Loss)		
Income		
Interest	$	1,587
Other		1
Total income		1,588
Expenses		
Investment management and administrative expense		566
Rule 12b-1 fees Limited-Term Bond Portfolio-II Class		22
Waived / paid by Price Associates		(161)
Net expenses		427
Net investment income		1,161
Realized and Unrealized Gain / Loss		
Net realized gain (loss)		
Securities		285
Futures		196
Swaps		25
Options written		6
Net realized gain		512
Change in net unrealized gain / loss		
Securities		(812)
Futures		(45)
Swaps		1
Change in net unrealized gain / loss		(856)
Net realized and unrealized gain / loss		(344)
INCREASE IN NET ASSETS FROM OPERATIONS	**$**	**817**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/21	Year Ended 12/31/20
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 1,161	$ 5,730
Net realized gain	512	4,990
Change in net unrealized gain / loss	(856)	(327)
Increase in net assets from operations	817	10,393
Distributions to shareholders		
Net earnings		
Limited-Term Bond Portfolio Class	(1,070)	(5,511)
Limited-Term Bond Portfolio-II Class	(109)	(268)
Decrease in net assets from distributions	(1,179)	(5,779)
Capital share transactions*		
Shares sold		
Limited-Term Bond Portfolio Class	32,202	60,930
Limited-Term Bond Portfolio-II Class	7,962	12,810
Distributions reinvested		
Limited-Term Bond Portfolio Class	1,050	5,503
Limited-Term Bond Portfolio-II Class	107	268
Shares redeemed		
Limited-Term Bond Portfolio Class	(23,538)	(386,959)
Limited-Term Bond Portfolio-II Class	(4,486)	(14,624)
Increase (decrease) in net assets from capital share transactions	13,297	(322,072)
Net Assets		
Increase (decrease) during period	12,935	(317,458)
Beginning of period	154,676	472,134
End of period	**$ 167,611**	**$ 154,676**
*Share information		
Shares sold		
Limited-Term Bond Portfolio Class	6,435	12,438
Limited-Term Bond Portfolio-II Class	1,598	2,617
Distributions reinvested		
Limited-Term Bond Portfolio Class	210	1,126
Limited-Term Bond Portfolio-II Class	21	55
Shares redeemed		
Limited-Term Bond Portfolio Class	(4,705)	(79,344)
Limited-Term Bond Portfolio-II Class	(901)	(2,987)
Increase (decrease) in shares outstanding	2,658	(66,095)

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. The fund seeks a high level of income consistent with moderate fluctuations in principal value. 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 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.

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

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 expects that the adoption of the guidance will not have a material impact 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

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the fund's own assumptions in determining fair value)

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

Valuation Techniques 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.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Listed options, and OTC options with a listed equivalent, are valued at the mean of the closing bid and asked prices and Exchange-traded options on futures contracts are valued at closing settlement prices. Futures contracts are valued at closing settlement prices. Swaps are valued at prices furnished by an independent pricing service or independent swap dealers. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

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

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2021 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Fixed Income Securities[1]	$ —	$ 165,902	$ —	$ 165,902
Short-Term Investments	2,383	1,284	—	3,667
Options Purchased	—	1	—	1
Total Securities	2,383	167,187	—	169,570
Swaps	—	36	—	36
Futures Contracts*	6	—	—	6
Total	$ 2,389	$ 167,223	$ —	$ 169,612
Liabilities				
Options Written	$ —	$ —	$ —	$ —
Swaps	—	88	—	88
Futures Contracts*	49	—	—	49
Total	$ 49	$ 88	$ —	$ 137

[1] Includes Asset-Backed Securities, Corporate Bonds, Foreign Government Obligations & Municipalities, Municipal Securities, Non-U.S. Government Mortgage-Backed Securities, U.S. Government & Agency Mortgage-Backed Securities and U.S. Government Agency Obligations (Excluding Mortgage-Backed).

*The fair value presented includes cumulative gain (loss) on open futures contracts; however, the net value reflected on the accompanying Portfolio of Investments is only the unsettled variation margin receivable (payable) at that date.

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2021, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes, 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, 2021, 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	$ 6
Credit derivatives	Bilateral Swaps and Premiums, Securities^	37
Total		$ 43
Liabilities		
Interest rate derivatives	Futures	$ 49
Credit derivatives	Bilateral Swaps and Premiums, Options Written	88
Total		$ 137

* The fair value presented includes cumulative gain (loss) 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.
^ Options purchased are reported as securities and are reflected in the accompanying Portfolio of Investments.

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended June 30, 2021, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

($000s)	Location of Gain (Loss) on Statement of Operations			
	Options Written	Futures	Swaps	Total
Realized Gain (Loss)				
Interest rate derivatives	$ —	$ 196	$ —	$ 196
Credit derivatives	6	—	25	31
Total	$ 6	$ 196	$ 25	$ 227
Change in Unrealized Gain (Loss)				
Interest rate derivatives	$ —	$ (45)	$ —	$ (45)
Credit derivatives	—	—	1	1
Total	$ —	$ (45)	$ 1	$ (44)

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, 2021, no collateral was pledged by either the fund or counterparties for bilateral derivatives. As of June 30, 2021, securities valued at $88,000 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, 2021, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 14% and 22% of net assets.

Options The fund is subject to credit 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, options on swaps give the holder the right, but not the obligation, to enter a specified swap contract on predefined terms. The exercise price of an option on a credit default swap is stated in terms of a specified spread that represents the cost of credit protection on the reference asset, including both the upfront premium to open the position and future periodic payments. The exercise price of an interest rate swap is stated in terms of a fixed interest rate; generally, there is no upfront payment to open the position. 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 credit ratings; and, for options written, potential losses in excess of the fund's initial investment. During the six months ended June 30, 2021, the volume of the fund's activity in options, based on underlying notional amounts, was generally between 0% and 5% 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, 2021, the notional amount of protection sold by the fund totaled $5,050,000 (3.0% 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, 2021, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 5% 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.

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, 2021, no collateral was pledged by the fund or counterparties for MSFTA Transactions.

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.

LIBOR The fund may invest in instruments that are tied to reference rates, including LIBOR. On March 5, 2021, the ICE Benchmark Administration Limited, the administrator of LIBOR, announced its intention to cease publishing a majority of the USD LIBOR settings immediately after publication on June 30, 2023, with the remaining USD LIBOR settings to end immediately after publication on December 31, 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. Any potential effects of the transition away from LIBOR on the fund, or on certain instruments in which the fund invests, are not known. The transition process may result in, among other things, an increase in volatility or illiquidity of markets for instruments that currently rely on LIBOR, a reduction in the value of certain instruments held by the fund, or a reduction in the effectiveness of related fund transactions such as hedges. Any such effects could have an adverse impact on the fund's performance.

Other Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated $32,451,000 and $29,309,000, respectively, for the six months ended June 30, 2021.Purchases and sales of U.S. government securities aggregated $28,795,000 and $18,515,000, respectively, for the six months ended June 30, 2021.

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, 2021, the cost of investments for federal income tax purposes was $167,117,000. Net unrealized gain aggregated $2,358,000 at period-end, of which $2,580,000 related to appreciated investments and $222,000 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 expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2022 to waive a portion of its management fee in order to limit the fund's management fee to 0.50% 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 $161,000 and allocated ratably in the amounts of $143,000 and $18,000 for the Limited-Term Bond Portfolio Class and Limited-Term Bond Portfolio-II Class, respectively, for the six months ended June 30, 2021.

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

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2021, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

NOTE 7 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks. During 2020, a novel strain of coronavirus (COVID-19) resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

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

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

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

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

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

Services Provided by the Advisor

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

Investment Performance of the Fund

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

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

Costs, Benefits, Profits, and Economies of Scale

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

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract from any economies of scale realized by the Advisor. Under the Advisory Contract, the fund pays the Advisor a single fee, or all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Advisor to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Advisor has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's management fee rate to 0.50% 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 Advisor has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the investors in these funds, and has historically sought to set the initial all-inclusive fee rate at levels below the expense ratios of comparable funds to take into account the potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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

Fees and Expenses

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, total expenses, actual management fees, and nonmanagement expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) total expenses, actual management fees, and nonmanagement expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate, and total expenses (all of which generally reflect the all-inclusive management fee rate and do not deduct the operating expenses paid by the Advisor as part of the overall management fee) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group) and fourth quintile (Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group) and third 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 proprietary mutual fund business. The Board considered information showing that the Advisor's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Advisor's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Advisor to manage its mutual fund business versus managing a discrete pool of assets as a subadvisor to another institution's mutual fund or for an institutional account and that the Advisor generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

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

Approval of the Advisory Contract

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

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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.

202108-1676661 T. Rowe Price Investment Services, Inc. E303-051 8/21

T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2021

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 7.73% in the six months ended June 30, 2021, outperforming its combined index portfolio benchmark and its Lipper peer group average.
- Strong earnings reports, unprecedented fiscal stimulus, and indications of significant pent-up demand have bolstered expectations for an acceleration in economic activity. However, there are headwinds to the recovery, including the potential for higher corporate tax rates in the U.S., continued supply chain disruptions, and central bank missteps.
- We tilted to an underweight to stocks relative to bonds, as the risk/reward profile for equities looks less compelling after their dramatic rebound from March 2020 lows. We are overweight value stocks, as they may continue to be boosted by improving economic growth, and we favor fixed income sectors that would benefit from higher interest rates and inflation.
- 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

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

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

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

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

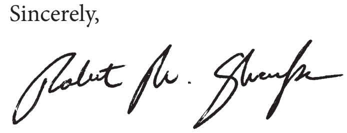
However, less favorably, inflation concerns led to some volatility in the equity market and caused a sharp rise in longer-term Treasury yields in the first quarter. (Bond prices and yields move in opposite directions.) While inflation measures were above the Fed's 2% long-term inflation target toward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

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

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

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The portfolio seeks the highest total return over time consistent with an emphasis on both capital appreciation and income.

PORTFOLIO COMMENTARY

How did the portfolio perform in the past six months?

The Moderate Allocation Portfolio returned 7.73% in the six months ended June 30, 2021. The portfolio outperformed its combined index portfolio benchmark and 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 6/30/21	Total Return
Moderate Allocation Portfolio	7.73%
Morningstar Moderate Target Risk Index	7.26
Combined Index Portfolio*	7.34
Lipper Variable Annuity Underlying Mixed-Asset Target Allocation Moderate Funds Average	7.22

*For a definition of the combined index portfolio, please see the Benchmark Information section.

What factors influenced the portfolio's performance?

Strong security selection within the portfolio's underlying investments and exposure to diversifying sectors drove relative outperformance, while tactical allocation decisions had a modest negative impact. With respect to security selection, the allocation to U.S. large-cap value stocks was a top contributor, driven by holdings in the communication services and health care sectors. Security selection within international developed equities also added value. Strong selection among U.S. investment-grade bonds also contributed, as the allocation solidly outpaced the Bloomberg Barclays U.S. Aggregate Bond Index. Conversely, selection among emerging markets equities was a notable detractor during the period. Our allocation to U.S. small-cap stocks also lagged in an environment where very strong benchmark returns were driven by a rally in low-quality and momentum stocks that do not fit our investment philosophy.

The inclusion of high yield bonds as a diversifying fixed income sector positively contributed to relative returns. The sector benefited from favorable corporate earnings as well as investor preference for their attractive yields and lower sensitivity to rising interest rates. Loosening restrictions and normalized economic activity drove a surge in commodity prices during the period, which boosted real assets stocks. Although exposure to the real assets sector was beneficial, an unfavorable underweight allocation pared this positive impact. Conversely, exposure to nondollar bonds hurt relative performance. Bonds in developed markets outside the U.S. generated negative absolute returns against a backdrop of rising longer-term interest rates and weaker currencies versus the U.S. dollar.

Overall, tactical decisions to overweight and underweight asset classes weighed on relative returns. Following a historic stock market rally on the heels of the pandemic-induced sell-off in early 2020, we saw less compelling valuations among equities and pared our exposure. Our underweight to stocks relative to bonds during the latter half of the period had a modest negative impact, as equities delivered strong absolute returns and strongly outpaced fixed income. The aforementioned underweight to real assets equities also detracted, while an overweight allocation to high yield debt proved favorable.

How is the portfolio positioned?

As of June 30, 2021, we are slightly underweight stocks relative to bonds. Although strong economic and earnings growth could support equities, their valuations appear extended, and their risk/reward profile appears less compelling after a dramatic rebound from the drastic sell-off in early 2020. Despite higher yields, bonds remain vulnerable to further increases in rates and rising inflation expectations, but the positive economic backdrop could support certain credit sectors.

Stocks

On a regional basis, we are modestly overweight to international stocks relative to U.S. stocks. International equities offer relatively attractive valuations, and their more cyclical profile could be beneficial amid strong global economic growth. Supportive stimulus measures and pent-up demand could also provide tailwinds for international stocks. Outside the U.S., we are overweight to emerging markets stocks relative to developed markets stocks. Although fading Chinese stimulus and virus mutations pose challenges, emerging markets stocks should benefit from recovering global trade and rising commodity prices.

In the U.S., we increased our overweight in value-oriented equities, as their cyclical orientation could benefit from the anticipated pickup in post-pandemic spending, the gradual recovery in economic growth, and further fiscal stimulus. As the recovery progresses, we believe upward pressure on interest rates—typically a headwind for growth stocks—could benefit value stocks, given their heavy exposure to financials. Secular growth companies, however, remain vulnerable to extended valuations and narrow leadership. We trimmed our overweight to U.S. small-cap stocks relative to larger companies. Following a year of unprecedented strength relative to large-caps, small-cap stocks may be susceptible to a pullback.

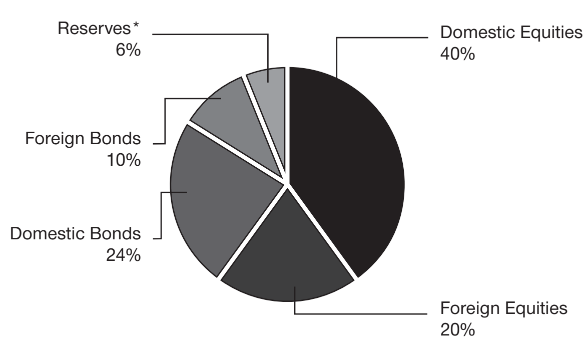
We pared our underweight to inflation-sensitive real assets equities. Inflation expectations have risen on an improving outlook for growth and the perception that central banks will be more tolerant of inflation as they prioritize growth and employment. An anticipated uptick in consumer spending continues to buoy commodity prices. Despite rising interest rates, the outlook for real estate benefits from an environment of improving growth and constrained supply, as well as reasonable valuations.

Bonds

As economic activity normalizes and inflation pressures build, we expect corresponding increases in longer-term rates. Demand for higher-yielding securities will be supportive for credit sectors, but potential returns are limited by relatively tighter credit spreads. We remain overweight to high yield bonds. While valuations are relatively less compelling, yields remain attractive relative to investment-grade debt and fundamentals are broadly supportive against an improving backdrop for growth.

We are modestly overweight to nondollar bonds, which offer yield curve and currency diversification in an environment where accommodative U.S. monetary and fiscal policy could contribute to upward pressure on U.S. interest rates and where U.S. current account and budget deficits could weigh on the U.S. dollar. Extended duration is a risk for nondollar bonds and low/negative yields remain uncompelling versus U.S. yields. We are neutral to emerging markets bonds. While the sector offers attractive yields compared with developed markets, relative valuations appear less attractive. Additionally, potential headwinds to the sector include idiosyncratic risks as well as limited health care infrastructure in regions still heavily impacted by the pandemic.

SECURITY DIVERSIFICATION



Based on net assets as of 6/30/21.

*Includes the cash underlying futures positions, such as the Russell 2000 futures.

What is portfolio management's outlook?

Global markets have staged a remarkable recovery from the historic coronavirus-induced sell-off a year ago. While the virus remains a key risk to public health and economic activity, significant progress in the distribution of vaccines and the loosening of government restrictions have contributed to improved sentiment. Moreover, central banks and governments have taken aggressive monetary and fiscal stimulus measures, which have offset economic damage and provided a potent tailwind for risk assets. For the most part, markets appear to have priced in the likelihood that economic activity will continue to normalize over the coming months. However, in our view, there are several risks on the horizon that have yet to be fully appreciated.

Strong earnings reports, unprecedented fiscal stimulus, and indications of significant pent-up demand have bolstered expectations for an acceleration in economic activity in the year ahead but have also given rise to inflation fears. In the U.S., proposals for further stimulus and infrastructure spending are likely to be married to an increase in corporate tax rates. China faces pressures from supply chain disruptions, rising commodities costs, moderating growth, and fading stimulus, while in certain other regions, virus mutations and significant struggles with vaccine distribution pose challenges. While the global economy has been buoyed by a period of extreme liquidity driven by fiscal and monetary stimulus, these tailwinds are likely to fade as central banks begin to pursue more moderate policies. Although these conditions may not materialize as significant headwinds for growth, we believe they contribute to a less compelling risk/reward profile going forward, and we have positioned our portfolio accordingly.

The elevated levels of volatility and uncertainty in global markets underscore the value of our thoughtful strategic investing approach. Given the uncertain impact of positive and negative forces driving global financial markets, we believe that the Moderate Allocation Portfolio's broad diversification and the strength of T. Rowe Price's fundamental research platform should help us perform in a variety of market environments over the long term.

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.

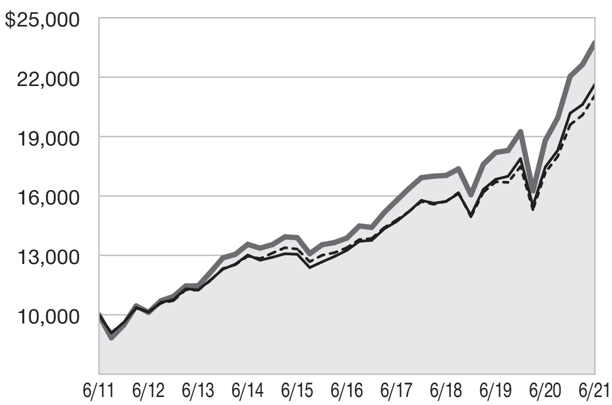
BENCHMARK INFORMATION

Combined index portfolio: An unmanaged blended index benchmark composed of the following underlying indexes as of June 30, 2021: 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 6/30/21
Moderate Allocation Portfolio	$23,746
Morningstar Moderate Target Risk Index	21,642
Linked Performance Benchmark*	21,642
Lipper Variable Annuity Underlying Mixed-Asset Target Allocation Moderate Funds Average	21,085

*The linked performance benchmark reflects the performance of the Merrill Lynch-Wilshire Capital Market Index to 6/30/09 and the performance of the Morningstar Moderate Target Risk Index from 7/1/09 forward.

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/21	1 Year	5 Years	10 Years
Moderate Allocation Portfolio	26.28%	11.35%	9.03%

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 1/1/21	Ending Account Value 6/30/21	Expenses Paid During Period* 1/1/21 to 6/30/21
Actual	$1,000.00	$1,077.30	$3.66
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.27	3.56

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.71%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 22.92	$ 20.96	$ 18.31	$ 21.09	$ 19.17	$ 18.73
Investment activities						
Net investment income[1][2]	0.12	0.28	0.38	0.39	0.30	0.31
Net realized and unrealized gain/loss	1.65	2.72	3.22	(1.44)	3.02	0.89
Total from investment activities	1.77	3.00	3.60	(1.05)	3.32	1.20
Distributions						
Net investment income	(0.12)	(0.29)	(0.40)	(0.38)	(0.32)	(0.32)
Net realized gain	–	(0.75)	(0.55)	(1.35)	(1.08)	(0.44)
Total distributions	(0.12)	(1.04)	(0.95)	(1.73)	(1.40)	(0.76)
NET ASSET VALUE						
End of period	**$ 24.57**	**$ 22.92**	**$ 20.96**	**$ 18.31**	**$ 21.09**	**$ 19.17**
Ratios/Supplemental Data						
Total return[2][3]	**7.73%**	**14.54%**	**19.80%**	**(5.08)%**	**17.41%**	**6.45%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[4]	0.90%[5]	0.90%	0.90%	0.88%	0.90%	0.90%
Net expenses after waivers/payments by Price Associates	0.71%[5]	0.72%	0.72%	0.76%	0.78%	0.77%
Net investment income	1.00%[5]	1.32%	1.88%	1.84%	1.43%	1.63%
Portfolio turnover rate	41.2%	65.5%	91.2%	77.0%	61.8%	75.4%
Net assets, end of period (in thousands)	$ 207,690	$ 200,870	$ 184,645	$ 166,744	$ 184,401	$ 159,611

[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
ASSET-BACKED SECURITIES 1.5%		
AmeriCredit Automobile Receivables Trust Series 2018-2, Class D 4.01%, 7/18/24	20,000	21
AmeriCredit Automobile Receivables Trust Series 2018-3, Class D 4.04%, 11/18/24	40,000	42
AmeriCredit Automobile Receivables Trust Series 2020-3, Class D 1.49%, 9/18/26	20,000	20
AmeriCredit Automobile Receivables Trust Series 2021-1, Class D 1.21%, 12/18/26	30,000	30
Applebee's Funding Series 2019-1A, Class A2I 4.194%, 6/7/49 (1)	119,100	122
BlueMountain Series 2015-2A, Class A1R, CLO, FRN 3M USD LIBOR + 0.93%, 1.12%, 7/18/27 (1)	172,400	172
Carmax Auto Owner Trust Series 2021-1, Class D 1.28%, 7/15/27	90,000	89
CBAM Series 2019-9A, Class A, CLO, FRN 3M USD LIBOR + 1.28%, 1.464%, 2/12/30 (1)	250,000	250
CIFC Funding Series 2020-1A, Class A1, CLO, FRN 3M USD LIBOR + 1.70%, 1.884%, 7/15/32 (1)	250,000	250
Driven Brands Funding Series 2020-2A, Class A2 3.237%, 1/20/51 (1)	64,838	67
Dryden Series 2020-86A, Class A, CLO, FRN 3M USD LIBOR + 1.65%, 1.84%, 7/17/30 (1)	250,000	250
Elara HGV Timeshare Issuer Series 2014-A, Class A 2.53%, 2/25/27 (1)	3,659	4
Ford Credit Auto Owner Trust Series 2018-1, Class C 3.49%, 7/15/31 (1)	100,000	108
GM Financial Automobile Leasing Trust Series 2020-3, Class C 1.11%, 10/21/24	25,000	25
Hardee's Funding Series 2018-1A, Class A2II 4.959%, 6/20/48 (1)	53,488	57
Hyundai Auto Receivables Trust Series 2020-C, Class C 1.08%, 12/15/27	35,000	35

(Cost and value in $000s)

	Shares/Par	$ Value
Jack in the Box Funding Series 2019-1A, Class A2I 3.982%, 8/25/49 (1)	64,513	66
Navient Private Education Refi Loan Trust Series 2020-GA, Class A 1.17%, 9/16/69 (1)	59,656	60
Neuberger Berman Loan Advisers Series 2019-32A, Class AR, CLO, FRN 3M USD LIBOR + 0.99%, 1.18%, 1/20/32 (1)	250,000	250
Santander Retail Auto Lease Trust Series 2019-B, Class C 2.77%, 8/21/23 (1)	30,000	31
Santander Retail Auto Lease Trust Series 2019-B, Class D 3.31%, 6/20/24 (1)	100,000	103
Santander Retail Auto Lease Trust Series 2021-A, Class D 1.38%, 3/22/27 (1)	50,000	50
Sierra Timeshare Receivables Funding Series 2019-1A, Class A 3.20%, 1/20/36 (1)	33,701	35
Sierra Timeshare Receivables Funding Series 2020-2A, Class A 1.33%, 7/20/37 (1)	65,632	66
Sierra Timeshare Receivables Funding Series 2021-1A, Class B 1.34%, 11/20/37 (1)	86,078	86
SMB Private Education Loan Trust Series 2015-B, Class A2A 2.98%, 7/15/27 (1)	15,691	16
SMB Private Education Loan Trust Series 2018-A, Class A2A 3.50%, 2/15/36 (1)	83,271	88
SMB Private Education Loan Trust Series 2018-C, Class A2A 3.63%, 11/15/35 (1)	76,162	80
SMB Private Education Loan Trust Series 2021-A, Class B 2.31%, 1/15/53 (1)	100,000	101
Southwick Park Series 2019-4A, Class A1, CLO, FRN 3M USD LIBOR + 1.30%, 1.488%, 7/20/32 (1)	250,000	250
Symphony XXIII Series 2020-23A, Class A, CLO, FRN 3M USD LIBOR + 1.32%, 1.504%, 1/15/34 (1)	250,000	250
Total Asset-Backed Securities (Cost $3,041)		**3,074**
BOND MUTUAL FUNDS 15.1%		
T. Rowe Price Inflation Protected Bond Fund - I Class, 6.10% (2)(3)	458	6
T. Rowe Price Institutional Emerging Markets Bond Fund, 4.12% (2)(3)	945,532	7,924
T. Rowe Price Institutional Floating Rate Fund - Institutional Class, 3.32% (2)(3)	132,352	1,293

	Shares/Par	$ Value
(Cost and value in $000s)		
T. Rowe Price Institutional High Yield Fund - Institutional Class, 3.39% (2)(3)	1,352,975	12,041
T. Rowe Price International Bond Fund - I Class, 1.19% (2)(3)	876,987	8,279
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class, 5.48% (2)(3)	341,049	1,848
Total Bond Mutual Funds (Cost $30,731)		**31,391**
COMMON STOCKS 51.9%		
COMMUNICATION SERVICES 7.2%		
Diversified Telecommunication Services 0.3%		
KT (KRW)	2,715	77
Nippon Telegraph & Telephone (JPY)	16,200	423
Telecom Italia (EUR)	116,777	62
		562
Entertainment 1.0%		
Cinemark Holdings (4)	1,128	25
Live Nation Entertainment (4)	760	67
Netflix (4)	1,091	576
ROBLOX, Class A (4)	148	13
Roku (4)	149	69
Sea, ADR (4)	2,348	645
Spotify Technology (4)	466	128
Walt Disney (4)	3,120	548
Zynga, Class A (4)	4,893	52
		2,123
Interactive Media & Services 5.1%		
Alphabet, Class A (4)	199	486
Alphabet, Class C (4)	2,095	5,251
Facebook, Class A (4)	7,359	2,559
Genius Sports (4)	390	7
IAC/InterActiveCorp (4)	384	59
Match Group (4)	2,006	324
NAVER (KRW)	451	167
Pinterest, Class A (4)	3,880	306
Snap, Class A (4)	9,469	645
Tencent Holdings (HKD)	9,200	693
Vimeo (4)	579	28
Z Holdings (JPY)	18,300	92
		10,617
Media 0.4%		
Advantage Solutions (4)	1,001	11
Advantage Solutions, Warrants, 12/31/26 (4)	299	1
Cable One	45	86
Charter Communications, Class A (4)	70	51
Comcast, Class A	3,174	181
CyberAgent (JPY)	9,100	195
National CineMedia	2,592	13
Stroeer (EUR)	1,027	82
WPP (GBP)	13,265	179
		799

	Shares/Par	$ Value
(Cost and value in $000s)		
Wireless Telecommunication Services 0.4%		
SoftBank Group (JPY)	1,500	105
T-Mobile U.S. (4)	3,833	555
Vodafone Group, ADR	9,337	160
		820
Total Communication Services		14,921
CONSUMER DISCRETIONARY 6.3%		
Auto Components 0.4%		
Aptiv (4)	223	35
Autoliv, SDR (SEK) (5)	1,100	108
Denso (JPY)	1,700	116
Gentherm (4)	551	39
Magna International	2,961	274
Stanley Electric (JPY)	3,200	93
Stoneridge (4)	675	20
Sumitomo Rubber Industries (JPY)	3,800	53
		738
Automobiles 0.4%		
General Motors (4)	4,467	264
Honda Motor (JPY)	2,200	71
Suzuki Motor (JPY)	2,500	106
Toyota Motor (JPY)	4,200	367
		808
Diversified Consumer Services 0.1%		
Alclear Holdings, Acquisition Date: 3/6/18 - 12/13/18, Cost $17 (4)(6)	2,358	90
Bright Horizons Family Solutions (4)	389	57
Legalzoom.com (4)	72	3
		150
Hotels, Restaurants & Leisure 1.3%		
Bally's (4)	180	10
BJ's Restaurants (4)	1,099	54
Booking Holdings (4)	99	217
Chipotle Mexican Grill (4)	147	228
Chuy's Holdings (4)	917	34
Compass Group (GBP) (4)	7,625	161
Denny's (4)	1,336	22
Drive Shack (4)	2,358	8
Expedia Group (4)	170	28
Fiesta Restaurant Group (4)	2,060	28
Hilton Worldwide Holdings (4)	2,671	322
Marriott International, Class A (4)	1,848	252
McDonald's	444	102
MGM Resorts International	2,100	89
Papa John's International	877	91
Red Robin Gourmet Burgers (4)	693	23
Ruth's Hospitality Group (4)	776	18
Starbucks	3,220	360
Vail Resorts (4)	170	54
Yum! Brands	4,756	547
		2,648
Household Durables 0.3%		
Cavco Industries (4)	104	23
Panasonic (JPY)	10,500	121

	Shares/Par	$ Value
(Cost and value in $000s)		
Persimmon (GBP)	3,670	150
Skyline Champion (4)	958	51
Sony Group (JPY)	2,000	194
Tri Pointe Homes (4)	125	3
		542
Internet & Direct Marketing Retail 2.3%		
1stdibs.com, Acquisition Date: 2/7/19, Cost $6 (4)(6)	373	12
A Place for Rover, Acquisition Date: 5/25/18, Cost $— (4)(6)	52	1
Alibaba Group Holding, ADR (4)	1,434	325
Altimeter Growth (4)	1,275	16
Altimeter Growth Corp. SPAC / Grab Holdings PIPE (4)(7)	1,156	12
Amazon.com (4)	1,057	3,636
ASOS (GBP) (4)	3,131	215
Big Sky Growth Partners (4)	1,141	11
Coupang (4)	791	33
Deliveroo Holdings, Acquisition Date: 9/12/17 - 5/16/19, Cost $20 (GBP) (4) (6)	11,000	42
DoorDash, Class A (4)	875	156
Etsy (4)	388	80
JD.com, ADR (4)	210	17
Pinduoduo, ADR (4)	76	10
Poshmark, Class A (4)	148	7
RealReal (4)	1,192	24
THG (GBP) (4)	3,215	27
ThredUp, Class A (4)	542	16
Wayfair, Class A (4)	30	9
Zalando (EUR) (4)	1,812	219
		4,868
Multiline Retail 0.2%		
Dollar General	1,071	232
Dollar Tree (4)	490	49
Next (GBP) (4)	1,371	149
Ollie's Bargain Outlet Holdings (4)	929	78
		508
Specialty Retail 0.8%		
AutoZone (4)	90	134
Burlington Stores (4)	401	129
Carvana (4)	514	155
Five Below (4)	86	17
Home Depot	820	261
Kingfisher (GBP)	41,132	208
Lowe's	210	41
Monro	752	48
Petco Health & Wellness (4)	699	16
RH (4)	65	44
Ross Stores	2,367	293
TJX	4,908	331
		1,677
Textiles, Apparel & Luxury Goods 0.5%		
Allbirds, Acquisition Date: 10/10/18 - 12/21/18, Cost $6 (4)(6)(8)	580	7

	Shares/Par	$ Value
(Cost and value in $000s)		
Capri Holdings (4)	794	45
Dr. Martens (GBP) (4)	3,545	22
EssilorLuxottica (EUR)	859	158
Kering (EUR)	178	156
Lululemon Athletica (4)	660	241
Moncler (EUR)	2,552	173
NIKE, Class B	1,228	190
Samsonite International (HKD) (4)	26,400	54
Skechers USA, Class A (4)	880	44
Steven Madden	280	12
		1,102
Total Consumer Discretionary		13,041
CONSUMER STAPLES 1.4%		
Beverages 0.2%		
Boston Beer, Class A (4)	155	158
Diageo (GBP)	4,514	217
Kirin Holdings (JPY) (5)	3,500	68
		443
Food & Staples Retailing 0.2%		
Seven & i Holdings (JPY)	4,800	230
Walmart	1,386	195
Welcia Holdings (JPY)	1,800	59
		484
Food Products 0.6%		
Barry Callebaut (CHF)	46	107
Cal-Maine Foods	886	32
Nestle (CHF)	6,470	806
Nomad Foods (4)	1,280	36
Post Holdings (4)	525	57
Post Holdings Partnering (4)	724	7
Sanderson Farms	260	49
TreeHouse Foods (4)	1,113	50
Utz Brands	1,729	38
Wilmar International (SGD)	43,000	144
		1,326
Personal Products 0.4%		
BellRing Brands, Class A (4)	519	16
Estee Lauder, Class A	50	16
L'Oreal (EUR)	626	280
Pola Orbis Holdings (JPY) (5)	1,300	34
Unilever (GBP)	8,579	501
		847
Total Consumer Staples		3,100
ENERGY 0.6%		
Energy Equipment & Services 0.1%		
Cactus, Class A	490	18
Computer Modelling Group (CAD)	1,650	7
Dril-Quip (4)	354	12
Halliburton	2,166	50
Liberty Oilfield Services, Class A (4)	2,920	41
NexTier Oilfield Solutions (4)	4,576	22
Worley (AUD)	13,197	118
		268

	Shares/Par	$ Value
(Cost and value in $000s)		
Oil, Gas & Consumable Fuels 0.5%		
Devon Energy	10,573	309
Diamondback Energy	856	80
Equinor (NOK)	10,429	221
Magnolia Oil & Gas, Class A (4)	3,509	55
Royal Dutch Shell, Class B, ADR	2,410	93
TotalEnergies (EUR)	5,340	242
Venture Global LNG, Series B, Acquisition Date: 3/8/18, Cost $3 (4)(6)(8)	1	5
Venture Global LNG, Series C, Acquisition Date: 5/25/17 - 3/8/18, Cost $18 (4)(6)(8)	5	23
		1,028
Total Energy		1,296
FINANCIALS 7.4%		
Banks 2.8%		
Atlantic Capital Bancshares (4)	639	16
Australia & New Zealand Banking Group (AUD)	6,030	127
Bank of America	28,693	1,183
BankUnited	1,891	81
BNP Paribas (EUR)	3,259	205
Citigroup	1,400	99
Close Brothers Group (GBP)	2,071	43
CrossFirst Bankshares (4)	1,208	17
DBS Group Holdings (SGD)	4,275	95
Dime Community Bancshares	834	28
DNB (NOK)	13,048	284
Dogwood State Bank, Non-Voting Shares, Acquisition Date: 5/6/19, Cost $3 (4)(6)(8)	307	4
Dogwood State Bank, Voting Shares, Acquisition Date: 5/6/19, Cost $2 (4)(6)(8)	151	2
Dogwood State Bank, Warrants, 5/6/24, Acquisition Date: 5/6/19, Cost $— (4)(6)(8)	46	—
East West Bancorp	825	59
Equity Bancshares, Class A (4)	639	20
Erste Group Bank (EUR)	2,693	99
FB Financial	974	36
First Bancshares	762	29
Grasshopper Bancorp, Acquisition Date: 10/12/18 - 5/2/19, Cost $5 (4)(6)(8)	528	2
Grasshopper Bancorp, Warrants, 10/12/28, Acquisition Date: 10/12/18, Cost $— (4)(6)(8)	104	—
Heritage Commerce	2,337	26
Heritage Financial	703	18
Home BancShares	1,842	45
ING Groep (EUR)	20,416	271
Intesa Sanpaolo (EUR)	33,406	92
Investors Bancorp	2,033	29
JPMorgan Chase	2,284	355
Live Oak Bancshares	900	53
Lloyds Banking Group (GBP)	215,695	140

	Shares/Par	$ Value
(Cost and value in $000s)		
Mitsubishi UFJ Financial Group (JPY)	20,100	108
National Bank of Canada (CAD) (5)	3,410	255
Origin Bancorp	808	34
Pacific Premier Bancorp	1,066	45
Pinnacle Financial Partners	1,065	94
PNC Financial Services Group	330	63
Popular	431	32
Professional Holding, Class A (4)	473	9
Prosperity Bancshares	251	18
Sandy Spring Bancorp	713	32
Seacoast Banking	1,270	43
Signature Bank	387	95
South State	539	44
Standard Chartered (GBP)	7,043	45
Sumitomo Mitsui Trust Holdings (JPY)	2,435	78
Svenska Handelsbanken, Class A (SEK)	14,008	158
United Overseas Bank (SGD)	8,700	168
Webster Financial	751	40
Wells Fargo	21,526	975
Western Alliance Bancorp	1,074	100
		5,894
Capital Markets 1.9%		
Apollo Global Management, Class A	2,200	137
Bluescape Opportunities Acquisition (4)	1,586	17
Cboe Global Markets	672	80
Charles Schwab	12,389	902
Goldman Sachs Group	2,025	769
Macquarie Group (AUD)	1,079	126
Morgan Stanley	15,805	1,449
MSCI	85	45
S&P Global	674	277
StepStone Group, Class A	1,172	40
XP, Class A (4)	720	31
		3,873
Consumer Finance 0.1%		
Encore Capital Group (4)	818	39
PRA Group (4)	840	32
PROG Holdings	963	46
		117
Diversified Financial Services 0.3%		
Challenger (AUD)	11,630	47
Element Fleet Management (CAD)	14,608	170
Equitable Holdings	12,674	386
Mitsubishi HC Capital (JPY)	11,100	60
		663
Insurance 2.2%		
AIA Group (HKD)	7,200	89
American International Group	15,984	761
Assurant	497	78
Aviva (GBP)	22,115	124
AXA (EUR)	13,162	334
Axis Capital Holdings	1,044	51
Bright Health Group (4)	300	5
Bright Health Group, Acquisition Date: 9/16/20, Cost $13 (4)(6)	1,965	32

	Shares/Par	$ Value
(Cost and value in $000s)		
Chubb	1,542	245
Direct Line Insurance Group (GBP)	10,795	43
Hanover Insurance Group	365	50
Hartford Financial Services Group	4,923	305
Loews	682	37
Marsh & McLennan	1,598	225
MetLife	7,914	474
Munich Re (EUR)	1,183	324
PICC Property & Casualty, Class H (HKD)	112,000	98
Ping An Insurance Group, Class H (HKD)	8,500	83
Sampo, A Shares (EUR)	4,904	226
Selective Insurance Group	1,026	83
Selectquote (4)	752	14
State Auto Financial	309	5
Storebrand (NOK)	17,676	160
Sun Life Financial (CAD)	4,868	251
Tokio Marine Holdings (JPY)	3,800	175
Travelers	1,028	154
Zurich Insurance Group (CHF)	412	166
		4,592
Thrifts & Mortgage Finance 0.1%		
Capitol Federal Financial	1,358	16
Essent Group	944	43
Housing Development Finance (INR)	3,268	109
Meridian Bancorp	1,136	23
PennyMac Financial Services	976	60
Sterling Bancorp (4)	1,308	6
		257
Total Financials		15,396
HEALTH CARE 7.0%		
Biotechnology 0.5%		
AbbVie	1,864	210
Abcam, ADR (4)	549	11
ACADIA Pharmaceuticals (4)	253	6
Acceleron Pharma (4)	340	43
Agios Pharmaceuticals (4)	419	23
Allogene Therapeutics (4)	162	4
Apellis Pharmaceuticals (4)	267	17
Arcutis Biotherapeutics (4)	133	4
Argenx, ADR (4)	271	82
Ascendis Pharma, ADR (4)	403	53
Avidity Biosciences (4)	149	4
Blueprint Medicines (4)	426	38
Cerevel Therapeutics Holdings (4)	323	8
CRISPR Therapeutics (4)	79	13
Enanta Pharmaceuticals (4)	41	2
Exact Sciences (4)	43	5
Flame Biosciences, Acquisition Date: 9/28/20, Cost $2 (4)(6)(8)	372	2
G1 Therapeutics (4)	308	7
Generation Bio (4)	783	21
Global Blood Therapeutics (4)	743	26
Homology Medicines (4)	459	3
IGM Biosciences (4)	206	17
Incyte (4)	727	61

	Shares/Par	$ Value
(Cost and value in $000s)		
Insmed (4)	1,798	51
Intellia Therapeutics (4)	224	36
Iovance Biotherapeutics (4)	190	5
Karuna Therapeutics (4)	78	9
Kodiak Sciences (4)	612	57
MeiraGTx Holdings (4)	260	4
Monte Rosa Therapeutics (4)	120	3
Morphic Holding (4)	39	2
Nurix Therapeutics (4)	180	5
Orchard Therapeutics, ADR (4)	663	3
Prothena (4)	839	43
PTC Therapeutics (4)	130	6
Radius Health (4)	2,011	37
RAPT Therapeutics (4)	452	14
Replimune Group (4)	210	8
Scholar Rock Holding (4)	707	20
Seagen (4)	184	29
TG Therapeutics (4)	83	3
Turning Point Therapeutics (4)	261	20
Ultragenyx Pharmaceutical (4)	610	58
Vertex Pharmaceuticals (4)	36	7
Xencor (4)	652	23
Zentalis Pharmaceuticals (4)	226	12
		1,115
Health Care Equipment & Supplies 2.1%		
Abbott Laboratories	2,099	243
Alcon (CHF)	864	61
Align Technology (4)	69	42
AtriCure (4)	513	41
Avanos Medical (4)	857	31
Axonics (4)	181	11
Becton Dickinson & Company	143	35
CVRx (4)	253	7
Danaher	4,127	1,108
DENTSPLY SIRONA	1,400	89
Elekta, Class B (SEK)	8,158	118
Figs, Class A (4)	86	4
ICU Medical (4)	172	35
Intuitive Surgical (4)	548	504
iRhythm Technologies (4)	141	9
JAND, Class A, Acquisition Date: 3/9/18, Cost $7 (4)(6)(8)	443	11
Koninklijke Philips (EUR)	6,355	315
Medtronic	3,932	488
Mesa Laboratories	55	15
Nevro (4)	225	37
NuVasive (4)	340	23
Outset Medical (4)	180	9
Pax Labs, Class A, Acquisition Date: 4/18/19, Cost $14 (4)(6)(8)	3,864	7
Penumbra (4)	114	31
Pulmonx (4)	80	4
Quidel (4)	468	60
Siemens Healthineers (EUR)	3,192	196
Stryker	2,411	626
Teleflex	280	113

	Shares/Par	$ Value
(Cost and value in $000s)		
Zimmer Biomet Holdings	230	37
		4,310
Health Care Providers & Services 1.7%		
Accolade (4)	330	18
Alignment Healthcare (4)	409	10
Alignment Healthcare, Acquisition Date: 2/28/20, Cost $9 (4)(6)	1,147	25
Amedisys (4)	270	66
Anthem	1,522	581
Centene (4)	3,847	281
Cigna	1,523	361
Cross Country Healthcare (4)	70	1
dentalcorp Holdings (CAD) (4)	1,198	16
Fresenius (EUR)	3,652	191
Hanger (4)	1,667	42
HCA Healthcare	3,155	652
Humana	71	31
Innovage Holding (4)	176	4
ModivCare (4)	275	47
Molina Healthcare (4)	496	126
Oak Street Health (4)	108	6
Option Care Health (4)	824	18
Pennant Group (4)	484	20
Privia Health Group (4)	282	12
Surgery Partners (4)	456	30
U.S. Physical Therapy	319	37
UnitedHealth Group	2,335	935
		3,510
Health Care Technology 0.1%		
Certara (4)	245	7
Doximity, Class A (4)	169	10
Veeva Systems, Class A (4)	308	96
		113
Life Sciences Tools & Services 0.7%		
Adaptive Biotechnologies (4)	295	12
Agilent Technologies	2,640	390
Bruker	1,154	88
Evotec (EUR) (4)	2,032	92
Olink Holding, ADR (4)	390	13
Quanterix (4)	159	9
Seer (4)	418	14
Thermo Fisher Scientific	1,698	857
		1,475
Pharmaceuticals 1.9%		
Arvinas (4)	80	6
Astellas Pharma (JPY)	19,600	342
AstraZeneca, ADR	9,953	596
Atea Pharmaceuticals (4)	139	3
Bausch Health (4)	4,100	120
Bayer (EUR)	3,493	212
Catalent (4)	827	89
Elanco Animal Health (4)	8,120	282
Eli Lilly	2,076	477
GlaxoSmithKline, ADR	4,097	163
Ipsen (EUR)	808	84
Novartis (CHF)	4,225	386

	Shares/Par	$ Value
(Cost and value in $000s)		
Otsuka Holdings (JPY) (5)	3,300	137
Reata Pharmaceuticals, Class A (4)	195	28
Roche Holding (CHF)	1,281	483
Sanofi (EUR)	3,636	382
Takeda Pharmaceutical, ADR	3,491	59
TherapeuticsMD (4)	7,774	9
Zoetis	968	180
		4,038
Total Health Care		14,561
INDUSTRIALS & BUSINESS SERVICES 5.1%		
Aerospace & Defense 0.2%		
BWX Technologies	288	17
Meggitt (GBP) (4)	28,977	185
Parsons (4)	358	14
Safran (EUR)	820	114
Teledyne Technologies (4)	228	95
		425
Air Freight & Logistics 0.3%		
FedEx	958	286
United Parcel Service, Class B	1,844	383
		669
Airlines 0.1%		
Southwest Airlines (4)	2,553	136
Sun Country Airlines Holdings (4)	284	10
		146
Building Products 0.0%		
Gibraltar Industries (4)	828	63
PGT Innovations (4)	1,147	27
		90
Commercial Services & Supplies 0.1%		
ADT	3,951	43
Brink's	476	37
Cintas	102	39
Copart (4)	170	22
Heritage-Crystal Clean (4)	665	20
MSA Safety	214	35
Rentokil Initial (GBP)	6,204	42
Republic Services	18	2
Tetra Tech	181	22
		262
Electrical Equipment 0.6%		
ABB (CHF)	6,947	236
AZZ	1,128	58
Generac Holdings (4)	200	83
Hubbell	1,270	237
Legrand (EUR)	1,211	128
Mitsubishi Electric (JPY)	15,300	222
Prysmian (EUR)	4,304	155
Schneider Electric (EUR)	606	96
Shoals Technologies Group, Class A (4)	957	34
Thermon Group Holdings (4)	580	10
		1,259

	Shares/Par	$ Value
(Cost and value in $000s)		
Industrial Conglomerates 1.5%		
DCC (GBP)	1,421	116
General Electric	106,034	1,427
Honeywell International	1,987	436
Melrose Industries (GBP)	83,295	179
Roper Technologies	320	151
Siemens (EUR)	4,464	709
		3,018
Machinery 0.9%		
Caterpillar	2,274	495
Chart Industries (4)	183	27
Deere	387	136
Enerpac Tool Group	1,996	53
ESCO Technologies	600	56
Federal Signal	801	32
Fortive	1,400	98
Graco	683	52
Helios Technologies	552	43
Ingersoll Rand (4)	1,577	77
John Bean Technologies	544	77
KION Group (EUR)	1,947	208
Knorr-Bremse (EUR)	745	86
Marel (ISK)	1,902	13
Meritor (4)	1,512	35
Mueller Water Products, Class A	2,495	36
SMC (JPY)	100	59
SPX (4)	785	48
THK (JPY)	2,400	72
Toro	388	43
Xometry, Acquisition Date: 7/20/20 - 9/4/20, Cost $6 (4)(6)	624	52
Xometry, Class A (4)	99	9
		1,807
Marine 0.0%		
Matson	693	44
		44
Professional Services 0.6%		
Booz Allen Hamilton Holding	533	45
Clarivate (4)	3,124	86
CoStar Group (4)	1,840	152
Equifax	192	46
Huron Consulting Group (4)	243	12
Jacobs Engineering Group	2,812	375
Recruit Holdings (JPY)	3,700	182
TechnoPro Holdings (JPY)	4,500	107
Teleperformance (EUR)	318	129
TransUnion	500	55
Upwork (4)	1,968	115
		1,304
Road & Rail 0.4%		
Central Japan Railway (JPY)	800	121
CSX	4,077	131
Knight-Swift Transportation Holdings	722	33
Landstar System	188	30
Norfolk Southern	1,616	429
Saia (4)	180	38

	Shares/Par	$ Value
(Cost and value in $000s)		
Union Pacific	492	108
		890
Trading Companies & Distributors 0.4%		
Air Lease	550	23
Ashtead Group (GBP)	2,947	219
Bunzl (GBP)	2,372	78
Mitsubishi (JPY)	3,800	104
Rush Enterprises, Class A	682	30
SiteOne Landscape Supply (4)	592	100
Sumitomo (JPY)	8,500	114
United Rentals (4)	320	102
		770
Total Industrials & Business Services		10,684
INFORMATION TECHNOLOGY 11.4%		
Communications Equipment 0.1%		
Infinera (4)	480	5
LM Ericsson, Class B (SEK)	20,313	255
		260
Electronic Equip, Instr & Cmpts 0.0%		
PAR Technology (4)	883	62
		62
Electronic Equipment, Instruments & Components 0.4%		
CTS	1,308	49
Hamamatsu Photonics (JPY)	2,100	127
Largan Precision (TWD)	1,000	111
Littelfuse	194	49
Murata Manufacturing (JPY)	2,200	168
National Instruments	1,212	51
Novanta (4)	631	85
Omron (JPY)	1,200	95
TE Connectivity	445	60
		795
IT Services 2.5%		
Amadeus IT Group, A Shares (EUR) (4)	1,058	75
ANT International, Class C, Acquisition Date: 6/7/18, Cost $61 (4)(6)(8)	10,922	77
Automatic Data Processing	20	4
Euronet Worldwide (4)	320	43
Fidelity National Information Services	1,232	175
Fiserv (4)	4,591	491
Flywire (4)	127	5
Global Payments	2,989	561
Kratos Defense & Security Solutions (4)	1,538	44
Mastercard, Class A	1,859	679
MongoDB (4)	466	168
NTT Data (JPY)	13,900	217
PayPal Holdings (4)	3,057	891
Repay Holdings (4)	717	17
ServiceTitan, Acquisition Date: 11/9/18 - 5/4/21, Cost $1 (4)(6)(8)	26	3

(Cost and value in $000s)	Shares/Par	$ Value
Shopify, Class A (4)	133	194
Snowflake, Class A (4)	66	16
Square, Class A (4)	160	39
StoneCo, Class A (4)	320	21
Themis Solutions, Acquisition Date: 4/14/21, Cost $2 (4)(6)(8)	110	2
Twilio, Class A (4)	186	73
Visa, Class A	5,953	1,392
		5,187
Semiconductors & Semiconductor Equipment 3.2%		
Advanced Micro Devices (4)	2,724	256
Analog Devices	2,234	384
Applied Materials	6,440	917
ASML Holding (EUR)	591	408
ASML Holding	772	533
Broadcom	1,384	660
Entegris	981	121
KLA	752	244
Lattice Semiconductor (4)	2,336	131
Marvell Technology	3,474	203
Maxim Integrated Products	373	39
Microchip Technology	1,300	195
Monolithic Power Systems	7	3
NVIDIA	632	506
NXP Semiconductors	3,066	631
QUALCOMM	2,043	292
Renesas Electronics (JPY) (4)	6,900	74
Semtech (4)	261	18
Taiwan Semiconductor Manufacturing (TWD)	27,219	586
Taiwan Semiconductor Manufacturing, ADR	50	6
Texas Instruments	1,446	278
Tokyo Electron (JPY)	400	173
		6,658
Software 4.2%		
Atlassian, Class A (4)	383	98
Ceridian HCM Holding (4)	731	70
Checkr, Acquisition Date: 6/29/18 - 12/2/19, Cost $5 (4)(6)(8)	198	5
Citrix Systems	770	90
Coupa Software (4)	439	115
Crowdstrike Holdings, Class A (4)	190	48
Datadog, Class A (4)	520	54
Descartes Systems Group (4)	1,237	85
DocuSign (4)	727	203
DoubleVerify Holdings (4)	140	6
Duck Creek Technologies (4)	125	5
Five9 (4)	500	92
Fortinet (4)	666	159
Intuit	1,799	882
Manhattan Associates (4)	205	30
Microsoft	15,390	4,169
nCino (4)	568	34
Paycom Software (4)	186	68
salesforce.com (4)	3,082	753
SAP (EUR)	1,447	203

(Cost and value in $000s)	Shares/Par	$ Value
ServiceNow (4)	1,284	706
Splunk (4)	593	86
SS&C Technologies Holdings	1,141	82
Synopsys (4)	956	264
Toast, Acquisition Date: 9/14/18, Cost $— (4)(6)(8)	1	—
Workday, Class A (4)	306	73
Workiva (4)	360	40
Zendesk (4)	145	21
Zoom Video Communications, Class A (4)	777	301
		8,742
Technology Hardware, Storage & Peripherals 1.0%		
Apple	11,458	1,569
Samsung Electronics (KRW)	5,705	409
		1,978
Total Information Technology		23,682
MATERIALS 3.0%		
Chemicals 1.3%		
Air Liquide (EUR)	1,021	179
Akzo Nobel (EUR)	1,456	180
Asahi Kasei (JPY)	12,900	142
BASF (EUR)	2,024	160
Covestro (EUR)	1,747	113
Eastman Chemical	620	72
Element Solutions	4,348	102
International Flavors & Fragrances	1,050	157
Johnson Matthey (GBP)	4,480	191
Linde	2,393	692
Minerals Technologies	547	43
PPG Industries	1,829	311
Quaker Chemical	196	46
Sherwin-Williams	713	194
Tosoh (JPY)	1,300	22
Umicore (EUR)	2,260	138
		2,742
Construction Materials 0.1%		
Martin Marietta Materials	210	74
Vulcan Materials	175	30
		104
Containers & Packaging 1.0%		
Amcor, CDI (AUD)	8,092	92
Avery Dennison	1,010	212
International Paper	11,149	684
Packaging Corp. of America	2,756	373
Ranpak Holdings (4)	421	11
Westrock	13,590	723
		2,095
Metals & Mining 0.5%		
Antofagasta (GBP)	7,816	156
BHP Group (AUD)	2,221	81
BHP Group (GBP)	6,629	196
Constellium (4)	3,142	60
ERO Copper (CAD) (4)	2,344	49

	Shares/Par	$ Value
(Cost and value in $000s)		
Franco-Nevada (CAD)	179	26
Haynes International	564	20
IGO (AUD)	32,653	186
Northern Star Resources (AUD)	4,679	34
Rio Tinto (AUD)	782	74
South32 (AUD)	36,956	81
		963
Paper & Forest Products 0.1%		
Stora Enso, Class R (EUR)	7,615	139
West Fraser Timber (CAD)	362	26
		165
Total Materials		6,069
MISCELLANEOUS 0.0%		
Miscellaneous 0.0%		
KKR Acquisition Holdings I (4)	1,816	18
Total Miscellaneous		18
REAL ESTATE 1.3%		
Equity Real Estate Investment Trusts 1.1%		
Alexandria Real Estate Equities, REIT	424	77
American Campus Communities, REIT	1,013	47
Camden Property Trust, REIT	1,620	215
Community Healthcare Trust, REIT	407	19
CubeSmart, REIT	978	45
EastGroup Properties, REIT	589	97
Equinix, REIT	300	241
Equity LifeStyle Properties, REIT	1,002	74
First Industrial Realty Trust, REIT	511	27
Flagship Communities REIT, REIT	319	6
Great Portland Estates (GBP)	11,675	114
JBG SMITH Properties, REIT	1,344	42
Prologis, REIT	5,994	716
PS Business Parks, REIT	444	66
Rexford Industrial Realty, REIT	966	55
Scentre Group (AUD)	31,619	65
Welltower, REIT	4,172	347
Weyerhaeuser, REIT	567	20
		2,273
Real Estate Management & Development 0.2%		
Altus Group (CAD) (5)	230	11
FirstService	726	124
Mitsui Fudosan (JPY)	8,700	201
		336
Total Real Estate		2,609
UTILITIES 1.2%		
Electric Utilities 0.3%		
Evergy	1,300	79
IDACORP	435	42
MGE Energy	224	17
NextEra Energy	4,381	321
Southern	4,098	248
		707

	Shares/Par	$ Value
(Cost and value in $000s)		
Gas Utilities 0.1%		
Beijing Enterprises Holdings (HKD)	13,500	48
Chesapeake Utilities	436	52
ONE Gas	804	60
Southwest Gas Holdings	939	62
		222
Independent Power & Renewable Electricity Producers 0.1%		
AES	3,304	86
Electric Power Development (JPY)	4,200	60
NextEra Energy Partners	470	36
		182
Multi-Utilities 0.6%		
Ameren	258	21
CMS Energy	262	15
Dominion Energy	1,352	99
Engie (EUR)	15,937	219
National Grid (GBP)	12,818	163
NorthWestern	411	25
Public Service Enterprise Group	1,602	96
Sempra Energy	4,691	621
WEC Energy Group	362	32
		1,291
Water Utilities 0.1%		
California Water Service Group	510	29
Middlesex Water	369	30
SJW Group	541	34
		93
Total Utilities		2,495
Total Miscellaneous Common Stocks 0.0% (9)		14
Total Common Stocks (Cost $52,943)		**107,886**
CONVERTIBLE PREFERRED STOCKS 0.5%		
CONSUMER DISCRETIONARY 0.2%		
Automobiles 0.2%		
Rivian Automotive, Series D, Acquisition Date: 12/23/19, Cost $13 (4)(6)(8)	1,224	86
Rivian Automotive, Series E, Acquisition Date: 7/10/20, Cost $19 (4)(6)(8)	1,248	87
Rivian Automotive, Series F, Acquisition Date: 1/19/21, Cost $108 (4)(6)(8)	2,923	205
		378
Hotels, Restaurants & Leisure 0.0%		
Cava Group, Series E, Acquisition Date: 6/23/20 - 3/26/21, Cost $18 (4)(6)(8)	754	28
Cava Group, Series F, Acquisition Date: 3/26/21, Cost $13 (4)(6)(8)	335	13
		41

(Cost and value in $000s)	Shares/Par	$ Value
Internet & Direct Marketing Retail 0.0%		
1661, Series F, Acquisition Date: 5/28/21, Cost $10 (4)(6)(8)	1,674	10
A Place for Rover, Series G, Acquisition Date: 5/11/18, Cost $5 (4)(6)	741	7
		17
Textiles, Apparel & Luxury Goods 0.0%		
Allbirds, Series A, Acquisition Date: 10/10/18, Cost $2 (4)(6)(8)	190	2
Allbirds, Series B, Acquisition Date: 10/10/18, Cost $— (4)(6)(8)	35	1
Allbirds, Series C, Acquisition Date: 10/9/18, Cost $4 (4)(6)(8)	320	4
Allbirds, Series Seed, Acquisition Date: 10/10/18, Cost $1 (4)(6)(8)	100	1
		8
Total Consumer Discretionary		444
CONSUMER STAPLES 0.0%		
Food Products 0.0%		
Farmers Business Network, Series D, Acquisition Date: 11/3/17, Cost $14 (4)(6)(8)	733	24
Total Consumer Staples		24
HEALTH CARE 0.0%		
Biotechnology 0.0%		
Caris Life Sciences, Series C, Acquisition Date: 8/14/20, Cost $5 (4)(6)(8)	1,752	14
Caris Life Sciences, Series D, Acquisition Date: 5/11/21, Cost $7 (4)(6)(8)	895	7
		21
Health Care Equipment & Supplies 0.0%		
JAND, Series E, Acquisition Date: 3/9/18, Cost $9 (4)(6)(8)	546	14
JAND, Series F, Acquisition Date: 4/3/20, Cost $13 (4)(6)(8)	649	16
Kardium, Series D-6, Acquisition Date: 1/8/21, Cost $5 (4)(6)(8)	5,305	5
		35
Health Care Providers & Services 0.0%		
Honor Technology, Series D, Acquisition Date: 10/16/20, Cost $10 (4)(6)(8)	4,107	10
		10
Life Sciences Tools & Services 0.0%		
Inscripta, Series E, Acquisition Date: 3/30/21, Cost $6 (4)(6)(8)	636	6
National Resilience, Series B, Acquisition Date: 10/23/20, Cost $6 (4)(6)(8)	524	22

(Cost and value in $000s)	Shares/Par	$ Value
National Resilience, Series C, Acquisition Date: 6/9/21, Cost $11 (4)(6)(8)	237	11
		39
Total Health Care		105
INDUSTRIALS & BUSINESS SERVICES 0.0%		
Aerospace & Defense 0.0%		
ABL Space Systems, Series B, Acquisition Date: 3/24/21, Cost $6 (4)(6)(8)	126	6
		6
Road & Rail 0.0%		
Convoy, Series C, Acquisition Date: 9/14/18, Cost $9 (4)(6)(8)	1,241	14
Convoy, Series D, Acquisition Date: 10/30/19, Cost $10 (4)(6)(8)	764	9
		23
Total Industrials & Business Services		29
INFORMATION TECHNOLOGY 0.1%		
IT Services 0.0%		
ServiceTitan, Series D, Acquisition Date: 11/9/18, Cost $5 (4)(6)(8)	184	22
ServiceTitan, Series F, Acquisition Date: 3/25/21, Cost $1 (4)(6)(8)	10	1
Themis Solutions, Series AA, Acquisition Date: 4/14/21, Cost $1 (4)(6)(8)	30	1
Themis Solutions, Series AB, Acquisition Date: 4/14/21, Cost $— (4)(6)(8)	10	—
Themis Solutions, Series B, Acquisition Date: 4/14/21, Cost $— (4)(6)(8)	10	—
Themis Solutions, Series E, Acquisition Date: 4/14/21, Cost $7 (4)(6)(8)	320	7
		31
Software 0.1%		
Checkr, Series C, Acquisition Date: 4/10/18, Cost $4 (4)(6)(8)	300	8
Checkr, Series D, Acquisition Date: 9/6/19, Cost $12 (4)(6)(8)	400	10
Databricks, Series G, Acquisition Date: 2/1/21, Cost $11 (4)(6)(8)	64	11
FLEXE, Series C, Acquisition Date: 11/18/20, Cost $5 (4)(6)(8)	445	5
Haul Hub, Series B, Acquisition Date: 2/14/20 - 3/3/21, Cost $4 (4)(6)(8)	303	4
Nuro, Series C, Acquisition Date: 10/30/20 - 3/2/21, Cost $12 (4)(6)(8)	921	12
Plex Systems Holdings, Series B, Acquisition Date: 6/9/14, Cost $6 (4)(6)(8)	2,270	20
SecurityScorecard, Series E, Acquisition Date: 3/5/21, Cost $5 (4)(6)(8)	344	5

	Shares/Par	$ Value
(Cost and value in $000s)		
Seismic Software, Series E, Acquisition Date: 12/13/18, Cost $7 (4)(6)(8)	1,115	10
Seismic Software, Series F, Acquisition Date: 9/25/20, Cost $1 (4)(6)(8)	85	1
Toast, Series B, Acquisition Date: 9/14/18, Cost $— (4)(6)(8)	10	2
Toast, Series D, Acquisition Date: 6/27/18, Cost $13 (4)(6)(8)	737	111
Toast, Series F, Acquisition Date: 2/14/20, Cost $3 (4)(6)(8)	60	9
		208
Total Information Technology		239
MATERIALS 0.0%		
Chemicals 0.0%		
Redwood Materials, Series C, Acquisition Date: 5/28/21, Cost $6 (4)(6)(8)	135	6
Sila Nano, Series F, Acquisition Date: 1/7/21, Cost $10 (4)(6)(8)	228	10
Total Materials		16
UTILITIES 0.2%		
Electric Utilities 0.1%		
Southern, Series A, 6.75%, 8/1/22	838	42
		42
Independent Power & Renewable Electricity Producers 0.1%		
AES, 6.875%, 2/15/24	830	88
		88
Total Utilities		130
Total Convertible Preferred Stocks (Cost $541)		**987**

CORPORATE BONDS 6.7%

	Shares/Par	$ Value
AbbVie, 2.95%, 11/21/26	45,000	48
AbbVie, 3.20%, 11/21/29	45,000	49
AbbVie, 4.05%, 11/21/39	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	190
Alexandria Real Estate Equities, 3.95%, 1/15/28	65,000	73
Alexandria Real Estate Equities, 4.70%, 7/1/30	15,000	18
American Campus Communities Operating Partnership, 2.85%, 2/1/30	78,000	80
American Campus Communities Operating Partnership, 3.30%, 7/15/26	20,000	22
American Campus Communities Operating Partnership, 3.625%, 11/15/27	45,000	49
American Tower, 1.60%, 4/15/26	20,000	20
APT Pipelines, 4.25%, 7/15/27 (1)	180,000	203

	Shares/Par	$ Value
(Cost and value in $000s)		
Arrow Electronics, 4.00%, 4/1/25	50,000	54
AstraZeneca, 3.00%, 5/28/51	25,000	26
Astrazeneca Finance, 1.75%, 5/28/28	35,000	35
Astrazeneca Finance, 2.25%, 5/28/31	10,000	10
AT&T, 2.25%, 2/1/32	75,000	73
AT&T, 2.30%, 6/1/27	40,000	41
AT&T, 2.55%, 12/1/33 (1)	35,000	35
AT&T, 2.75%, 6/1/31	90,000	93
AT&T, 3.50%, 9/15/53 (1)	75,000	75
AT&T, 4.30%, 2/15/30	27,000	31
Ausgrid Finance, 3.85%, 5/1/23 (1)	30,000	31
Ausgrid Finance, 4.35%, 8/1/28 (1)	40,000	45
Avolon Holdings Funding, 3.95%, 7/1/24 (1)	90,000	96
Avolon Holdings Funding, 4.375%, 5/1/26 (1)	30,000	33
Baidu, 2.875%, 7/6/22	200,000	204
Bank of America, 3.248%, 10/21/27	70,000	76
Bank of America, VR, 1.898%, 7/23/31 (10)	210,000	204
Bank of America, VR, 2.496%, 2/13/31 (10)	105,000	107
Bank of America, VR, 2.592%, 4/29/31 (10)	50,000	51
Bank of America, VR, 3.419%, 12/20/28 (10)	80,000	87
Bank of America, VR, 4.271%, 7/23/29 (10)	65,000	75
BAT Capital, 3.557%, 8/15/27	150,000	160
BAT International Finance, 1.668%, 3/25/26	15,000	15
Becton Dickinson & Company, 1.957%, 2/11/31	50,000	49
Becton Dickinson & Company, 2.823%, 5/20/30	35,000	37
Becton Dickinson & Company, 3.70%, 6/6/27	114,000	126
Becton Dickinson & Company, 3.794%, 5/20/50	35,000	39
Becton Dickinson & Company, 4.669%, 6/6/47	35,000	43
Boardwalk Pipelines, 3.375%, 2/1/23	61,000	63
Boardwalk Pipelines, 3.40%, 2/15/31	35,000	37
Boardwalk Pipelines, 4.45%, 7/15/27	10,000	11
Boardwalk Pipelines, 4.95%, 12/15/24	35,000	39
Boardwalk Pipelines, 5.95%, 6/1/26	10,000	12
Booking Holdings, 4.625%, 4/13/30	20,000	24
Boral Finance, 3.00%, 11/1/22 (1)	5,000	5
Boral Finance, 3.75%, 5/1/28 (1)	80,000	86
Boston Properties, 2.90%, 3/15/30	60,000	62
Boston Properties, 3.25%, 1/30/31	20,000	22
Brixmor Operating Partnership, 3.65%, 6/15/24	31,000	33
Brixmor Operating Partnership, 3.85%, 2/1/25	60,000	65
Brixmor Operating Partnership, 3.90%, 3/15/27	35,000	39
Brixmor Operating Partnership, 4.05%, 7/1/30	25,000	28

	Shares/Par	$ Value
(Cost and value in $000s)		
Brixmor Operating Partnership, 4.125%, 5/15/29	20,000	22
Cameron LNG, 2.902%, 7/15/31 (1)	15,000	16
Cameron LNG, 3.302%, 1/15/35 (1)	20,000	21
Cameron LNG, 3.701%, 1/15/39 (1)	15,000	17
Capital One Financial, 3.65%, 5/11/27	50,000	55
Capital One Financial, 3.75%, 3/9/27	90,000	100
Cardinal Health, 3.75%, 9/15/25	88,000	97
Cardinal Health, 4.50%, 11/15/44	10,000	11
Cardinal Health, 4.90%, 9/15/45	10,000	12
Charter Communications Operating, 2.30%, 2/1/32	40,000	38
Charter Communications Operating, 2.80%, 4/1/31	90,000	92
Charter Communications Operating, 3.75%, 2/15/28	30,000	33
Charter Communications Operating, 4.20%, 3/15/28	45,000	51
Charter Communications Operating, 4.80%, 3/1/50	15,000	17
Charter Communications Operating, 5.125%, 7/1/49	15,000	18
Charter Communications Operating, 5.75%, 4/1/48	5,000	6
Charter Communications Operating, 6.484%, 10/23/45	12,000	17
Cheniere Corpus Christi Holdings, 3.70%, 11/15/29	45,000	49
Cheniere Corpus Christi Holdings, 5.125%, 6/30/27	15,000	18
Cigna, 2.375%, 3/15/31	25,000	25
Cigna, 3.40%, 3/1/27	45,000	49
Cigna, 4.50%, 2/25/26	55,000	63
Citigroup, VR, 3.106%, 4/8/26 (10)	40,000	43
CNO Financial Group, 5.25%, 5/30/25	15,000	17
Comcast, 3.90%, 3/1/38	60,000	69
Country Garden Holdings, 5.125%, 1/17/25	200,000	207
Crown Castle Towers, 3.663%, 5/15/25 (1)	85,000	90
CVS Health, 1.30%, 8/21/27	35,000	34
CVS Health, 1.875%, 2/28/31	35,000	34
CVS Health, 2.70%, 8/21/40	15,000	14
CVS Health, 3.625%, 4/1/27	10,000	11
CVS Health, 4.25%, 4/1/50	80,000	95
CVS Health, 5.05%, 3/25/48	50,000	65
Daimler Finance North America, 2.45%, 3/2/31 (1)	150,000	154
Diamondback Energy, 3.25%, 12/1/26	50,000	53
Discover Financial Services, 3.75%, 3/4/25	150,000	163
Ecolab, 4.80%, 3/24/30	5,000	6
Edison International, 4.95%, 4/15/25	5,000	5
Enel Finance International, 3.625%, 5/25/27 (1)	210,000	231
Energy Transfer, 2.90%, 5/15/25	60,000	63
Energy Transfer, 4.20%, 4/15/27	55,000	61
Energy Transfer, 4.50%, 4/15/24	10,000	11
Energy Transfer, 4.95%, 6/15/28	20,000	23

	Shares/Par	$ Value
(Cost and value in $000s)		
Energy Transfer, 5.00%, 5/15/50	10,000	12
Energy Transfer, 5.25%, 4/15/29	25,000	30
Energy Transfer, 5.50%, 6/1/27	10,000	12
Energy Transfer, 5.875%, 1/15/24	40,000	44
Energy Transfer, 6.00%, 6/15/48	35,000	44
Energy Transfer, 6.25%, 4/15/49	17,000	22
Eni, Series X-R, 4.75%, 9/12/28 (1)	205,000	240
Equitable Holdings, 4.35%, 4/20/28	40,000	46
Essex Portfolio, 3.375%, 4/15/26	35,000	38
General Electric, 5.55%, 1/5/26	40,000	48
General Motors Financial, 4.00%, 10/6/26	20,000	22
General Motors Financial, 4.30%, 7/13/25	45,000	50
General Motors Financial, 4.35%, 4/9/25	22,000	24
General Motors Financial, 5.10%, 1/17/24	20,000	22
GLP Capital, 3.35%, 9/1/24	10,000	11
Goldman Sachs Group, 3.50%, 11/16/26	140,000	152
Goldman Sachs Group, VR, 1.542%, 9/10/27 (10)	50,000	50
Goldman Sachs Group, VR, 2.615%, 4/22/32 (10)	185,000	189
Gray Oak Pipeline, 2.00%, 9/15/23 (1)	5,000	5
Gray Oak Pipeline, 2.60%, 10/15/25 (1)	15,000	15
Gray Oak Pipeline, 3.45%, 10/15/27 (1)	5,000	5
Hasbro, 3.55%, 11/19/26	25,000	27
Healthcare Realty Trust, 2.05%, 3/15/31	15,000	15
Healthcare Realty Trust, 3.625%, 1/15/28	60,000	66
Healthpeak Properties, 2.875%, 1/15/31	5,000	5
Healthpeak Properties, 3.25%, 7/15/26	5,000	6
Healthpeak Properties, 3.50%, 7/15/29	10,000	11
Highwoods Realty, 3.05%, 2/15/30	65,000	68
Highwoods Realty, 4.125%, 3/15/28	41,000	46
HSBC Holdings, VR, 1.645%, 4/18/26 (10)	205,000	208
Humana, 4.875%, 4/1/30	42,000	50
Hyundai Capital America, 1.80%, 10/15/25 (1)	20,000	20
Hyundai Capital America, 2.375%, 2/10/23 (1)	45,000	46
Intercontinental Exchange, 1.85%, 9/15/32	100,000	94
Intercontinental Exchange, 2.10%, 6/15/30	145,000	144
JPMorgan Chase, VR, 1.578%, 4/22/27 (10)	50,000	50
JPMorgan Chase, VR, 1.953%, 2/4/32 (10)	175,000	170
JPMorgan Chase, VR, 2.182%, 6/1/28 (10)	60,000	61

	Shares/Par	$ Value
(Cost and value in $000s)		
JPMorgan Chase, VR, 2.739%, 10/15/30 (10)	40,000	42
JPMorgan Chase, VR, 2.956%, 5/13/31 (10)	164,000	172
JPMorgan Chase, VR, 3.54%, 5/1/28 (10)	25,000	27
Keysight Technologies, 4.60%, 4/6/27	10,000	12
Kilroy Realty, 4.375%, 10/1/25	13,000	14
Kookmin Bank, 4.50%, 2/1/29	200,000	229
Las Vegas Sands, 3.20%, 8/8/24	13,000	14
Las Vegas Sands, 3.50%, 8/18/26	25,000	26
LSEGA Financing, 2.50%, 4/6/31 (1)	200,000	205
Marsh & McLennan, 2.25%, 11/15/30	15,000	15
Micron Technology, 4.185%, 2/15/27	40,000	45
Micron Technology, 4.64%, 2/6/24	85,000	93
Micron Technology, 5.327%, 2/6/29	22,000	27
Mileage Plus Holdings, 6.50%, 6/20/27 (1)	75,000	82
Morgan Stanley, 3.625%, 1/20/27	70,000	78
Morgan Stanley, 4.00%, 7/23/25	35,000	39
Morgan Stanley, VR, 1.593%, 5/4/27 (10)	20,000	20
Morgan Stanley, VR, 1.928%, 4/28/32 (10)	15,000	14
Morgan Stanley, VR, 3.217%, 4/22/42 (10)	15,000	16
Morgan Stanley, VR, 4.431%, 1/23/30 (10)	25,000	29
Netflix, 6.375%, 5/15/29	55,000	70
NiSource, 1.70%, 2/15/31	25,000	24
NiSource, 3.60%, 5/1/30	37,000	41
NRG Energy, 4.45%, 6/15/29 (1)	25,000	28
NXP, 2.70%, 5/1/25 (1)	5,000	5
NXP, 3.15%, 5/1/27 (1)	10,000	11
NXP, 5.35%, 3/1/26 (1)	20,000	23
Occidental Petroleum, 2.90%, 8/15/24	125,000	128
Oracle, 2.30%, 3/25/28	25,000	26
Pacific Gas & Electric, 2.10%, 8/1/27	35,000	34
Pacific Gas & Electric, 2.50%, 2/1/31	50,000	47
Pacific Gas & Electric, 3.30%, 8/1/40	40,000	36
Pacific Gas & Electric, 4.55%, 7/1/30	145,000	155
PerkinElmer, 3.30%, 9/15/29	19,000	21
Prologis, 1.25%, 10/15/30	15,000	14
Regency Centers, 3.70%, 6/15/30	35,000	39
Reynolds American, 4.45%, 6/12/25	55,000	61
Ross Stores, 1.875%, 4/15/31	45,000	44
Sabine Pass Liquefaction, 4.50%, 5/15/30	10,000	12
Sabine Pass Liquefaction, 5.00%, 3/15/27	115,000	133
Sabine Pass Liquefaction, 5.875%, 6/30/26	40,000	47
SBA Tower Trust, 1.631%, 11/15/26 (1)	25,000	25
SBA Tower Trust, Series 2014-2A, Class C, STEP, 3.869%, 10/15/49 (1)	100,000	105
Sempra Energy, 3.40%, 2/1/28	80,000	88
Simon Property Group, 2.65%, 7/15/30	40,000	41
Simon Property Group, 3.30%, 1/15/26	70,000	76
SMBC Aviation Capital Finance, 3.55%, 4/15/24 (1)	205,000	218
Southern, 3.25%, 7/1/26	60,000	65
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	25,000	25
T-Mobile USA, 3.50%, 4/15/25	45,000	49
T-Mobile USA, 3.75%, 4/15/27	110,000	121
Tengizchevroil Finance International, 4.00%, 8/15/26	200,000	218
Transcontinental Gas Pipe Line, 3.25%, 5/15/30	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	37
Transurban Finance, 2.45%, 3/16/31 (1)	25,000	25
Transurban Finance, 3.375%, 3/22/27 (1)	15,000	16
Transurban Finance, 4.125%, 2/2/26 (1)	15,000	17
Trinity Acquisition, 4.40%, 3/15/26	65,000	73
United Airlines PTT, Series 2019-2, Class A, Class A, 2.90%, 5/1/28	14,335	14
United Airlines PTT, Series 2019-2, Class AA, Class AA, 2.70%, 5/1/32	9,611	10
UnitedHealth Group, 2.00%, 5/15/30	105,000	106
Valero Energy, 2.15%, 9/15/27	15,000	15
Ventas Realty, 3.25%, 10/15/26	60,000	65
VEREIT Operating Partnership, 2.20%, 6/15/28	10,000	10
VEREIT Operating Partnership, 2.85%, 12/15/32	50,000	52
VEREIT Operating Partnership, 3.40%, 1/15/28	10,000	11
VEREIT Operating Partnership, 3.95%, 8/15/27	110,000	123
VEREIT Operating Partnership, 4.60%, 2/6/24	105,000	114
VEREIT Operating Partnership, 4.625%, 11/1/25	25,000	28
VEREIT Operating Partnership, 4.875%, 6/1/26	20,000	23
Verizon Communications, 1.75%, 1/20/31	70,000	67
Verizon Communications, 2.10%, 3/22/28	30,000	31
Verizon Communications, 2.55%, 3/21/31	40,000	41
Verizon Communications, 2.65%, 11/20/40	77,000	74
Verizon Communications, 2.875%, 11/20/50	85,000	81
Verizon Communications, 4.329%, 9/21/28	40,000	46
Verizon Communications, 4.522%, 9/15/48	35,000	43

	Shares/Par	$ Value
(Cost and value in $000s)		
Verizon Communications, 4.75%, 11/1/41	15,000	19
Vistra Operations, 3.55%, 7/15/24 (1)	105,000	111
Vodafone Group, 4.375%, 5/30/28	54,000	63
Vodafone Group, 5.25%, 5/30/48	105,000	138
Volkswagen Group of America Finance, 3.20%, 9/26/26 (1)	205,000	221
Wells Fargo, 4.30%, 7/22/27	35,000	40
Wells Fargo, VR, 2.188%, 4/30/26 (10)	30,000	31
Wells Fargo, VR, 2.393%, 6/2/28 (10)	115,000	119
Wells Fargo, VR, 2.572%, 2/11/31 (10)	225,000	232
Wells Fargo, VR, 2.879%, 10/30/30 (10)	100,000	106
Westlake Chemical, 1.625%, 7/17/29 (EUR)	100,000	124
Williams, 3.90%, 1/15/25	90,000	98
Williams, 4.00%, 9/15/25	20,000	22
Williams, 5.10%, 9/15/45	45,000	56
Woodside Finance, 3.65%, 3/5/25 (1)	45,000	48
Woodside Finance, 3.70%, 9/15/26 (1)	40,000	43
Woodside Finance, 3.70%, 3/15/28 (1)	71,000	76
WPP Finance 2010, 3.625%, 9/7/22	40,000	42
Total Corporate Bonds (Cost $13,238)		**13,903**
EQUITY MUTUAL FUNDS 6.4%		
T. Rowe Price Institutional Emerging Markets Equity Fund (2)	188,942	9,677
T. Rowe Price Real Assets Fund - I Class (2)	245,447	3,547
Total Equity Mutual Funds (Cost $7,184)		**13,224**
FOREIGN GOVERNMENT OBLIGATIONS & MUNICIPALITIES 0.3%		
Equate Petrochemical, 4.25%, 11/3/26	200,000	223
Export-Import Bank of India, 3.875%, 2/1/28	200,000	217
Perusahaan Listrik Negara, 4.125%, 5/15/27 (1)	200,000	217
Total Foreign Government Obligations & Municipalities (Cost $656)		**657**
NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 2.0%		
Angel Oak Mortgage Trust, Series 2019-3, Class A3, CMO, ARM, 3.238%, 5/25/59 (1)	21,628	22
Angel Oak Mortgage Trust, Series 2020-3, Class A1, CMO, ARM, 1.691%, 4/25/65 (1)	33,829	34
Angel Oak Mortgage Trust, Series 2020-5, Class A3, CMO, ARM, 2.041%, 5/25/65 (1)	31,545	32

	Shares/Par	$ Value
(Cost and value in $000s)		
Angel Oak Mortgage Trust, Series 2020-6, Class A3, CMO, ARM, 1.775%, 5/25/65 (1)	46,539	47
Ashford Hospitality Trust, Series 2018-ASHF, Class B, ARM, 1M USD LIBOR + 1.25%, 1.323%, 4/15/35 (1)	45,000	45
Barclays Commercial Mortgage Trust, Series 2019-BWAY, Class D, ARM, 1M USD LIBOR + 2.16%, 2.233%, 11/15/34 (1)	25,000	24
Bayview Mortgage Fund IVc Trust, Series 2017-RT3, Class A, CMO, ARM, 3.50%, 1/28/58 (1)	37,374	38
Bayview Opportunity Master Fund IVa Trust, Series 2017-RT1, Class A1, CMO, ARM, 3.00%, 3/28/57 (1)	27,623	28
Benchmark Mortgage Trust, Series 2018-B1, Class AM, ARM, 3.878%, 1/15/51	25,000	28
CIM Trust, Series 2019-INV3, Class A15, CMO, ARM, 3.50%, 8/25/49 (1)	39,133	40
CIM Trust, Series 2020-INV1, Class A2, CMO, ARM, 2.50%, 4/25/50 (1)	57,953	59
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	28
Citigroup Commercial Mortgage Trust, Series 2018-B2, Class C, ARM, 4.827%, 3/10/51	30,000	31
Cold Storage Trust, Series 2020-ICE5, Class C, ARM, 1M USD LIBOR + 1.65%, 1.723%, 11/15/37 (1)	98,299	99
COLT Mortgage Loan Trust, Series 2019-3, Class A1, CMO, ARM, 2.764%, 8/25/49 (1)	27,111	27
Commercial Mortgage Trust, Series 2014-UBS6, Class AM, 4.048%, 12/10/47	110,000	119
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, 4.479%, 7/10/48	45,000	49
Commercial Mortgage Trust, Series 2016-CR28, Class AHR, 3.651%, 2/10/49	27,702	30
Connecticut Avenue Securities, Series 2017-C02, Class 2ED3, CMO, ARM, 1M USD LIBOR + 1.35%, 1.442%, 9/25/29	54,913	55

(Cost and value in $000s)

	Shares/Par	$ Value
Connecticut Avenue Securities, Series 2017-C06, Class 2ED1, CMO, ARM, 1M USD LIBOR + 1.00%, 1.092%, 2/25/30	39,403	39
Connecticut Avenue Securities, Series 2018-C01, Class 1ED2, CMO, ARM, 1M USD LIBOR + 0.85%, 0.942%, 7/25/30	57,024	57
Connecticut Avenue Securities, Series 2018-C02, Class 2EB2, CMO, ARM, 1M USD LIBOR + 0.90%, 0.992%, 8/25/30	32,494	32
CSAIL Commercial Mortgage Trust, Series 2019-C17, Class AS, 3.278%, 9/15/52	30,000	32
CSAIL Commercial Mortgage Trust, Series 2019-C17, Class B, 3.48%, 9/15/52	35,000	37
Ellington Financial Mortgage Trust, Series 2019-2, Class A1, CMO, ARM, 2.739%, 11/25/59 (1)	57,238	58
Ellington Financial Mortgage Trust, Series 2021-2, Class A2, CMO, ARM, 1.085%, 6/25/66 (1)	98,352	98
FREMF Mortgage Trust, Series 2018-K731, Class B, ARM, 4.065%, 2/25/25 (1)	65,000	70
FREMF Mortgage Trust, Series 2019-K100, Class B, ARM, 3.61%, 11/25/52 (1)	45,000	49
FREMF Mortgage Trust, Series 2019-K92, Class B, ARM, 4.337%, 5/25/52 (1)	20,000	23
FREMF Mortgage Trust, Series 2019-K97, Class B, ARM, 3.893%, 9/25/51 (1)	50,000	55
FREMF Mortgage Trust, Series 2019-K98, Class B, ARM, 3.861%, 10/25/52 (1)	25,000	28
Galton Funding Mortgage Trust, Series 2018-1, Class A23, CMO, ARM, 3.50%, 11/25/57 (1)	22,565	23
Galton Funding Mortgage Trust, Series 2018-2, Class A22, CMO, ARM, 4.00%, 10/25/58 (1)	24,317	25
Galton Funding Mortgage Trust, Series 2019-H1, Class A1, CMO, ARM, 2.657%, 10/25/59 (1)	21,383	22
Galton Funding Mortgage Trust, Series 2019-H1, Class A3, CMO, ARM, 2.964%, 10/25/59 (1)	72,569	73
Goldman Sachs Mortgage Securities Trust, Series 2013-GC16, Class B, ARM, 5.161%, 11/10/46	120,000	128
Goldman Sachs Mortgage Securities Trust, Series 2015-GC28, Class AS, 3.759%, 2/10/48	45,000	48
Goldman Sachs Mortgage Securities Trust, Series 2017-GS8, Class C, ARM, 4.48%, 11/10/50	90,000	98
Goldman Sachs Mortgage Securities Trust, Series 2019-SOHO, Class C, ARM, 1M USD LIBOR + 1.30%, 1.373%, 6/15/36 (1)	85,000	85
Goldman Sachs Mortgage-Backed Securities Trust, Series 2021-GR1, Class A4, CMO, ARM, 2.50%, 11/25/51 (1)	100,000	101
Great Wolf Trust, Series 2019-WOLF, Class A, ARM, 1M USD LIBOR + 1.034%, 1.107%, 12/15/36 (1)	40,000	40
Great Wolf Trust, Series 2019-WOLF, Class C, ARM, 1M USD LIBOR + 1.633%, 1.706%, 12/15/36 (1)	35,000	35
Homeward Opportunities Fund I Trust, Series 2020-2, Class A1, CMO, ARM, 1.657%, 5/25/65 (1)	65,330	66
Hundred Acre Wood Trust, Series 2021-INV1, Class A27, CMO, ARM, 2.50%, 7/25/51 (1)	99,494	101
Independence Plaza Trust, Series 2018-INDP, Class A, 3.763%, 7/10/35 (1)	105,000	111
JPMorgan Chase Commercial Mortgage Securities Trust, Series 2016-JP2, Class AS, 3.056%, 8/15/49	35,000	37
JPMorgan Chase Commercial Mortgage Securities Trust, Series 2018-WPT, Class AFX, 4.248%, 7/5/33 (1)	20,000	21
JPMorgan Mortgage Trust, Series 2019-INV2, Class A3, CMO, ARM, 3.50%, 2/25/50 (1)	14,289	15
JPMorgan Mortgage Trust, Series 2020-INV1, Class A11, CMO, ARM, 1M USD LIBOR + 0.83%, 0.922%, 8/25/50 (1)	14,051	14
JPMorgan Mortgage Trust, Series 2020-INV1, Class A3, CMO, ARM, 3.50%, 8/25/50 (1)	18,735	19
JPMorgan Mortgage Trust, Series 2020-LTV1, Class A15, CMO, ARM, 3.50%, 6/25/50 (1)	10,924	11
JPMorgan Mortgage Trust, Series 2020-LTV1, Class A3, CMO, ARM, 3.50%, 6/25/50 (1)	21,848	22
MetLife Securitization Trust, Series 2018-1A, Class A, CMO, ARM, 3.75%, 3/25/57 (1)	64,000	67
Mill City Mortgage Loan Trust, Series 2016-1, Class A1, CMO, ARM, 2.50%, 4/25/57 (1)	10,707	11
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

(Cost and value in $000s)	Shares/Par	$ Value
Morgan Stanley Bank of America Merrill Lynch Trust, Series 2015-C27, Class AS, 4.068%, 12/15/47	40,000	44
Morgan Stanley Capital I Trust, Series 2015-MS1, Class AS, ARM, 4.166%, 5/15/48	10,000	11
New Orleans Hotel Trust, Series 2019-HNLA, Class B, ARM, 1M USD LIBOR + 1.289%, 1.362%, 4/15/32 (1)	100,000	99
OBX Trust, Series 2020-EXP1, Class 1A8, CMO, ARM, 3.50%, 2/25/60 (1)	53,510	55
OBX Trust, Series 2020-EXP2, Class A8, CMO, ARM, 3.00%, 5/25/60 (1)	60,518	62
Seasoned Credit Risk Transfer Trust, Series 2016-1, Class M1, CMO, ARM, 3.00%, 9/25/55 (1)	5,445	5
Sequoia Mortgage Trust, Series 2013-4, Class B1, CMO, ARM, 3.469%, 4/25/43	39,672	40
Sequoia Mortgage Trust, Series 2017-CH2, Class A19, CMO, ARM, 4.00%, 12/25/47 (1)	19,120	19
SG Residential Mortgage Trust, Series 2019-3, Class A1, CMO, ARM, 2.703%, 9/25/59 (1)	25,931	26
Starwood Mortgage Residential Trust, Series 2019-INV1, Class A1, CMO, ARM, 2.61%, 9/27/49 (1)	39,303	40
Structured Agency Credit Risk Debt Notes, Series 2018-DNA1, Class M2AT, CMO, ARM, 1M USD LIBOR + 1.05%, 1.142%, 7/25/30	45,625	45
Structured Agency Credit Risk Debt Notes, Series 2018-DNA2, Class M1, CMO, ARM, 1M USD LIBOR + 0.80%, 0.892%, 12/25/30 (1)	10,665	11
Structured Agency Credit Risk Debt Notes, Series 2018-DNA3, Class M1, CMO, ARM, 1M USD LIBOR + 0.75%, 0.842%, 9/25/48 (1)	47	—
Structured Agency Credit Risk Debt Notes, Series 2018-HQA1, Class M2AS, CMO, ARM, 1M USD LIBOR + 1.10%, 1.192%, 9/25/30	33,175	33
Structured Agency Credit Risk Debt Notes, Series 2018-HRP2, Class M2, CMO, ARM, 1M USD LIBOR + 1.25%, 1.342%, 2/25/47 (1)	43,285	43
Structured Agency Credit Risk Debt Notes, Series 2020-DNA2, Class M1, CMO, ARM, 1M USD LIBOR + 0.75%, 0.842%, 2/25/50 (1)	5,176	5
Structured Agency Credit Risk Debt Notes, Series 2020-DNA2, Class M2, CMO, ARM, 1M USD LIBOR + 1.85%, 1.942%, 2/25/50 (1)	75,000	76
Structured Agency Credit Risk Debt Notes, Series 2020-DNA5, Class M2, CMO, ARM, SOFR30A + 2.80%, 2.818%, 10/25/50 (1)	50,000	51
Structured Agency Credit Risk Debt Notes, Series 2020-HQA5, Class M1, CMO, ARM, SOFR30A + 1.10%, 1.118%, 11/25/50 (1)	11,499	11
Towd Point Mortgage Trust, Series 2015-5, Class A1B, CMO, ARM, 2.75%, 5/25/55 (1)	1,366	1
Towd Point Mortgage Trust, Series 2016-1, Class A1B, CMO, ARM, 2.75%, 2/25/55 (1)	4,048	4
Towd Point Mortgage Trust, Series 2017-1, Class A1, CMO, ARM, 2.75%, 10/25/56 (1)	25,274	26
Towd Point Mortgage Trust, Series 2017-1, Class M1, CMO, ARM, 3.75%, 10/25/56 (1)	100,000	106
Towd Point Mortgage Trust, Series 2018-3, Class A1, CMO, ARM, 3.75%, 5/25/58 (1)	55,875	59
Verus Securitization Trust, Series 2019-3, Class A3, CMO, STEP, 3.04%, 7/25/59 (1)	73,794	75
Verus Securitization Trust, Series 2019-INV3, Class A1, CMO, ARM, 2.692%, 11/25/59 (1)	58,889	60
Vista Point Securitization Trust, Series 2020-2, Class A1, CMO, ARM, 1.475%, 4/25/65 (1)	75,140	75
Wells Fargo Commercial Mortgage Trust, Series 2015-C29, Class C, ARM, 4.354%, 6/15/48	95,000	102
Wells Fargo Commercial Mortgage Trust, Series 2015-NXS2, Class C, ARM, 4.436%, 7/15/58	10,000	11
Wells Fargo Commercial Mortgage Trust, Series 2017-C39, Class B, 4.025%, 9/15/50	125,000	137
Wells Fargo Commercial Mortgage Trust, Series 2019-JWDR, Class A, ARM, 2.584%, 9/15/31 (1)	100,000	102
Wells Fargo Commercial Mortgage Trust, Series 2020-C55, Class B, 3.139%, 2/15/53	34,691	36
Total Non-U.S. Government Mortgage-Backed Securities (Cost $4,123)		**4,222**

U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES 3.6%

U.S. Government Agency Obligations 2.6%

(Cost and value in $000s)	Shares/Par	$ Value
Federal Home Loan Mortgage		
2.50%, 4/1/30	22,811	24
3.00%, 12/1/42 - 2/1/47	150,674	160
3.50%, 8/1/42 - 3/1/44	133,659	144
4.00%, 8/1/40 - 8/1/45	69,580	76
4.50%, 6/1/39 - 5/1/42	75,478	84
5.00%, 1/1/24 - 8/1/40	23,698	27
6.00%, 8/1/21 - 8/1/38	6,341	7

	Shares/Par	$ Value
(Cost and value in $000s)		
6.50%, 3/1/32 - 4/1/32	2,247	2
7.00%, 6/1/32	620	—
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.735%, 2.11%, 2/1/37	3,373	4
12M USD LIBOR + 1.785%, 2.285%, 9/1/32	86	—
12M USD LIBOR + 1.839%, 2.214%, 1/1/37	1,633	2
Federal Home Loan Mortgage, UMBS		
2.00%, 1/1/36	102,461	106
2.50%, 6/1/51	35,000	36
3.00%, 12/1/46 - 12/1/50	68,225	73
3.50%, 11/1/47	40,000	43
4.00%, 12/1/49 - 2/1/50	103,800	111
4.50%, 5/1/50	17,144	19
Federal National Mortgage Assn.		
3.00%, 8/1/43 - 2/1/44	17,395	19
3.50%, 6/1/42 - 1/1/44	135,186	147
4.00%, 11/1/40	40,436	44
Federal National Mortgage Assn., ARM, 12M USD LIBOR + 1.873%, 2.602%, 8/1/36	1,933	2
Federal National Mortgage Assn., CMO, 4.00%, 6/25/44	8,942	9
Federal National Mortgage Assn., CMO, IO, 6.50%, 2/25/32	588	—
Federal National Mortgage Assn., UMBS		
2.00%, 5/1/36	79,511	82
2.50%, 1/1/32 - 7/1/51	331,587	343
3.00%, 6/1/27 - 7/1/50	988,770	1,047
3.50%, 11/1/32 - 7/1/50	453,543	484
4.00%, 11/1/40 - 12/1/49	278,853	305
4.50%, 4/1/23 - 5/1/50	196,380	217
5.00%, 3/1/34 - 12/1/47	76,470	88
5.50%, 12/1/34 - 9/1/41	80,208	92
6.00%, 8/1/21 - 1/1/41	52,763	63
6.50%, 7/1/32 - 5/1/40	28,916	34
7.00%, 4/1/32	296	—
UMBS, TBA(11)		
1.50%, 7/1/36	95,000	96
2.00%, 7/1/51	620,000	626
2.50%, 7/1/51	460,000	476
3.00%, 7/1/51	70,000	73
4.00%, 7/1/51	105,000	112
4.50%, 7/1/51	115,000	124
		5,401
U.S. Government Obligations 1.0%		
Government National Mortgage Assn.		
3.00%, 7/15/43 - 4/20/51	274,858	290
3.50%, 12/20/42 - 4/20/48	312,539	333
4.00%, 7/20/42 - 1/20/48	159,390	172
4.50%, 10/20/39 - 3/20/47	87,685	97
5.00%, 3/20/34 - 5/20/48	97,866	109
5.50%, 10/20/32 - 3/20/49	104,898	116
6.00%, 4/15/36 - 12/20/38	11,248	14

	Shares/Par	$ Value
(Cost and value in $000s)		
6.50%, 3/15/26 - 12/20/33	3,294	3
7.00%, 9/20/27	1,952	2
8.00%, 4/15/26	178	—
Government National Mortgage Assn., CMO		
3.00%, 11/20/47 - 12/20/47	14,012	15
Government National Mortgage Assn., CMO, IO, 4.50%, 12/20/39	807	—
Government National Mortgage Assn., TBA(11)		
2.50%, 7/20/51	479,000	496
3.00%, 7/20/51	240,000	250
3.50%, 7/20/51	95,000	100
		1,997
Total U.S. Government & Agency Mortgage-Backed Securities (Cost $7,281)		**7,398**
U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 5.3%		
U.S. Treasury Obligations 5.3%		
U.S. Treasury Bonds, 1.875%, 2/15/41	520,000	509
U.S. Treasury Bonds, 1.875%, 2/15/51	390,000	372
U.S. Treasury Bonds, 2.25%, 5/15/41	970,000	1,010
U.S. Treasury Bonds, 2.375%, 5/15/51	370,000	395
U.S. Treasury Notes, 0.125%, 1/31/23	850,000	849
U.S. Treasury Notes, 0.125%, 5/15/23	455,000	454
U.S. Treasury Notes, 0.125%, 6/30/23	710,000	708
U.S. Treasury Notes, 0.125%, 1/15/24	285,000	283
U.S. Treasury Notes, 0.125%, 2/15/24 (12)	1,050,000	1,043
U.S. Treasury Notes, 0.25%, 3/15/24	875,000	872
U.S. Treasury Notes, 0.25%, 6/15/24	745,000	741
U.S. Treasury Notes, 0.75%, 3/31/26	655,000	652
U.S. Treasury Notes, 0.75%, 4/30/26	1,510,000	1,502
U.S. Treasury Notes, 0.75%, 5/31/26	1,605,000	1,596
		10,986
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost $10,931)		**10,986**
SHORT-TERM INVESTMENTS 8.1%		
Money Market Funds 8.1%		
T. Rowe Price Treasury Reserve Fund, 0.03% (2)(13)	16,764,746	16,765
Total Short-Term Investments (Cost $16,765)		**16,765**

	Shares/Par	$ Value
(Cost and value in $000s)		
SECURITIES LENDING COLLATERAL 0.2%		
INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH JPMORGAN CHASE BANK 0.2%		
Short-Term Funds 0.2%		
T. Rowe Price Short-Term Fund, 0.08% (2)(13)	45,351	454
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		**454**
Total Securities Lending Collateral (Cost $454)		**454**
Total Investments in Securities 101.6% of Net Assets (Cost $147,888)		**$ 210,947**

‡ Shares/Par 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 $8,506 and represents 4.1% of net assets.
(2) Affiliated Companies
(3) SEC 30-day yield
(4) Non-income producing
(5) See Note 4. All or a portion of this security is on loan at June 30, 2021.
(6) 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 $1,261 and represents 0.6% of net assets.
(7) A portion of the position represents an unfunded commitment; a liability to fund the commitment has been recognized. The fund's total unfunded commitment at June 30, 2021, was $12 and was valued at $12 (0.0% of net assets).
(8) See Note 2. Level 3 in fair value hierarchy.
(9) The identity of certain securities has been concealed to protect the fund while it completes a purchase or selling program for the securities.
(10) 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.
(11) See Note 4. To-Be-Announced purchase commitment. Total value of such securities at period-end amounts to $2,353 and represents 1.1% of net assets.
(12) At June 30, 2021, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
(13) 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
EUR Euro
FRN Floating Rate Note

GBP	British Pound
HKD	Hong Kong Dollar
INR	Indian Rupee
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
PIPE	Private Investment in Public Equity
PTT	Pass-Through Trust
REIT	A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder
SDR	Swedish Depository Receipts
SEK	Swedish Krona
SGD	Singapore Dollar
SOFR30A	30-day Average SOFR (Secured Overnight Financing Rate)
SPAC	Special Purpose Acquisition Company
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)

SWAPS 0.0%

Description	Notional Amount	$ Value	Upfront Payments/ $ (Receipts)	Unrealized $ Gain/(Loss)
BILATERAL SWAPS 0.0%				
Credit Default Swaps, Protection Sold 0.0%				
Barclays Bank, Protection Sold (Relevant Credit: Republic of Chile, A1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	189	4	4	—
Barclays Bank, Protection Sold (Relevant Credit: United Mexican States, Baa1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	104	1	—	1
BNP Paribas, Protection Sold (Relevant Credit: Republic of Chile, A1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	91	2	2	—
Citibank, Protection Sold (Relevant Credit: United Mexican States, Baa1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	101	—	—	—
Goldman Sachs, Protection Sold (Relevant Credit: Republic of Indonesia, Baa2*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	213	2	1	1
JPMorgan Chase, Protection Sold (Relevant Credit: Barclays Bank, A*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/24 (EUR)	10	—	—	—
JPMorgan Chase, Protection Sold (Relevant Credit: United Mexican States, Baa1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	8	—	—	—
Total Bilateral Credit Default Swaps, Protection Sold			**7**	**2**
Total Bilateral Swaps			**7**	**2**

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.HY-S36, 5 Year Index), Receive 5.00% Quarterly, Pay upon credit default, 6/20/26	510	53	44	9
Protection Sold (Relevant Credit: Markit CDX.NA.IG-S36, 5 Year Index), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	1,070	27	26	1
Protection Sold (Relevant Credit: Republic of Indonesia, Baa2*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	106	2	2	—
Protection Sold (Relevant Credit: United Mexican States, Baa1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/26	640	2	3	(1)
Total Centrally Cleared Credit Default Swaps, Protection Sold				**9**
Total Centrally Cleared Swaps				**9**
Net payments (receipts) of variation margin to date				**(9)**
Variation margin receivable (payable) on centrally cleared swaps			**$**	**—**

* Credit ratings as of June 30, 2021. Ratings shown are from Moody's Investors Service and if Moody's does not rate a security, then Standard & Poor's (S&P) is used. Fitch is used for securities that are not rated by either Moody's or S&P.

(Amounts in 000s)

FORWARD CURRENCY EXCHANGE CONTRACTS

Counterparty	Settlement	Receive		Deliver		Unrealized Gain/(Loss)
Barclays Bank	7/23/21	USD	58	AUD	75	$ 2
Canadian Imperial Bank of Commerce	7/23/21	CAD	70	USD	58	(1)
Citibank	7/23/21	AUD	270	USD	210	(8)
Citibank	7/23/21	USD	77	AUD	100	2
Citibank	8/20/21	EUR	55	USD	67	(2)
Citibank	8/20/21	USD	104	GBP	75	1
Credit Suisse	7/23/21	USD	22	NOK	185	—
Deutsche Bank	7/23/21	USD	20	NOK	170	—
HSBC Bank	7/23/21	CAD	99	USD	79	1
HSBC Bank	7/23/21	USD	141	CAD	170	4
JPMorgan Chase	7/23/21	USD	105	CAD	130	—
JPMorgan Chase	8/20/21	GBP	120	USD	169	(3)
JPMorgan Chase	8/20/21	USD	142	GBP	100	3
Morgan Stanley	7/23/21	CAD	296	USD	236	3
Morgan Stanley	8/20/21	USD	65	EUR	55	—
State Street	7/23/21	USD	72	AUD	95	1
State Street	7/23/21	USD	134	CAD	165	1
State Street	7/23/21	USD	29	NOK	255	—
State Street	8/20/21	EUR	69	USD	83	(2)
State Street	8/20/21	GBP	75	USD	106	(2)
State Street	8/20/21	USD	72	EUR	60	—
State Street	8/20/21	USD	28	GBP	20	—
UBS Investment Bank	7/23/21	NOK	1,765	USD	214	(9)
UBS Investment Bank	7/23/21	USD	139	NOK	1,155	5
UBS Investment Bank	8/20/21	USD	140	EUR	115	4
Net unrealized gain (loss) on open forward currency exchange contracts						$ —

FUTURES CONTRACTS

($000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Long, 14 U.S. Treasury Long Bond contracts	9/21	2,251	$ 32
Short, 4 U.S. Treasury Notes five year contracts	9/21	(494)	1
Short, 16 U.S. Treasury Notes ten year contracts	9/21	(2,120)	(12)
Long, 3 U.S. Treasury Notes two year contracts	9/21	661	(1)
Long, 16 Ultra U.S. Treasury Bonds contracts	9/21	3,083	131
Net payments (receipts) of variation margin to date			**(129)**
Variation margin receivable (payable) on open futures contracts			**$ 22**

AFFILIATED COMPANIES

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2021. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Inflation Protected Bond Fund - I Class, 6.10%	$ —	$ —	$ —
T. Rowe Price Institutional Emerging Markets Bond Fund, 4.12%	—	(147)	172
T. Rowe Price Institutional Emerging Markets Equity Fund	190	98	—
T. Rowe Price Institutional Floating Rate Fund - Institutional Class, 3.32%	—	8	22
T. Rowe Price Institutional High Yield Fund - Institutional Class, 3.39%	(16)	121	286
T. Rowe Price International Bond Fund - I Class, 1.19%	—	(396)	55
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class, 5.48%	—	27	—
T. Rowe Price Real Assets Fund - I Class	—	506	—
T. Rowe Price Treasury Reserve Fund, 0.03%	—	—	3
T. Rowe Price Short-Term Fund, 0.08%	—	—	—++
Totals	$ 174#	$ 217	$ 538+

Supplementary Investment Schedule

Affiliate	Value 12/31/20	Purchase Cost	Sales Cost	Value 06/30/21
T. Rowe Price Inflation Protected Bond Fund - I Class, 6.10%	$ 6	$ —	$ —	$ 6
T. Rowe Price Institutional Emerging Markets Bond Fund, 4.12%	7,828	243	—	7,924
T. Rowe Price Institutional Emerging Markets Equity Fund	10,039	—	460	9,677
T. Rowe Price Institutional Floating Rate Fund - Institutional Class, 3.32%	818	467	—	1,293
T. Rowe Price Institutional High Yield Fund - Institutional Class, 3.39%	11,168	1,207	455	12,041
T. Rowe Price International Bond Fund - I Class, 1.19%	7,871	804	—	8,279
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class, 5.48%	46	2,700	925	1,848
T. Rowe Price Real Assets Fund - I Class	2,816	225	—	3,547
T. Rowe Price Treasury Reserve Fund, 0.03%	13,464	¤	¤	16,765
T. Rowe Price Short-Term Fund, 0.08%	193	¤	¤	454
Total				$ 61,834^

\# 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 $538 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 $55,134.

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 $147,888)	$	210,947
Receivable for investment securities sold		700
Interest and dividends receivable		256
Foreign currency (cost $47)		47
Cash		40
Unrealized gain on forward currency exchange contracts		27
Variation margin receivable on futures contracts		22
Bilateral swap premiums paid		7
Receivable for shares sold		4
Unrealized gain on bilateral swaps		2
Other assets		106
Total assets		212,158
Liabilities		
Payable for investment securities purchased		3,697
Obligation to return securities lending collateral		454
Investment management and administrative fees payable		202
Payable for shares redeemed		88
Unrealized loss on forward currency exchange contracts		27
Total liabilities		4,468
NET ASSETS	**$**	**207,690**
Net Assets Consist of:		
Total distributable earnings (loss)	$	76,008
Paid-in capital applicable to 8,452,176 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		131,682
NET ASSETS	**$**	**207,690**
NET ASSET VALUE PER SHARE	**$**	**24.57**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

		6 Months Ended 6/30/21
Investment Income (Loss)		
Income		
Dividend		1,308
Interest	$	405
Securities lending		4
Total income		1,717
Expenses		
Investment management and administrative expense		907
Waived / paid by Price Associates		(192)
Net expenses		715
Net investment income		1,002
Realized and Unrealized Gain / Loss		
Net realized gain (loss)		
Securities		12,083
Futures		(197)
Swaps		17
Forward currency exchange contracts		19
Net realized gain		11,922
Change in net unrealized gain / loss		
Securities		2,118
Futures		150
Swaps		(13)
Forward currency exchange contracts		(21)
Other assets and liabilities denominated in foreign currencies		(6)
Change in net unrealized gain / loss		2,228
Net realized and unrealized gain / loss		14,150
INCREASE IN NET ASSETS FROM OPERATIONS	**$**	**15,152**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/21	Year Ended 12/31/20
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 1,002	$ 2,404
Net realized gain	11,922	6,700
Change in net unrealized gain / loss	2,228	16,030
Increase in net assets from operations	15,152	25,134
Distributions to shareholders		
Net earnings	(1,009)	(8,849)
Capital share transactions*		
Shares sold	10,018	22,283
Distributions reinvested	1,009	8,849
Shares redeemed	(18,350)	(31,192)
Decrease in net assets from capital share transactions	(7,323)	(60)
Net Assets		
Increase during period	6,820	16,225
Beginning of period	200,870	184,645
End of period	**$ 207,690**	**$ 200,870**
*Share information		
Shares sold	418	1,070
Distributions reinvested	41	401
Shares redeemed	(773)	(1,514)
Decrease in shares outstanding	(314)	(43)

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 currently are 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. Inflation adjustments to the principal amount of inflation-indexed bonds are reflected as 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 provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

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

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 expects that the adoption of the guidance will not have a material impact 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

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the fund's own assumptions in determining fair value)

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

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

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

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.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Futures contracts are valued at closing settlement prices. Forward currency exchange contracts are valued using the prevailing forward exchange rate. Swaps are valued at prices furnished by an independent pricing service or independent swap dealers. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

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

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2021 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Fixed Income Securities[1]	$ —	$ 40,240	$ —	$ 40,240
Bond Mutual Funds	31,391	—	—	31,391
Common Stocks	81,946	25,790	150	107,886
Convertible Preferred Stocks	—	137	850	987
Equity Mutual Funds	13,224	—	—	13,224
Short-Term Investments	16,765	—	—	16,765
Securities Lending Collateral	454	—	—	454
Total Securities	143,780	66,167	1,000	210,947
Swaps*	—	19	—	19
Forward Currency Exchange Contracts	—	27	—	27
Futures Contracts*	164	—	—	164
Total	$ 143,944	$ 66,213	$ 1,000	$ 211,157
Liabilities				
Swaps*	$ —	$ 1	$ —	$ 1
Forward Currency Exchange Contracts	—	27	—	27
Futures Contracts*	13	—	—	13
Total	$ 13	$ 28	$ —	$ 41

[1] Includes Asset-Backed Securities, Corporate Bonds, Foreign Government Obligations & Municipalities, Non-U.S. Government Mortgage-Backed Securities, U.S. Government & Agency Mortgage-Backed Securities and U.S. Government Agency Obligations (Excluding Mortgage-Backed).

*The fair value presented includes cumulative gain (loss) on open futures contracts and centrally cleared swaps; however, the net value reflected on the accompanying Portfolio of Investments is only the unsettled variation margin receivable (payable) at that date.

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2021, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes, 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, 2021, 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	$ 164
Foreign exchange derivatives	Forwards	27
Credit derivatives	Bilateral Swaps and Premiums, Centrally Cleared Swaps	19
Total		$ 210
Liabilities		
Interest rate derivatives	Futures	$ 13
Foreign exchange derivatives	Forwards	27
Credit derivatives	Centrally Cleared Swaps	1
Total		$ 41

* 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, 2021, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

($000s)	Location of Gain (Loss) on Statement of Operations			
	Futures	Forward Currency Exchange Contracts	Swaps	Total
Realized Gain (Loss)				
Interest rate derivatives	$ (197)	$ —	$ —	$ (197)
Foreign exchange derivatives	—	19	—	19
Credit derivatives	—	—	17	17
Total	$ (197)	$ 19	$ 17	$ (161)
Change in Unrealized Gain (Loss)				
Interest rate derivatives	$ 150	$ —	$ —	$ 150
Foreign exchange derivatives	—	(21)	—	(21)
Credit derivatives	—	—	(13)	(13)
Total	$ 150	$ (21)	$ (13)	$ 116

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, 2021, no collateral was pledged by either the fund or counterparties for bilateral derivatives. As of June 30, 2021, securities valued at $615,000 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, 2021, 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, 2021, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 2% and 6% 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, 2021, the notional amount of protection sold by the fund totaled $3,044,000 (1.5% 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, 2021, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 0% and 3% 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, 2021, no collateral was pledged by the fund or counterparties for MSFTA Transactions.

Private Investments Issued by Special Purpose Acquisition Companies Special purpose acquisition companies (SPACs) are shell companies that have no operations but are formed to raise capital with the intention of merging with or acquiring a company with the proceeds of the SPAC's initial public offering ("IPO"). The fund may enter into a contingent commitment with a SPAC to purchase private investments in public equity (PIPE) if and when the SPAC completes its merger or acquisition. The fund maintains liquid assets sufficient to settle its commitment to purchase the PIPE. However, if the commitment expires, then no shares are purchased. Purchased PIPE shares will be restricted from trading until the registration statement for the shares is declared effective. Upon registration, the shares can be freely sold; however, in certain circumstances, the issuer may have the right to temporarily suspend trading of the shares in the first year after the merger or acquisition. The securities issued by a SPAC may be considered illiquid, more difficult to value, and/or be subject to restrictions on resale.

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, 2021, the value of loaned securities was $425,000; the value of cash collateral and related investments was $454,000.

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.

LIBOR The fund may invest in instruments that are tied to reference rates, including LIBOR. On March 5, 2021, the ICE Benchmark Administration Limited, the administrator of LIBOR, announced its intention to cease publishing a majority of the USD LIBOR settings immediately after publication on June 30, 2023, with the remaining USD LIBOR settings to end immediately after publication on December 31, 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. Any potential effects of the transition away from LIBOR on the fund, or on certain instruments in which the fund invests, are not known. The transition process may result in, among other things, an increase in volatility or illiquidity of markets for instruments that currently rely on LIBOR, a reduction in the value of certain instruments held by the fund, or a reduction in the effectiveness of related fund transactions such as hedges. Any such effects could have an adverse impact on the fund's performance.

Other Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated $38,511,000 and $51,774,000, respectively, for the six months ended June 30, 2021. Purchases and sales of U.S. government securities aggregated $39,385,000 and $35,928,000, respectively, for the six months ended June 30, 2021.

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, 2021, the cost of investments for federal income tax purposes was $149,713,000. Net unrealized gain aggregated $61,478,000 at period-end, of which $63,767,000 related to appreciated investments and $2,289,000 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 expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2022 to waive a portion of its management fee in order to limit the fund's management fee to 0.85% 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 $50,000 for the six months ended June 30, 2021.

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

The fund may 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, 2021, 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%	27
T. Rowe Price Institutional Emerging Markets Equity Fund	1.10%	54
T. Rowe Price Institutional Floating Rate Fund - Institutional Class	0.55%	3
T. Rowe Price Institutional High Yield Fund - Institutional Class	0.50%	28
T. Rowe Price International Bond Fund - I Class	0.48%	19
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class	0.25%	1
T. Rowe Price Real Assets Fund - I Class	0.63%	10
Total Management Fee Waived		$ 142

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2021, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Effective January 1, 2020, Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended June 30, 2021, this reimbursement amounted to $2,000, 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. During 2020, a novel strain of coronavirus (COVID-19) resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

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

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

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

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

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

Services Provided by the Advisor

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

Investment Performance of the Fund

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

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

Costs, Benefits, Profits, and Economies of Scale

The Board reviewed detailed information regarding the revenues received by the Advisor under the Advisory Contract and other direct and indirect benefits that the Advisor (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Advisor bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Advisor from managing the T. Rowe Price funds. 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 an all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Advisor to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Advisor has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's management fee rate to 0.85% 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 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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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 certain resources utilized to operate the fund are shared with other T. Rowe Price funds. The Board concluded that, based on the profitability data it reviewed and consistent with this all-inclusive management fee structure, the advisory fee structure for the fund continued to be appropriate.

Fees and Expenses

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

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

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

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

Approval of the Advisory Contract

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

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.

202108-1676710 T. Rowe Price Investment Services, Inc. E304-051 8/21

T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2021

T. ROWE PRICE

Equity Income Portfolio

For more insights from T. Rowe Price investment professionals, go to **troweprice.com**.

INVEST WITH CONFIDENCE®

HIGHLIGHTS

- The Equity Income Portfolio returned 18.37% for the six-month period. The portfolio outperformed both the Russell 1000 Value Index and the Lipper Variable Annuity Underlying Equity Income Funds Average.
- Within the portfolio, absolute contributors were concentrated within sectors that benefited from the rising interest rates and cyclicality associated with economic recovery. Top detractors were dispersed more evenly among sectors.
- Changes in sector allocation were the result of our bottom-up stock selection. As the year progressed, we gradually reduced our cyclical exposure and our beta as the market discounted economic normalization.
- Given the sizable stimulus and continued efficacy of the coronavirus vaccines against new variants to date, we believe economic activity will be robust in the second half of the year and that much of this is priced into the market at current levels. We will continue to let valuation be our guide and look for situations where there is a favorable mix of attractive valuations, strong fundamental appeal, and a high dividend yield.

Dear Investor

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

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

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

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

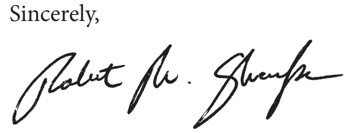
However, less favorably, inflation concerns led to some volatility in the equity market and caused a sharp rise in longer-term Treasury yields in the first quarter. (Bond prices and yields move in opposite directions.) While inflation measures were above the Fed's 2% long-term inflation target toward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

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

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

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

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

FUND COMMENTARY

How did the fund perform in the past six months?

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

PERFORMANCE COMPARISON

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

What factors influenced the fund's performance?

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

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

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

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

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

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

How is the fund positioned?

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

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

SECTOR DIVERSIFICATION

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

Historical weightings reflect current industry/sector classifications.

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

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

What is portfolio management's outlook?

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

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

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

RISKS OF INVESTING IN THE FUND

Dividend-paying stocks

The fund's emphasis on dividend-paying stocks could cause the fund to underperform similar funds that invest without consideration of a company's track record of paying dividends. There is no guarantee that the issuers of the stocks held by the fund will declare dividends in the future or that, if dividends are declared, they will remain at their current levels or increase over time. For example, a sharp rise in interest rates or economic downturn could cause a company to unexpectedly reduce or eliminate its dividend. In addition, stocks of companies with a history of paying dividends may not benefit from a broad market advance to the same degree as the overall stock market.

Stock investing

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

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

BENCHMARK INFORMATION

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

TWENTY-FIVE LARGEST HOLDINGS

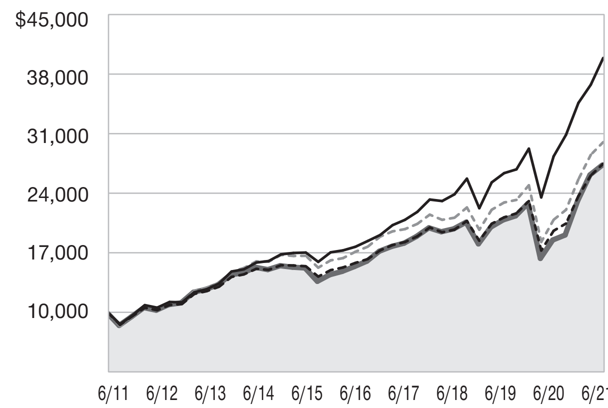
	Percent of Net Assets 6/30/21
Wells Fargo	3.8%
GE	2.9
Southern Company	2.7
UPS	2.6
Qualcomm	2.5
American International Group	2.1
MetLife	2.1
TotalEnergies	2.0
Anthem	2.0
International Paper	1.9
Becton, Dickinson & Company	1.8
Chubb	1.8
CF Industries	1.8
Comcast	1.7
Tyson Foods	1.7
AbbVie	1.6
Sempra Energy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

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

GROWTH OF $10,000

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

EQUITY INCOME PORTFOLIO



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

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

AVERAGE ANNUAL COMPOUND TOTAL RETURN

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

The fund's performance information represents only past performance and is not necessarily an indication of future results. Current performance may be lower or higher than the performance data cited. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please contact a T. Rowe Price representative at 1-800-469-6587 (financial advisors, or customers who have an advisor, should call 1-800-638-8790). Returns do not reflect taxes that the shareholder may pay on distributions or the redemption of shares. Total returns do not include charges imposed by your insurance company's separate account. If these had been included, performance would have been lower.

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

FUND EXPENSE EXAMPLE

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

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

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

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

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

FUND EXPENSE EXAMPLE (CONTINUED)

EQUITY INCOME PORTFOLIO

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

*Expenses are equal to the fund’s annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Equity Income Portfolio was 0.74%, and the Equity Income Portfolio–II was 0.99%.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Equity Income Portfolio Class

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

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

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 5 for details of expense-related arrangements with Price Associates.
(3) Includes a voluntary payment from Price Associates, related to a loss of value on its investment in Dell as a result of the fund's ineligibility to pursue an appraisal action, representing $0.13 per share based upon shares outstanding on the date of payment (6/6/16). The payment increased total return by 0.53%.
(4) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.
(5) See Note 5. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(6) Annualized

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

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Equity Income Portfolio - II Class

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

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 5 for details of expense-related arrangements with Price Associates.
(3) Includes a voluntary payment from Price Associates, related to a loss of value on its investment in Dell as a result of the fund's ineligibility to pursue an appraisal action, representing $0.13 per share based upon shares outstanding on the date of payment (6/6/16). The payment increased total return by 0.51%.
(4) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.
(5) See Note 5. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(6) Annualized

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

PORTFOLIO OF INVESTMENTS‡

(Cost and value in $000s)

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

(Cost and value in $000s)

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

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

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

	Shares	$ Value
(Cost and value in $000s)		
Weyerhaeuser, REIT	343,390	11,820
Total Real Estate		31,612
UTILITIES 7.1%		
Electric Utilities 3.5%		
Edison International	55,549	3,212
Entergy	20,100	2,004
NextEra Energy	57,068	4,182
Southern	290,103	17,554
		26,952
Multi-Utilities 3.6%		
Ameren	54,975	4,400
Dominion Energy	32,000	2,354
NiSource	381,688	9,351
Sempra Energy	84,748	11,228
		27,333
Total Utilities		54,285
Total Common Stocks (Cost $473,985)		**731,356**
CONVERTIBLE PREFERRED STOCKS 1.4%		
HEALTH CARE 0.4%		
Health Care Equipment & Supplies 0.4%		
Becton Dickinson & Company, Series B, 6.00%, 6/1/23	51,169	2,727
Total Health Care		2,727
UTILITIES 1.0%		
Electric Utilities 0.6%		
NextEra Energy, 5.279%, 3/1/23	43,435	2,122
Southern, Series A, 6.75%, 8/1/22	57,257	2,874
		4,996
Multi-Utilities 0.4%		
NiSource, 7.75%, 3/1/24	20,959	2,149
Sempra Energy, Series B, 6.75%, 7/15/21	9,767	945
		3,094
Total Utilities		8,090
Total Convertible Preferred Stocks (Cost $10,602)		**10,817**
PREFERRED STOCKS 1.2%		
CONSUMER DISCRETIONARY 1.2%		
Automobiles 1.2%		
Volkswagen (EUR)	35,773	8,969
Total Consumer Discretionary		8,969
Total Preferred Stocks (Cost $6,055)		**8,969**

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

‡	Shares are denominated in U.S. dollars unless otherwise noted.
(1)	Non-income producing
(2)	Seven-day yield
(3)	Affiliated Companies
ADR	American Depositary Receipts
EUR	Euro
GBP	British Pound
REIT	A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder

AFFILIATED COMPANIES

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2021. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund, 0.03%	$ —#	$ —	$ 2+

Supplementary Investment Schedule

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

\# Capital gain distributions from mutual funds represented $0 of the net realized gain (loss).
\+ Investment income comprised $2 of dividend income and $0 of interest income.
¤ Purchase and sale information not shown for cash management funds.
^ The cost basis of investments in affiliated companies was $9,977.

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

STATEMENT OF ASSETS AND LIABILITIES

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

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

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

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

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

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

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

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Class Accounting Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. Equity Income Portfolio–II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

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

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

NOTE 2 - VALUATION

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the fund's own assumptions in determining fair value)

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

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

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

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

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

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2021 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Common Stocks	$ 707,692	$ 23,664	$ —	$ 731,356
Convertible Preferred Stocks	—	10,817	—	10,817
Preferred Stocks	—	8,969	—	8,969
Short-Term Investments	9,977	—	—	9,977
Total	$ 717,669	$ 43,450	$ —	$ 761,119

NOTE 3 - OTHER INVESTMENT TRANSACTIONS

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

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

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

NOTE 5 - RELATED PARTY TRANSACTIONS

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

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

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2021, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Effective January 1, 2020, Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended June 30, 2021, this reimbursement amounted to $7,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 6 - LITIGATION

The fund is a named defendant in a lawsuit assigned to a litigation trustee, which seeks to recover all payments made to beneficial owners of common stock in connection with a leveraged buyout (LBO) of Tribune, including those made in connection with a 2007 tender offer in which the fund participated. A motion to dismiss was filed in this case and the district court granted the motion on January 9, 2017. In light of a Supreme Court decision in an unrelated case, the trustee has sought leave to amend the dismissed complaint. The district court denied that motion, and the trustee has appealed. The fund was named, also, as a defendant or included in a class of defendants in parallel litigation, which was dismissed by the district court and affirmed on appeal by the Second Circuit Court of Appeals. This second action, which was consolidated with the Multidistrict Litigation Panel in federal court with other similar actions, asserted state law constructive fraudulent transfer claims in an attempt to recover stock redemption payments made to shareholders at the time of the LBO. Both suits also sought prejudgement interest. The consolidated cases went through various stages of appeals. While they were appealing the dismissal of their lawsuits, plaintiffs dropped a number of fund defendants, including the T. Rowe Price Funds, which effectively ended the funds' involvement in the creditor claims. Plaintiffs since have exhausted their appeals and this second set of cases is over. While the fund's involvement in the creditor claims has ended, there is no impact on the claims in the action brought by the bankruptcy trustee. The complaints have not alleged misconduct by the fund, and management has vigorously defended the lawsuits. The value of the proceeds received by the fund is $25,684,000 (3.38% of net assets), and the fund will incur legal expenses. Management continues to assess the case and has not yet determined the effect, if any, on the fund's net assets and results of operations.

NOTE 7 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks. During 2020, a novel strain of coronavirus (COVID-19) resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

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

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

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

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

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

Services Provided by the Advisor

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

Investment Performance of the Fund

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

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

Costs, Benefits, Profits, and Economies of Scale

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

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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

Fees and Expenses

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

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

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

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

Approval of the Advisory Contract

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

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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.

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

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SEMIANNUAL REPORT

June 30, 2021

T. ROWE PRICE

International Stock Portfolio

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INVEST WITH CONFIDENCE®

HIGHLIGHTS

- Your portfolio returned 7.08% in the six months ended June 30, 2021, but underperformed its benchmark, the MSCI All Country World Index ex USA Net, and its Lipper peer group average.
- The portfolio lagged the MSCI benchmark due to stock selection in the financials and materials sectors, while stock selection in the communication services sector and an underweight to the consumer discretionary sector generated strong contributions.
- We are finding the best relative valuations in the consumer discretionary, information technology, and health care sectors as reflected in our overweight allocations, and the valuations of the companies we own appear reasonable.
- International equity market valuations remain somewhat expensive, although, admittedly, the higher-growth, momentum-driven parts of the market have taken the lead in recent months. Our expectation is that defensive growth parts of the market will prove to be fruitful areas for identifying opportunities.

Dear Investor

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

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

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

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

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

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

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

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

Sincerely,

Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks 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 7.08% in the six-month period ended June 30, 2021. The portfolio underperformed its benchmark, the MSCI All Country World Index ex USA Net, and the Lipper Variable Annuity Underlying International Multi-Cap Growth Funds Average. (*Past performance cannot guarantee future results.*)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/21	Total Return
International Stock Portfolio	7.08%
MSCI All Country World Index ex USA Net	9.16
Lipper Variable Annuity Underlying International Multi-Cap Growth Funds Average	7.50

What factors influenced the fund's performance?

At the portfolio level, stock selection hurt our relative performance, while sector allocation effects contributed. Stock selection in the financials sector, one of the best-performing sectors within the benchmark, was the largest detractor from relative returns. Our large position in Housing Development Finance hurt relative results. The company is one of the leading mortgage financers in India, providing housing loans to low-/middle-income individuals, corporations, and real estate developers. The share price weakness is linked to concerns surrounding a second wave of coronavirus infections in India, which crimped near-term mortgage disbursement trends and affordability. Management has provided an upbeat assessment for the remainder of 2021, including improving net interest margins, asset quality, and a confirmation of access to funds at competitive rates. We believe that Housing Development Finance is the best-in-class mortgage lender in India, and we expect improvement in the housing cycle. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Security selection and an underweight to the materials sector, which was also one of the top-performing sectors in the benchmark, hurt relative performance. The largest detractor in the group was Kansai Paint, one of the world's largest paint manufacturers, specializing in automotive and industrial products primarily in Japan and India. Shares were pressured by higher input costs, which led to lower operating profits. We think Kansai is favorably positioned to generate improving margins and positive free cash flow and should benefit from both growth in emerging economies and market consolidation over the long run. In our view, the end-demand will also recover to pre-pandemic levels, and the increase in input costs could be more than offset by an increase in volume and a better product mix (more auto paint).

SECTOR DIVERSIFICATION

	Percent of Net Assets 12/31/20	6/30/21
Consumer Discretionary	17.3%	16.9%
Financials	15.4	16.0
Information Technology	15.2	15.2
Health Care	13.5	14.2
Consumer Staples	11.2	11.2
Industrials and Business Services	8.2	8.7
Communication Services	8.9	7.5
Materials	4.9	5.4
Energy	1.8	1.7
Utilities	1.1	0.9
Real Estate	0.0	0.0
Other and Reserves	2.5	2.3
Total	**100.0%**	**100.0%**

Historical weightings reflect current industry/sector classifications.

Stock selection and an overweight allocation to communication services generated the best contribution to relative performance. We benefited from our large position in NAVER. South Korea's leading internet conglomerate rallied in the first half of the year due to solid topline growth that matched forecasts. Income gains were strong, although less spectacular than in prior periods, but we remain confident in the company's long-term prospects. We believe that the company can continue growing revenues at a double-digit clip and that its market share can expand from 20% to 30% over the next handful of years. Additionally, NAVER owns about a 33% stake in Japan-listed Z Holdings through a joint venture with Softbank.

Our underweight allocation to the consumer discretionary sector, one of the poorer-performing sectors in the benchmark, generated a strong relative performance contribution. Over the period, we made modest additions to Alibaba Group Holding, the portfolio's second-largest position, on share price weakness. The Chinese e-commerce giant struggled during the anti-monopoly sanctions. We remain impressed with the firm's powerful position in China's e-commerce market, and we think the firm's move into cross-border e-commerce and cloud computing is also compelling.

How is the fund positioned?

Our regional allocations were little changed over the past six months. Developed Europe (44% of portfolio assets) remained our largest exposure, as it continued to offer, in our opinion, the best opportunities to buy durable growth companies with attractive risk/reward characteristics. Our allocation in the Pacific ex-Japan region, at 25% of assets, was unchanged, and we have a market-neutral allocation to Japan (14%). We have maintained significant exposure to emerging markets because we are finding solid growth companies trading at reasonable valuations, but we are modestly underweight versus the benchmark. While our holdings based in emerging markets totaled about 30% of the portfolio, we have additional exposure through developed market-domiciled holdings that generate a portion of their revenues and income from operations in emerging markets.

We have an overweight in the health care sector, which we view as one of the more defensive sectors of the market, and favor companies with attractive risk/reward characteristics, strong fundamentals, and earnings growth at reasonable valuations. AstraZeneca was the portfolio's largest purchase in the period. The large-cap pharmaceutical manufacturer is in the early stages of a new product cycle that should deliver revenue growth well above its peer group over the long term. The Alexion Pharmaceuticals purchase, which is expected to close in July 2021, is an opportunistic deal that should boost growth and cash flow and will further diversify AstraZeneca's portfolio into rare diseases and immunology.

The financials sector represents our second-largest absolute allocation. We favor defensively positioned names with solid balance sheets and diversified revenue streams. Capital markets holding Deutsche Boerse was our largest initiation in the sector during the period. The company operates Germany's leading stock exchange facilitating trading in stocks, derivatives, and other securities for customers in Europe, the U.S., and Asia. We believe the company can generate steady double-digit income growth. With ample cash on the balance sheet, it is well positioned to make more acquisitions in high-growth areas, such as derivatives and data, that can bolster profit margins. In our view, the shares trade at a reasonable valuation and should benefit in a rising interest rate environment.

We remained overweight in the consumer staples sector, favoring companies that have the potential for durable earnings growth and broadly attractive risk/reward profiles. However, we took profits in tobacco giant Philip Morris International, our largest sale and best relative performance contributor in the segment. The shares rose after the company reported better-than-expected revenues and earnings. It has also reinforced its commitment to tobacco harm mitigation, reduced-risk products, and a smoke-free future, which helped its results.

What is portfolio management's outlook?

International equity market valuations remain somewhat expensive, although, admittedly, the higher-growth, momentum-driven parts of the market have taken the lead in recent months. Fundamentals appear to matter more now, although we would stop short of labeling this market tug-of-war a regime change, given the enormous amount of stimulus that has been thrown into equity markets in the last six months. We expect to see more market volatility and sentiment shifts going forward. However, investors appear increasingly more sanguine about the near-term severity of the coronavirus pandemic, which remains uncontrolled in some parts of the world. Instead, markets seem content to extrapolate the euphoria and "pent-up demand" effects on near-term economic growth well into the future, to our growing concern.

Looking ahead at the rest of 2021, it appears to be a stock picker's market as most stocks are already discounting the normalization of, if not an improvement from, pre-pandemic earnings trajectories. As a result, it is not, in our view, so much that one style has rotated into favor but that in this rising market, better-quality, fundamentally sound businesses have outperformed handily. We have been able to upgrade the portfolio in some areas, especially in some better-quality, higher-growth stocks that pulled back recently. But the rising tide has lifted all boats to pricier levels, and our expectation is that defensive-growth parts of the market will prove to be more fruitful areas for identifying opportunities. As a result, our emphasis has been on owning deeper cyclical companies. We think defensive growth may be a way for valuation-sensitive growth investors like us to find reasonable, steady compounders.

As always, we build the portfolio from the bottom up, picking the stocks we think offer the most compelling upside potential. While we take the macro environment into account, our philosophy and process remain squarely centered on stock selection rooted in fundamental research. In our view, the best relative valuations are in the consumer discretionary, information technology, and health care sectors. While we don't invest on a regional basis, we are uncovering compelling investment opportunities in Japan, and our relative allocation there has increased to a multiyear high.

The valuations of the companies we own appear reasonable, as they continue to deliver on earnings expectations. We believe that our deep and talented research team and our unwavering focus on bottom-up stock selection will continue to generate favorable long-term performance.

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

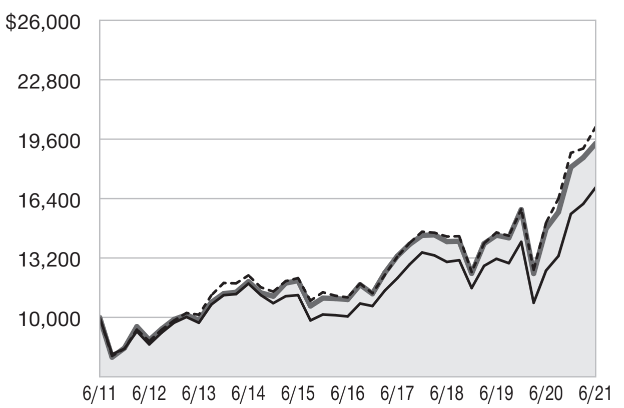
Company	Country	Percent of Net Assets 6/30/21
Taiwan Semiconductor Manufacturing	Taiwan	3.7%
Alibaba Group Holding	China	2.6
Nestle	Switzerland	2.3
Thales	France	2.2
Naspers	South Africa	2.2
ASML Holding	Netherlands	2.2
NAVER	South Korea	2.0
AIA Group	Hong Kong	1.9
Lonza Group	Switzerland	1.8
Samsung Electronics	South Korea	1.7
Unilever	United Kingdom	1.7
Housing Development Finance	India	1.7
Sanofi	France	1.7
Nippon Telegraph & Telephone	Japan	1.6
EssilorLuxottica	France	1.6
Prosus	Netherlands	1.6
AstraZeneca	United Kingdom	1.5
Akzo Nobel	Netherlands	1.5
Otsuka Holdings	Japan	1.4
London Stock Exchange	United Kingdom	1.4
Julius Baer	Switzerland	1.4
Galp Energia Sgps	Portugal	1.2
Tmx	Canada	1.2
Tencent Holdings	China	1.2
Visa	United States	1.2
Total		**44.5%**

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 6/30/21
International Stock Portfolio	$19,369
MSCI All Country World Index ex USA Net	16,997
Lipper Variable Annuity Underlying International Multi-Cap Growth Funds Average	20,254

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/21	1 Year	5 Years	10 Years
International Stock Portfolio	31.03%	12.06%	6.83%

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 1/1/21	Ending Account Value 6/30/21	Expenses Paid During Period* 1/1/21 to 6/30/21
Actual	$1,000.00	$1,070.80	$4.88
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.08	4.76

*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 (181), and divided by the days in the year (365) to reflect the half-year period.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 17.08	$ 15.62	$ 13.04	$ 17.35	$ 14.27	$ 14.67
Investment activities						
Net investment income[(1)(2)]	0.08	0.08	0.34[(3)]	0.21	0.17	0.17
Net realized and unrealized gain/ loss	1.13	2.17	3.27	(2.67)	3.80	0.14
Total from investment activities	1.21	2.25	3.61	(2.46)	3.97	0.31
Distributions						
Net investment income	–	(0.09)	(0.37)	(0.23)	(0.19)	(0.16)
Net realized gain	–	(0.70)	(0.66)	(1.62)	(0.70)	(0.55)
Total distributions	–	(0.79)	(1.03)	(1.85)	(0.89)	(0.71)
NET ASSET VALUE						
End of period	**$ 18.29**	**$ 17.08**	**$ 15.62**	**$ 13.04**	**$ 17.35**	**$ 14.27**
Ratios/Supplemental Data						
Total return[(2)(4)]	**7.08%**	**14.45%**	**27.77%**	**(14.20)%**	**27.88%**	**2.13%**
Ratios to average net assets:[(2)]						
Gross expenses before waivers/ payments by Price Associates[(5)]	1.05%[(6)]	1.05%	1.05%	1.00%	1.05%	1.05%
Net expenses after waivers/ payments by Price Associates	0.95%[(6)]	0.95%	0.95%	1.00%	1.05%	1.05%
Net investment income	0.90%[(6)]	0.56%	2.31%[(3)]	1.28%	1.04%	1.15%
Portfolio turnover rate	15.3%	30.6%	33.8%	36.3%	34.0%	39.5%
Net assets, end of period (in thousands)	$ 313,670	$ 300,544	$ 295,743	$ 271,207	$ 382,759	$ 310,621

(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 special dividends 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
AUSTRIA 0.8%		
Common Stocks 0.8%		
Erste Group Bank (1)	64,420	2,368
Total Austria (Cost $1,957)		**2,368**
BRAZIL 2.1%		
Common Stocks 2.1%		
Magazine Luiza	419,954	1,786
Rede D'Or Sao Luiz	97,648	1,361
StoneCo, Class A (USD) (2)	18,402	1,234
Suzano (2)	86,510	1,042
XP, Class A (USD) (2)	25,662	1,117
Total Brazil (Cost $5,053)		**6,540**
CANADA 4.1%		
Common Stocks 4.1%		
ARC Resources (3)	171,296	1,458
Lundin Mining	130,206	1,174
Magna International (USD)	15,720	1,456
Shopify, Class A (USD) (2)	1,850	2,703
Sun Life Financial	47,856	2,468
TMX Group	35,532	3,753
Total Canada (Cost $9,920)		**13,012**
CAYMAN ISLANDS 0.3%		
Convertible Preferred Stocks 0.3%		
ByteDance, Series E, Acquisition Date: 7/8/19, Cost $293 (USD) (4)(5)	5,954	939
Total Cayman Islands (Cost $293)		**939**
CHINA 7.9%		
Common Stocks 5.7%		
58.com (USD) (4)	65,164	—
Alibaba Group Holding, ADR (USD) (2)	35,461	8,042
Baidu, ADR (USD) (2)	9,953	2,029
China Mengniu Dairy (HKD)	294,000	1,776
Didi Global, Acquisition Date: 10/19/15, Cost $343 (USD) (5)	12,518	673
Kanzhun, ADR (USD) (2)	9,101	361
Kuaishou Technology (HKD) (2)	6,800	171
Tencent Holdings (HKD)	49,000	3,689
Wuxi Biologics Cayman (HKD) (2)	57,500	1,053
		17,794
Common Stocks - China A Shares 2.2%		
BTG Hotels Group, A Shares (CNH)	310,291	1,144
Gree Electric Appliances of Zhuhai, A Shares (CNH)	292,700	2,356
Kweichow Moutai, A Shares (CNH)	6,370	2,024
NARI Technology, A Shares (CNH)	407,040	1,461
		6,985
Total China (Cost $10,957)		**24,779**
DENMARK 0.7%		
Common Stocks 0.7%		
Chr Hansen Holding	12,124	1,094
Genmab (2)	2,649	1,085
Total Denmark (Cost $1,971)		**2,179**
FRANCE 8.4%		
Common Stocks 8.4%		
Air Liquide	15,462	2,711
Alstom (2)	34,144	1,725
Dassault Aviation	2,924	3,445
EssilorLuxottica (3)	26,627	4,919
LVMH Moet Hennessy Louis Vuitton	1,682	1,323
Sanofi	49,571	5,208
Thales	68,929	7,043
Total France (Cost $21,698)		**26,374**
GERMANY 5.3%		
Common Stocks 5.1%		
Auto1 Group (2)	12,182	535
Bayer	22,120	1,345
Beiersdorf	19,465	2,350
Deutsche Boerse	19,667	3,433
Evotec (2)	49,656	2,253
Knorr-Bremse	15,983	1,839
MorphoSys (2)(3)	16,012	1,242
Shop Apotheke Europe (2)	1,972	370
TeamViewer (2)	27,546	1,035
Zalando (2)	14,912	1,803
		16,205
Preferred Stocks 0.2%		
Sartorius	1,049	546
		546
Total Germany (Cost $14,234)		**16,751**
HONG KONG 1.9%		
Common Stocks 1.9%		
AIA Group	485,000	6,017
Total Hong Kong (Cost $1,440)		**6,017**
INDIA 4.4%		
Common Stocks 4.4%		
Axis Bank (2)	311,255	3,142
Housing Development Finance	156,797	5,238

(Cost and value in $000s)	Shares	$ Value
Kotak Mahindra Bank (2)	41,431	952
Maruti Suzuki India	16,291	1,655
NTPC	1,884,689	2,952
Total India (Cost $8,112)		**13,939**
INDONESIA 1.6%		
Common Stocks 1.6%		
Bank Central Asia	1,388,700	2,888
Sarana Menara Nusantara	26,522,300	2,270
Total Indonesia (Cost $1,925)		**5,158**
ITALY 1.4%		
Common Stocks 1.4%		
Banca Mediolanum	247,108	2,407
DiaSorin	9,880	1,869
Total Italy (Cost $3,214)		**4,276**
JAPAN 14.3%		
Common Stocks 14.3%		
Daiichi Sankyo	21,300	459
Disco	4,100	1,247
Eisai	4,800	472
Fujitsu General	91,400	2,420
Hikari Tsushin	4,200	738
Hoshizaki	19,300	1,640
Kansai Paint	35,400	904
Kao (3)	18,600	1,147
Murata Manufacturing	34,000	2,590
Nippon Telegraph & Telephone	188,600	4,931
NTT Data	86,300	1,347
ORIX	38,200	646
Otsuka Holdings	109,100	4,530
Outsourcing	93,400	1,696
Pan Pacific International Holdings	71,500	1,487
Persol Holdings	109,600	2,164
Seven & i Holdings	62,000	2,970
Shimadzu	33,700	1,302
Shiseido	8,100	597
Sony Group	31,800	3,083
Stanley Electric	60,900	1,759
Suzuki Motor	32,300	1,369
Takeda Pharmaceutical	57,232	1,921
Z Holdings	662,800	3,317
Total Japan (Cost $34,982)		**44,736**
NETHERLANDS 6.6%		
Common Stocks 6.6%		
Adyen (2)	385	944
Akzo Nobel	36,838	4,561
ASML Holding	9,954	6,871
Koninklijke Philips	68,217	3,386

(Cost and value in $000s)	Shares	$ Value
Prosus	50,135	4,912
Total Netherlands (Cost $9,882)		**20,674**
PHILIPPINES 0.3%		
Common Stocks 0.3%		
SM Investments	48,765	999
Total Philippines (Cost $791)		**999**
POLAND 0.7%		
Common Stocks 0.7%		
Powszechny Zaklad Ubezpieczen (2)	214,537	2,066
Total Poland (Cost $1,826)		**2,066**
PORTUGAL 2.3%		
Common Stocks 2.3%		
Galp Energia	353,342	3,842
Jeronimo Martins	176,296	3,217
Total Portugal (Cost $7,620)		**7,059**
SOUTH AFRICA 2.8%		
Common Stocks 2.8%		
Capitec Bank Holdings	14,637	1,725
Naspers, N Shares	32,970	6,952
Total South Africa (Cost $7,104)		**8,677**
SOUTH KOREA 4.5%		
Common Stocks 4.5%		
LG Household & Health Care	1,678	2,625
NAVER	16,673	6,187
Samsung Electronics	74,920	5,363
Total South Korea (Cost $4,286)		**14,175**
SPAIN 0.3%		
Common Stocks 0.3%		
Amadeus IT Group, A Shares (2)	14,905	1,051
Total Spain (Cost $510)		**1,051**
SWEDEN 1.8%		
Common Stocks 1.8%		
Assa Abloy, B Shares	52,530	1,584
Essity, Class B	43,824	1,454
Swedbank, A Shares	142,041	2,644
Total Sweden (Cost $3,852)		**5,682**

	Shares	$ Value
(Cost and value in $000s)		
SWITZERLAND 7.3%		
Common Stocks 7.3%		
Alcon	25,704	1,803
Barry Callebaut	535	1,243
Julius Baer Group (1)	65,555	4,282
Lonza Group	7,784	5,519
Nestle	56,938	7,097
PolyPeptide Group (2)	5,193	479
Roche Holding	4,756	1,792
Temenos	4,645	747
Total Switzerland (Cost $12,905)		**22,962**
TAIWAN 3.7%		
Common Stocks 3.7%		
Taiwan Semiconductor Manufacturing	533,000	11,480
Total Taiwan (Cost $1,436)		**11,480**
THAILAND 0.6%		
Common Stocks 0.6%		
CP ALL	938,100	1,759
Total Thailand (Cost $1,273)		**1,759**
UNITED ARAB EMIRATES 0.7%		
Common Stocks 0.7%		
Network International Holdings (GBP) (2)	422,421	2,140
Total United Arab Emirates (Cost $2,243)		**2,140**
UNITED KINGDOM 8.4%		
Common Stocks 8.4%		
Amcor, CDI (AUD)	181,275	2,065
AstraZeneca, ADR (USD) (3)	79,811	4,781
boohoo Group (2)	405,947	1,743
Burberry Group	65,461	1,872
Deliveroo Holdings, Acquisition Date: 5/16/19, Cost $568 (2)(5)	271,600	1,029
Hargreaves Lansdown	24,774	545
London Stock Exchange Group	40,514	4,477
Smith & Nephew	166,229	3,605
THG (2)	110,531	933
Unilever (EUR)	89,740	5,260
Total United Kingdom (Cost $20,419)		**26,310**
UNITED STATES 4.4%		
Common Stocks 4.4%		
Linde (EUR)	11,710	3,386
NXP Semiconductors	13,226	2,721
Philip Morris International	15,453	1,531
Visa, Class A	15,466	3,616
Waste Connections	22,545	2,693
Total United States (Cost $8,014)		**13,947**
URUGUAY 0.1%		
Common Stocks 0.1%		
Dlocal (USD) (2)	8,363	439
Total Uruguay (Cost $176)		**439**
SHORT-TERM INVESTMENTS 2.1%		
Money Market Funds 2.1%		
T. Rowe Price Government Reserve Fund, 0.03% (6)(7)	6,473,805	6,474
Total Short-Term Investments (Cost $6,474)		**6,474**
SECURITIES LENDING COLLATERAL 2.1%		
INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH JPMORGAN CHASE BANK 2.1%		
Short-Term Funds 2.1%		
T. Rowe Price Short-Term Fund, 0.08% (6)(7)	661,377	6,614
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		**6,614**
Total Securities Lending Collateral (Cost $6,614)		**6,614**
Total Investments in Securities		
101.9% of Net Assets (Cost $211,181)		**$ 319,576**

‡	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)	All or a portion of this security is pledged to cover or as collateral for written call options at June 30, 2021.
(2)	Non-income producing
(3)	See Note 4. All or a portion of this security is on loan at June 30, 2021.
(4)	See Note 2. Level 3 in fair value hierarchy.
(5)	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 $2,641 and represents 0.8% of net assets.
(6)	Seven-day yield
(7)	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
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
Morgan Stanley	Erste Group Bank, Call, 7/16/21 @ 36.00 (EUR)	37	115	(1)
Morgan Stanley	Julius Baer Group, Call, 9/17/21 @ 68.00 (CHF)	48	290	(2)
Total Options Written (Premiums $(8))			**$**	**(3)**

AFFILIATED COMPANIES

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2021. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund, 0.03%	$ —	$ —	$ 1
T. Rowe Price Short-Term Fund, 0.08%	—	—	—++
Totals	$ —#	$ —	$ 1+

Supplementary Investment Schedule

Affiliate	Value 12/31/20	Purchase Cost	Sales Cost	Value 06/30/21
T. Rowe Price Government Reserve Fund, 0.03%	$ 6,476	¤	¤	$ 6,474
T. Rowe Price Short-Term Fund, 0.08%	3,036	¤	¤	6,614
Total				$ 13,088^

\# 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 $1 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 $13,088.

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

June 30, 2021 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $211,181)	$	319,576
Foreign currency (cost $539)		537
Receivable for investment securities sold		307
Dividends receivable		198
Receivable for shares sold		24
Other assets		523
Total assets		321,165
Liabilities		
Obligation to return securities lending collateral		6,614
Payable for investment securities purchased		491
Investment management and administrative fees payable		313
Payable for shares redeemed		74
Options written (premiums $8)		3
Total liabilities		7,495
NET ASSETS	**$**	**313,670**
Net Assets Consist of:		
Total distributable earnings (loss)	$	121,969
Paid-in capital applicable to 17,148,143 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		191,701
NET ASSETS	**$**	**313,670**
NET ASSET VALUE PER SHARE	**$**	**18.29**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 6/30/21
Investment Income (Loss)	
Income	
Dividend (net of foreign taxes of $416)	2,830
Securities lending	18
Total income	2,848
Expenses	
Investment management and administrative expense	1,620
Waived / paid by Price Associates	(154)
Net expenses	1,466
Net investment income	1,382
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	14,755
Options written	17
Foreign currency transactions	(14)
Net realized gain	14,758
Change in net unrealized gain / loss	
Securities	4,985
Options written	24
Other assets and liabilities denominated in foreign currencies	(22)
Change in net unrealized gain / loss	4,987
Net realized and unrealized gain / loss	19,745
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 21,127**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/21	Year Ended 12/31/20
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 1,382	$ 1,482
Net realized gain	14,758	13,034
Change in net unrealized gain / loss	4,987	22,572
Increase in net assets from operations	21,127	37,088
Distributions to shareholders		
Net earnings	–	(13,333)
Capital share transactions*		
Shares sold	9,579	16,169
Distributions reinvested	–	13,333
Shares redeemed	(17,580)	(48,456)
Decrease in net assets from capital share transactions	(8,001)	(18,954)
Net Assets		
Increase during period	13,126	4,801
Beginning of period	300,544	295,743
End of period	**$ 313,670**	**$ 300,544**
*Share information		
Shares sold	534	1,090
Distributions reinvested	–	788
Shares redeemed	(981)	(3,213)
Decrease in shares outstanding	(447)	(1,335)

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

Unaudited

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 provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

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

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

NOTE 2 - VALUATION

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the fund's own assumptions in determining fair value)

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

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

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

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Listed options, and OTC options with a listed equivalent, are valued at the mean of the closing bid and asked prices and Exchange-traded options on futures contracts are valued at closing settlement prices. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

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

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2021 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Common Stocks	$ 32,723	$ 272,280	$ —	$ 305,003
Convertible Preferred Stocks	—	—	939	939
Preferred Stocks	—	546	—	546
Short-Term Investments	6,474	—	—	6,474
Securities Lending Collateral	6,614	—	—	6,614
Total	$ 45,811	$ 272,826	$ 939	$ 319,576
Liabilities				
Options Written	$ —	$ 3	$ —	$ 3

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2021, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes, 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, 2021, 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
Liabilities		
Equity derivatives	Options Written	$ 3
Total		$ 3

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended June 30, 2021, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

($000s)	Location of Gain (Loss) on Statement of Operations
	Options Written
Realized Gain (Loss)	
Equity derivatives	$ 17
Total	$ 17
Change in Unrealized Gain (Loss)	
Equity derivatives	$ 24
Total	$ 24

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, 2021, no collateral was pledged by either the fund or counterparties for bilateral derivatives.

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, 2021, the volume of the fund's activity in options, based on underlying notional amounts, was generally less than 1% of net assets.

NOTE 4 - OTHER INVESTMENT TRANSACTIONS

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

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, 2021, the value of loaned securities was $6,293,000; the value of cash collateral and related investments was $6,614,000.

Other Purchases and sales of portfolio securities other than short-term securities aggregated $45,832,000 and $52,140,000, respectively, for the six months ended June 30, 2021.

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, 2021, the cost of investments for federal income tax purposes was $213,430,000. Net unrealized gain aggregated $106,131,000 at period-end, of which $111,548,000 related to appreciated investments and $5,417,000 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 expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2022 to waive a portion of its management fee in order to limit the fund's management fee to 0.95% 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 $154,000 for the six months ended June 30, 2021.

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

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2021, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Effective January 1, 2020, Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended June 30, 2021, this reimbursement amounted to $4,000, 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. During 2020, a novel strain of coronavirus (COVID-19) resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

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

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

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT 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 8–9, 2021 (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, 2020, and compared these returns with the performance of a peer group of funds with similar investment programs and a wide variety of other previously agreed-upon comparable performance measures and market data, including those supplied by Broadridge, which is an independent provider of mutual fund data.

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

Costs, Benefits, Profits, and Economies of Scale

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

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract from any economies of scale realized by the Advisor. Under the Advisory Contract, the fund pays the Advisor a single fee, or all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Advisor to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Advisor has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's management fee rate to 0.95% 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. Under the Subadvisory Contract, the Advisor may pay the Subadvisor up to 60% of the advisory fee that the Advisor

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENT (CONTINUED)

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 certain resources utilized to operate the fund are shared with other T. Rowe Price funds. The Board concluded that, based on the profitability data it reviewed and consistent with this all-inclusive management fee structure, the advisory fee structure for the fund continued to be appropriate.

Fees and Expenses

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, total expenses, actual management fees, and nonmanagement expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) total expenses, actual management fees, and nonmanagement expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate, and total expenses (all of which generally reflect the all-inclusive management fee rate and do not deduct the operating expenses paid by the Advisor as part of the overall management fee) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the 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 proprietary mutual fund business. The Board considered information showing that the Advisor's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Advisor's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Advisor to manage its mutual fund business versus managing a discrete pool of assets as a subadvisor to another institution's mutual fund or for an institutional account and that the Advisor generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

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

Approval of the Advisory Contract 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).

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.

202108-1676660 T. Rowe Price Investment Services, Inc. E301-051 8/21

T.RowePrice®

SEMIANNUAL REPORT

June 30, 2021

T. ROWE PRICE

Mid-Cap Growth Portfolio

For more insights from T. Rowe Price investment professionals, go to **troweprice.com**.

INVEST WITH CONFIDENCE®

HIGHLIGHTS

- The Mid-Cap Growth Portfolio underperformed the Russell Midcap Growth Index for the six months ended June 30, 2021. The portfolio performed well in the first half of the period, buoyed by the market's focus on quality and valuation, before returning those gains and then some as the environment pivoted to favor speculative and expensive stocks that do not meet our investment criteria.
- On a relative basis, the health care and industrials and business services sectors detracted the most from performance, while the information technology and financials sectors added value.
- We focused on quality companies with durable growth prospects and prudent balance sheets, and found compelling opportunities in a variety of industries.
- In the midst of a challenging market environment, we continue to seek out reasonably valued equities with strong fundamental underpinnings and pay careful attention to risk and valuation relative to growth prospects. We believe this disciplined, time-tested approach will help us continue to serve clients well over the long term.

Dear Investor

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

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

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

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

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

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

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

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

Sincerely,

Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

The fund seeks 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 9.68% for the six months ended June 30, 2021. The portfolio underperformed the Russell Midcap Growth Index, which returned 10.44%, but outperformed the return of the Lipper Variable Annuity Underlying Mid-Cap Growth Funds Average, which rose 8.53%. (Returns for the Mid-Cap Growth Portfolio–II varied slightly due to its different fee structure. *Past performance cannot guarantee future results*.)

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/21	Total Return
Mid-Cap Growth Portfolio	9.68%
Mid-Cap Growth Portfolio–II	9.55
Russell Midcap Growth Index	10.44
Lipper Variable Annuity Underlying Mid-Cap Growth Funds Average	8.53

What factors influenced the fund's performance?

It was a tale of two quarters as the rotation out of richly valued equities in the first half of the period boosted our performance relative to the benchmark, but we lost the ground we'd gained as a reversion to outperformance from speculative and expensive stocks late in the period benefited the more aggressively positioned benchmark. On a relative basis, the health care and industrials and business services sectors detracted the most from performance, while the information technology (IT) and financials sectors added value.

Health care was the largest detractor from relative results, with several holdings affected by the coronavirus pandemic. Our position in Hologic hindered relative returns. Shares were driven lower by the continued decline in COVID-19 testing sales due to decreased testing volume and customer de-stocking. We retain a positive outlook for Hologic and believe its women's health unit has a favorable long-term growth profile, while COVID-19 testing is likely to remain more durable than the market expects. Medical device manufacturer Teleflex also lagged over the period due to coronavirus-driven delays in non-urgent medical procedures. Teleflex has a strong management team with a long record of good capital deployment, which we believe gives the company potential to continue compounding growth. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

In the industrials and business services sector, shares of solar tracking company Array Technologies plunged on the announcement that the company would not be able to affirm recently provided fiscal year guidance given elevated steel and freight prices. Though we believe higher costs will be transitory, we remain concerned about margin pressure and the durability of Array's competitive position in the face of new market entrants.

On the positive side, our relentless focus on quality and growth at a reasonable price within IT boosted relative returns, as our stock selection and significant underweight allocation both aided relative results. We avoided several highly valued software names that lost meaningful ground over the period, while semiconductor holding Marvell Technology and radio frequency semiconductor manufacturer Skyworks Solutions delivered strong performance over the period. Supply chain disruption and tight chip inventories at a time of rising demand served as a tailwind to the industry, which we have long favored for superior growth versus other cyclical industries. Despite recent strength, both companies continue to trade at very reasonable valuations, in our view.

Stock selection in financials was also strong, with shares of New York private-equity manager KKR meaningfully outperforming over the period. The company continues to benefit from a compelling environment for investment activity and capital raises. It deployed record capital in the fourth quarter of 2020 and announced unexpectedly strong intra-quarter monetization income in late June. We expect the upcoming acquisition of insurance platform Global Atlantic should improve KKR's recurring management fee profile and earnings growth.

How is the fund positioned?

In the midst of a rapidly rising market that has favored highflying, high-sales-growth companies regardless of profitability, we maintained our time-tested, disciplined approach. While it's unclear how long this challenging environment will persist, we recognize the value of focusing on quality companies with durable growth prospects and prudent balance sheets. We like the companies that we hold and sought to opportunistically increase existing positions, as well as to add new names that fit our investment criteria. We found such opportunities across various sectors, from our larger areas of investment, like IT, to smaller allocations like communication services. Sell activity, on the other hand, was largely motivated by merger and acquisition activity and runups in performance.

IT is the second-largest area of investment, but it remained our largest underweight versus the benchmark, as we believe the valuations of many of these names, particularly in software and pockets of IT services, to be disconnected from their fundamentals. Nevertheless, we have found several opportunities in companies trading at reasonable valuations; for example, we initiated a position in Fortinet and increased our stake in PTC. We favor cybersecurity company Fortinet for its long record of profitability and steady growth characteristics. We believe that the company is well positioned to continue taking share and compound free cash flow amid the coronavirus-driven shift to remote working and cloud computing, which have highlighted the importance of network security. We took advantage of recent share price weakness to increase the portfolio's position in PTC, a leading software developer for computer-aided design, product life-cycle management, and the industrial Internet of Things (IIoT). Shares have been pressured by an uneven recovery across its end markets. We believe the company has a sustainably differentiated position in the IIoT market given its domain expertise, early mover's advantage, and ability to integrate with core software. On the sale side, we exited analog semiconductor company Maxim Integrated Products, which is being acquired by specialized semiconductor maker Analog Devices.

The communication services sector represents a small allocation for the fund, but it accounted for some of the larger trades during the period. We increased the portfolio's position in Spotify. We like the company as it is quickly becoming synonymous with music streaming. In addition to high-margin advertising, we believe Spotify's scale will translate to added negotiating power with music labels, fueling margin growth. We initiated a position in high-growth e-commerce platform Pinterest on recent share price weakness. We think Pinterest is vastly under-monetized relative to its peers. Its platform is entirely composed of user-generated content and, therefore, carries no cost for the company, which could enable significant margin potential. Management's efforts to increase the "shopability" of the platform, an enhancement desired by its user base, provides another potential pathway to growth. We trimmed our stake in online dating company Match. Shares have been lifted by reopening activity, with strong growth not only in the core Tinder platform but also in newer apps, like Hinge. We maintain a positive view of the company as we believe Match is a durable growth winner in its industry and is poised to benefit the most from network effects—in other words, its services will prove more valuable as its usage increases, an important determinant for success.

SECTOR DIVERSIFICATION

	Percent of Net Assets 12/31/20	Percent of Net Assets 6/30/21
Health Care	26.0%	25.8%
Information Technology	21.4	19.8
Industrials and Business Services	16.6	16.9
Consumer Discretionary	14.7	15.4
Financials	5.8	6.2
Materials	5.4	5.7
Communication Services	4.0	4.2
Consumer Staples	2.1	2.1
Utilities	1.3	1.3
Energy	0.2	0.1
Real Estate	0.0	0.0
Other and Reserves	2.5	2.5
Total	**100.0%**	**100.0%**

Historical weightings reflect current industry/sector classifications.

What is portfolio management's outlook?

Although U.S. stocks produced robust returns, there were periods of volatility driven by a marked factor rotation as investors "ping-ponged" between favoring growth and value stocks. Indeed, the valuation and quality focus of February and March gave way to a market that was mixed in the latter half of the period—favoring both high-growth tech and energy at times—but clearly didn't embrace durable growth and risk awareness.

While we believe the market is ripe for a correction to the benefit of the quality-minded, risk-aware investor, it is difficult to say what might trigger that rotation. As the global economy slowly but surely moves beyond the pandemic-induced hardships of the past year, we see a path for growth to extend to attractively valued but ignored companies that feature fundamentally sound but temporarily impaired businesses ready to participate in economic reacceleration and a "return to normal."

The current market environment has echoes of 1999, a past period of exuberance that challenged portfolio performance. We remain committed to our durable investment process, which has shown to be resilient over time. We continue to seek out reasonably valued equities with strong fundamental underpinnings and pay careful attention to risk and valuation relative to growth prospects. We believe this disciplined, time-tested approach will help us continue to serve clients well over the long term.

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

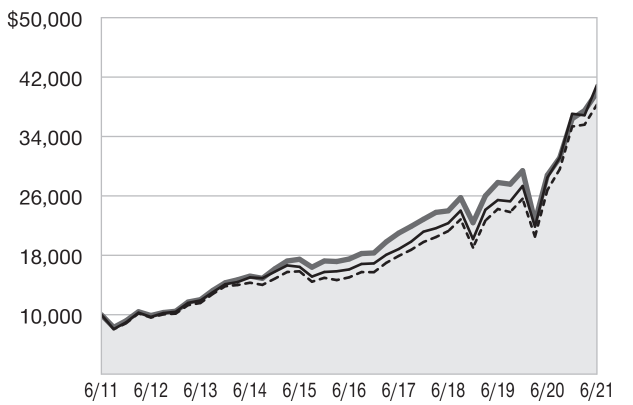
	Percent of Net Assets 6/30/21
Hologic	2.3%
Microchip Technology	2.2
Teleflex	2.1
Agilent Technologies	2.1
Textron	2.1
Catalent	2.0
Ball	1.9
Bruker	1.9
Ingersoll-Rand	1.7
Burlington Stores	1.7
Marvell Technology	1.6
Cooper Companies	1.6
DocuSign	1.4
Avantor	1.3
J.B. Hunt Transport Services	1.3
Equifax	1.3
Keysight Technologies	1.3
Clarivate	1.2
Hilton Worldwide Holdings	1.2
TransUnion	1.2
Dollar General	1.2
Veeva Systems	1.2
FleetCor Technologies	1.1
Aptiv	1.1
IDEX	1.1
Total	**39.1%**

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 6/30/21
Mid-Cap Growth Portfolio	$39,917
Russell Midcap Growth Index	40,929
Lipper Variable Annuity Underlying Mid-Cap Growth Funds Average	38,280

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

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/21	1 Year	5 Years	10 Years
Mid-Cap Growth Portfolio	38.62%	17.93%	14.85%
Mid-Cap Growth Portfolio–II	38.29	17.64	14.56

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 1/1/21	Ending Account Value 6/30/21	Expenses Paid During Period* 1/1/21 to 6/30/21
Mid-Cap Growth Portfolio			
Actual	$1,000.00	$1,096.80	$4.37
Hypothetical (Assumes 5% return before expenses)	1,000.00	1,020.63	4.21
Mid-Cap Growth Portfolio–II			
Actual	1,000.00	1,095.50	5.66
Hypothetical (Assumes 5% return before expenses)	1,000.00	1,019.39	5.46

*Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the 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 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 33.47	$ 28.88	$ 23.70	$ 28.25	$ 25.57	$ 25.70
Investment activities						
Net investment income (loss)[1][2]	(0.07)	(0.05)	0.03	0.01	(0.04)	(0.03)
Net realized and unrealized gain/loss	3.31	6.92	7.36	(0.54)	6.39	1.66
Total from investment activities	3.24	6.87	7.39	(0.53)	6.35	1.63
Distributions						
Net investment income	–	–	(0.04)	–	–	–
Net realized gain	–	(2.28)	(2.17)	(4.02)	(3.67)	(1.76)
Total distributions	–	(2.28)	(2.21)	(4.02)	(3.67)	(1.76)
NET ASSET VALUE						
End of period	**$ 36.71**	**$ 33.47**	**$ 28.88**	**$ 23.70**	**$ 28.25**	**$ 25.57**

Ratios/Supplemental Data						
Total return[2][3]	**9.68%**	**23.80%**	**31.29%**	**(2.03)%**	**24.77%**	**6.26%**
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%	0.84%	0.85%	0.85%	0.85%
Net investment income (loss)	(0.39)%[5]	(0.18)%	0.12%	0.05%	(0.13)%	(0.11)%
Portfolio turnover rate	10.5%	26.1%	22.1%	24.6%	24.7%	28.9%
Net assets, end of period (in thousands)	$ 571,529	$ 536,629	$ 474,038	$ 379,884	$ 411,412	$ 353,074

[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 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 31.63	$ 27.41	$ 22.58	$ 27.11	$ 24.65	$ 24.85
Investment activities						
Net investment loss[1][2]	(0.10)	(0.12)	(0.03)	(0.06)	(0.11)	(0.09)
Net realized and unrealized gain/loss	3.12	6.55	7.00	(0.52)	6.15	1.61
Total from investment activities	3.02	6.43	6.97	(0.58)	6.04	1.52
Distributions						
Net realized gain	–	(2.21)	(2.14)	(3.95)	(3.58)	(1.72)
NET ASSET VALUE						
End of period	**$ 34.65**	**$ 31.63**	**$ 27.41**	**$ 22.58**	**$ 27.11**	**$ 24.65**
Ratios/Supplemental Data						
Total return[2][3]	**9.55%**	**23.47%**	**30.98%**	**(2.30)%**	**24.44%**	**6.03%**
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%	1.09%	1.10%	1.10%	1.10%
Net investment loss	(0.63)%[5]	(0.43)%	(0.13)%	(0.20)%	(0.38)%	(0.36)%
Portfolio turnover rate	10.5%	26.1%	22.1%	24.6%	24.7%	28.9%
Net assets, end of period (in thousands)	$ 66,926	$ 61,897	$ 56,450	$ 44,782	$ 52,926	$ 54,691

(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 95.9%		
COMMUNICATION SERVICES 4.2%		
Entertainment 2.1%		
Liberty Media-Liberty Formula One, Class C (1)	64,000	3,085
Playtika Holding (1)	45,000	1,073
Spotify Technology (1)	18,000	4,961
Zynga, Class A (1)	386,000	4,103
		13,222
Interactive Media & Services 2.1%		
IAC/InterActiveCorp (1)	21,000	3,237
Match Group (1)	39,000	6,289
Pinterest, Class A (1)	25,000	1,974
Vimeo (1)	42,973	2,106
		13,606
Total Communication Services		26,828
CONSUMER DISCRETIONARY 14.0%		
Auto Components 1.1%		
Aptiv (1)	44,000	6,922
		6,922
Diversified Consumer Services 1.2%		
Bright Horizons Family Solutions (1)	16,000	2,354
Legalzoom.com (1)	4,218	160
Terminix Global Holdings (1)	112,000	5,343
		7,857
Hotels, Restaurants & Leisure 4.3%		
Chipotle Mexican Grill (1)	3,600	5,581
Domino's Pizza	8,000	3,732
DraftKings, Class A (1)	41,000	2,139
Hilton Worldwide Holdings (1)	65,000	7,840
MGM Resorts International	90,000	3,839
Vail Resorts (1)	13,000	4,115
		27,246
Internet & Direct Marketing Retail 1.4%		
Deliveroo Holdings, Acquisition Date: 9/12/17 - 5/16/19, Cost $683 (GBP) (1)(2)	384,400	1,457
Etsy (1)	25,000	5,146
Farfetch, Class A (1)	40,899	2,060
		8,663
Multiline Retail 2.0%		
Dollar General	35,000	7,574
Dollar Tree (1)	53,000	5,273
		12,847
Specialty Retail 3.5%		
Burlington Stores (1)	34,000	10,948
Five Below (1)	10,000	1,933
O'Reilly Automotive (1)	11,000	6,228
Ross Stores	28,000	3,472
		22,581

(Cost and value in $000s)

	Shares	$ Value
Textiles, Apparel & Luxury Goods 0.5%		
Lululemon Athletica (1)	3,000	1,095
VF	29,000	2,379
		3,474
Total Consumer Discretionary		89,590
CONSUMER STAPLES 2.1%		
Beverages 0.4%		
Boston Beer, Class A (1)	2,620	2,674
		2,674
Food & Staples Retailing 1.0%		
Casey's General Stores	33,000	6,423
		6,423
Food Products 0.4%		
TreeHouse Foods (1)	57,000	2,538
		2,538
Household Products 0.3%		
Reynolds Consumer Products	65,000	1,973
		1,973
Total Consumer Staples		13,608
ENERGY 0.1%		
Oil, Gas & Consumable Fuels 0.1%		
Venture Global LNG, Series B, Acquisition Date: 3/8/18, Cost $60 (1)(2)(3)	20	92
Venture Global LNG, Series C, Acquisition Date: 10/16/17 - 3/8/18, Cost $512 (1)(2)(3)	139	638
Total Energy		730
FINANCIALS 6.1%		
Banks 0.4%		
Webster Financial	48,000	2,560
		2,560
Capital Markets 3.7%		
Cboe Global Markets	52,700	6,274
KKR	112,000	6,635
MarketAxess Holdings	7,000	3,245
Pershing Square Tontine Holdings, Class A, Warrants, 7/24/21 (1)	6,567	41
Raymond James Financial	12,000	1,559
Tradeweb Markets, Class A	71,000	6,004
		23,758
Consumer Finance 0.3%		
SoFi Technologies, Acquisition Date: 12/30/20, Cost $1,187 (1)(2)	116,312	2,118
		2,118
Insurance 1.7%		
Assurant	32,000	4,998
Axis Capital Holdings	60,000	2,941
Bright Health Group (1)	28,438	488
GoHealth, Class A (1)	43,300	485
Kemper	20,000	1,478

	Shares	$ Value
(Cost and value in $000s)		
Selectquote (1)	29,000	558
		10,948
Total Financials		39,384
HEALTH CARE 25.8%		
Biotechnology 4.7%		
Alkermes (1)	113,000	2,771
Alnylam Pharmaceuticals (1)	21,000	3,560
Argenx, ADR (1)	10,200	3,071
Ascendis Pharma, ADR (1)	5,000	658
Exact Sciences (1)	25,000	3,108
Exelixis (1)	38,400	700
Incyte (1)	56,520	4,755
Ionis Pharmaceuticals (1)	61,000	2,433
Kodiak Sciences (1)	5,000	465
Neurocrine Biosciences (1)	25,000	2,433
Seagen (1)	28,000	4,420
Ultragenyx Pharmaceutical (1)	16,000	1,525
		29,899
Health Care Equipment & Supplies 8.8%		
Alcon	53,000	3,724
Cooper	26,000	10,303
DENTSPLY SIRONA	29,000	1,835
Hologic (1)	218,000	14,545
ICU Medical (1)	13,000	2,675
JAND, Class A, Acquisition Date: 11/19/20, Cost $29 (1)(2)(3)	1,192	29
Ortho Clinical Diagnostics Holdings (1)	79,000	1,691
Quidel (1)	29,000	3,716
Teleflex	34,000	13,661
West Pharmaceutical Services	11,000	3,950
		56,129
Health Care Providers & Services 1.3%		
Acadia Healthcare (1)	85,000	5,334
agilon health (1)	21,874	887
Molina Healthcare (1)	8,000	2,025
		8,246
Health Care Technology 1.7%		
Doximity, Class A (1)	12,300	716
Multiplan (1)	250,000	2,380
Veeva Systems, Class A (1)	24,000	7,463
		10,559
Life Sciences Tools & Services 5.7%		
Agilent Technologies	92,000	13,598
Avantor (1)	239,000	8,487
Bruker	157,000	11,929
PPD (1)	49,330	2,274
		36,288
Pharmaceuticals 3.6%		
Catalent (1)	121,000	13,082
Elanco Animal Health (1)	140,000	4,857

	Shares	$ Value
(Cost and value in $000s)		
Perrigo	114,000	5,227
		23,166
Total Health Care		164,287
INDUSTRIALS & BUSINESS SERVICES 17.0%		
Aerospace & Defense 2.7%		
BWX Technologies	69,000	4,010
Textron	193,000	13,273
		17,283
Airlines 1.0%		
Alaska Air Group (1)	49,000	2,955
Southwest Airlines (1)	65,000	3,451
		6,406
Commercial Services & Supplies 0.5%		
Waste Connections	26,000	3,105
		3,105
Electrical Equipment 0.3%		
Array Technologies (1)	24,967	389
Shoals Technologies Group, Class A (1)	33,000	1,172
		1,561
Industrial Conglomerates 0.9%		
Roper Technologies	12,000	5,642
		5,642
Machinery 4.7%		
Colfax (1)	142,000	6,505
Fortive	77,000	5,370
IDEX	31,000	6,822
Ingersoll Rand (1)	226,000	11,031
		29,728
Professional Services 5.6%		
Clarivate (1)	288,799	7,951
CoStar Group (1)	75,000	6,211
Equifax	34,000	8,143
Leidos Holdings	16,000	1,618
TransUnion	70,000	7,687
Verisk Analytics	23,000	4,018
		35,628
Road & Rail 1.3%		
JB Hunt Transport Services	52,000	8,473
		8,473
Total Industrials & Business Services		107,826
INFORMATION TECHNOLOGY 19.7%		
Electronic Equipment, Instruments & Components 3.4%		
Amphenol, Class A	41,000	2,805
Cognex	20,000	1,681
Corning	124,000	5,072
Keysight Technologies (1)	52,000	8,029
National Instruments	101,000	4,270
		21,857

	Shares	$ Value
(Cost and value in $000s)		
IT Services 1.8%		
Broadridge Financial Solutions	16,000	2,585
FleetCor Technologies (1)	27,800	7,118
Jack Henry & Associates	8,000	1,308
Squarespace, Class A (1)	2,136	127
		11,138
Semiconductors & Semiconductor Equipment 6.8%		
Entegris	50,000	6,149
KLA	21,000	6,808
Lattice Semiconductor (1)	18,000	1,011
Marvell Technology	178,000	10,383
Microchip Technology	93,000	13,926
Skyworks Solutions	28,000	5,369
		43,646
Software 7.7%		
Atlassian, Class A (1)	19,600	5,034
Bill.com Holdings (1)	10,000	1,832
Black Knight (1)	62,000	4,835
Ceridian HCM Holding (1)	65,000	6,235
Citrix Systems	29,000	3,401
Clear Secure, Class A (1)	8,503	340
Confluent, Class A (1)	7,777	369
Crowdstrike Holdings, Class A (1)	14,000	3,518
DocuSign (1)	32,000	8,946
Dragoneer Growth Opportunities, Class A (1)	20,000	199
Dragoneer Growth Opportunities SPAC/CCC Intelligent Solutions Holdings PIPE (1)(4)	20,220	181
Five9 (1)	9,000	1,651
Fortinet (1)	21,000	5,002
nCino (1)	17,000	1,019
Procore Technologies (1)	2,581	245
Procore Technologies, Acquisition Date: 7/15/20 - 12/9/20, Cost $243 (1)(2)	4,489	405
PTC (1)	22,000	3,108
SentinelOne, Class A (1)	10,656	453
Splunk (1)	17,965	2,597
		49,370
Total Information Technology		126,011
MATERIALS 5.6%		
Chemicals 0.5%		
RPM International	33,000	2,926
		2,926
Construction Materials 0.5%		
Martin Marietta Materials	8,189	2,881
		2,881
Containers & Packaging 4.1%		
Avery Dennison	28,000	5,887
Ball	153,000	12,396
Gores Holdings V SPAC/Ardagh Group PIPE (1)(4)	72,423	658
Packaging Corp. of America	16,000	2,167
Sealed Air	88,000	5,214
		26,322
Metals & Mining 0.5%		
Kirkland Lake Gold	79,000	3,044
		3,044
Total Materials		35,173
UTILITIES 1.3%		
Electric Utilities 0.2%		
Eversource Energy	17,000	1,364
		1,364
Multi-Utilities 1.1%		
Ameren	29,000	2,321
Sempra Energy	36,000	4,769
		7,090
Total Utilities		8,454
Total Common Stocks (Cost $330,704)		**611,891**
CONVERTIBLE PREFERRED STOCKS 1.6%		
CONSUMER DISCRETIONARY 1.3%		
Automobiles 1.3%		
Rivian Automotive, Series D, Acquisition Date: 12/23/19, Cost $921 (1)(2)(3)	85,735	6,007
Rivian Automotive, Series E, Acquisition Date: 7/10/20, Cost $507 (1)(2)(3)	32,721	2,292
		8,299
Internet & Direct Marketing Retail 0.0%		
Maplebear DBA Instacart, Series I, Acquisition Date: 2/26/21, Cost $146 (1)(2)(3)	1,170	146
		146
Total Consumer Discretionary		8,445
HEALTH CARE 0.1%		
Biotechnology 0.1%		
Caris Life Sciences, Series D, Acquisition Date: 5/11/21, Cost $426 (1)(2)(3)	52,622	426
		426
Health Care Equipment & Supplies 0.0%		
JAND, Series AA, Acquisition Date: 11/19/20, Cost $61 (1)(2)(3)	2,467	61
JAND, Series B, Acquisition Date: 11/19/20, Cost $— (1)(2)(3)	3	—
		61
Total Health Care		487

(Cost and value in $000s)	Shares	$ Value
INFORMATION TECHNOLOGY 0.0%		
Software 0.0%		
Databricks, Series G, Acquisition Date: 2/1/21, Cost $197 (1)(2)(3)	1,110	197
Total Information Technology		197
MATERIALS 0.2%		
Chemicals 0.2%		
Redwood Materials, Series C, Acquisition Date: 5/28/21, Cost $317 (1)(2)(3)	6,674	317
Sila Nano, Series F, Acquisition Date: 1/7/21, Cost $595 (1)(2)(3)	14,417	595
Total Materials		912
REAL ESTATE 0.0%		
Real Estate Management & Development 0.0%		
WeWork, Series D-1, Acquisition Date: 12/9/14, Cost $361 (1)(2)	21,721	186
WeWork, Series D-2, Acquisition Date: 12/9/14, Cost $151 (1)(2)	9,050	77
Total Real Estate		263
Total Convertible Preferred Stocks (Cost $3,682)		**10,304**
SHORT-TERM INVESTMENTS 2.8%		
Money Market Funds 2.8%		
T. Rowe Price Treasury Reserve Fund, 0.03% (5)(6)	18,183,944	18,184
Total Short-Term Investments (Cost $18,184)		**18,184**
Total Investments in Securities 100.3% of Net Assets (Cost $352,570)		**$ 640,379**

‡ 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 $15,043 and represents 2.4% of net assets.

(3) See Note 2. Level 3 in fair value hierarchy.

(4) A portion of the position represents an unfunded commitment; a liability to fund the commitment has been recognized. The fund's total unfunded commitment at June 30, 2021, was $926 and was valued at $839 (0.1% of net assets).

(5) Seven-day yield

(6) Affiliated Companies

ADR American Depositary Receipts

GBP British Pound

PIPE Private Investment in Public Equity

SPAC Special Purpose Acquisition Company

AFFILIATED COMPANIES

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2021. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Treasury Reserve Fund, 0.03%	$ —	$ —	$ 3
T. Rowe Price Short-Term Fund, 0.08%	—	—	—++
Totals	$ —#	$ —	$ 3+

Supplementary Investment Schedule

Affiliate	Value 12/31/20	Purchase Cost	Sales Cost	Value 06/30/21
T. Rowe Price Treasury Reserve Fund, 0.03%	$ 14,428	¤	¤	$ 18,184
T. Rowe Price Short-Term Fund, 0.08%	—	¤	¤	—
Total				$ 18,184^

\# 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 3.

\+ Investment income comprised $3 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 $18,184.

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

June 30, 2021 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $352,570)	$	640,379
Receivable for investment securities sold		270
Dividends receivable		81
Receivable for shares sold		18
Other assets		1
Total assets		640,749
Liabilities		
Payable for investment securities purchased		1,703
Investment management and administrative fees payable		468
Payable for shares redeemed		109
Other liabilities		14
Total liabilities		2,294
NET ASSETS	**$**	**638,455**
Net Assets Consist of:		
Total distributable earnings (loss)	$	339,516
Paid-in capital applicable to 17,500,727 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		298,939
NET ASSETS	**$**	**638,455**
NET ASSET VALUE PER SHARE		
Mid-Cap Growth Portfolio Class		
($571,528,941 / 15,569,182 shares outstanding)	**$**	**36.71**
Mid-Cap Growth Portfolio - II Class		
($66,926,086 / 1,931,545 shares outstanding)	**$**	**34.65**

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 6/30/21
Investment Income (Loss)	
Dividend	1,386
Securities lending	1
Total income	1,387
Expenses	
Investment management and administrative expense	2,599
Rule 12b-1 fees Mid-Cap Growth Portfolio - II Class	78
Waived / paid by Price Associates	(30)
Net expenses	2,647
Net investment loss	(1,260)
Realized and Unrealized Gain / Loss	
Net realized gain on securities	37,105
Change in net unrealized gain on Securities	21,231
Net realized and unrealized gain / loss	58,336
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 57,076**

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

		6 Months Ended 6/30/21		Year Ended 12/31/20
Increase (Decrease) in Net Assets				
Operations				
Net investment loss	$	(1,260)	$	(1,057)
Net realized gain		37,105		51,730
Change in net unrealized gain / loss		21,231		64,173
Increase in net assets from operations		57,076		114,846
Distributions to shareholders				
Net earnings				
Mid-Cap Growth Portfolio Class		–		(34,473)
Mid-Cap Growth Portfolio - II Class		–		(4,024)
Decrease in net assets from distributions		–		(38,497)
Capital share transactions*				
Shares sold				
Mid-Cap Growth Portfolio Class		12,368		27,276
Mid-Cap Growth Portfolio - II Class		5,639		9,741
Distributions reinvested				
Mid-Cap Growth Portfolio Class		–		34,473
Mid-Cap Growth Portfolio - II Class		–		4,024
Shares redeemed				
Mid-Cap Growth Portfolio Class		(28,694)		(68,018)
Mid-Cap Growth Portfolio - II Class		(6,460)		(15,807)
Decrease in net assets from capital share transactions		(17,147)		(8,311)
Net Assets				
Increase during period		39,929		68,038
Beginning of period		598,526		530,488
End of period	**$**	**638,455**	**$**	**598,526**
*Share information				
Shares sold				
Mid-Cap Growth Portfolio Class		354		958
Mid-Cap Growth Portfolio - II Class		171		373
Distributions reinvested				
Mid-Cap Growth Portfolio Class		–		1,032
Mid-Cap Growth Portfolio - II Class		–		127
Shares redeemed				
Mid-Cap Growth Portfolio Class		(820)		(2,369)
Mid-Cap Growth Portfolio - II Class		(196)		(603)
Increase (decrease) in shares outstanding		(491)		(482)

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. The fund seeks to provide long-term capital appreciation by investing in mid-cap stocks with potential for above-average earnings growth. Shares of the fund currently are offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies. The fund has two classes of shares: the 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.

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

Class Accounting Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. 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.

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

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

NOTE 2 - VALUATION

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the fund's own assumptions in determining fair value)

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

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

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

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

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

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2021 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Common Stocks	$ 606,313	$ 4,819	$ 759	$ 611,891
Convertible Preferred Stocks	—	263	10,041	10,304
Short-Term Investments	18,184	—	—	18,184
Total	$ 624,497	$ 5,082	$ 10,800	$ 640,379

Following is a reconciliation of the fund's Level 3 holdings for the six months ended June 30, 2021. Gain (loss) reflects both realized and change in unrealized gain/loss on Level 3 holdings during the period, if any, and is included on the accompanying Statement of Operations. The change in unrealized gain/loss on Level 3 instruments held at June 30, 2021, totaled $6,263,000 for the six months ended June 30, 2021.

($000s)	Beginning Balance 1/1/21	Gain (Loss) During Period	Total Purchases	Total Sales	Ending Balance 6/30/21
Investment in Securities					
Common Stocks	$ 2,328	$ (106)	$ —	$ (1,463)	$ 759
Convertible Preferred Stocks	3,234	5,849	1,681	(723)	10,041
Total	$ 5,562	$ 5,743	$ 1,681	$ (2,186)	$ 10,800

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.

Private Investments Issued by Special Purpose Acquisition Companies Special purpose acquisition companies (SPACs) are shell companies that have no operations but are formed to raise capital with the intention of merging with or acquiring a company with the proceeds of the SPAC's initial public offering ("IPO"). The fund may enter into a contingent commitment with a SPAC to purchase private investments in public equity (PIPE) if and when the SPAC completes its merger or acquisition. The fund maintains liquid assets sufficient to settle its commitment to purchase the PIPE. However, if the commitment expires, then no shares are purchased. Purchased PIPE shares will be restricted from trading until the registration statement for the shares is declared effective. Upon registration, the shares can be freely sold; however, in certain circumstances, the issuer may have the right to temporarily suspend trading of the shares in the first year after the merger or acquisition. The securities issued by a SPAC may be considered illiquid, more difficult to value, and/or be subject to restrictions on resale.

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, 2021, there were no securities on loan.

Other Purchases and sales of portfolio securities other than short-term securities aggregated $62,388,000 and $82,040,000, respectively, for the six months ended June 30, 2021.

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

At June 30, 2021, the cost of investments for federal income tax purposes was $353,245,000. Net unrealized gain aggregated $287,134,000 at period-end, of which $295,335,000 related to appreciated investments and $8,201,000 related to depreciated investments.

NOTE 5 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.85% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2022 to waive a portion of its management fee in order to limit the fund's management fee to 0.84% 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 $30,000 and allocated ratably in the amounts of $27,000 and $3,000 for the Mid-Cap Growth Portfolio Class and Mid-Cap Growth Portfolio-II Class, respectively, for the six months ended June 30, 2021.

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

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2021, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Effective January 1, 2020, Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended June 30, 2021, this reimbursement amounted to $7,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

NOTE 6 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks. During 2020, a novel strain of coronavirus (COVID-19) resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

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

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

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

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

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

Services Provided by the Advisor

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

Investment Performance of the Fund

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

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

Costs, Benefits, Profits, and Economies of Scale

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

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract from any economies of scale realized by the Advisor. Under the Advisory Contract, the fund pays the Advisor a single fee, or all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Advisor to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Advisor has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's management fee rate to 0.84% 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 Advisor has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the investors in these funds, and has historically sought to set the initial all-inclusive fee rate at levels below the expense ratios of comparable funds to take into account the potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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

Fees and Expenses

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, total expenses, actual management fees, and nonmanagement expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) total expenses, actual management fees, and nonmanagement expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate, and total expenses (all of which generally reflect the all-inclusive management fee rate and do not deduct the operating expenses paid by the Advisor as part of the overall management fee) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fourth 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 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 proprietary mutual fund business. The Board considered information showing that the Advisor's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Advisor's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Advisor to manage its mutual fund business versus managing a discrete pool of assets as a subadvisor to another institution's mutual fund or for an institutional account and that the Advisor generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

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

Approval of the Advisory Contract

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

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.

202108-1676669 T. Rowe Price Investment Services, Inc. E305-051 8/21

Semiannual Report | June 30, 2021

Vanguard Variable Insurance Funds

Equity Index Portfolio

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, including annual expense ratios, 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, 2021

Equity Index Portfolio	Beginning Account Value 12/31/2020	Ending Account Value 6/30/2021	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$1,152.00	$0.75
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.10	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 (181/365).

Equity Index Portfolio

Portfolio Allocation
As of June 30, 2021

Communication Services	11.1%
Consumer Discretionary	12.3
Consumer Staples	5.9
Energy	2.9
Financials	11.3
Health Care	13.0
Industrials	8.5
Information Technology	27.4
Materials	2.6
Real Estate	2.6
Utilities	2.4

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, 2021

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 (11.1%)		
*	Facebook Inc. Class A	557,449	193,831
*	Alphabet Inc. Class A	69,989	170,898
*	Alphabet Inc. Class C	66,230	165,994
*	Walt Disney Co.	422,709	74,299
	Comcast Corp. Class A	1,066,640	60,820
*	Netflix Inc.	103,159	54,490
	Verizon Communications Inc.	963,150	53,965
	AT&T Inc.	1,661,022	47,804
*	Charter Communications Inc. Class A	32,040	23,115
*	T-Mobile US Inc.	136,339	19,746
	Activision Blizzard Inc.	180,790	17,255
*	Twitter Inc.	185,687	12,777
	Electronic Arts Inc.	66,591	9,578
	ViacomCBS Inc. Class B	140,842	6,366
*	Take-Two Interactive Software Inc.	26,875	4,757
	Omnicom Group Inc.	50,021	4,001
	Lumen Technologies Inc.	231,995	3,153
	Interpublic Group of Cos. Inc.	91,710	2,980
*	Live Nation Entertainment Inc.	33,688	2,951
	Fox Corp. Class A	76,301	2,833
*	DISH Network Corp. Class A	57,683	2,411
	News Corp. Class A	91,975	2,370
*	Discovery Inc. Class C	69,929	2,026
	Fox Corp. Class B	34,914	1,229
*	Discovery Inc. Class A	39,460	1,211
	News Corp. Class B	27,467	669
			941,529
	Consumer Discretionary (12.2%)		
*	Amazon.com Inc.	99,733	343,097
*	Tesla Inc.	179,299	121,870
	Home Depot Inc.	247,381	78,887
	NIKE Inc. Class B	296,611	45,823
	McDonald's Corp.	173,600	40,100
	Lowe's Cos. Inc.	164,479	31,904
	Starbucks Corp.	274,146	30,652
	Target Corp.	115,111	27,827
*	Booking Holdings Inc.	9,552	20,901
	TJX Cos. Inc.	280,637	18,921
*	General Motors Co.	297,012	17,574
*	Ford Motor Co.	912,197	13,555
	Dollar General Corp.	54,970	11,895
	eBay Inc.	150,578	10,572
	Ross Stores Inc.	82,996	10,291
*	Chipotle Mexican Grill Inc.	6,550	10,155
*	Aptiv plc	62,933	9,901
*	O'Reilly Automotive Inc.	16,237	9,194
*	Marriott International Inc. Class A	62,141	8,483
	Yum! Brands Inc.	69,322	7,974
*	Hilton Worldwide Holdings Inc.	64,816	7,818
*	AutoZone Inc.	5,030	7,506
	DR Horton Inc.	76,316	6,897
	Lennar Corp. Class A	63,373	6,296
	VF Corp.	74,739	6,132
*	Etsy Inc.	29,549	6,082
	Best Buy Co. Inc.	51,832	5,960
*	Expedia Group Inc.	32,892	5,385
*	Dollar Tree Inc.	53,928	5,366
	Garmin Ltd.	34,836	5,039
*	Caesars Entertainment Inc.	48,513	5,033
	Tractor Supply Co.	26,779	4,982
*	CarMax Inc.	37,903	4,895
*	Carnival Corp.	185,605	4,893
	Darden Restaurants Inc.	30,393	4,437
*	Ulta Beauty Inc.	12,719	4,398
*	Royal Caribbean Cruises Ltd.	51,035	4,352
	Pool Corp.	9,335	4,282
	Genuine Parts Co.	33,594	4,249
	Domino's Pizza Inc.	9,023	4,209
*	Las Vegas Sands Corp.	76,542	4,033
	MGM Resorts International	94,565	4,033
*	NVR Inc.	794	3,949
	L Brands Inc.	54,482	3,926
	PulteGroup Inc.	61,435	3,352
*	LKQ Corp.	64,766	3,188
	Whirlpool Corp.	14,580	3,179
	Advance Auto Parts Inc.	15,191	3,116
*	Wynn Resorts Ltd.	24,520	2,999
	Hasbro Inc.	29,832	2,820
*	Tapestry Inc.	64,834	2,819
	BorgWarner Inc.	55,689	2,703
*	Penn National Gaming Inc.	34,619	2,648
*	Mohawk Industries Inc.	13,653	2,624
*	Norwegian Cruise Line Holdings Ltd.	86,281	2,538
	Newell Brands Inc.	88,178	2,422
*	PVH Corp.	16,524	1,778
	Gap Inc.	48,175	1,621
	Leggett & Platt Inc.	31,088	1,611
	Hanesbrands Inc.	81,641	1,524
	Ralph Lauren Corp.	11,285	1,329
*	Under Armour Inc. Class A	44,783	947
*	Under Armour Inc. Class C	45,043	836
	Lennar Corp. Class B	1,027	84
			1,037,866
	Consumer Staples (5.8%)		
	Procter & Gamble Co.	569,554	76,850
	Coca-Cola Co.	902,753	48,848
	PepsiCo Inc.	321,414	47,624
	Walmart Inc.	319,444	45,048
	Costco Wholesale Corp.	102,851	40,695
	Philip Morris International Inc.	362,618	35,939
	Altria Group Inc.	430,580	20,530
	Mondelez International Inc. Class A	326,835	20,408
	Estee Lauder Cos. Inc. Class A	53,958	17,163
	Colgate-Palmolive Co.	196,809	16,010
	Kimberly-Clark Corp.	78,491	10,501
	Sysco Corp.	119,053	9,256
	Constellation Brands Inc. Class A	39,319	9,196
	Walgreens Boots Alliance Inc.	166,922	8,782
	General Mills Inc.	141,906	8,646
	Archer-Daniels-Midland Co.	130,001	7,878
*	Monster Beverage Corp.	86,091	7,864
	Kroger Co.	176,123	6,747
	Kraft Heinz Co.	150,802	6,150
	Hershey Co.	34,070	5,934
	Clorox Co.	28,913	5,202
	McCormick & Co. Inc. (Non-Voting)	57,886	5,112

		Shares	Market Value• ($000)
	Tyson Foods Inc. Class A	68,503	5,053
	Church & Dwight Co. Inc.	57,147	4,870
	Conagra Brands Inc.	111,458	4,055
	Kellogg Co.	58,505	3,764
	J M Smucker Co.	25,559	3,312
	Brown-Forman Corp. Class B	42,517	3,186
	Hormel Foods Corp.	65,729	3,139
	Lamb Weston Holdings Inc.	34,023	2,744
*	Molson Coors Beverage Co. Class B	43,920	2,358
	Campbell Soup Co.	47,266	2,155
			495,019
Energy (2.8%)			
	Exxon Mobil Corp.	984,936	62,130
	Chevron Corp.	449,657	47,097
	ConocoPhillips	313,965	19,120
	EOG Resources Inc.	135,787	11,330
	Schlumberger NV	325,249	10,411
	Marathon Petroleum Corp.	148,232	8,956
	Pioneer Natural Resources Co.	53,924	8,764
	Phillips 66	101,876	8,743
	Kinder Morgan Inc.	453,116	8,260
	Williams Cos. Inc.	282,649	7,504
	Valero Energy Corp.	95,104	7,426
	Occidental Petroleum Corp.	195,421	6,111
	ONEOK Inc.	103,604	5,765
	Hess Corp.	63,822	5,573
	Halliburton Co.	206,913	4,784
	Devon Energy Corp.	138,331	4,038
	Diamondback Energy Inc.	42,170	3,959
	Baker Hughes Co.	169,427	3,875
	Marathon Oil Corp.	182,815	2,490
	APA Corp.	87,898	1,901
	Cabot Oil & Gas Corp.	93,477	1,632
*	NOV Inc.	91,093	1,396
			241,265
Financials (11.2%)			
*	Berkshire Hathaway Inc. Class B	409,136	113,707
	JPMorgan Chase & Co.	704,239	109,537
	Bank of America Corp.	1,754,306	72,330
	Wells Fargo & Co.	961,652	43,553
	Citigroup Inc.	480,871	34,022
	Morgan Stanley	346,300	31,752
	Goldman Sachs Group Inc.	79,152	30,041
	BlackRock Inc.	33,003	28,877
	Charles Schwab Corp.	348,949	25,407
	American Express Co.	151,387	25,014
	S&P Global Inc.	56,044	23,003
	PNC Financial Services Group Inc.	98,827	18,852
	US Bancorp	315,308	17,963
	CME Group Inc.	83,540	17,767
	Truist Financial Corp.	312,840	17,363
	Marsh & McLennan Cos. Inc.	118,309	16,644
	Chubb Ltd.	104,608	16,626
	Capital One Financial Corp.	105,043	16,249
	Intercontinental Exchange Inc.	130,924	15,541
	Moody's Corp.	37,456	13,573
	Progressive Corp.	136,129	13,369
	Aon plc Class A	52,498	12,534
	T. Rowe Price Group Inc.	52,783	10,450
	MetLife Inc.	173,069	10,358
	MSCI Inc.	19,178	10,223
	Bank of New York Mellon Corp.	187,660	9,614
	American International Group Inc.	199,604	9,501
	Prudential Financial Inc.	91,615	9,388
	Allstate Corp.	69,629	9,082
*	Berkshire Hathaway Inc. Class A	21	8,791
	Travelers Cos. Inc.	58,496	8,757
	Discover Financial Services	70,948	8,392
	Aflac Inc.	147,002	7,887
	First Republic Bank	40,943	7,663
*	SVB Financial Group	12,637	7,032
	Willis Towers Watson plc	30,007	6,902
	Ameriprise Financial Inc.	26,962	6,710
	Arthur J Gallagher & Co.	47,666	6,677
	State Street Corp.	80,904	6,657
	Fifth Third Bancorp	163,745	6,260
	Synchrony Financial	125,813	6,105
	Northern Trust Corp.	48,426	5,599
	Hartford Financial Services Group Inc.	83,088	5,149
	Huntington Bancshares Inc.	343,635	4,904
	Nasdaq Inc.	26,764	4,705
	KeyCorp	225,599	4,659
	Citizens Financial Group Inc.	98,999	4,541
	Regions Financial Corp.	224,005	4,520
	M&T Bank Corp.	29,960	4,354
	MarketAxess Holdings Inc.	8,849	4,102
	Cincinnati Financial Corp.	34,793	4,058
	Principal Financial Group Inc.	58,934	3,724
	Raymond James Financial Inc.	28,460	3,697
	Cboe Global Markets Inc.	24,830	2,956
	Loews Corp.	52,171	2,851
	Lincoln National Corp.	41,730	2,622
	W R Berkley Corp.	32,616	2,428
	Everest Re Group Ltd.	9,333	2,352
	Invesco Ltd.	87,829	2,348
	Comerica Inc.	32,482	2,317
	Assurant Inc.	14,120	2,205
	Globe Life Inc.	22,113	2,106
	Zions Bancorp NA	38,248	2,022
	Franklin Resources Inc.	63,138	2,020
	People's United Financial Inc.	99,764	1,710
	Unum Group	47,643	1,353
			953,475
Health Care (12.9%)			
	Johnson & Johnson	612,661	100,930
	UnitedHealth Group Inc.	219,559	87,920
	Pfizer Inc.	1,302,292	50,998
	Abbott Laboratories	413,390	47,924
	AbbVie Inc.	410,922	46,286
	Thermo Fisher Scientific Inc.	91,443	46,130
	Merck & Co. Inc.	589,077	45,813
	Eli Lilly & Co.	185,190	42,505
	Danaher Corp.	147,696	39,636
	Medtronic plc	313,024	38,856
	Bristol-Myers Squibb Co.	519,734	34,729
	Amgen Inc.	133,672	32,583
	CVS Health Corp.	306,305	25,558
*	Intuitive Surgical Inc.	27,552	25,338
	Anthem Inc.	56,966	21,750
	Zoetis Inc. Class A	110,462	20,586
	Gilead Sciences Inc.	291,775	20,092
	Stryker Corp.	76,267	19,809
	Cigna Corp.	79,839	18,927
	Becton Dickinson & Co.	67,660	16,454
*	Illumina Inc.	33,969	16,074
*	Edwards Lifesciences Corp.	144,648	14,981
*	Boston Scientific Corp.	330,612	14,137
*	Regeneron Pharmaceuticals Inc.	24,359	13,606
	Humana Inc.	30,017	13,289
	HCA Healthcare Inc.	61,156	12,643
*	IDEXX Laboratories Inc.	19,845	12,533
*	Vertex Pharmaceuticals Inc.	60,228	12,144
*	Biogen Inc.	35,028	12,129
*	IQVIA Holdings Inc.	44,608	10,809
	Agilent Technologies Inc.	70,626	10,439
*	Align Technology Inc.	16,757	10,239
*	Centene Corp.	135,581	9,888

		Shares	Market Value• ($000)
*	Dexcom Inc.	22,503	9,609
*	Alexion Pharmaceuticals Inc.	51,428	9,448
	Baxter International Inc.	116,991	9,418
	ResMed Inc.	33,859	8,347
	Zimmer Biomet Holdings Inc.	48,517	7,803
*	Mettler-Toledo International Inc.	5,414	7,500
	McKesson Corp.	36,807	7,039
*	Laboratory Corp. of America Holdings	22,709	6,264
	West Pharmaceutical Services Inc.	17,169	6,165
	Cerner Corp.	70,062	5,476
*	Waters Corp.	14,341	4,956
	STERIS plc	22,756	4,695
	Cooper Cos. Inc.	11,442	4,534
	Teleflex Inc.	10,859	4,363
*	Charles River Laboratories International Inc.	11,671	4,317
*	Catalent Inc.	39,580	4,279
	PerkinElmer Inc.	26,045	4,022
	Viatris Inc.	280,898	4,014
	Quest Diagnostics Inc.	30,341	4,004
*	Hologic Inc.	59,503	3,970
	AmerisourceBergen Corp.	34,382	3,936
	Cardinal Health Inc.	67,383	3,847
*	Incyte Corp.	43,494	3,659
*	ABIOMED Inc.	10,539	3,289
*	Bio-Rad Laboratories Inc. Class A	5,012	3,229
	DENTSPLY SIRONA Inc.	50,693	3,207
	Universal Health Services Inc. Class B	18,168	2,660
*	Henry Schein Inc.	32,813	2,434
*	DaVita Inc.	16,346	1,969
*	Organon & Co.	59,127	1,789
	Perrigo Co. plc	31,181	1,430
			1,097,407
Industrials (8.5%)			
	Honeywell International Inc.	161,597	35,446
	United Parcel Service Inc. Class B	168,272	34,995
	Union Pacific Corp.	154,550	33,990
*	Boeing Co.	127,899	30,639
	Raytheon Technologies Corp.	352,496	30,071
	Caterpillar Inc.	127,442	27,735
	General Electric Co.	2,042,378	27,490
	3M Co.	134,852	26,786
	Deere & Co.	72,577	25,599
	Lockheed Martin Corp.	56,903	21,529
	CSX Corp.	528,642	16,959
	FedEx Corp.	56,788	16,942
	Norfolk Southern Corp.	58,220	15,452
	Illinois Tool Works Inc.	66,867	14,949
	Eaton Corp. plc	92,717	13,739
	Emerson Electric Co.	139,534	13,429
	Waste Management Inc.	90,358	12,660
	Northrop Grumman Corp.	34,828	12,658
	Roper Technologies Inc.	24,486	11,513
	Johnson Controls International plc	166,744	11,444
	L3Harris Technologies Inc.	47,697	10,310
	Trane Technologies plc	55,643	10,246
	General Dynamics Corp.	53,267	10,028
	IHS Markit Ltd.	87,174	9,821
	Carrier Global Corp.	190,054	9,237
	Parker-Hannifin Corp.	30,030	9,222
	Cummins Inc.	34,009	8,292
*	TransDigm Group Inc.	12,775	8,269
	Cintas Corp.	20,534	7,844
	Rockwell Automation Inc.	27,007	7,725
	Stanley Black & Decker Inc.	37,572	7,702
	Otis Worldwide Corp.	93,847	7,674
*	Southwest Airlines Co.	137,608	7,306
	PACCAR Inc.	80,760	7,208
	AMETEK Inc.	53,722	7,172
	Fastenal Co.	133,654	6,950
	Equifax Inc.	28,317	6,782
	Verisk Analytics Inc.	37,693	6,586
*	Delta Air Lines Inc.	148,796	6,437
*	Copart Inc.	48,446	6,387
*	Generac Holdings Inc.	14,639	6,077
	Kansas City Southern	21,149	5,993
	Old Dominion Freight Line Inc.	22,114	5,612
	Fortive Corp.	78,713	5,489
	Republic Services Inc.	48,951	5,385
*	United Rentals Inc.	16,822	5,366
	Dover Corp.	33,455	5,038
	Xylem Inc.	41,895	5,026
	Expeditors International of Washington Inc.	39,327	4,979
*	Teledyne Technologies Inc.	10,813	4,529
	WW Grainger Inc.	10,168	4,454
*	Ingersoll Rand Inc.	86,841	4,239
	Jacobs Engineering Group Inc.	30,290	4,041
*	United Airlines Holdings Inc.	75,156	3,930
	IDEX Corp.	17,678	3,890
	Textron Inc.	52,487	3,609
	Masco Corp.	59,180	3,486
	Westinghouse Air Brake Technologies Corp.	41,412	3,408
	Fortune Brands Home & Security Inc.	32,161	3,204
	JB Hunt Transport Services Inc.	19,435	3,167
*	American Airlines Group Inc.	149,166	3,164
*	Howmet Aerospace Inc.	90,759	3,128
	Leidos Holdings Inc.	30,865	3,120
	Quanta Services Inc.	32,467	2,941
	Allegion plc	20,980	2,922
	CH Robinson Worldwide Inc.	31,023	2,906
	Snap-on Inc.	12,613	2,818
	Pentair plc	38,596	2,605
	Robert Half International Inc.	26,331	2,343
	A O Smith Corp.	31,325	2,257
	Nielsen Holdings plc	83,226	2,053
	Huntington Ingalls Industries Inc.	9,342	1,969
	Rollins Inc.	51,374	1,757
*	Alaska Air Group Inc.	29,010	1,750
			721,878
Information Technology (27.3%)			
	Apple Inc.	3,649,504	499,836
	Microsoft Corp.	1,752,251	474,685
	NVIDIA Corp.	144,945	115,971
	Visa Inc. Class A	393,612	92,034
*	PayPal Holdings Inc.	273,311	79,665
	Mastercard Inc. Class A	203,528	74,306
*	Adobe Inc.	111,215	65,132
	Intel Corp.	939,451	52,741
*	salesforce.com Inc.	215,444	52,627
	Cisco Systems Inc.	980,442	51,963
	Broadcom Inc.	94,997	45,298
	Accenture plc Class A	147,893	43,597
	Texas Instruments Inc.	214,869	41,319
	QUALCOMM Inc.	262,443	37,511
	Oracle Corp.	422,650	32,899
	Intuit Inc.	63,581	31,166
	International Business Machines Corp.	207,882	30,473
	Applied Materials Inc.	213,512	30,404
*	Advanced Micro Devices Inc.	282,694	26,553
*	ServiceNow Inc.	45,941	25,247
*	Micron Technology Inc.	260,906	22,172
	Lam Research Corp.	33,184	21,593
	Fidelity National Information Services Inc.	144,283	20,441
	Automatic Data Processing Inc.	99,002	19,664
*	Autodesk Inc.	51,197	14,944
*	Fiserv Inc.	138,583	14,813
	Analog Devices Inc.	85,824	14,775
	NXP Semiconductors NV	64,161	13,199
	Global Payments Inc.	68,697	12,883

		Shares	Market Value• ($000)
	KLA Corp.	35,671	11,565
	TE Connectivity Ltd.	76,854	10,391
*	Synopsys Inc.	35,505	9,792
	Microchip Technology Inc.	63,664	9,533
	Amphenol Corp. Class A	139,101	9,516
*	Cadence Design Systems Inc.	64,756	8,860
	Motorola Solutions Inc.	39,481	8,561
	Cognizant Technology Solutions Corp. Class A	122,716	8,499
	HP Inc.	279,557	8,440
	Xilinx Inc.	57,204	8,274
	Paychex Inc.	74,637	8,009
*	Fortinet Inc.	31,543	7,513
	Corning Inc.	180,265	7,373
	Skyworks Solutions Inc.	38,408	7,365
*	ANSYS Inc.	20,277	7,037
*	Keysight Technologies Inc.	42,850	6,616
*	Zebra Technologies Corp. Class A	12,445	6,590
	Maxim Integrated Products Inc.	62,411	6,576
*	Enphase Energy Inc.	31,549	5,793
	CDW Corp.	32,598	5,693
*	VeriSign Inc.	23,032	5,244
	Teradyne Inc.	38,671	5,180
*	Qorvo Inc.	26,162	5,119
*	Western Digital Corp.	71,249	5,071
*	FleetCor Technologies Inc.	19,376	4,961
*	Gartner Inc.	20,002	4,845
*	Trimble Inc.	58,298	4,771
*	Arista Networks Inc.	12,788	4,633
	Hewlett Packard Enterprise Co.	303,389	4,423
*	Akamai Technologies Inc.	37,896	4,419
	Broadridge Financial Solutions Inc.	26,975	4,357
*	Tyler Technologies Inc.	9,469	4,284
	NetApp Inc.	51,747	4,234
*	Paycom Software Inc.	11,412	4,148
	Seagate Technology Holdings plc	46,236	4,066
	Monolithic Power Systems Inc.	9,994	3,732
	NortonLifeLock Inc.	135,159	3,679
*	PTC Inc.	24,443	3,453
	Citrix Systems Inc.	28,815	3,379
	Jack Henry & Associates Inc.	17,324	2,833
*	F5 Networks Inc.	13,902	2,595
*	DXC Technology Co.	59,240	2,307
	Western Union Co.	95,296	2,189
	Juniper Networks Inc.	76,202	2,084
*	IPG Photonics Corp.	8,367	1,764
			2,317,677
Materials (2.6%)			
	Linde plc	121,024	34,988
	Sherwin-Williams Co.	55,683	15,171
	Air Products and Chemicals Inc.	51,485	14,811
	Freeport-McMoRan Inc.	340,985	12,654
	Ecolab Inc.	57,869	11,919
	Newmont Corp.	186,391	11,814
	Dow Inc.	173,771	10,996
	DuPont de Nemours Inc.	123,768	9,581
	PPG Industries Inc.	55,156	9,364
	International Flavors & Fragrances Inc.	57,910	8,652
	Corteva Inc.	171,473	7,605
	Nucor Corp.	69,607	6,677
	Ball Corp.	76,357	6,186
	LyondellBasell Industries NV Class A	59,884	6,160
	International Paper Co.	91,066	5,583
	Vulcan Materials Co.	30,867	5,373
	Martin Marietta Materials Inc.	14,499	5,101
	Albemarle Corp.	27,144	4,573
	Amcor plc	358,176	4,105
	Avery Dennison Corp.	19,308	4,059
	Celanese Corp.	26,250	3,980
	Eastman Chemical Co.	31,820	3,715

		Shares	Market Value• ($000)
	Westrock Co.	62,052	3,302
	FMC Corp.	29,972	3,243
	Packaging Corp. of America	22,102	2,993
	CF Industries Holdings Inc.	50,011	2,573
	Mosaic Co.	80,622	2,573
	Sealed Air Corp.	35,439	2,100
			219,851
Real Estate (2.6%)			
	American Tower Corp.	105,791	28,578
	Prologis Inc.	172,120	20,574
	Crown Castle International Corp.	100,555	19,618
	Equinix Inc.	20,843	16,729
	Public Storage	35,419	10,650
	Simon Property Group Inc.	76,444	9,974
	Digital Realty Trust Inc.	65,513	9,857
	SBA Communications Corp.	25,444	8,109
	Welltower Inc.	97,145	8,073
	AvalonBay Communities Inc.	32,485	6,779
*	CBRE Group Inc. Class A	78,077	6,694
	Equity Residential	80,050	6,164
	Weyerhaeuser Co.	174,241	5,997
	Realty Income Corp.	87,029	5,808
	Alexandria Real Estate Equities Inc.	31,908	5,805
	Extra Space Storage Inc.	31,082	5,092
	Ventas Inc.	87,358	4,988
	Essex Property Trust Inc.	15,121	4,537
	Mid-America Apartment Communities Inc.	26,632	4,485
	Healthpeak Properties Inc.	125,360	4,173
	Duke Realty Corp.	87,099	4,124
	Boston Properties Inc.	33,020	3,784
	UDR Inc.	68,947	3,377
	Iron Mountain Inc.	67,376	2,851
*	Host Hotels & Resorts Inc.	163,997	2,803
	Regency Centers Corp.	36,819	2,359
	Kimco Realty Corp.	100,750	2,101
	Federal Realty Investment Trust	16,502	1,934
	Vornado Realty Trust	36,450	1,701
			217,718
Utilities (2.5%)			
	NextEra Energy Inc.	456,346	33,441
	Duke Energy Corp.	178,940	17,665
	Southern Co.	246,308	14,904
	Dominion Energy Inc.	187,639	13,805
	Exelon Corp.	227,360	10,074
	American Electric Power Co. Inc.	116,253	9,834
	Sempra Energy	73,314	9,713
	Xcel Energy Inc.	125,225	8,250
	Public Service Enterprise Group Inc.	117,524	7,021
	WEC Energy Group Inc.	73,387	6,528
	American Water Works Co. Inc.	42,221	6,507
	Eversource Energy	79,895	6,411
	DTE Energy Co.	45,060	5,840
	Consolidated Edison Inc.	79,716	5,717
	Edison International	88,135	5,096
	PPL Corp.	178,861	5,003
	Ameren Corp.	59,373	4,752
	FirstEnergy Corp.	126,546	4,709
	Entergy Corp.	46,745	4,660
	AES Corp.	154,820	4,036
	CMS Energy Corp.	67,287	3,975
	CenterPoint Energy Inc.	135,363	3,319
	Alliant Energy Corp.	58,117	3,241
	Evergy Inc.	53,459	3,231
	Atmos Energy Corp.	30,473	2,929
	NRG Energy Inc.	56,942	2,295
	NiSource Inc.	91,118	2,232

	Shares	Market Value• ($000)
Pinnacle West Capital Corp.	26,246	2,151
		207,339
Total Common Stocks (Cost $4,076,932)		8,451,024
Temporary Cash Investments (0.3%)		
Money Market Fund (0.3%)		
1 Vanguard Market Liquidity Fund, 0.056% (Cost $26,449)	264,493	26,449
Total Investments (99.8%) (Cost $4,103,381)		8,477,473
Other Assets and Liabilities—Net (0.2%)		17,648
Net Assets (100%)		8,495,121

Cost is in $000.

• See Note A in Notes to Financial Statements.

* 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.

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 2021	153	32,808	436

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2021

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $4,076,932)	8,451,024
Affiliated Issuers (Cost $26,449)	26,449
Total Investments in Securities	8,477,473
Investment in Vanguard	290
Cash Collateral Pledged—Futures Contracts	1,684
Receivables for Accrued Income	4,934
Receivables for Capital Shares Issued	12,999
Variation Margin Receivable—Futures Contracts	50
Total Assets	**8,497,430**
Liabilities	
Due to Custodian	8
Payables for Investment Securities Purchased	3
Payables for Capital Shares Redeemed	1,815
Payables to Vanguard	483
Total Liabilities	**2,309**
Net Assets	**8,495,121**

At June 30, 2021, net assets consisted of:

Paid-in Capital	3,901,696
Total Distributable Earnings (Loss)	4,593,425
Net Assets	**8,495,121**

Net Assets	
Applicable to 144,802,437 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	8,495,121
Net Asset Value Per Share	**$58.67**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2021
	($000)
Investment Income	
Income	
Dividends	55,562
Interest[1]	13
Securities Lending—Net	50
Total Income	55,625
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	602
Management and Administrative	4,740
Marketing and Distribution	187
Custodian Fees	24
Shareholders' Reports	16
Trustees' Fees and Expenses	1
Total Expenses	5,570
Net Investment Income	**50,055**
Realized Net Gain (Loss)	
Investment Securities Sold[1]	168,036
Futures Contracts	6,701
Realized Net Gain (Loss)	**174,737**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	910,445
Futures Contracts	(815)
Change in Unrealized Appreciation (Depreciation)	**909,630**
Net Increase (Decrease) in Net Assets Resulting from Operations	**1,134,422**

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $12,000, less than $1,000, and less than $1,000, respectively. Purchases and sales are for temporary cash investment purposes.

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	50,055	112,820
Realized Net Gain (Loss)	174,737	311,521
Change in Unrealized Appreciation (Depreciation)	909,630	748,829
Net Increase (Decrease) in Net Assets Resulting from Operations	1,134,422	1,173,170
Distributions		
Total Distributions	(418,079)	(242,631)
Capital Share Transactions		
Issued	297,298	996,555
Issued in Lieu of Cash Distributions	418,079	242,631
Redeemed	(491,963)	(1,072,379)
Net Increase (Decrease) from Capital Share Transactions	223,414	166,807
Total Increase (Decrease)	939,757	1,097,346
Net Assets		
Beginning of Period	7,555,364	6,458,018
End of Period	8,495,121	7,555,364

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, 2021	Year Ended December 31, 2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	**$53.76**	**$47.70**	**$38.03**	**$41.17**	**$35.63**	**$33.25**
Investment Operations						
Net Investment Income	.350[1]	.798[1]	.805[1]	.804[1]	.699[1]	.704
Net Realized and Unrealized Gain (Loss) on Investments	7.566	7.014	10.791	(2.556)	6.734	3.055
Total from Investment Operations	7.916	7.812	11.596	(1.752)	7.433	3.759
Distributions						
Dividends from Net Investment Income	(.754)	(.806)	(.834)	(.703)	(.699)	(.759)
Distributions from Realized Capital Gains	(2.252)	(.946)	(1.092)	(.685)	(1.194)	(.620)
Total Distributions	(3.006)	(1.752)	(1.926)	(1.388)	(1.893)	(1.379)
Net Asset Value, End of Period	**$58.67**	**$53.76**	**$47.70**	**$38.03**	**$41.17**	**$35.63**
Total Return	**15.20%**	**18.20%**	**31.30%**	**-4.51%**	**21.66%**	**11.81%**
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$8,495	$7,555	$6,458	$4,934	$5,178	$4,329
Ratio of Total Expenses to Average Net Assets	0.14%	0.14%	0.14%	0.14%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	1.25%	1.73%	1.87%	1.94%	1.85%	2.08%
Portfolio Turnover Rate	2%	8%	4%	5%	5%	7%

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 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 securities 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 Statement of Assets and Liabilities. 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, 2021, the portfolio's average investments in long and short futures contracts represented 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. The portfolio's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the portfolio's tax positions taken for all open federal and state income tax years, and has concluded that no provision for 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, 2021, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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, 2021, the portfolio had contributed to Vanguard capital in the amount of $290,000, representing less than 0.01% of the portfolio's net assets and 0.12% 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 and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At June 30, 2021, 100% of the market value of the portfolio's investments and derivatives was determined based on Level 1 inputs.

D. As of June 30, 2021, 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	4,103,528
Gross Unrealized Appreciation	4,671,926
Gross Unrealized Depreciation	(297,545)
Net Unrealized Appreciation (Depreciation)	4,374,381

E. During the six months ended June 30, 2021, the portfolio purchased $128,578,000 of investment securities and sold $253,511,000 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, 2021, such purchases and sales were $18,481,000 and $9,824,000, respectively; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

F. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	Shares (000)	Shares (000)
Issued	5,279	22,103
Issued in Lieu of Cash Distributions	7,731	6,753
Redeemed	(8,736)	(23,722)
Net Increase (Decrease) in Shares Outstanding	4,274	5,134

At June 30, 2021, two shareholders (insurance company separate accounts whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders and Total Stock Market Index Portfolio) were each a record or beneficial owner of 25% or more of the portfolio’s net assets, with a combined ownership of 67%. 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, 2021, 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 January 1, 2020, through December 31, 2020 (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, 2021

Vanguard Variable Insurance Funds

Balanced Portfolio

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, including annual expense ratios, 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, 2021

Balanced Portfolio	Beginning Account Value 12/31/2020	Ending Account Value 6/30/2021	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$1,100.10	$1.04
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.80	1.00

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 (181/365).

Balanced Portfolio

Portfolio Allocation
As of June 30, 2021

Asset-Backed/Commercial Mortgage-Backed Securities	1.1%
Common Stocks	66.7
Corporate Bonds	22.3
Sovereign Bonds	0.4
Taxable Municipal Bonds	1.5
U.S. Government and Agency Obligations	8.0

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, 2021

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 (65.4%)			
Communication Services (9.0%)			
*	Alphabet Inc. Class A	71,999	175,806
*	Facebook Inc. Class A	301,593	104,867
	Comcast Corp. Class A	659,517	37,606
			318,279
Consumer Discretionary (6.9%)			
	McDonald's Corp.	318,638	73,602
*	Amazon.com Inc.	15,771	54,255
	Home Depot Inc.	156,708	49,973
	TJX Cos. Inc.	636,870	42,938
	Dollar General Corp.	98,156	21,240
	DR Horton Inc.	10,626	960
	Lennar Corp. Class A	9,300	924
			243,892
Consumer Staples (4.3%)			
	Procter & Gamble Co.	372,015	50,196
	Sysco Corp.	540,086	41,992
	Nestle SA (Registered)	232,953	29,037
	Coca-Cola Co.	415,472	22,481
	Diageo plc	174,825	8,379
			152,085
Energy (1.7%)			
	TOTAL SE	815,306	36,935
	Royal Dutch Shell plc Class A (XLON)	971,884	19,637
	Royal Dutch Shell plc Class A	77,515	1,554
			58,126
Financials (11.2%)			
	Charles Schwab Corp.	1,147,895	83,578
	JPMorgan Chase & Co.	475,024	73,885
	Bank of America Corp.	1,151,364	47,471
	American Express Co.	236,815	39,129
	BlackRock Inc.	43,752	38,282
	Progressive Corp.	369,689	36,307
	Blackstone Group Inc.	227,707	22,119
	Morgan Stanley	201,738	18,497
	S&P Global Inc.	44,300	18,183
	Prudential plc	869,596	16,545
	Goldman Sachs Group Inc.	7,422	2,817
			396,813
Health Care (9.7%)			
	UnitedHealth Group Inc.	116,616	46,698
	Pfizer Inc.	1,172,969	45,934
	HCA Healthcare Inc.	188,817	39,036
	Becton Dickinson and Co.	156,059	37,952
	Novartis AG (Registered)	378,139	34,496
	Anthem Inc.	77,130	29,448
1	AstraZeneca plc ADR	482,807	28,920
	Humana Inc.	57,355	25,392
	Abbott Laboratories	172,551	20,004
	Danaher Corp.	71,071	19,073
	Baxter International Inc.	213,501	17,187
			344,140
Industrials (6.5%)			
	Raytheon Technologies Corp.	364,996	31,138
	Deere & Co.	72,315	25,506
	Trane Technologies plc	137,571	25,332
	Union Pacific Corp.	114,667	25,219
	Northrop Grumman Corp.	68,872	25,030
	Johnson Controls International plc	342,107	23,479
	Fortive Corp.	248,499	17,330
	Lockheed Martin Corp.	33,788	12,784
	Vinci SA	112,296	12,004
	Schneider Electric SE	72,780	11,473
*	Airbus SE	83,372	10,743
	Illinois Tool Works Inc.	35,943	8,035
*	Didi Global Inc. ADR	108,100	1,529
			229,602
Information Technology (13.3%)			
	Microsoft Corp.	614,161	166,376
	Apple Inc.	551,014	75,467
	Texas Instruments Inc.	260,699	50,132
	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	317,577	38,160
	Global Payments Inc.	184,898	34,676
	Accenture plc Class A	64,378	18,978
	Lam Research Corp.	26,508	17,249
	KLA Corp.	46,716	15,146
	Cisco Systems Inc.	274,620	14,555
*	salesforce.com Inc.	58,796	14,362
	Fidelity National Information Services Inc.	94,196	13,345
	Marvell Technology Inc.	179,129	10,448
			468,894
Real Estate (0.9%)			
	American Tower Corp.	88,730	23,970
	VICI Properties Inc.	237,782	7,376
			31,346
Utilities (1.9%)			
	Exelon Corp.	757,254	33,554
	Duke Energy Corp.	336,459	33,215
			66,769
Total Common Stocks (Cost $1,518,938)			2,309,946

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
U.S. Government and Agency Obligations (7.8%)				
U.S. Government Securities (7.5%)				
U.S. Treasury Note/Bond	0.125%	10/31/22	7,250	7,248
U.S. Treasury Note/Bond	0.125%	11/30/22	2,800	2,799
U.S. Treasury Note/Bond	0.125%	2/28/23	5,000	4,995
U.S. Treasury Note/Bond	0.125%	3/31/23	2,200	2,197
U.S. Treasury Note/Bond	2.500%	3/31/23	7,915	8,230
U.S. Treasury Note/Bond	0.125%	4/30/23	4,200	4,193
U.S. Treasury Note/Bond	0.125%	5/15/23	3,005	2,999
U.S. Treasury Note/Bond	2.625%	6/30/23	6,650	6,965
U.S. Treasury Note/Bond	2.875%	10/31/23	5,600	5,932
U.S. Treasury Note/Bond	2.625%	12/31/23	6,400	6,762
U.S. Treasury Note/Bond	0.125%	1/15/24	3,530	3,509
U.S. Treasury Note/Bond	0.125%	2/15/24	7,690	7,641
U.S. Treasury Note/Bond	0.250%	3/15/24	6,750	6,724
U.S. Treasury Note/Bond	0.375%	4/15/24	1,000	999
U.S. Treasury Note/Bond	0.250%	5/15/24	5,930	5,898
U.S. Treasury Note/Bond	0.250%	6/15/24	270	268
U.S. Treasury Note/Bond	1.750%	6/30/24	12,675	13,164
U.S. Treasury Note/Bond	1.500%	10/31/24	3,350	3,457
U.S. Treasury Note/Bond	1.125%	2/28/25	6,395	6,511
U.S. Treasury Note/Bond	0.250%	5/31/25	12,150	11,945
U.S. Treasury Note/Bond	0.250%	7/31/25	5,655	5,547
U.S. Treasury Note/Bond	0.250%	8/31/25	4,800	4,703
U.S. Treasury Note/Bond	0.250%	10/31/25	22,365	21,865
U.S. Treasury Note/Bond	0.375%	12/31/25	890	873
U.S. Treasury Note/Bond	0.375%	1/31/26	17,775	17,419
U.S. Treasury Note/Bond	0.500%	2/28/26	2,100	2,068
U.S. Treasury Note/Bond	0.750%	3/31/26	6,760	6,729
U.S. Treasury Note/Bond	0.750%	5/31/26	2,625	2,610
U.S. Treasury Note/Bond	0.875%	6/30/26	7,000	6,997
U.S. Treasury Note/Bond	0.875%	11/15/30	1,050	999
U.S. Treasury Note/Bond	1.125%	2/15/31	13,750	13,350
U.S. Treasury Note/Bond	2.250%	5/15/41	44,655	46,469
U.S. Treasury Note/Bond	1.375%	8/15/50	5,605	4,724
[2] U.S. Treasury Note/Bond	1.625%	11/15/50	3,795	3,408
U.S. Treasury Note/Bond	1.875%	2/15/51	10,215	9,744
U.S. Treasury Note/Bond	2.375%	5/15/51	3,730	3,982
				263,923
Conventional Mortgage-Backed Securities (0.0%)				
[3,4] Fannie Mae Pool	1.770%	1/1/36	560	559
[3,4] Fannie Mae Pool	3.070%	2/1/25	500	536
[3,4] Freddie Mac Gold Pool	4.000%	9/1/41	2	3
[3] Ginnie Mae I Pool	7.000%	11/15/31 - 11/15/33	45	52
[3] Ginnie Mae I Pool	8.000%	9/15/30	36	42
[3,4] UMBS Pool	2.500%	4/1/37 - 4/1/38	1,047	1,090
				2,282
Nonconventional Mortgage-Backed Securities (0.3%)				
[3,4] Fannie Mae REMICS	1.500%	8/25/41 - 6/25/42	472	475
[3,4] Fannie Mae REMICS	1.700%	6/25/43	90	91
[3,4] Fannie Mae REMICS	2.000%	6/25/44	62	63
[3,4] Fannie Mae REMICS	3.000%	2/25/49 - 9/25/57	2,204	2,294
[3,4] Fannie Mae REMICS	3.500%	4/25/31 - 12/25/58	4,603	4,924
[3,4] Fannie Mae REMICS	4.000%	5/25/31 - 7/25/53	347	372
[3,4] Freddie Mac REMICS	3.000%	12/15/39	33	34
[3,4] Freddie Mac REMICS	3.500%	3/15/31	77	82
[3,4] Freddie Mac REMICS	4.000%	12/15/30 - 4/15/31	1,514	1,627
[3] Ginnie Mae	1.700%	10/20/45	134	136
[3] Ginnie Mae	1.800%	5/20/41	92	92
				10,190
Total U.S. Government and Agency Obligations (Cost $275,161)				276,395
Asset-Backed/Commercial Mortgage-Backed Securities (1.1%)				
[3,5] Aaset Trust Class A Series 2019-1	3.844%	5/15/39	370	364
[3,5] Affirm Asset Securitization Trust Class A Series 2021-Z1	1.070%	8/15/25	571	571
[3,5] American Tower Trust #1 Class 2A Series 13	3.070%	3/15/48	1,100	1,107
[3,5,6] Angel Oak Mortgage Trust Class A1 Series 2019-5	2.593%	10/25/49	221	222
[3,5,6] Angel Oak Mortgage Trust Class A1 Series 2019-6	2.620%	11/25/59	521	529
[3,5,6] Angel Oak Mortgage Trust I LLC Class A1 Series 2019-2	3.628%	3/25/49	91	93
[3,5,6] Angel Oak Mortgage Trust I LLC Class A1 Series 2019-4	2.993%	7/26/49	337	341
[3,5,6] Atlas Senior Loan Fund X Ltd. Class A Series 2018-10A, 3M USD LIBOR + 1.090%	1.274%	1/15/31	246	245
[3,5,6] Bain Capital Credit CLO Ltd. Class A Series 2021-3A, 3M USD LIBOR + 1.160%	1.346%	7/24/34	420	418
[3,5,6] Battalion CLO XX Ltd. Class B Series 2021-20A, 3M USD LIBOR + 1.750%	1.836%	7/15/34	535	534

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
[3,5,6] BlueMountain CLO XXXI Ltd. Class A1 Series 2021-31A, 3M USD LIBOR + 1.150%	1.330%	4/19/34	1,000	996
[3,5] Canadian Pacer Auto Receivables Trust Class A3 Series 2018-2A	3.270%	12/19/22	35	35
[3,5] Castlelake Aircraft Structured Trust Class A Series 2019-1A	3.967%	4/15/39	694	693
[3,5] CF Hippolyta LLC Class A1 Series 2021-A1	1.530%	3/15/61	750	755
[3,5] Chesapeake Funding II LLC Class A1 Series 2018-1A	3.040%	4/15/30	240	240
[3,5] Chesapeake Funding II LLC Class A1 Series 2018-3A	3.390%	1/15/31	374	380
[3,5,6] CIFC Funding 2021-III Ltd. Class B Series 2021-3A, 3M USD LIBOR + 1.700%	1.848%	7/15/36	400	400
[3,5,6] CIFC Funding Ltd. Class A Series 2018-1A, 3M USD LIBOR + 1.000%	1.190%	4/18/31	500	500
[3,5,6] Cloud Pass-Through Trust Class CLOU Series 2019-1A	3.554%	12/5/22	157	158
[3,5,6] COLT Mortgage Loan Trust Class A1 Series 2020-1	2.488%	2/25/50	240	241
[3,5,6] Columbia Cent CLO 27 Ltd. Class A1 Series 2018-27A, 3M USD LIBOR + 1.150%	1.326%	10/25/28	542	542
[3,5,6] Columbia Cent CLO 30 Ltd. Class B Series 2020-30A, 3M USD LIBOR + 1.750%	1.974%	1/20/34	450	450
[3,5,6] Columbia Cent CLO 31 Ltd. Class B Series 2021-31A, 3M USD LIBOR + 1.550%	1.697%	4/20/34	570	565
[3] COMM Mortgage Trust Class A4 Series 2012-CR2	3.147%	8/15/45	480	490
[3,5] DB Master Finance LLC Class A2I Series 2019-1A	3.787%	5/20/49	447	453
[3,5] DB Master Finance LLC Class A2II Series 2019-1A	4.021%	5/20/49	398	420
[3,5] Domino's Pizza Master Issuer LLC Class A2I Series 2021-1A	2.662%	4/25/51	1,100	1,138
[3,5] Domino's Pizza Master Issuer LLC Class A2II Series 2021-1A	3.151%	4/25/51	895	937

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
[3,5,6,7,8] Dryden Senior Loan Fund Class A1 Series 2021-87A,3M USD LIBOR + 1.100%	1.250%	5/20/34	1,090	1,090
[3,5] Enterprise Fleet Financing LLC Class A2 Series 2018-3	3.380%	5/20/24	96	97
[3,5] Enterprise Fleet Financing LLC Class A2 Series 2019-1	2.980%	10/20/24	249	251
[3,5] Enterprise Fleet Financing LLC Class A2 Series 2019-2	2.290%	2/20/25	507	514
[3,5] Enterprise Fleet Financing LLC Class A2 Series 2019-3	2.060%	5/20/25	389	394
[3,5] Enterprise Fleet Financing LLC Class A3 Series 2018-1	3.100%	10/20/23	208	210
[3,4,6] Fannie Mae Connecticut Avenue Securities Class 2M2 Series 2016-C03, 1M USD LIBOR + 5.900%	5.992%	10/25/28	161	169
[3,5,8] FirstKey Homes Trust Class A Series 2021-SFR1	1.538%	8/17/28	1,885	1,885
[3,4] Freddie Mac Multifamily Structured Pass Through Certificates Class A3 Series K-1512	3.059%	4/25/34	300	339
[3,4] Freddie Mac Multifamily Structured Pass Through Certificates Class A3 Series K-1513	2.797%	8/25/34	300	331
[3,5] Horizon Aircraft Finance II Ltd. Class A Series 2019-1	3.721%	7/15/39	298	293
[3,5] Horizon Aircraft Finance III Ltd. Class A Series 2019-2	3.425%	11/15/39	303	298
[3,5,6] Life Mortgage Trust Class A Series 2021-BMR, 1M USD LIBOR + 0.700%	0.773%	3/15/38	295	295
[3,5] MACH 1 Cayman Ltd. Class A Series 2019-1	3.474%	10/15/39	313	313
[3,5,6] Madison Park Funding XIII Ltd. Class AR2 Series 2014-13A, 3M USD LIBOR + 0.950%	1.140%	4/19/30	930	930
[3,5,6] Magnetite VII Ltd. Class A1R2 Series 2012-7A, 3M USD LIBOR + 0.800%	0.984%	1/15/28	1,589	1,589

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
3,5	MAPS Ltd. Class A Series 2019-1A	4.458%	3/15/44	209	210
3,5,6	Master Credit Card Trust II Class A Series 2018-1A, 1M USD LIBOR + 0.490%	0.583%	7/21/24	1,000	1,002
3,5	Mercury Financial Credit Card Master Trust Class A Series 2021-1A	1.540%	3/20/26	1,005	1,005
3,5,6,7,8	Oaktree CLO Ltd. Class A1 Series 2021-1A, 3M USD LIBOR + 1.160%	1.289%	7/15/34	1,100	1,100
3,5,6	Octagon Investment Partners 51 Ltd. Class A Series 2021-1A, 3M USD LIBOR + 1.150%	1.323%	7/20/34	1,000	1,000
3,5,6,7,8	Octagon Investment Partners 54 Class A1 Series 2021-1A, 3M USD LIBOR + 1.120%	1.253%	7/15/34	1,100	1,100
3,5,6,7,8	OHA Credit Funding 3 Ltd. Class AR Series 2019-3A, 3M USD LIBOR + 1.140%	1.270%	7/2/35	1,480	1,480
3,5	OneMain Direct Auto Receivables Trust Class A Series 2018-1A	3.430%	12/16/24	300	301
3,5	OneMain Financial Issuance Trust Class A Series 2019-1A	3.480%	2/14/31	630	631
3,5,6	Regatta VI Funding Ltd. Class AR2 Series 2016-1A, 3M USD LIBOR + 1.160%	1.295%	4/20/34	700	698
3,5,6	RR 16 Ltd. Class A1 Series 2021-16A, 3M USD LIBOR + 1.110%	1.191%	7/15/36	775	772
3,5,6	RR 16 Ltd. Class A2 Series 2021-16A, 3M USD LIBOR + 1.650%	1.731%	7/15/36	755	752
3,5	Santander Retail Auto Lease Trust Class A3 Series 2019-B	2.300%	1/20/23	318	321
3,4	Seasoned Credit Risk Transfer Trust Class MA Series 2019-3	3.500%	10/25/58	1,158	1,249
3,5	Securitized Term Auto Receivables Trust Class A3 Series 2018-2A	3.325%	8/25/22	70	70
3,5,6	SFAVE Commercial Mortgage Securities Trust Class A2B Series 2015-5AVE	4.144%	1/5/43	700	745
3,5	SoFi Consumer Loan Program Trust Class A Series 2020-1	2.020%	1/25/29	202	203

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
3,5	Springleaf Funding Trust Class A Series 2015-BA	3.480%	5/15/28	84	84
3,5	Start III Ltd. Class A Series 2019-2	3.536%	11/15/44	28	28
3,5	START Ireland Class A Series 2019-1	4.089%	3/15/44	351	351
3,5,6	Symphony CLO XIV Ltd. Class AR Series 2014-14A, 3M USD LIBOR + 0.950%	1.136%	7/14/26	615	615
3,5,6	Towd Point Mortgage Trust Class A1 Series 2016-3	2.250%	4/25/56	10	10
3,5	Vantage Data Centers Issuer LLC Class A2 Series 2019-1A	3.188%	7/15/44	319	330
3,5	Vantage Data Centers LLC Class A2 Series 2020-1A	1.645%	9/15/45	855	858
3,5,6	Venture 43 CLO Ltd. Class A1 Series 2021-43A, 3M USD LIBOR + 1.240%	1.434%	4/15/34	355	356
3,5,6	Voya CLO Ltd. Class AAR2 Series 2014-1A, 3M USD LIBOR + 0.990%	1.180%	4/18/31	511	511
3,5,6	Wellfleet CLO X LTD Class A2R Series 2019-XA, 3M USD LIBOR + 1.750%	1.924%	7/20/32	550	548
3,5	Westlake Automobile Receivables Trust Class A2 Series 2019-3A	2.150%	2/15/23	60	60
	Total Asset-Backed/Commercial Mortgage-Backed Securities (Cost $38,982)				**39,205**
	Corporate Bonds (21.8%)				
	Communications (1.7%)				
	America Movil SAB de CV	3.125%	7/16/22	1,880	1,931
	America Movil SAB de CV	3.625%	4/22/29	780	861
	America Movil SAB de CV	6.125%	3/30/40	390	553
	AT&T Inc.	2.750%	6/1/31	1,305	1,357
	AT&T Inc.	3.650%	6/1/51	162	169
5	AT&T Inc.	3.500%	9/15/53	895	898
	AT&T Inc.	3.850%	6/1/60	598	631
5	British Telecommunications plc	3.250%	11/8/29	905	962
	Charter Communications Operating LLC / Charter Communications Operating Capital	2.800%	4/1/31	215	220
	Charter Communications Operating LLC / Charter Communications Operating Capital	2.300%	2/1/32	215	207

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Charter Communications Operating LLC / Charter Communications Operating Capital	5.375%	5/1/47	110	135
Charter Communications Operating LLC / Charter Communications Operating Capital	5.125%	7/1/49	94	112
Charter Communications Operating LLC / Charter Communications Operating Capital	4.800%	3/1/50	127	146
Charter Communications Operating LLC / Charter Communications Operating Capital	3.700%	4/1/51	530	527
Charter Communications Operating LLC / Charter Communications Operating Capital	4.400%	12/1/61	415	446
Charter Communications Operating LLC / Charter Communications Operating Capital Corp.	3.850%	4/1/61	505	496
Comcast Corp.	3.600%	3/1/24	2,235	2,413
Comcast Corp.	3.375%	2/15/25	70	76
Comcast Corp.	4.250%	1/15/33	1,032	1,229
Comcast Corp.	4.200%	8/15/34	730	863
Comcast Corp.	5.650%	6/15/35	110	149
Comcast Corp.	4.400%	8/15/35	877	1,056
Comcast Corp.	6.500%	11/15/35	115	167
Comcast Corp.	6.400%	5/15/38	27	40
Comcast Corp.	4.600%	10/15/38	1,335	1,655
Comcast Corp.	4.650%	7/15/42	1,290	1,630
Comcast Corp.	4.500%	1/15/43	500	620
Comcast Corp.	4.750%	3/1/44	876	1,122
Comcast Corp.	4.600%	8/15/45	1,198	1,505
Comcast Corp.	3.969%	11/1/47	252	294
Comcast Corp.	4.000%	3/1/48	345	404
Comcast Corp.	4.700%	10/15/48	1,175	1,523
Comcast Corp.	3.999%	11/1/49	602	709
Comcast Corp.	2.450%	8/15/52	1,380	1,246
Comcast Corp.	4.049%	11/1/52	1,187	1,412
Comcast Corp.	4.950%	10/15/58	20	28
Comcast Corp.	2.650%	8/15/62	615	561
[5] Cox Communications Inc.	3.150%	8/15/24	63	67
[5] Cox Communications Inc.	2.600%	6/15/31	385	391
[5] Cox Communications Inc.	4.800%	2/1/35	1,540	1,865
[5] Deutsche Telekom International Finance BV	3.600%	1/19/27	300	330
[5] Deutsche Telekom International Finance BV	4.375%	6/21/28	671	780

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Discovery Communications LLC	3.950%	3/20/28	430	479
Discovery Communications LLC	4.125%	5/15/29	125	140
Discovery Communications LLC	3.625%	5/15/30	145	158
Discovery Communications LLC	4.650%	5/15/50	143	167
Discovery Communications LLC	4.000%	9/15/55	497	526
NBCUniversal Media LLC	4.450%	1/15/43	309	379
[5] NTT Finance Corp.	1.162%	4/3/26	1,040	1,037
[5] NTT Finance Corp.	2.065%	4/3/31	285	289
[5] Ooredoo International Finance Ltd.	2.625%	4/8/31	725	734
Orange SA	9.000%	3/1/31	530	835
[5] SK Telecom Co. Ltd.	3.750%	4/16/23	385	406
[5] Sky Ltd.	3.750%	9/16/24	1,435	1,568
[3,5] Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III LLC	4.738%	9/20/29	1,219	1,306
Telefonica Emisiones SA	5.213%	3/8/47	490	613
Telefonica Emisiones SA	5.520%	3/1/49	710	923
Time Warner Entertainment Co. LP	8.375%	3/15/23	95	107
T-Mobile USA Inc.	2.050%	2/15/28	900	912
T-Mobile USA Inc.	3.875%	4/15/30	710	793
T-Mobile USA Inc.	2.550%	2/15/31	145	147
T-Mobile USA Inc.	2.250%	11/15/31	150	148
T-Mobile USA Inc.	4.375%	4/15/40	485	568
T-Mobile USA Inc.	4.500%	4/15/50	710	845
T-Mobile USA Inc.	3.300%	2/15/51	580	578
T-Mobile USA Inc.	3.600%	11/15/60	290	296
Verizon Communications Inc.	4.329%	9/21/28	675	785
Verizon Communications Inc.	4.812%	3/15/39	2,406	3,051
Verizon Communications Inc.	4.750%	11/1/41	190	241
Verizon Communications Inc.	4.862%	8/21/46	1,016	1,312
Verizon Communications Inc.	5.012%	4/15/49	69	91
Verizon Communications Inc.	4.672%	3/15/55	274	354
Verizon Communications Inc.	2.987%	10/30/56	256	241
ViacomCBS Inc.	3.700%	6/1/28	440	490
Vodafone Group plc	5.000%	5/30/38	50	63
Vodafone Group plc	5.250%	5/30/48	1,260	1,652
Walt Disney Co.	3.000%	9/15/22	245	253
Walt Disney Co.	2.000%	9/1/29	2,600	2,625
Walt Disney Co.	2.650%	1/13/31	170	179

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Walt Disney Co.	3.500%	5/13/40	1,490	1,660
	Walt Disney Co.	2.750%	9/1/49	560	552
	Walt Disney Co.	3.600%	1/13/51	805	912
	Walt Disney Co.	3.800%	5/13/60	485	570
					60,771
Consumer Discretionary (1.0%)					
	Amazon.com Inc.	2.800%	8/22/24	345	367
	Amazon.com Inc.	4.800%	12/5/34	995	1,282
	Amazon.com Inc.	4.950%	12/5/44	580	787
	Amazon.com Inc.	4.250%	8/22/57	1,335	1,708
	American Honda Finance Corp.	2.000%	3/24/28	825	846
	AutoZone Inc.	3.700%	4/15/22	1,371	1,395
5	BMW U.S. Capital LLC	2.250%	9/15/23	2,500	2,589
5	BMW U.S. Capital LLC	0.800%	4/1/24	390	392
5	Daimler Finance North America LLC	3.250%	8/1/24	160	171
3	Duke University	2.832%	10/1/55	775	808
	Emory University	2.143%	9/1/30	765	782
5	ERAC USA Finance LLC	4.500%	8/16/21	325	327
5	ERAC USA Finance LLC	3.300%	10/15/22	40	41
5	ERAC USA Finance LLC	7.000%	10/15/37	1,150	1,717
5	ERAC USA Finance LLC	5.625%	3/15/42	340	464
	General Motors Financial Co. Inc.	3.950%	4/13/24	1,570	1,692
	Georgetown University	4.315%	4/1/49	150	188
	Georgetown University	2.943%	4/1/50	295	300
	Home Depot Inc.	3.900%	12/6/28	290	337
	Home Depot Inc.	3.300%	4/15/40	825	905
	Home Depot Inc.	4.400%	3/15/45	780	989
	Home Depot Inc.	4.500%	12/6/48	345	448
5	Hyundai Capital America	0.800%	4/3/23	2,415	2,417
5	Hyundai Capital America	0.875%	6/14/24	1,875	1,867
5,6	Hyundai Capital America, 3M USD LIBOR + 0.940%	1.137%	7/8/21	1,400	1,400
3	Johns Hopkins University	4.083%	7/1/53	200	258
3	Johns Hopkins University	2.813%	1/1/60	180	179
	Lowe's Cos. Inc.	3.100%	5/3/27	1,300	1,419
	Lowe's Cos. Inc.	6.500%	3/15/29	334	434
	McDonald's Corp.	2.625%	1/15/22	195	198
	McDonald's Corp.	3.250%	6/10/24	140	150
	McDonald's Corp.	4.875%	12/9/45	1,160	1,493
	McDonald's Corp.	3.625%	9/1/49	470	521
3	Northeastern University	2.894%	10/1/50	225	229
	Starbucks Corp.	4.500%	11/15/48	1,471	1,833
3	University of Chicago	2.761%	4/1/45	165	167
	VF Corp.	2.800%	4/23/27	595	635
	VF Corp.	2.950%	4/23/30	1,320	1,397
					33,132
Consumer Staples (1.0%)					
	Altria Group Inc.	5.800%	2/14/39	770	949
	Altria Group Inc.	4.500%	5/2/43	245	264
	Altria Group Inc.	3.875%	9/16/46	625	620
	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	4.700%	2/1/36	1,290	1,582
	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	4.900%	2/1/46	1,940	2,454
	Anheuser-Busch InBev Worldwide Inc.	3.750%	7/15/42	520	566
	Anheuser-Busch InBev Worldwide Inc.	4.600%	4/15/48	395	483
	Archer-Daniels-Midland Co.	4.500%	3/15/49	970	1,292
	BAT Capital Corp.	3.557%	8/15/27	1,875	2,006
5	Cargill Inc.	6.875%	5/1/28	645	830
5	Cargill Inc.	2.125%	4/23/30	225	228
5	Cargill Inc.	4.760%	11/23/45	635	830
5	CK Hutchison International 20 Ltd.	3.375%	5/8/50	560	603
5	Coca-Cola Europacific Partners plc	0.800%	5/3/24	885	883
	Colgate Palmolive Co.	7.600%	5/19/25	480	598
	Conagra Brands Inc.	4.600%	11/1/25	220	250
	Conagra Brands Inc.	1.375%	11/1/27	345	337
	Conagra Brands Inc.	5.300%	11/1/38	300	382
	Constellation Brands Inc.	2.700%	5/9/22	65	66
	Constellation Brands Inc.	3.750%	5/1/50	105	116
5	Danone SA	2.947%	11/2/26	735	787
	Diageo Capital plc	2.625%	4/29/23	1,230	1,275
	Diageo Capital plc	2.375%	10/24/29	580	601
	Diageo Capital plc	2.000%	4/29/30	265	265
	Diageo Investment Corp.	2.875%	5/11/22	525	537
	Estee Lauder Cos. Inc.	2.375%	12/1/29	370	387
	Hormel Foods Corp.	1.700%	6/3/28	135	136
5	Imperial Brands Finance plc	3.750%	7/21/22	1,680	1,724
	Kroger Co.	3.850%	8/1/23	270	287
	Kroger Co.	4.000%	2/1/24	540	581
	McCormick & Co. Inc.	2.500%	4/15/30	135	139
	Molson Coors Beverage Co.	3.500%	5/1/22	690	708
	Molson Coors Beverage Co.	3.000%	7/15/26	1,800	1,930
	PepsiCo Inc.	2.375%	10/6/26	1,945	2,072
	PepsiCo Inc.	4.000%	3/5/42	845	1,027
	PepsiCo Inc.	3.450%	10/6/46	1,215	1,364
	Philip Morris International Inc.	2.500%	8/22/22	575	590
	Philip Morris International Inc.	2.625%	3/6/23	1,150	1,194
	Philip Morris International Inc.	3.600%	11/15/23	620	667
	Philip Morris International Inc.	3.375%	8/11/25	424	463
	Philip Morris International Inc.	4.875%	11/15/43	145	181
5	Sigma Alimentos SA de CV	4.125%	5/2/26	510	555
	Walmart Inc.	3.550%	6/26/25	1,605	1,770

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Walmart Inc.	3.625%	12/15/47	380	446
				35,025
Energy (1.1%)				
[5] BG Energy Capital plc	4.000%	10/15/21	555	561
BP Capital Markets America Inc.	3.245%	5/6/22	650	666
BP Capital Markets America Inc.	1.749%	8/10/30	345	337
BP Capital Markets America Inc.	2.772%	11/10/50	470	437
BP Capital Markets America Inc.	2.939%	6/4/51	925	887
BP Capital Markets plc	2.500%	11/6/22	500	514
BP Capital Markets plc	3.994%	9/26/23	420	453
BP Capital Markets plc	3.814%	2/10/24	1,700	1,839
BP Capital Markets plc	3.506%	3/17/25	1,280	1,401
Chevron Corp.	3.191%	6/24/23	525	551
Cimarex Energy Co.	4.375%	6/1/24	927	1,009
ConocoPhillips Co.	4.950%	3/15/26	115	133
Energy Transfer LP	5.250%	4/15/29	1,375	1,624
Energy Transfer Operating LP	5.300%	4/15/47	155	181
Enterprise Products Operating LLC	4.250%	2/15/48	730	840
Enterprise Products Operating LLC	3.700%	1/31/51	170	183
Equinor ASA	2.750%	11/10/21	850	858
Equinor ASA	2.450%	1/17/23	382	394
Equinor ASA	2.650%	1/15/24	360	378
Equinor ASA	3.700%	3/1/24	640	692
Equinor ASA	3.250%	11/10/24	655	709
Equinor ASA	2.875%	4/6/25	140	150
Equinor ASA	3.125%	4/6/30	2,350	2,560
Equinor ASA	2.375%	5/22/30	335	345
Exxon Mobil Corp.	2.726%	3/1/23	320	331
Exxon Mobil Corp.	3.043%	3/1/26	225	244
Exxon Mobil Corp.	2.275%	8/16/26	1,070	1,129
Exxon Mobil Corp.	2.440%	8/16/29	735	769
Exxon Mobil Corp.	2.610%	10/15/30	1,055	1,113
Exxon Mobil Corp.	4.114%	3/1/46	320	378
[5] Galaxy Pipeline Assets Bidco Ltd.	2.160%	3/31/34	1,450	1,426
[5] Galaxy Pipeline Assets Bidco Ltd.	2.940%	9/30/40	725	718
[5] Qatar Petroleum	2.250%	7/12/31	710	702
[5] Qatar Petroleum	3.125%	7/12/41	675	672
[5] Saudi Arabian Oil Co.	3.500%	4/16/29	630	682
[5] Schlumberger Holdings Corp.	3.900%	5/17/28	807	901
[5] Schlumberger Investment SA	2.400%	8/1/22	630	640
Schlumberger Investment SA	3.650%	12/1/23	1,120	1,196
Shell International Finance BV	4.125%	5/11/35	1,130	1,342
Shell International Finance BV	5.500%	3/25/40	345	480
Shell International Finance BV	4.375%	5/11/45	2,500	3,066
[5] Sinopec Group Overseas Development 2015 Ltd.	3.250%	4/28/25	1,250	1,337
Suncor Energy Inc.	5.950%	12/1/34	500	661
Sunoco Logistics Partners Operations LP	5.350%	5/15/45	90	104
Sunoco Logistics Partners Operations LP	5.400%	10/1/47	20	24
Total Capital International SA	2.700%	1/25/23	885	917
Total Capital International SA	3.750%	4/10/24	1,400	1,521
TransCanada PipeLines Ltd.	4.875%	1/15/26	1,255	1,443
TransCanada PipeLines Ltd.	4.100%	4/15/30	415	476
				39,974
Financials (8.3%)				
[5] AIA Group Ltd.	3.600%	4/9/29	1,475	1,636
[5] AIA Group Ltd.	3.375%	4/7/30	370	406
American Express Credit Corp.	2.700%	3/3/22	1,505	1,527
American International Group Inc.	3.750%	7/10/25	275	303
American International Group Inc.	4.250%	3/15/29	1,040	1,200
American International Group Inc.	4.700%	7/10/35	75	91
American International Group Inc.	6.250%	5/1/36	245	342
American International Group Inc.	4.500%	7/16/44	375	455
American International Group Inc.	4.800%	7/10/45	220	276
American International Group Inc.	4.750%	4/1/48	135	171
American International Group Inc.	4.375%	6/30/50	290	353
American International Group Inc.	4.375%	1/15/55	145	176
[5] Athene Global Funding	1.000%	4/16/24	685	687
[5] Australia & New Zealand Banking Group Ltd.	2.570%	11/25/35	685	665
Banco Santander SA	3.125%	2/23/23	800	833
Banco Santander SA	3.848%	4/12/23	400	423
Banco Santander SA	1.849%	3/25/26	1,200	1,214
Banco Santander SA	2.749%	12/3/30	400	396
Bank of America Corp.	3.300%	1/11/23	120	125
Bank of America Corp.	2.816%	7/21/23	1,645	1,686
Bank of America Corp.	4.000%	1/22/25	875	960
Bank of America Corp.	3.559%	4/23/27	2,450	2,682
Bank of America Corp.	3.593%	7/21/28	1,025	1,127
Bank of America Corp.	3.419%	12/20/28	512	558
Bank of America Corp.	4.271%	7/23/29	4,780	5,493
Bank of America Corp.	3.974%	2/7/30	1,895	2,149

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Bank of America Corp.	3.194%	7/23/30	1,055	1,136
	Bank of America Corp.	2.496%	2/13/31	1,495	1,529
	Bank of America Corp.	2.687%	4/22/32	955	984
	Bank of America Corp.	5.875%	2/7/42	260	374
	Bank of America Corp.	5.000%	1/21/44	1,000	1,332
	Bank of America Corp.	4.330%	3/15/50	2,235	2,755
5	Bank of Montreal	2.500%	1/11/22	1,700	1,720
	Bank of New York Mellon Corp.	2.200%	8/16/23	460	477
	Bank of New York Mellon Corp.	3.000%	2/24/25	720	774
6	Bank of New York Mellon Corp., 3M USD LIBOR + 1.050%	1.236%	10/30/23	1,145	1,159
	Bank of Nova Scotia	2.800%	7/21/21	750	751
	Bank of Nova Scotia	2.700%	8/3/26	1,825	1,949
	Barclays plc	3.932%	5/7/25	1,565	1,689
	Barclays plc	2.667%	3/10/32	1,270	1,279
6	Barclays plc, 3M USD LIBOR + 1.380%	1.536%	5/16/24	1,005	1,024
	Berkshire Hathaway Inc.	3.125%	3/15/26	715	782
5	BNP Paribas SA	2.950%	5/23/22	200	205
	BNP Paribas SA	3.250%	3/3/23	190	199
5	BNP Paribas SA	3.800%	1/10/24	585	628
5	BNP Paribas SA	3.375%	1/9/25	1,775	1,907
5	BNP Paribas SA	2.819%	11/19/25	1,335	1,404
5	BNP Paribas SA	1.323%	1/13/27	585	578
5	BNP Paribas SA	3.500%	11/16/27	2,050	2,231
5	BNP Paribas SA	2.871%	4/19/32	845	867
5	BPCE SA	5.700%	10/22/23	270	299
	BPCE SA	4.000%	4/15/24	775	845
5	BPCE SA	5.150%	7/21/24	1,260	1,405
5	BPCE SA	3.500%	10/23/27	1,780	1,934
5	BPCE SA	2.700%	10/1/29	1,450	1,515
5	Brighthouse Financial Global Funding	1.000%	4/12/24	65	65
5	Brighthouse Financial Global Funding	1.550%	5/24/26	525	529
5	Brighthouse Financial Global Funding	2.000%	6/28/28	520	520
	Canadian Imperial Bank of Commerce	1.150%	7/8/26	1,005	1,004
6	Canadian Imperial Bank of Commerce, 3M USD LIBOR + 0.720%	0.838%	6/16/22	1,565	1,575
	Capital One Financial Corp.	4.750%	7/15/21	400	401
	Capital One Financial Corp.	3.750%	4/24/24	1,305	1,411
	Capital One Financial Corp.	3.200%	2/5/25	760	817
	Charles Schwab Corp.	0.750%	3/18/24	1,350	1,358
	Charles Schwab Corp.	3.200%	3/2/27	545	597
	Charles Schwab Corp.	2.000%	3/20/28	1,100	1,129
	Chubb INA Holdings Inc.	3.350%	5/15/24	555	598
	Chubb INA Holdings Inc.	4.350%	11/3/45	800	1,012
	Citigroup Inc.	4.500%	1/14/22	1,975	2,020
	Citigroup Inc.	0.981%	5/1/25	1,190	1,193
	Citigroup Inc.	1.462%	6/9/27	1,325	1,319
	Citigroup Inc.	3.520%	10/27/28	1,975	2,163
	Citigroup Inc.	6.625%	6/15/32	2,000	2,721
	Citigroup Inc.	3.878%	1/24/39	1,025	1,176
	Comerica Bank	2.500%	7/23/24	790	832
5	Commonwealth Bank of Australia	2.688%	3/11/31	2,285	2,280
5	Cooperatieve Rabobank UA	1.106%	2/24/27	1,365	1,346
5	Credit Agricole SA	3.750%	4/24/23	1,160	1,228
5	Credit Agricole SA	3.250%	10/4/24	2,390	2,561
	Credit Suisse AG	3.000%	10/29/21	735	742
	Credit Suisse AG	3.625%	9/9/24	250	271
5	Credit Suisse Group AG	3.574%	1/9/23	550	559
5	Credit Suisse Group AG	4.207%	6/12/24	340	362
	Credit Suisse Group AG	3.750%	3/26/25	3,470	3,764
5	Credit Suisse Group AG	2.593%	9/11/25	520	541
5	Credit Suisse Group AG	3.869%	1/12/29	305	336
5	Credit Suisse Group AG	3.091%	5/14/32	945	974
5,6	Credit Suisse Group AG, 3M USD LIBOR + 1.240%	1.359%	6/12/24	690	699
	Credit Suisse Group Funding Guernsey Ltd.	3.800%	9/15/22	1,335	1,388
5	Danske Bank A/S	2.000%	9/8/21	1,120	1,123
5	Danske Bank A/S	5.000%	1/12/22	610	624
5	Danske Bank A/S	3.875%	9/12/23	1,220	1,299
5	Danske Bank A/S	5.375%	1/12/24	795	882
5	Danske Bank A/S	1.621%	9/11/26	855	855
	Deutsche Bank AG	4.250%	10/14/21	815	824
5	DNB Bank ASA	1.535%	5/25/27	960	961
5	DNB Boligkreditt AS	2.500%	3/28/22	1,315	1,337
5	Equitable Financial Life Global Funding	1.400%	7/7/25	370	374
5	Equitable Financial Life Global Funding	1.400%	8/27/27	535	526
5	Equitable Financial Life Global Funding	1.800%	3/8/28	870	864
	Fifth Third Bancorp	2.550%	5/5/27	425	449
	Fifth Third Bank NA	3.850%	3/15/26	830	921
5	Five Corners Funding Trust	4.419%	11/15/23	210	229
5	GA Global Funding Trust	1.000%	4/8/24	750	752
	Goldman Sachs Group Inc.	5.250%	7/27/21	865	868
	Goldman Sachs Group Inc.	5.750%	1/24/22	360	371
	Goldman Sachs Group Inc.	2.876%	10/31/22	1,795	1,809
	Goldman Sachs Group Inc.	3.625%	1/22/23	1,980	2,078
	Goldman Sachs Group Inc.	3.272%	9/29/25	1,205	1,289
	Goldman Sachs Group Inc.	3.500%	11/16/26	2,000	2,174

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Goldman Sachs Group Inc.	3.850%	1/26/27	740	816
	Goldman Sachs Group Inc.	1.431%	3/9/27	2,190	2,184
	Goldman Sachs Group Inc.	1.542%	9/10/27	1,165	1,161
	Goldman Sachs Group Inc.	3.691%	6/5/28	810	895
	Goldman Sachs Group Inc.	3.814%	4/23/29	3,065	3,427
	Goldman Sachs Group Inc.	4.223%	5/1/29	2,630	3,003
	Goldman Sachs Group Inc.	2.615%	4/22/32	1,130	1,156
	Goldman Sachs Group Inc.	6.750%	10/1/37	835	1,216
5	Guardian Life Global Funding	1.250%	5/13/26	205	205
	HSBC Holdings plc	3.600%	5/25/23	1,600	1,694
	HSBC Holdings plc	0.976%	5/24/25	300	300
	HSBC Holdings plc	1.589%	5/24/27	805	806
	HSBC Holdings plc	4.041%	3/13/28	890	987
	HSBC Holdings plc	4.583%	6/19/29	1,675	1,936
	HSBC Holdings plc	2.357%	8/18/31	1,625	1,626
	HSBC Holdings plc	2.804%	5/24/32	1,555	1,596
	HSBC Holdings plc	6.500%	5/2/36	1,000	1,378
	HSBC Holdings plc	6.100%	1/14/42	375	546
	HSBC Holdings plc	5.250%	3/14/44	440	571
6	HSBC Holdings plc, 3M USD LIBOR + 1.000%	1.155%	5/18/24	730	739
	HSBC USA Inc.	3.500%	6/23/24	620	672
	ING Groep NV	3.150%	3/29/22	365	372
	ING Groep NV	3.950%	3/29/27	2,695	3,026
	ING Groep NV	1.726%	4/1/27	500	504
	Intercontinental Exchange Inc.	2.650%	9/15/40	170	163
	Intercontinental Exchange Inc.	3.000%	6/15/50	465	458
	Intercontinental Exchange Inc.	3.000%	9/15/60	850	819
5	JAB Holdings BV	2.200%	11/23/30	290	282
5	JAB Holdings BV	3.750%	5/28/51	500	534
	JPMorgan Chase & Co.	3.375%	5/1/23	875	921
	JPMorgan Chase & Co.	3.875%	2/1/24	800	867
	JPMorgan Chase & Co.	3.900%	7/15/25	2,270	2,510
	JPMorgan Chase & Co.	4.125%	12/15/26	765	866
	JPMorgan Chase & Co.	4.250%	10/1/27	2,295	2,617
	JPMorgan Chase & Co.	2.069%	6/1/29	740	746
	JPMorgan Chase & Co.	4.452%	12/5/29	2,100	2,455
	JPMorgan Chase & Co.	3.702%	5/6/30	2,525	2,824
	JPMorgan Chase & Co.	3.109%	4/22/41	835	865
	JPMorgan Chase & Co.	5.400%	1/6/42	750	1,031
	JPMorgan Chase & Co.	3.964%	11/15/48	6,150	7,206
	JPMorgan Chase & Co.	3.109%	4/22/51	845	876
5	Liberty Mutual Group Inc.	4.250%	6/15/23	80	86
5	Liberty Mutual Group Inc.	4.569%	2/1/29	280	327
	Loews Corp.	2.625%	5/15/23	440	456

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
5	LSEGA Financing plc	1.375%	4/6/26	1,555	1,558
5	LSEGA Financing plc	2.000%	4/6/28	630	637
5	LSEGA Financing plc	2.500%	4/6/31	1,110	1,136
5	Macquarie Group Ltd.	4.150%	3/27/24	1,375	1,456
	Manufacturers & Traders Trust Co.	2.900%	2/6/25	685	733
	Marsh & McLennan Cos. Inc.	4.375%	3/15/29	675	792
	Marsh & McLennan Cos. Inc.	4.900%	3/15/49	305	417
3,5	Massachusetts Mutual Life Insurance Co.	7.625%	11/15/23	2,000	2,203
	MetLife Inc.	3.600%	4/10/24	580	627
	MetLife Inc.	4.125%	8/13/42	145	173
	MetLife Inc.	4.875%	11/13/43	530	699
5	Metropolitan Life Global Funding I	3.450%	10/9/21	810	817
5	Metropolitan Life Global Funding I	2.650%	4/8/22	340	346
5	Metropolitan Life Global Funding I	3.450%	12/18/26	640	710
5	Metropolitan Life Global Funding I	3.000%	9/19/27	1,165	1,263
	Mitsubishi UFJ Financial Group Inc.	2.623%	7/18/22	1,940	1,986
	Morgan Stanley	2.625%	11/17/21	800	807
	Morgan Stanley	2.750%	5/19/22	1,710	1,748
	Morgan Stanley	3.700%	10/23/24	750	818
	Morgan Stanley	2.720%	7/22/25	1,750	1,842
	Morgan Stanley	3.125%	7/27/26	1,345	1,456
	Morgan Stanley	6.250%	8/9/26	3,000	3,710
	Morgan Stanley	3.625%	1/20/27	1,250	1,387
	Morgan Stanley	3.772%	1/24/29	3,910	4,391
	Morgan Stanley	2.699%	1/22/31	1,105	1,157
	Morgan Stanley	4.300%	1/27/45	850	1,054
5	National Australia Bank Ltd.	2.332%	8/21/30	2,140	2,077
5	National Australia Bank Ltd.	2.990%	5/21/31	1,340	1,361
5	Nationwide Building Society	3.622%	4/26/23	680	697
5	Nationwide Financial Services Inc.	3.900%	11/30/49	1,430	1,578
5	Nationwide Mutual Insurance Co.	4.350%	4/30/50	1,520	1,701
	Natwest Group plc	1.642%	6/14/27	870	870
5	NatWest Markets plc	0.800%	8/12/24	670	667
5	NBK SPC Ltd.	2.750%	5/30/22	1,530	1,558
5	New York Life Global Funding	2.900%	1/17/24	810	857
5	New York Life Insurance Co.	5.875%	5/15/33	2,100	2,752
5	New York Life Insurance Co.	3.750%	5/15/50	345	388
5	New York Life Insurance Co.	4.450%	5/15/69	435	541
5	Northwestern Mutual Life Insurance Co.	3.850%	9/30/47	656	749
5	Northwestern Mutual Life Insurance Co.	3.625%	9/30/59	270	295
5	Pacific Life Global Funding II	1.375%	4/14/26	795	797
	PNC Bank NA	3.300%	10/30/24	460	499
	PNC Bank NA	2.950%	2/23/25	1,105	1,186
	PNC Bank NA	4.200%	11/1/25	255	289
	PNC Bank NA	3.100%	10/25/27	1,165	1,276

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	PNC Bank NA	3.250%	1/22/28	1,675	1,849
	PNC Financial Services Group Inc.	3.900%	4/29/24	580	630
	PNC Financial Services Group Inc.	2.550%	1/22/30	1,625	1,711
5	Principal Life Global Funding II	2.500%	9/16/29	1,000	1,042
	Prudential plc	3.125%	4/14/30	645	695
	Royal Bank of Canada	2.750%	2/1/22	1,195	1,213
	Santander Holdings USA Inc.	3.700%	3/28/22	915	934
	Santander Holdings USA Inc.	3.400%	1/18/23	605	630
5	Societe Generale SA	3.250%	1/12/22	1,015	1,031
5	Standard Chartered plc	2.744%	9/10/22	2,030	2,038
5	Standard Chartered plc	1.214%	3/23/25	285	286
	State Street Corp.	2.653%	5/15/23	840	857
5	Sumitomo Mitsui Trust Bank Ltd.	0.850%	3/25/24	2,000	2,004
	Svenska Handelsbanken AB	1.875%	9/7/21	1,050	1,053
5	Svenska Handelsbanken AB	1.418%	6/11/27	1,875	1,869
5	Teachers Insurance & Annuity Association of America	4.900%	9/15/44	875	1,128
5	Teachers Insurance & Annuity Association of America	4.270%	5/15/47	1,145	1,368
5	Temasek Financial I Ltd.	2.375%	1/23/23	1,130	1,164
5	Temasek Financial I Ltd.	3.625%	8/1/28	1,025	1,162
5	Temasek Financial I Ltd.	2.250%	4/6/51	1,150	1,108
5	Temasek Financial I Ltd.	2.500%	10/6/70	670	650
5	Toronto-Dominion Bank	2.500%	1/18/23	2,100	2,126
	Truist Bank	2.625%	1/15/22	460	465
	Truist Bank	3.300%	5/15/26	340	373
	Truist Financial Corp.	3.200%	9/3/21	665	667
	Truist Financial Corp.	2.750%	4/1/22	1,700	1,729
	Truist Financial Corp.	3.700%	6/5/25	1,385	1,526
	Truist Financial Corp.	1.950%	6/5/30	795	796
	U.S. Bancorp	3.700%	1/30/24	1,560	1,681
5	UBS AG	1.250%	6/1/26	985	983
5	UBS Group AG	2.650%	2/1/22	1,250	1,267
5	UBS Group AG	3.126%	8/13/30	555	595
5	UBS Group AG	2.095%	2/11/32	720	704
5	UniCredit SPA	1.982%	6/3/27	1,015	1,011
5	UniCredit SPA	3.127%	6/3/32	1,200	1,206
	Wachovia Corp.	7.500%	4/15/35	1,000	1,492
	Wells Fargo & Co.	3.500%	3/8/22	107	109
	Wells Fargo & Co.	3.450%	2/13/23	735	770
	Wells Fargo & Co.	4.480%	1/16/24	1,199	1,312
	Wells Fargo & Co.	3.750%	1/24/24	1,560	1,678
	Wells Fargo & Co.	3.000%	2/19/25	890	953
	Wells Fargo & Co.	0.805%	5/19/25	430	429
	Wells Fargo & Co.	3.550%	9/29/25	860	946
	Wells Fargo & Co.	3.000%	4/22/26	1,045	1,124
	Wells Fargo & Co.	4.100%	6/3/26	340	382
	Wells Fargo & Co.	3.000%	10/23/26	170	183
	Wells Fargo & Co.	3.196%	6/17/27	1,705	1,842
	Wells Fargo & Co.	2.879%	10/30/30	435	461
	Wells Fargo & Co.	2.572%	2/11/31	2,235	2,314
	Wells Fargo & Co.	5.606%	1/15/44	2,276	3,113
	Wells Fargo & Co.	4.900%	11/17/45	515	659
	Wells Fargo & Co.	4.750%	12/7/46	2,070	2,616
					291,485
	Health Care (2.5%)				
	AbbVie Inc.	3.450%	3/15/22	450	458
	AbbVie Inc.	3.800%	3/15/25	575	629
	AbbVie Inc.	4.050%	11/21/39	590	685
	AbbVie Inc.	4.850%	6/15/44	450	572
	AbbVie Inc.	4.450%	5/14/46	1,010	1,223
	AbbVie Inc.	4.250%	11/21/49	565	677
	Advocate Health & Hospitals Corp.	2.211%	6/15/30	360	365
	Advocate Health & Hospitals Corp.	3.008%	6/15/50	540	557
	Aetna Inc.	2.800%	6/15/23	680	708
5	Alcon Finance Corp.	2.750%	9/23/26	200	212
5	Alcon Finance Corp.	2.600%	5/27/30	200	204
5	Alcon Finance Corp.	3.800%	9/23/49	800	889
	AmerisourceBergen Corp.	0.737%	3/15/23	845	847
	Amgen Inc.	2.300%	2/25/31	1,575	1,595
	Amgen Inc.	3.150%	2/21/40	1,075	1,118
	Amgen Inc.	5.150%	11/15/41	311	409
	Amgen Inc.	2.770%	9/1/53	430	409
	Anthem Inc.	3.300%	1/15/23	1,100	1,148
	Anthem Inc.	3.650%	12/1/27	750	839
	Anthem Inc.	4.101%	3/1/28	1,140	1,305
	Anthem Inc.	2.550%	3/15/31	1,100	1,135
	Anthem Inc.	4.650%	8/15/44	92	115
	Ascension Health	2.532%	11/15/29	1,405	1,482
3	Ascension Health	4.847%	11/15/53	50	70
	AstraZeneca plc	4.000%	1/17/29	2,345	2,695
	AstraZeneca plc	6.450%	9/15/37	615	917
5	Bayer U.S. Finance II LLC	4.250%	12/15/25	1,100	1,226
5	Bayer U.S. Finance LLC	3.000%	10/8/21	1,980	1,994
5	Bayer U.S. Finance LLC	3.375%	10/8/24	815	875
3	Bon Secours Mercy Health Inc.	3.464%	6/1/30	590	649
	Bon Secours Mercy Health Inc.	2.095%	6/1/31	330	328
	Boston Scientific Corp.	4.000%	3/1/29	195	222
	Bristol-Myers Squibb Co.	2.750%	2/15/23	138	143
	Bristol-Myers Squibb Co.	3.250%	2/20/23	230	240
	Bristol-Myers Squibb Co.	3.400%	7/26/29	885	991
	Bristol-Myers Squibb Co.	4.125%	6/15/39	505	611
	Bristol-Myers Squibb Co.	4.550%	2/20/48	217	283
	Bristol-Myers Squibb Co.	4.250%	10/26/49	1,473	1,860
	Bristol-Myers Squibb Co.	2.550%	11/13/50	465	445
	Children's Hospital Corp.	2.585%	2/1/50	160	152
	Cigna Corp.	3.250%	4/15/25	880	948
	Cigna Corp.	4.375%	10/15/28	515	599
	CommonSpirit Health	2.950%	11/1/22	535	552
	CommonSpirit Health	4.200%	8/1/23	535	573

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	CommonSpirit Health	2.760%	10/1/24	860	905
	CommonSpirit Health	3.347%	10/1/29	915	992
	CommonSpirit Health	2.782%	10/1/30	465	484
3	CommonSpirit Health	4.350%	11/1/42	536	626
	CommonSpirit Health	4.187%	10/1/49	1,190	1,367
	Cottage Health Obligated Group	3.304%	11/1/49	295	320
	CVS Health Corp.	2.750%	12/1/22	965	992
	CVS Health Corp.	4.300%	3/25/28	110	126
	CVS Health Corp.	4.875%	7/20/35	315	384
	CVS Health Corp.	4.125%	4/1/40	430	499
	CVS Health Corp.	5.125%	7/20/45	855	1,110
	Dignity Health	3.812%	11/1/24	560	612
5	EMD Finance LLC	2.950%	3/19/22	605	614
	Gilead Sciences Inc.	3.700%	4/1/24	1,010	1,085
	Gilead Sciences Inc.	3.500%	2/1/25	560	607
	Gilead Sciences Inc.	4.500%	2/1/45	105	128
	Gilead Sciences Inc.	2.800%	10/1/50	1,235	1,186
	GlaxoSmithKline Capital Inc.	2.800%	3/18/23	385	401
	GlaxoSmithKline Capital Inc.	5.375%	4/15/34	2,000	2,696
	Indiana University Health Inc. Obligated Group	2.852%	11/1/51	365	367
	Kaiser Foundation Hospitals	3.150%	5/1/27	380	416
	Kaiser Foundation Hospitals	2.810%	6/1/41	1,130	1,155
	Kaiser Foundation Hospitals	4.875%	4/1/42	365	491
	Kaiser Foundation Hospitals	3.002%	6/1/51	1,105	1,140
	Mass General Brigham Inc.	3.192%	7/1/49	935	987
	Mass General Brigham Inc.	3.342%	7/1/60	955	1,050
	Medtronic Inc.	3.500%	3/15/25	396	435
	Memorial Sloan-Kettering Cancer Center	2.955%	1/1/50	590	603
	Memorial Sloan-Kettering Cancer Center	4.125%	7/1/52	310	392
	Memorial Sloan-Kettering Cancer Center	4.200%	7/1/55	280	357
	Merck & Co. Inc.	2.750%	2/10/25	1,210	1,289
	Merck & Co. Inc.	3.400%	3/7/29	1,470	1,648
	Merck & Co. Inc.	4.150%	5/18/43	760	938
	Merck & Co. Inc.	4.000%	3/7/49	1,915	2,342
	Mercy Health	4.302%	7/1/28	570	670
	Novartis Capital Corp.	3.400%	5/6/24	415	448
	Novartis Capital Corp.	4.400%	5/6/44	640	820
	Pfizer Inc.	3.000%	12/15/26	725	796
	Pfizer Inc.	3.450%	3/15/29	2,165	2,436
	Pfizer Inc.	4.100%	9/15/38	1,505	1,830
	Pfizer Inc.	2.550%	5/28/40	275	276
	Pfizer Inc.	2.700%	5/28/50	305	304
	Providence St. Joseph Health Obligated Group	2.746%	10/1/26	390	416
	Providence St. Joseph Health Obligated Group	2.532%	10/1/29	985	1,033
3	Providence St. Joseph Health Obligated Group	3.930%	10/1/48	325	377
5	Roche Holdings Inc.	2.375%	1/28/27	1,650	1,738
5	Royalty Pharma plc	3.300%	9/2/40	425	427
5	Royalty Pharma plc	3.550%	9/2/50	1,405	1,403
	Rush Obligated Group	3.922%	11/15/29	330	377
	SSM Health Care Corp.	3.823%	6/1/27	940	1,050
	Sutter Health	2.294%	8/15/30	560	565
	Toledo Hospital	5.750%	11/15/38	560	676
	UnitedHealth Group Inc.	2.875%	3/15/22	27	27
	UnitedHealth Group Inc.	2.875%	3/15/23	1,175	1,226
	UnitedHealth Group Inc.	3.100%	3/15/26	430	469
	UnitedHealth Group Inc.	3.850%	6/15/28	1,190	1,367
	UnitedHealth Group Inc.	2.000%	5/15/30	275	277
	UnitedHealth Group Inc.	4.625%	7/15/35	240	304
	UnitedHealth Group Inc.	2.750%	5/15/40	310	314
	UnitedHealth Group Inc.	4.250%	3/15/43	1,600	1,961
	UnitedHealth Group Inc.	4.750%	7/15/45	592	776
	UnitedHealth Group Inc.	4.200%	1/15/47	215	263
	UnitedHealth Group Inc.	4.250%	6/15/48	880	1,089
	UnitedHealth Group Inc.	4.450%	12/15/48	140	179
	UnitedHealth Group Inc.	3.700%	8/15/49	675	774
	UnitedHealth Group Inc.	2.900%	5/15/50	1,253	1,264
	UnitedHealth Group Inc.	3.875%	8/15/59	115	136
	UnitedHealth Group Inc.	3.125%	5/15/60	490	505
					89,271
Industrials (1.0%)					
5	BAE Systems Holdings Inc.	3.850%	12/15/25	1,085	1,197
5	BAE Systems plc	3.400%	4/15/30	215	234
	Boeing Co.	1.433%	2/4/24	940	942
	Boeing Co.	2.700%	2/1/27	495	511
	Burlington Northern Santa Fe LLC	3.000%	3/15/23	565	587
	Burlington Northern Santa Fe LLC	3.850%	9/1/23	1,630	1,739
	Burlington Northern Santa Fe LLC	4.550%	9/1/44	250	319
	Burlington Northern Santa Fe LLC	4.150%	4/1/45	415	503
	Burlington Northern Santa Fe LLC	4.050%	6/15/48	60	73
	Burlington Northern Santa Fe LLC	3.050%	2/15/51	405	422
	Canadian National Railway Co.	2.450%	5/1/50	205	186
	Carrier Global Corp.	2.722%	2/15/30	448	464
	Caterpillar Inc.	3.400%	5/15/24	810	870
3	Continental Airlines Class A Series 2007-1 Pass Through Trust	5.983%	10/19/23	337	344
	CSX Corp.	4.300%	3/1/48	445	540

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	CSX Corp.	3.350%	9/15/49	235	249
3	Federal Express Corp. 1998 Pass Through Trust	6.720%	7/15/23	52	52
	FedEx Corp.	4.100%	2/1/45	130	149
	FedEx Corp.	4.550%	4/1/46	178	215
	FedEx Corp.	4.050%	2/15/48	48	55
	Illinois Tool Works Inc.	3.500%	3/1/24	1,295	1,387
	John Deere Capital Corp.	3.450%	3/13/25	1,200	1,316
	Kansas City Southern	4.950%	8/15/45	480	613
	Lockheed Martin Corp.	2.900%	3/1/25	610	654
	Lockheed Martin Corp.	1.850%	6/15/30	60	60
	Lockheed Martin Corp.	4.500%	5/15/36	211	265
	Lockheed Martin Corp.	4.700%	5/15/46	376	498
	Lockheed Martin Corp.	2.800%	6/15/50	265	266
	Lockheed Martin Corp.	4.090%	9/15/52	144	180
	Otis Worldwide Corp.	2.565%	2/15/30	225	233
	Otis Worldwide Corp.	3.112%	2/15/40	510	527
	Otis Worldwide Corp.	3.362%	2/15/50	890	937
	Parker-Hannifin Corp.	3.250%	6/14/29	270	295
	Parker-Hannifin Corp.	4.450%	11/21/44	450	556
5	Penske Truck Leasing Co. LP / PTL Finance Corp.	3.450%	7/1/24	465	499
5	Penske Truck Leasing Co. LP / PTL Finance Corp.	2.700%	11/1/24	385	405
5	Penske Truck Leasing Co. LP / PTL Finance Corp.	3.950%	3/10/25	1,435	1,570
5	Penske Truck Leasing Co. LP / PTL Finance Corp.	4.450%	1/29/26	925	1,040
	Raytheon Technologies Corp.	4.125%	11/16/28	1,125	1,296
	Raytheon Technologies Corp.	6.050%	6/1/36	675	944
	Raytheon Technologies Corp.	4.450%	11/16/38	275	333
	Raytheon Technologies Corp.	4.500%	6/1/42	407	507
5	Siemens Financieringsmaatschappij NV	2.900%	5/27/22	1,050	1,075
5	Siemens Financieringsmaatschappij NV	3.125%	3/16/24	1,680	1,793
5	Siemens Financieringsmaatschappij NV	1.700%	3/11/28	630	633
5	Siemens Financieringsmaatschappij NV	2.150%	3/11/31	1,100	1,112
5	Siemens Financieringsmaatschappij NV	4.400%	5/27/45	800	1,024

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
3	Southwest Airlines Co. Series 2007-1 Pass Through Trust	6.150%	2/1/24	120	123
	Stanley Black & Decker Inc.	4.850%	11/15/48	685	923
	Teledyne Technologies Inc.	2.250%	4/1/28	1,155	1,177
	Teledyne Technologies Inc.	2.750%	4/1/31	1,290	1,326
	Union Pacific Corp.	3.700%	3/1/29	505	569
	Union Pacific Corp.	3.250%	2/5/50	200	211
	Union Pacific Corp.	3.799%	10/1/51	666	761
	Union Pacific Corp.	3.839%	3/20/60	285	324
	Union Pacific Corp.	2.973%	9/16/62	625	600
	Union Pacific Corp.	3.750%	2/5/70	335	368
3	United Airlines Class B Series 2018-1 Pass Through Trust	4.600%	9/1/27	167	171
					36,222
Materials (0.0%)					
	International Paper Co.	4.350%	8/15/48	668	832
Real Estate (0.4%)					
	American Tower Corp.	5.000%	2/15/24	80	89
	American Tower Corp.	4.400%	2/15/26	450	508
	American Tower Corp.	3.800%	8/15/29	981	1,094
	Boston Properties LP	3.125%	9/1/23	355	372
	Boston Properties LP	3.800%	2/1/24	45	48
	Crown Castle International Corp.	3.650%	9/1/27	285	314
	Crown Castle International Corp.	3.800%	2/15/28	235	261
	Crown Castle International Corp.	2.100%	4/1/31	2,185	2,131
	Equinix Inc.	3.000%	7/15/50	1,020	978
	Healthpeak Properties Inc.	3.000%	1/15/30	930	986
	Realty Income Corp.	3.250%	1/15/31	380	415
5	SBA Tower Trust	1.631%	11/15/26	580	580
5	SBA Tower Trust	3.448%	3/15/48	705	719
5	SBA Tower Trust	2.836%	1/15/50	725	756
5	SBA Tower Trust	1.884%	7/15/50	265	267
5	Scentre Group Trust 1 / Scentre Group Trust 2	4.375%	5/28/30	695	807
	Simon Property Group LP	3.750%	2/1/24	90	97
	Simon Property Group LP	3.375%	10/1/24	275	296
	Simon Property Group LP	2.450%	9/13/29	1,160	1,193
	VEREIT Operating Partnership LP	3.400%	1/15/28	210	229
	VEREIT Operating Partnership LP	2.200%	6/15/28	735	748
	VEREIT Operating Partnership LP	2.850%	12/15/32	545	570
					13,458
Technology (1.8%)					
	Apple Inc.	3.000%	2/9/24	620	658
	Apple Inc.	3.450%	5/6/24	1,000	1,082
	Apple Inc.	2.850%	5/11/24	1,225	1,300
	Apple Inc.	2.750%	1/13/25	590	631
	Apple Inc.	3.250%	2/23/26	1,020	1,120

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Apple Inc.	2.450%	8/4/26	1,170	1,244
	Apple Inc.	3.350%	2/9/27	1,545	1,715
	Apple Inc.	3.200%	5/11/27	1,065	1,176
	Apple Inc.	2.900%	9/12/27	2,250	2,453
	Apple Inc.	3.850%	5/4/43	430	512
	Apple Inc.	4.450%	5/6/44	120	155
	Apple Inc.	3.850%	8/4/46	985	1,170
	Apple Inc.	2.650%	5/11/50	640	627
	Apple Inc.	2.550%	8/20/60	1,425	1,329
	Broadcom Corp. / Broadcom Cayman Finance Ltd.	3.875%	1/15/27	305	337
	Broadcom Inc.	4.250%	4/15/26	170	191
	Broadcom Inc.	4.110%	9/15/28	1,452	1,632
	Broadcom Inc.	4.150%	11/15/30	130	146
5	Broadcom Inc.	3.500%	2/15/41	670	688
5	Broadcom Inc.	3.750%	2/15/51	325	340
	Cisco Systems Inc.	2.500%	9/20/26	431	462
	Fidelity National Information Services Inc.	1.650%	3/1/28	245	243
	Global Payments Inc.	2.900%	5/15/30	535	557
	Intel Corp.	2.875%	5/11/24	800	851
	Intel Corp.	4.100%	5/19/46	1,360	1,634
	International Business Machines Corp.	3.375%	8/1/23	1,750	1,858
	International Business Machines Corp.	3.000%	5/15/24	2,500	2,664
	International Business Machines Corp.	3.300%	5/15/26	4,500	4,949
	International Business Machines Corp.	3.500%	5/15/29	2,975	3,331
	International Business Machines Corp.	5.875%	11/29/32	1,010	1,384
	International Business Machines Corp.	2.850%	5/15/40	490	495
	International Business Machines Corp.	2.950%	5/15/50	195	196
	Microsoft Corp.	2.875%	2/6/24	975	1,032
	Microsoft Corp.	2.700%	2/12/25	760	814
	Microsoft Corp.	3.125%	11/3/25	435	475
	Microsoft Corp.	2.400%	8/8/26	1,890	2,014
	Microsoft Corp.	3.500%	2/12/35	605	701
	Microsoft Corp.	3.450%	8/8/36	822	950
	Microsoft Corp.	2.525%	6/1/50	3,336	3,278
	Microsoft Corp.	2.921%	3/17/52	3,287	3,487
	Oracle Corp.	2.800%	7/8/21	375	375
	Oracle Corp.	2.500%	5/15/22	1,210	1,229
	Oracle Corp.	2.950%	11/15/24	2,190	2,333
	Oracle Corp.	2.950%	5/15/25	355	378
	Oracle Corp.	1.650%	3/25/26	1,930	1,957
	Oracle Corp.	3.250%	11/15/27	3,065	3,329
	Oracle Corp.	4.000%	11/15/47	895	976
	Oracle Corp.	3.950%	3/25/51	480	524
	Oracle Corp.	3.850%	4/1/60	540	572
	QUALCOMM Inc.	1.300%	5/20/28	744	728
	QUALCOMM Inc.	2.150%	5/20/30	1,075	1,100
	QUALCOMM Inc.	1.650%	5/20/32	1,112	1,063
	QUALCOMM Inc.	3.250%	5/20/50	385	415
					64,860

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Utilities (3.0%)				
	AEP Texas Inc.	4.150%	5/1/49	145	169
	AEP Texas Inc.	3.450%	1/15/50	380	394
	Alabama Power Co.	5.200%	6/1/41	120	157
	Alabama Power Co.	4.100%	1/15/42	215	247
	Alabama Power Co.	3.750%	3/1/45	630	718
	Alabama Power Co.	4.300%	7/15/48	775	959
	Ameren Illinois Co.	3.800%	5/15/28	590	668
	Ameren Illinois Co.	6.125%	12/15/28	1,000	1,208
	Ameren Illinois Co.	3.700%	12/1/47	140	160
	American Water Capital Corp.	2.950%	9/1/27	540	583
	American Water Capital Corp.	3.750%	9/1/47	45	51
	American Water Capital Corp.	4.200%	9/1/48	845	1,027
	American Water Capital Corp.	4.150%	6/1/49	25	30
	American Water Capital Corp.	3.450%	5/1/50	95	103
	Arizona Public Service Co.	3.350%	5/15/50	410	438
	Baltimore Gas and Electric Co.	2.900%	6/15/50	238	238
	Berkshire Hathaway Energy Co.	6.125%	4/1/36	1,135	1,599
	Berkshire Hathaway Energy Co.	5.950%	5/15/37	25	34
	Berkshire Hathaway Energy Co.	5.150%	11/15/43	1,490	1,969
	Berkshire Hathaway Energy Co.	4.250%	10/15/50	115	141
5	Boston Gas Co.	3.150%	8/1/27	140	150
5	Brooklyn Union Gas Co.	3.407%	3/10/26	95	103
5	Brooklyn Union Gas Co.	4.273%	3/15/48	1,720	1,963
	CenterPoint Energy Houston Electric LLC	4.250%	2/1/49	195	243
	CenterPoint Energy Resources Corp.	4.000%	4/1/28	1,369	1,540
	Cleco Corporate Holdings LLC	3.743%	5/1/26	185	202
	Cleco Corporate Holdings LLC	3.375%	9/15/29	405	419
	Commonwealth Edison Co.	2.950%	8/15/27	645	697
	Commonwealth Edison Co.	4.350%	11/15/45	375	466
	Commonwealth Edison Co.	3.650%	6/15/46	175	198
	Commonwealth Edison Co.	4.000%	3/1/48	480	575
	Consolidated Edison Co. of New York Inc.	4.500%	12/1/45	980	1,186
	Consolidated Edison Co. of New York Inc.	3.850%	6/15/46	76	84
	Consolidated Edison Co. of New York Inc.	3.950%	4/1/50	50	57
	Consolidated Edison Co. of New York Inc.	4.625%	12/1/54	1,835	2,307
	Consolidated Edison Co. of New York Inc.	4.500%	5/15/58	630	764
	Delmarva Power & Light Co.	3.500%	11/15/23	305	325
	Dominion Energy Inc.	2.715%	8/15/21	450	451

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
5	Dominion Energy Inc.	2.450%	1/15/23	3,240	3,336
	Dominion Energy Inc.	5.250%	8/1/33	1,000	1,253
	Dominion Energy Inc.	4.600%	3/15/49	760	956
	Dominion Energy South Carolina Inc.	6.625%	2/1/32	138	193
	Dominion Energy South Carolina Inc.	5.300%	5/15/33	44	57
	Dominion Energy South Carolina Inc.	5.450%	2/1/41	95	130
	Dominion Energy South Carolina Inc.	4.600%	6/15/43	202	259
	DTE Energy Co.	3.800%	3/15/27	250	278
	Duke Energy Carolinas LLC	6.100%	6/1/37	391	545
	Duke Energy Carolinas LLC	3.700%	12/1/47	470	530
	Duke Energy Corp.	2.650%	9/1/26	315	333
	Duke Energy Corp.	3.400%	6/15/29	350	383
	Duke Energy Corp.	3.300%	6/15/41	945	967
	Duke Energy Corp.	4.800%	12/15/45	1,200	1,471
	Duke Energy Corp.	3.750%	9/1/46	265	283
	Duke Energy Corp.	3.500%	6/15/51	990	1,024
	Duke Energy Florida LLC	6.350%	9/15/37	200	295
	Duke Energy Progress LLC	6.300%	4/1/38	365	530
	Duke Energy Progress LLC	4.100%	3/15/43	118	140
	Duke Energy Progress LLC	4.200%	8/15/45	2,045	2,465
5	East Ohio Gas Co.	2.000%	6/15/30	325	322
5	East Ohio Gas Co.	3.000%	6/15/50	475	474
	Eastern Energy Gas Holdings LLC	3.550%	11/1/23	470	498
	Eastern Energy Gas Holdings LLC	3.000%	11/15/29	-	-
5	Eastern Gas Transmission & Storage Inc.	3.000%	11/15/29	585	616
5	Eastern Gas Transmission & Storage Inc.	4.800%	11/1/43	125	147
5	Eastern Gas Transmission & Storage Inc.	4.600%	12/15/44	1,603	1,847
5	Electricite de France SA	4.875%	9/21/38	2,200	2,710
5	Electricite de France SA	4.875%	1/22/44	50	63
5	Electricite de France SA	4.950%	10/13/45	400	514
	Emera U.S. Finance LP	3.550%	6/15/26	965	1,055
	Entergy Louisiana LLC	3.120%	9/1/27	410	447
	Evergy Inc.	2.450%	9/15/24	425	445
	Evergy Kansas Central Inc.	3.250%	9/1/49	630	664
	Evergy Metro Inc.	2.250%	6/1/30	205	209
	Evergy Metro Inc.	4.200%	3/15/48	137	167
	Eversource Energy	2.900%	10/1/24	690	731
	Eversource Energy	3.150%	1/15/25	110	117
	Eversource Energy	3.300%	1/15/28	400	437
	Florida Power & Light Co.	5.650%	2/1/35	1,000	1,357
	Florida Power & Light Co.	4.950%	6/1/35	1,000	1,313
	Florida Power & Light Co.	5.950%	2/1/38	785	1,132
	Florida Power & Light Co.	5.690%	3/1/40	675	964
	Florida Power & Light Co.	3.700%	12/1/47	480	565
	Fortis Inc.	3.055%	10/4/26	1,195	1,285
	Georgia Power Co.	5.400%	6/1/40	205	262
	Georgia Power Co.	4.750%	9/1/40	988	1,221
	Georgia Power Co.	4.300%	3/15/42	1,076	1,275
	Georgia Power Co.	3.700%	1/30/50	170	185
	Indiana Michigan Power Co.	4.250%	8/15/48	415	505
5	KeySpan Gas East Corp.	2.742%	8/15/26	670	703
5	Massachusetts Electric Co.	5.900%	11/15/39	585	812
5	Metropolitan Edison Co.	4.300%	1/15/29	249	279
	MidAmerican Energy Co.	4.400%	10/15/44	15	19
	MidAmerican Energy Co.	4.250%	5/1/46	45	56
	MidAmerican Energy Co.	4.250%	7/15/49	315	396
	MidAmerican Energy Co.	3.150%	4/15/50	1,390	1,486
5	Mid-Atlantic Interstate Transmission LLC	4.100%	5/15/28	220	247
5	Monongahela Power Co.	5.400%	12/15/43	135	177
	National Rural Utilities Cooperative Finance Corp.	2.950%	2/7/24	415	438
	National Rural Utilities Cooperative Finance Corp.	2.850%	1/27/25	1,040	1,106
	Nevada Power Co.	3.125%	8/1/50	380	393
	NextEra Energy Capital Holdings Inc.	2.403%	9/1/21	1,295	1,300
	NextEra Energy Capital Holdings Inc.	3.250%	4/1/26	260	282
	NextEra Energy Capital Holdings Inc.	3.550%	5/1/27	880	973
	NextEra Energy Capital Holdings Inc.	1.900%	6/15/28	670	678
	NextEra Energy Capital Holdings Inc.	3.500%	4/1/29	390	432
	NextEra Energy Capital Holdings Inc.	2.750%	11/1/29	590	623
	NextEra Energy Capital Holdings Inc.	2.250%	6/1/30	1,185	1,196
5	Niagara Mohawk Power Corp.	4.278%	12/15/28	1,000	1,144
5	Niagara Mohawk Power Corp.	3.025%	6/27/50	540	528
	NiSource Inc.	5.250%	2/15/43	390	508
	NiSource Inc.	4.800%	2/15/44	270	335
	Northern States Power Co.	6.250%	6/1/36	2,000	2,865

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
3,5	Oglethorpe Power Corp.	6.191%	1/1/31	1,065	1,340
	Oglethorpe Power Corp.	5.950%	11/1/39	170	227
	Oglethorpe Power Corp.	4.550%	6/1/44	50	57
	Oglethorpe Power Corp.	4.250%	4/1/46	537	595
	Oglethorpe Power Corp.	5.050%	10/1/48	80	101
	Oglethorpe Power Corp.	5.250%	9/1/50	630	793
	Oncor Electric Delivery Co. LLC	4.550%	12/1/41	75	95
	PacifiCorp	6.250%	10/15/37	2,000	2,851
	PacifiCorp	4.125%	1/15/49	26	31
	PacifiCorp	4.150%	2/15/50	345	419
	PacifiCorp	3.300%	3/15/51	169	180
	Potomac Electric Power Co.	3.050%	4/1/22	460	469
	Potomac Electric Power Co.	6.500%	11/15/37	750	1,101
	San Diego Gas & Electric Co.	6.000%	6/1/26	600	732
	San Diego Gas & Electric Co.	3.750%	6/1/47	160	183
	San Diego Gas & Electric Co.	4.150%	5/15/48	545	660
3	SCE Recovery Funding LLC	0.861%	11/15/31	310	302
	SCE Recovery Funding LLC	1.942%	5/15/38	110	107
	SCE Recovery Funding LLC	2.510%	11/15/43	100	96
	Sempra Energy	2.875%	10/1/22	750	768
	Sempra Energy	3.250%	6/15/27	1,095	1,188
	Sempra Energy	6.000%	10/15/39	600	835
	Sierra Pacific Power Co.	3.375%	8/15/23	850	895
	Sierra Pacific Power Co.	2.600%	5/1/26	221	235
	Southern California Edison Co.	2.400%	2/1/22	170	171
	Southern California Edison Co.	3.700%	8/1/25	90	98
	Southern California Edison Co.	6.000%	1/15/34	1,000	1,300
	Southern California Edison Co.	5.550%	1/15/37	2,250	2,811
	Southern California Edison Co.	6.050%	3/15/39	55	73
	Southern California Edison Co.	4.000%	4/1/47	195	205
	Southern California Edison Co.	4.125%	3/1/48	645	690
	Southern California Edison Co.	3.650%	2/1/50	155	155
	Southern California Gas Co.	2.600%	6/15/26	820	872
	Southern Co.	2.950%	7/1/23	1,280	1,337
	Southern Co.	4.400%	7/1/46	755	886
	Southwest Gas Corp.	2.200%	6/15/30	230	230
	Southwestern Electric Power Co.	6.200%	3/15/40	400	559
	Southwestern Public Service Co.	3.700%	8/15/47	102	115
5	State Grid Overseas Investment 2016 Ltd.	2.750%	5/4/22	1,550	1,576
5	State Grid Overseas Investment 2016 Ltd.	3.500%	5/4/27	775	853

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Union Electric Co.	4.000%	4/1/48	423	502
	Virginia Electric and Power Co.	2.750%	3/15/23	690	714
	Virginia Electric and Power Co.	3.500%	3/15/27	435	483
	Wisconsin Electric Power Co.	5.700%	12/1/36	690	941
					105,385
Total Corporate Bonds (Cost $702,632)					770,415
Sovereign Bonds (0.4%)					
5	Government of Bermuda	2.375%	8/20/30	400	400
5	Government of Bermuda	3.375%	8/20/50	200	204
	International Bank for Reconstruction & Development	4.750%	2/15/35	2,000	2,670
5	Kingdom of Saudi Arabia	2.875%	3/4/23	930	965
	Republic of Chile	2.550%	1/27/32	1,075	1,099
	Republic of Chile	3.500%	4/15/53	775	816
	Republic of Chile	3.100%	1/22/61	410	392
	Republic of Colombia	4.000%	2/26/24	970	1,027
	Republic of Panama	2.252%	9/29/32	1,720	1,651
3	Republic of Panama	3.870%	7/23/60	1,385	1,415
5	State of Qatar	3.875%	4/23/23	1,985	2,109
5	State of Qatar	4.400%	4/16/50	430	523
Total Sovereign Bonds (Cost $12,434)					13,271
Taxable Municipal Bonds (1.5%)					
	Atlanta GA Water & Wastewater Water Revenue	2.257%	11/1/35	40	41
	Bay Area Toll Authority Highway Revenue	2.574%	4/1/31	450	475
	Bay Area Toll Authority Highway Revenue	6.263%	4/1/49	60	97
	Bay Area Toll Authority Highway Revenue	7.043%	4/1/50	820	1,423
	Broward FL Airport System Port, Airport & Marina Revenue	3.477%	10/1/43	300	313
	California GO	7.500%	4/1/34	155	244
	California GO	7.350%	11/1/39	1,550	2,496
	Chicago O'Hare International Airport Port, Airport & Marina Revenue	6.395%	1/1/40	155	233
	Chicago Transit Authority Sales & Transfer Tax Receipts Sales Tax Revenue	6.899%	12/1/40	1,780	2,532
	Chicago Transit Authority Sales & Transfer Tax Receipts Sales Tax Revenue	6.899%	12/1/40	825	1,172
	Chicago Transit Authority Sales Tax Receipts Fund Sales Tax Revenue	6.200%	12/1/40	550	761
	Commonwealth of Massachusetts GO	2.514%	7/1/41	270	272

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Dallas-Fort Worth International Airport Port, Airport & Marina Revenue	3.089%	11/1/40	220	227
Foothill-Eastern Transportation Corridor Agency Highway Revenue	4.094%	1/15/49	155	164
[9] Foothill-Eastern Transportation Corridor Agency Highway Revenue	3.924%	1/15/53	1,170	1,238
Georgia Municipal Electric Authority Electric Power & Light Revenue	6.637%	4/1/57	1,852	2,806
Grand Parkway Transportation Corp. Highway Revenue	5.184%	10/1/42	140	192
Grand Parkway Transportation Corp. Texas System Highway Revenue	3.236%	10/1/52	930	951
Great Lakes Water Authority Sewage Disposal System Sewer Revenue	3.056%	7/1/39	250	267
Houston TX GO	6.290%	3/1/32	365	460
Illinois GO	5.100%	6/1/33	810	952
Illinois State Toll Highway Authority Highway Revenue	6.184%	1/1/34	750	1,043
JobsOhio Beverage System Miscellaneous Revenue	2.833%	1/1/38	160	170
[9] Kansas Development Finance Authority Lease (Appropriation) Revenue	5.501%	5/1/34	2,000	2,550
Maryland State Transportation Authority Transit Revenue	5.888%	7/1/43	545	744
Massachusetts School Building Authority Sales Tax Revenue	1.753%	8/15/30	890	890
Massachusetts School Building Authority Sales Tax Revenue	5.715%	8/15/39	1,000	1,414
Massachusetts School Building Authority Sales Tax Revenue	3.395%	10/15/40	500	537
Massachusetts School Building Authority Sales Tax Revenue	2.950%	5/15/43	650	669
Metropolitan Transportation Authority Fuel Sales Tax Revenue	6.089%	11/15/40	445	632
Metropolitan Transportation Authority Miscellaneous Taxes Revenue	7.336%	11/15/39	325	528
Metropolitan Transportation Authority Transit Revenue	6.200%	11/15/26	60	69
Metropolitan Transportation Authority Transit Revenue	6.814%	11/15/40	785	1,151
Metropolitan Transportation Authority Transit Revenue	5.175%	11/15/49	910	1,228
Michigan Finance Authority Health, Hospital, Nursing Home Revenue	3.084%	12/1/34	295	319
New Jersey Turnpike Authority Highway Revenue	7.414%	1/1/40	410	673
New York State Dormitory Authority Income Tax Revenue	3.110%	2/15/39	640	704
New York State Dormitory Authority Income Tax Revenue	3.190%	2/15/43	355	388
New York State Thruway Authority Highway Revenue	2.900%	1/1/35	490	525
New York State Thruway Authority Highway Revenue	3.500%	1/1/42	275	291
New York State Urban Development Corp. Income Tax Revenue	2.100%	3/15/22	790	800
North Texas Tollway Authority Highway Revenue	3.011%	1/1/43	295	300
North Texas Tollway Authority Highway Revenue	6.718%	1/1/49	465	768
Oregon Department of Transportation Fuel Sales Tax Revenue	5.834%	11/15/34	655	914
[9] Oregon School Boards Association GO	5.528%	6/30/28	2,000	2,369
[10] Oregon State University College & University Revenue	3.424%	3/1/60	1,000	1,029
[11] Philadelphia Authority for Industrial Development Miscellaneous Revenue	6.550%	10/15/28	1,945	2,528
Port Authority of New York & New Jersey Port, Airport & Marina Revenue	5.859%	12/1/24	65	76
Port Authority of New York & New Jersey Port, Airport & Marina Revenue	3.175%	7/15/60	485	487

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Port Authority of New York & New Jersey Port, Airport & Marina Revenue	4.458%	10/1/62	1,175	1,542
Port Authority of New York & New Jersey Port, Airport & Marina Revenue	4.810%	10/15/65	640	875
Riverside CA General Fund Revenue	3.857%	6/1/45	260	282
Riverside County CA Appropriations Revenue	3.818%	2/15/38	290	325
Rutgers State University of New Jersey College & University Revenue	3.270%	5/1/43	350	373
Sales Tax Securitization Corp. Sales Tax Revenue	4.787%	1/1/48	1,240	1,580
San Antonio TX Electric & Gas Systems Electric Power & Light Revenue	2.905%	2/1/48	255	253
State Board of Administration Finance Corp. Miscellaneous Revenue	1.705%	7/1/27	925	940
Texas Transportation Commission GO	2.562%	4/1/42	235	238
Texas Transportation Commission State Highway Fund Miscellaneous Revenue	4.000%	10/1/33	395	486
University of California College & University Revenue	1.316%	5/15/27	385	386
University of California College & University Revenue	1.614%	5/15/30	645	639
University of California College & University Revenue	4.601%	5/15/31	590	700
University of California College & University Revenue	4.765%	5/15/44	145	156
University of California College & University Revenue	3.931%	5/15/45	570	647
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	6.548%	5/15/48	90	141
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	6.583%	5/15/49	695	1,087
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	3.006%	5/15/50	450	463
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	3.256%	5/15/60	780	829
Utility Debt Securitization Authority Electric Power & Light Revenue	3.435%	12/15/25	174	180
Total Taxable Municipal Bonds (Cost $45,577)				**53,234**

	Coupon		Shares	Market Value• ($000)
Temporary Cash Investments (2.8%)				
Money Market Fund (0.4%)				
[12,13] Vanguard Market Liquidity Fund	0.056%		124,117	12,412

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Repurchase Agreement (2.4%)				
RBS Securities Inc. (Dated 6/30/21, Repurchase Value $85,600,000, collateralized by U.S. Treasury Note/Bond 1.625%–4.375%, 2/15/38–11/15/50, with a value of $87,312,000)	0.050%	7/1/21	85,600	85,600
Total Temporary Cash Investments (Cost $98,012)				98,012
Total Investments (100.8%) (Cost $2,691,736)				3,560,478
Other Assets and Liabilities—Net (-0.8%)				(28,596)
Net Assets (100%)				3,531,882

Cost is in $000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $11,980,000.

2 Securities with a value of $209,000 have been segregated as initial margin for open futures contracts.

3 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.

4 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.

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, 2021, the aggregate value was $212,387,000, representing 6.0% of net assets.

6 Variable-rate security; rate shown is effective rate at period end. Certain variable-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 Security value determined using significant unobservable inputs.

8 Includes securities purchased on a when-issued or delayed-delivery basis for which the portfolio has not taken delivery as of June 30, 2021.

9 Scheduled principal and interest payments are guaranteed by Assured Guaranty Municipal Corp.

10 Scheduled principal and interest payments are guaranteed by Build America Mutual Assurance Co.

11 Scheduled principal and interest payments are guaranteed by National Public Finance Guarantee Corp.

12 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

13 Collateral of $12,400,000 was received for securities on loan.

1M—1-month.

3M—3-month.

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

	Expiration	Number of Long (Short) Contracts	Notional Amount	($000) Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
10-Year U.S. Treasury Note	September 2021	67	8,878	21
5-Year U.S. Treasury Note	September 2021	77	9,504	(24)
				(3)
Short Futures Contracts				
Ultra 10-Year U.S. Treasury Note	September 2021	(101)	(14,868)	(64)
				(67)

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2021

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $2,679,324)	3,548,066
Affiliated Issuers (Cost $12,412)	12,412
Total Investments in Securities	3,560,478
Investment in Vanguard	123
Foreign Currency, at Value (Cost $218)	221
Receivables for Investment Securities Sold	8,963
Receivables for Accrued Income	10,259
Receivables for Capital Shares Issued	702
Total Assets	**3,580,746**
Liabilities	
Due to Custodian	212
Payables for Investment Securities Purchased	31,416
Collateral for Securities on Loan	12,400
Payables to Investment Advisor	370
Payables for Capital Shares Redeemed	4,202
Payables to Vanguard	231
Variation Margin Payable—Futures Contracts	33
Total Liabilities	**48,864**
Net Assets	**3,531,882**

At June 30, 2021, net assets consisted of:

Paid-in Capital	2,454,355
Total Distributable Earnings (Loss)	1,077,527
Net Assets	**3,531,882**

Net Assets	
Applicable to 134,516,516 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	3,531,882
Net Asset Value Per Share	**$26.26**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2021
	($000)
Investment Income	
Income	
Dividends[1]	22,136
Interest	14,797
Securities Lending—Net	19
Total Income	36,952
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	862
Performance Adjustment	(148)
The Vanguard Group—Note C	
Management and Administrative	2,626
Marketing and Distribution	75
Custodian Fees	16
Shareholders' Reports	10
Trustees' Fees and Expenses	1
Total Expenses	3,442
Net Investment Income	**33,510**
Realized Net Gain (Loss)	
Investment Securities Sold[2]	179,282
Futures Contracts	338
Forward Currency Contracts	107
Foreign Currencies	(30)
Realized Net Gain (Loss)	**179,697**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[2]	115,075
Futures Contracts	(83)
Forward Currency Contracts	24
Foreign Currencies	(48)
Change in Unrealized Appreciation (Depreciation)	**114,968**
Net Increase (Decrease) in Net Assets Resulting from Operations	**328,175**

1 Dividends are net of foreign withholding taxes of $960,000.

2 Realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were each less than $1,000. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	33,510	69,665
Realized Net Gain (Loss)	179,697	175,861
Change in Unrealized Appreciation (Depreciation)	114,968	68,099
Net Increase (Decrease) in Net Assets Resulting from Operations	328,175	313,625
Distributions		
Total Distributions	(240,358)	(186,299)
Capital Share Transactions		
Issued	125,697	249,434
Issued in Lieu of Cash Distributions	240,358	186,299
Redeemed	(268,294)	(483,258)
Net Increase (Decrease) from Capital Share Transactions	97,761	(47,525)
Total Increase (Decrease)	185,578	79,801
Net Assets		
Beginning of Period	**3,346,304**	**3,266,503**
End of Period	**3,531,882**	**3,346,304**

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, 2021	Year Ended December 31, 2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	**$25.68**	**$24.94**	**$22.20**	**$24.80**	**$23.03**	**$22.32**
Investment Operations						
Net Investment Income	.252[1]	.526[1]	.623[1]	.626[1]	.582[1]	.581
Net Realized and Unrealized Gain (Loss) on Investments	2.203	1.692	4.105	(1.414)	2.648	1.713
Total from Investment Operations	2.455	2.218	4.728	(.788)	3.230	2.294
Distributions						
Dividends from Net Investment Income	(.497)	(.666)	(.660)	(.582)	(.567)	(.576)
Distributions from Realized Capital Gains	(1.378)	(.812)	(1.328)	(1.230)	(.893)	(1.008)
Total Distributions	(1.875)	(1.478)	(1.988)	(1.812)	(1.460)	(1.584)
Net Asset Value, End of Period	**$26.26**	**$25.68**	**$24.94**	**$22.20**	**$24.80**	**$23.03**
Total Return	10.01%	10.68%	22.48%	-3.41%	14.72%	11.01%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$3,532	$3,346	$3,267	$2,708	$2,942	$2,554
Ratio of Total Expenses to Average Net Assets[2]	0.20%	0.20%	0.21%	0.21%	0.23%	0.23%
Ratio of Net Investment Income to Average Net Assets	1.87%	2.24%	2.68%	2.67%	2.49%	2.66%
Portfolio Turnover Rate[3]	17%	49%	29%	36%	28%	33%

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%), (0.01%), (0.00%), (0.00%), (0.00%), and (0.01%).

3 Includes 1%, 3%, 8%, 2%, 0%, and 0%, respectively, attributable to mortgage-dollar-roll activity.

See accompanying Notes, which are an integral part of the Financial Statements.

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 securities 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 Statement of Assets and Liabilities. 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, 2021, the portfolio's average investments in long and short futures contracts each represented less than 1% of net assets, 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 provide the appropriate currency exposure related to any open futures contracts or to protect the value of securities and related receivables and payables against changes in 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 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 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 Statement of Net Assets. Fluctuations in the value of the contracts are recorded in the Statement of Net Assets 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 forward currency contract gains (losses).

During the six months ended June 30, 2021, the portfolio's average investment in forward currency contracts represented less than 1% of net assets, based on the average of the notional amounts at each quarter-end during the period.

The portfolio had no open forward currency contracts at June 30, 2021.

5. 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.

6. 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.

7. 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.

8. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. The portfolio's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the portfolio's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the portfolio's financial statements.

9. 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.

10. 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 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.

11. 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 alternate 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, 2021, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

12. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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. 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, 2021, the investment advisory fee represented an effective annual basic rate of 0.05% of the portfolio's average net assets, before a net decrease of $148,000 (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, 2021, the portfolio had contributed to Vanguard capital in the amount of $123,000, 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 and derivatives. 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 and derivatives 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, 2021, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	2,129,143	180,803	—	2,309,946
U.S. Government and Agency Obligations	—	276,395	—	276,395
Asset-Backed/Commercial Mortgage-Backed Securities	—	34,435	4,770	39,205
Corporate Bonds	—	770,415	—	770,415
Sovereign Bonds	—	13,271	—	13,271
Taxable Municipal Bonds	—	53,234	—	53,234
Temporary Cash Investments	12,412	85,600	—	98,012
Total	2,141,555	1,414,153	4,770	3,560,478
Derivative Financial Instruments				
Assets				
Futures Contracts[1]	21	—	—	21
Liabilities				
Futures Contracts[1]	88	—	—	88

1 Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

E. At June 30, 2021, the fair values of derivatives were reflected in the Statement of Assets and Liabilities as follows:

Statement of Assets and Liabilities	Interest Rate Contracts ($000)	Foreign Exchange Contracts ($000)	Total ($000)
Unrealized Appreciation—Futures Contracts[1]	21	—	21
Total Assets	21	—	21
Unrealized Depreciation—Futures Contracts[1]	88	—	88
Total Liabilities	88	—	88

1Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended June 30, 2021, were:

Realized Net Gain (Loss) on Derivatives	Interest Rate Contracts ($000)	Foreign Exchange Contracts ($000)	Total ($000)
Futures Contracts	338	—	338
Forward Currency Contracts	—	107	107
Realized Net Gain (Loss) on Derivatives	338	107	445
Change in Unrealized Appreciation (Depreciation) on Derivatives			
Futures Contracts	(83)	—	(83)
Forward Currency Contracts	—	24	24
Change in Unrealized Appreciation (Depreciation) on Derivatives	(83)	24	(59)

F. As of June 30, 2021, 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	2,693,438
Gross Unrealized Appreciation	879,519
Gross Unrealized Depreciation	(12,546)
Net Unrealized Appreciation (Depreciation)	866,973

G. During the six months ended June 30, 2021, the portfolio purchased $334,016,000 of investment securities and sold $479,285,000 of investment securities, other than U.S. government securities and temporary cash investments. Purchases and sales of U.S. government securities were $223,701,000 and $141,223,000, respectively.

H. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	Shares (000)	Shares (000)
Issued	4,865	10,781
Issued in Lieu of Cash Distributions	9,715	9,447
Redeemed	(10,378)	(20,878)
Net Increase (Decrease) in Shares Outstanding	4,202	(650)

At June 30, 2021, 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 71% 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, 2021, 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; it also 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 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 January 1, 2020, through December 31, 2020 (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 fund 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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Vanguard®

Semiannual Report | June 30, 2021

Vanguard Variable Insurance Funds

High Yield Bond Portfolio

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, including annual expense ratios, 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, 2021

High Yield Bond Portfolio	Beginning Account Value 12/31/2020	Ending Account Value 6/30/2021	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$ 1,021.30	$1.30
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.51	1.30

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 (181/365).

High Yield Bond Portfolio

Portfolio Allocation
As of June 30, 2021

Communications	20.2%
Consumer Discretionary	14.9
Consumer Staples	4.4
Energy	8.6
Financials	9.8
Health Care	10.2
Industrials	6.5
Materials	11.0
Real Estate	0.7
Technology	11.7
Utilities	2.0
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, 2021

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 (93.6%)				
	Communications (18.9%)				
1,2	Altice France SA	2.125%	2/15/25	585	676
1	Altice France SA	7.375%	5/1/26	1,810	1,882
1	Altice France SA	5.500%	1/15/28	1,700	1,759
1	Altice France SA	5.125%	7/15/29	815	824
	Belo Corp.	7.750%	6/1/27	920	1,086
	Belo Corp.	7.250%	9/15/27	667	779
1	CCO Holdings LLC / CCO Holdings Capital Corp.	5.750%	2/15/26	385	398
1	CCO Holdings LLC / CCO Holdings Capital Corp.	5.500%	5/1/26	1,738	1,797
1	CCO Holdings LLC / CCO Holdings Capital Corp.	5.000%	2/1/28	320	336
1	CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	8/15/30	2,530	2,639
1	CCO Holdings LLC / CCO Holdings Capital Corp.	4.250%	2/1/31	2,055	2,094
	CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	5/1/32	3,161	3,272
	Charter Communications Operating LLC / Charter Communications Operating Capital	5.375%	5/1/47	500	613
	Charter Communications Operating LLC / Charter Communications Operating Capital	5.125%	7/1/49	600	717
1	CSC Holdings LLC	5.500%	4/15/27	2,610	2,739
1	CSC Holdings LLC	6.500%	2/1/29	1,025	1,135
1	CSC Holdings LLC	4.125%	12/1/30	4,305	4,291
1	CSC Holdings LLC	3.375%	2/15/31	1,935	1,828
1	CSC Holdings LLC	4.500%	11/15/31	3,900	3,926
	DISH DBS Corp.	5.875%	7/15/22	2,176	2,269
	DISH DBS Corp.	5.000%	3/15/23	1,384	1,450
	DISH DBS Corp.	5.875%	11/15/24	2,405	2,583
	DISH DBS Corp.	7.750%	7/1/26	3,685	4,171
	DISH DBS Corp.	7.375%	7/1/28	4,005	4,311
	Embarq Corp.	7.995%	6/1/36	865	980
1	Frontier Communications Corp.	5.875%	10/15/27	810	868
1	Frontier Communications Corp.	5.000%	5/1/28	4,105	4,246
1	Frontier Communications Corp.	6.750%	5/1/29	1,975	2,101
	Frontier Communications Holdings LLC	5.875%	11/1/29	1,380	1,404
1	Go Daddy Operating Co LLC / GD Finance Co. Inc.	3.500%	3/1/29	3,375	3,358
1	Gray Television Inc.	5.875%	7/15/26	2,280	2,354
	Lamar Media Corp.	3.750%	2/15/28	1,770	1,801
	Lamar Media Corp.	4.000%	2/15/30	1,920	1,947
1	Lamar Media Corp.	3.625%	1/15/31	1,311	1,282
1,2	Lorca Telecom Bondco SA	4.000%	9/18/27	760	917
	Lumen Technologies Inc.	6.750%	12/1/23	755	837
	Lumen Technologies Inc.	7.500%	4/1/24	557	625
1	Netflix Inc.	3.625%	6/15/25	335	361
1	Outfront Media Capital LLC / Outfront Media Capital Corp.	5.000%	8/15/27	439	455
1	Outfront Media Capital LLC / Outfront Media Capital Corp.	4.625%	3/15/30	2,132	2,161
	Quebecor Media Inc.	5.750%	1/15/23	2,810	3,005
1	Scripps Escrow II Inc.	3.875%	1/15/29	1,835	1,821
1	Sirius XM Radio Inc.	4.625%	7/15/24	1,640	1,684
1	Sirius XM Radio Inc.	5.375%	7/15/26	300	310
1	Sirius XM Radio Inc.	4.000%	7/15/28	1,090	1,125
1	Sirius XM Radio Inc.	4.125%	7/1/30	1,590	1,609
	Sprint Capital Corp.	6.875%	11/15/28	915	1,174
	Sprint Capital Corp.	8.750%	3/15/32	720	1,094
	Sprint Corp.	7.875%	9/15/23	6,974	7,928
	Sprint Corp.	7.125%	6/15/24	2,101	2,428
	Sprint Corp.	7.625%	2/15/25	1,595	1,895
	Telecom Italia Capital SA	6.375%	11/15/33	381	454
	Telecom Italia Capital SA	6.000%	9/30/34	1,085	1,255
	Telecom Italia Capital SA	7.721%	6/4/38	1,280	1,747
1	Telecom Italia SPA	5.303%	5/30/24	445	487
1	Telenet Finance Luxembourg Notes Sarl	5.500%	3/1/28	4,000	4,214
	Time Warner Cable LLC	5.875%	11/15/40	60	77
	Time Warner Cable LLC	5.500%	9/1/41	1,223	1,521
	T-Mobile USA Inc.	5.375%	4/15/27	3,510	3,738
1	T-Mobile USA Inc.	3.375%	4/15/29	1,810	1,870
1	T-Mobile USA Inc.	3.500%	4/15/31	2,105	2,172
1	UPC Broadband Finco BV	4.875%	7/15/31	2,410	2,419
1	UPC Holding BV	5.500%	1/15/28	2,050	2,149
	ViacomCBS Inc.	5.875%	2/28/57	2,560	2,605
	ViacomCBS Inc.	6.250%	2/28/57	944	1,080
	Videotron Ltd.	5.000%	7/15/22	1,472	1,531
1	Videotron Ltd.	5.375%	6/15/24	260	285
1	Videotron Ltd.	5.125%	4/15/27	1,750	1,830
1,3	Videotron Ltd.	3.625%	6/15/28	2,565	2,077
1	Videotron Ltd.	3.625%	6/15/29	1,220	1,238
1	Virgin Media Secured Finance plc	5.500%	8/15/26	940	971
1	Virgin Media Secured Finance plc	4.500%	8/15/30	1,190	1,199
1,4	Virgin Media Vendor Financing Notes III DAC	4.875%	7/15/28	1,090	1,530
1	Virgin Media Vendor Financing Notes IV DAC	5.000%	7/15/28	1,075	1,097
1	Vmed O2 UK Financing I plc	4.250%	1/31/31	3,140	3,089
1	VTR Comunicaciones SPA	5.125%	1/15/28	563	589
1	VTR Finance NV	6.375%	7/15/28	255	272
1,2	WMG Acquisition Corp.	3.625%	10/15/26	220	267
1,2	WMG Acquisition Corp.	2.750%	7/15/28	520	624
1	WMG Acquisition Corp.	3.875%	7/15/30	1,515	1,533
1	WMG Acquisition Corp.	3.000%	2/15/31	2,085	1,980
1	Ziggo BV	5.500%	1/15/27	1,545	1,606
1	Ziggo BV	4.875%	1/15/30	2,299	2,359
					147,210
	Consumer Discretionary (14.0%)				
1	1011778 BC ULC / New Red Finance Inc.	4.250%	5/15/24	2,059	2,082
1	1011778 BC ULC / New Red Finance Inc.	3.875%	1/15/28	1,185	1,200
1	1011778 BC ULC / New Red Finance Inc.	4.375%	1/15/28	1,500	1,522

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
1	1011778 BC ULC / New Red Finance Inc.	3.500%	2/15/29	500	494
1	1011778 BC ULC / New Red Finance Inc.	4.000%	10/15/30	2,465	2,385
1	Adient Global Holdings Ltd.	4.875%	8/15/26	1,090	1,121
1	American Builders & Contractors Supply Co. Inc.	4.000%	1/15/28	2,226	2,280
1	American Builders & Contractors Supply Co. Inc.	3.875%	11/15/29	1,165	1,157
	Asbury Automotive Group Inc.	4.500%	3/1/28	745	771
	Asbury Automotive Group Inc.	4.750%	3/1/30	489	511
1	Beacon Roofing Supply Inc.	4.125%	5/15/29	490	488
5,6	Beacon Roofing Supply Inc. Bank Loan, 1M USD LIBOR + 2.500%	2.604%	11/30/27	803	799
	Boyd Gaming Corp.	4.750%	12/1/27	3,725	3,855
1	Caesars Entertainment Inc.	6.250%	7/1/25	1,810	1,920
1	Caesars Entertainment Inc.	8.125%	7/1/27	1,810	2,014
1	Caesars Resort Collection LLC / CRC Finco Inc.	5.750%	7/1/25	610	643
1	Caesars Resort Collection LLC / CRC Finco Inc.	5.250%	10/15/25	4,754	4,815
	Cedar Fair LP	5.250%	7/15/29	1,645	1,696
	Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp.	5.375%	6/1/24	535	541
	Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp. / Millennium Op	5.375%	4/15/27	775	800
1,2	Cirsa Finance International Sarl	6.250%	12/20/23	1,460	1,753
1	Cirsa Finance International Sarl	7.875%	12/20/23	1,523	1,552
1	Clarios Global LP / Clarios U.S. Finance Co.	6.250%	5/15/26	322	343
1	Clarios Global LP / Clarios US Finance Co.	8.500%	5/15/27	804	876
5,6	Clarios Global LP Bank Loan, 1M USD LIBOR + 3.250%	3.354%	11/30/25	986	976
	Ford Motor Credit Co. LLC	5.875%	8/2/21	1,332	1,337
	Ford Motor Credit Co. LLC	3.813%	10/12/21	580	584
	Ford Motor Credit Co. LLC	5.596%	1/7/22	220	225
	Ford Motor Credit Co. LLC	3.219%	1/9/22	410	414
	Ford Motor Credit Co. LLC	3.339%	3/28/22	200	203
	Ford Motor Credit Co. LLC	2.979%	8/3/22	250	253
	Ford Motor Credit Co. LLC	4.250%	9/20/22	420	434
	Ford Motor Credit Co. LLC	3.350%	11/1/22	1,175	1,204
	Ford Motor Credit Co. LLC	3.087%	1/9/23	900	918
	Ford Motor Credit Co. LLC	3.370%	11/17/23	395	410
	Ford Motor Credit Co. LLC	4.134%	8/4/25	380	406
	Ford Motor Credit Co. LLC	3.375%	11/13/25	470	487
	Ford Motor Credit Co. LLC	4.389%	1/8/26	200	216
6	Ford Motor Credit Co. LLC, 3M USD LIBOR + 1.080%	1.256%	8/3/22	575	574
6	Ford Motor Credit Co. LLC, 3M USD LIBOR + 1.235%	1.391%	2/15/23	255	254
5,6	Great Outdoors Group LLC Bank Loan, 6M USD LIBOR + 4.250%	5.000%	11/30/27	2,154	2,165
1	Group 1 Automotive Inc.	4.000%	8/15/28	125	127
1	Hanesbrands Inc.	4.625%	5/15/24	730	776
1	Hanesbrands Inc.	5.375%	5/15/25	615	651
1	Hanesbrands Inc.	4.875%	5/15/26	2,974	3,212
5,6	IRB Holding Corp. Bank Loan, 3M USD LIBOR + 3.250%	4.250%	10/31/26	2,786	2,783
1	Jacobs Entertainment Inc.	7.875%	2/1/24	600	626
1	JELD-WEN Inc.	4.625%	12/15/25	345	353
1	JELD-WEN Inc.	4.875%	12/15/27	515	537
1	KAR Auction Services Inc.	5.125%	6/1/25	2,069	2,123
	KB Home	7.500%	9/15/22	215	231
	KB Home	7.625%	5/15/23	1,300	1,413
	KB Home	4.800%	11/15/29	405	439
	KB Home	4.000%	6/15/31	1,125	1,134
1	KFC Holding Co. / Pizza Hut Holdings LLC / Taco Bell of America LLC	4.750%	6/1/27	1,010	1,056
	L Brands Inc.	6.694%	1/15/27	300	354
1	L Brands Inc.	6.625%	10/1/30	2,130	2,464
	Lennar Corp.	4.125%	1/15/22	685	692
	Lennar Corp.	4.500%	4/30/24	1,965	2,150
	Lennar Corp.	5.250%	6/1/26	130	150
1	Lithia Motors Inc.	5.250%	8/1/25	171	176
1	Lithia Motors Inc.	4.625%	12/15/27	1,945	2,058
	Macy's Retail Holdings LLC	2.875%	2/15/23	106	107
	Macy's Retail Holdings LLC	3.625%	6/1/24	966	991
1	Macy's Retail Holdings LLC	5.875%	4/1/29	1,444	1,552
	Macy's Retail Holdings LLC	4.500%	12/15/34	410	386
	Macy's Retail Holdings LLC	5.125%	1/15/42	207	191
	Macy's Retail Holdings LLC	4.300%	2/15/43	915	758
1	Magic Mergeco Inc.	5.250%	5/1/28	825	847
1	Magic Mergeco Inc.	7.875%	5/1/29	1,445	1,489
1	Mattel Inc.	6.750%	12/31/25	161	169
1	Mattel Inc.	3.375%	4/1/26	635	658
1	Mattel Inc.	5.875%	12/15/27	1,910	2,082
	MGM Resorts International	6.000%	3/15/23	680	727
	MGM Resorts International	5.750%	6/15/25	985	1,086
1	NMG Holding Co. Inc. / Neiman Marcus Group LLC	7.125%	4/1/26	460	491
1	Penn National Gaming Inc.	4.125%	7/1/29	845	844
1	Petsmart Inc.	4.750%	2/15/28	580	602
1	Petsmart Inc.	7.750%	2/15/29	250	276
	PulteGroup Inc.	5.500%	3/1/26	818	958
	PVH Corp.	4.625%	7/10/25	1,135	1,266
1	Scientific Games International Inc.	7.000%	5/15/28	1,975	2,158
	Service Corp. International	4.625%	12/15/27	505	535
	Service Corp. International	5.125%	6/1/29	2,105	2,285
	Service Corp. International	3.375%	8/15/30	650	638
	Service Corp. International	4.000%	5/15/31	1,560	1,591
1	Speedway Motorsports LLC / Speedway Funding II Inc.	4.875%	11/1/27	600	609
5,6,7,8	SRAM LLC	—%	11/30/27	683	682
1	Taylor Morrison Communities Inc.	5.875%	6/15/27	750	850
1	Taylor Morrison Communities Inc.	5.125%	8/1/30	1,075	1,165
	Toll Brothers Finance Corp.	4.875%	11/15/25	295	331
	Toll Brothers Finance Corp.	4.875%	3/15/27	710	807
	Toll Brothers Finance Corp.	3.800%	11/1/29	1,161	1,245
	Under Armour Inc.	3.250%	6/15/26	2,310	2,395
1	William Carter Co.	5.500%	5/15/25	280	296
1	William Carter Co.	5.625%	3/15/27	404	425
1	Williams Scotsman International Inc.	4.625%	8/15/28	60	62
1	WW International Inc.	4.500%	4/15/29	1,445	1,459
5,6	WW International Inc. Bank Loan, 3M USD LIBOR + 3.500%	4.000%	11/30/27	325	326

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
1	Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	5.500%	3/1/25	1,530	1,647
1	Yum! Brands Inc.	7.750%	4/1/25	1,150	1,253
1	Yum! Brands Inc.	4.750%	1/15/30	910	985
	Yum! Brands Inc.	3.625%	3/15/31	1,550	1,549
					108,956
	Consumer Staples (4.1%)				
	B&G Foods Inc.	5.250%	9/15/27	4,020	4,189
1,4	Bellis Acquisition Co. plc	3.250%	2/16/26	508	704
1,2	Darling Global Finance BV	3.625%	5/15/26	395	475
1	Darling Ingredients Inc.	5.250%	4/15/27	795	834
1	Energizer Holdings Inc.	4.750%	6/15/28	3,420	3,516
1	Energizer Holdings Inc.	4.375%	3/31/29	580	581
5,6	Froneri International Ltd. Bank Loan, 1M USD LIBOR + 2.250%	2.354%	11/30/26	896	882
	Kraft Heinz Foods Co.	4.250%	3/1/31	1,200	1,366
	Kraft Heinz Foods Co.	5.200%	7/15/45	3,010	3,740
1	Lamb Weston Holdings Inc.	4.875%	11/1/26	256	265
1	Performance Food Group Inc.	6.875%	5/1/25	200	214
1	Performance Food Group Inc.	5.500%	10/15/27	2,685	2,825
1	Post Holdings Inc.	5.750%	3/1/27	970	1,016
1	Post Holdings Inc.	5.625%	1/15/28	2,170	2,306
1	Post Holdings Inc.	4.625%	4/15/30	3,364	3,424
1	Post Holdings Inc.	4.500%	9/15/31	2,485	2,480
5,6	Revlon Consumer Products Corp. Bank Loan, 3M USD LIBOR + 3.500%	4.250%	11/30/22	752	384
	TreeHouse Foods Inc.	4.000%	9/1/28	2,070	2,055
1	United Natural Foods Inc.	6.750%	10/15/28	695	747
					32,003
	Energy (8.1%)				
	Apache Corp.	4.875%	11/15/27	1,560	1,691
	Apache Corp.	5.100%	9/1/40	1,065	1,118
	Apache Corp.	5.250%	2/1/42	471	499
	Apache Corp.	4.750%	4/15/43	1,393	1,448
	Apache Corp.	4.250%	1/15/44	678	666
	Apache Corp.	5.350%	7/1/49	1,372	1,447
1	Blue Racer Midstream LLC / Blue Racer Finance Corp.	7.625%	12/15/25	435	471
1	Blue Racer Midstream LLC / Blue Racer Finance Corp.	6.625%	7/15/26	775	810
1	Buckeye Partners LP	4.125%	3/1/25	1,285	1,335
1	Buckeye Partners LP	4.500%	3/1/28	1,954	2,003
	Cheniere Energy Partners LP	4.500%	10/1/29	1,076	1,157
	Continental Resources Inc.	4.375%	1/15/28	1,553	1,717
1	Continental Resources Inc.	5.750%	1/15/31	960	1,150
	Continental Resources Inc.	4.900%	6/1/44	2,355	2,656
	DCP Midstream Operating LP	4.950%	4/1/22	1,436	1,463
	DCP Midstream Operating LP	3.875%	3/15/23	801	833
1	DT Midstream Inc.	4.125%	6/15/29	665	675
1	DT Midstream Inc.	4.375%	6/15/31	785	800
	EnLink Midstream Partners LP	5.050%	4/1/45	906	779
	EQM Midstream Partners LP	4.750%	7/15/23	379	396
	EQM Midstream Partners LP	4.000%	8/1/24	420	431
1	EQM Midstream Partners LP	6.000%	7/1/25	1,580	1,718
1	EQM Midstream Partners LP	6.500%	7/1/27	1,710	1,906
	EQM Midstream Partners LP	5.500%	7/15/28	466	503
1	EQM Midstream Partners LP	4.500%	1/15/29	990	1,007
1	EQM Midstream Partners LP	4.750%	1/15/31	990	1,020
	EQT Corp.	3.000%	10/1/22	385	393
	EQT Corp.	7.625%	2/1/25	145	169
	EQT Corp.	8.500%	2/1/30	699	910
1	EQT Corp.	3.625%	5/15/31	640	669
5,6	NorthRiver Midstream Finance LP Bank Loan, 3M USD LIBOR + 3.250%	3.452%	10/31/24	725	718
	Occidental Petroleum Corp.	3.400%	4/15/26	365	373
	Occidental Petroleum Corp.	3.200%	8/15/26	100	101
	Occidental Petroleum Corp.	6.375%	9/1/28	240	279
	Occidental Petroleum Corp.	3.500%	8/15/29	128	128
	Occidental Petroleum Corp.	6.125%	1/1/31	676	795
	Ovintiv Inc.	7.200%	11/1/31	140	185
	Ovintiv Inc.	7.375%	11/1/31	1,344	1,789
	Ovintiv Inc.	6.500%	8/15/34	797	1,049
	Ovintiv Inc.	6.500%	2/1/38	715	954
1	Range Resources Corp.	8.250%	1/15/29	675	761
1	Rockies Express Pipeline LLC	4.950%	7/15/29	207	214
1	Rockies Express Pipeline LLC	4.800%	5/15/30	166	167
1	Rockies Express Pipeline LLC	7.500%	7/15/38	1,134	1,249
1	Rockies Express Pipeline LLC	6.875%	4/15/40	420	447
	Sunoco LP / Sunoco Finance Corp.	5.500%	2/15/26	1,589	1,637
	Sunoco LP / Sunoco Finance Corp.	6.000%	4/15/27	2,265	2,376
	Sunoco LP / Sunoco Finance Corp.	5.875%	3/15/28	725	770
1	Sunoco LP / Sunoco Finance Corp.	4.500%	5/15/29	805	822
1	Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.	5.500%	9/15/24	1,152	1,171
1	Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.	5.500%	1/15/28	1,845	1,874
	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	5.375%	2/1/27	160	167
	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	6.875%	1/15/29	1,200	1,351
1	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	4.875%	2/1/31	1,640	1,775
1,9	Transocean Guardian Ltd.	5.875%	1/15/24	1,281	1,247
1,9	Transocean Phoenix 2 Ltd.	7.750%	10/15/24	561	581
1,9	Transocean Pontus Ltd.	6.125%	8/1/25	1,041	1,051
1,9	Transocean Proteus Ltd.	6.250%	12/1/24	657	664
	Western Midstream Operating LP	4.350%	2/1/25	105	111
	Western Midstream Operating LP	3.950%	6/1/25	430	447
	Western Midstream Operating LP	4.650%	7/1/26	1,150	1,233
	Western Midstream Operating LP	4.500%	3/1/28	100	107
	Western Midstream Operating LP	4.750%	8/15/28	215	234
	Western Midstream Operating LP	5.450%	4/1/44	595	641

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Western Midstream Operating LP	5.300%	3/1/48	1,492	1,584
Western Midstream Operating LP	6.500%	2/1/50	1,804	2,092
				62,984
Financials (9.1%)				
[1] Acrisure LLC / Acrisure Finance Inc.	4.250%	2/15/29	3,375	3,331
[1] AerCap Global Aviation Trust	6.500%	6/15/45	3,950	4,224
AerCap Ireland Capital DAC / AerCap Global Aviation Trust	4.500%	9/15/23	1,045	1,121
Aircastle Ltd.	5.000%	4/1/23	465	497
Aircastle Ltd.	4.125%	5/1/24	2,110	2,253
[5,6] Asurion LLC Bank Loan, 1M USD LIBOR + 3.000%	3.104%	10/31/23	3,017	2,984
[1] Avolon Holdings Funding Ltd.	5.250%	5/15/24	1,630	1,792
BNP Paribas SA	6.750%	12/29/49	2,205	2,283
[1] Compass Group Diversified Holdings LLC	5.250%	4/15/29	470	489
Credit Suisse Group AG	6.250%	12/29/49	5,880	6,445
[1] DAE Funding LLC	5.250%	11/15/21	705	714
[1] DAE Funding LLC	4.500%	8/1/22	1,264	1,268
[1] DAE Funding LLC	5.000%	8/1/24	1,020	1,046
[1] Enact Holdings Inc.	6.500%	8/15/25	2,190	2,413
Fly Leasing Ltd.	5.250%	10/15/24	800	810
[1] Freedom Mortgage Corp.	8.125%	11/15/24	296	306
[1] Freedom Mortgage Corp.	8.250%	4/15/25	1,250	1,305
[1] Freedom Mortgage Corp.	7.625%	5/1/26	88	91
Genworth Holdings Inc.	7.625%	9/24/21	760	772
Genworth Holdings Inc.	4.900%	8/15/23	1,475	1,479
Genworth Holdings Inc.	4.800%	2/15/24	475	472
[1] goeasy Ltd.	4.375%	5/1/26	1,371	1,409
[1] Home Point Capital Inc.	5.000%	2/1/26	300	280
ING Groep NV	6.875%	12/29/49	2,805	2,920
[1] Intesa Sanpaolo SPA	5.017%	6/26/24	900	978
[1] Intesa Sanpaolo SPA	5.710%	1/15/26	3,880	4,360
[1] LD Holdings Group LLC	6.500%	11/1/25	430	440
[1] LD Holdings Group LLC	6.125%	4/1/28	225	225
MGIC Investment Corp.	5.750%	8/15/23	685	740
MGIC Investment Corp.	5.250%	8/15/28	885	938
[1] Nationstar Mortgage Holdings Inc.	5.125%	12/15/30	3,518	3,509
Navient Corp.	6.500%	6/15/22	1,790	1,866
Navient Corp.	5.500%	1/25/23	2,135	2,251
Navient Corp.	7.250%	9/25/23	310	344
Navient Corp.	6.750%	6/15/26	40	45
OneMain Finance Corp.	8.250%	10/1/23	380	430
OneMain Finance Corp.	6.125%	3/15/24	755	813
OneMain Finance Corp.	7.125%	3/15/26	2,536	2,955
OneMain Finance Corp.	3.500%	1/15/27	545	550
OneMain Finance Corp.	4.000%	9/15/30	1,500	1,487
[1] Park Aerospace Holdings Ltd.	5.500%	2/15/24	600	660
[1] PennyMac Financial Services Inc.	5.375%	10/15/25	1,745	1,837
[1] PennyMac Financial Services Inc.	4.250%	2/15/29	2,700	2,601
Radian Group Inc.	4.500%	10/1/24	2,485	2,662
Radian Group Inc.	6.625%	3/15/25	300	339
Radian Group Inc.	4.875%	3/15/27	300	326
				71,060
Health Care (9.6%)				
[1] Acadia Healthcare Co. Inc.	5.500%	7/1/28	480	514
[1] Acadia Healthcare Co. Inc.	5.000%	4/15/29	350	367
[1,2] Avantor Funding Inc.	2.625%	11/1/25	2,316	2,809
[1] Avantor Funding Inc.	4.625%	7/15/28	3,035	3,203
[1] Bausch Health Cos. Inc.	6.125%	4/15/25	4,856	4,976
[1] Bausch Health Cos. Inc.	5.500%	11/1/25	2,140	2,196
[1] Bausch Health Cos. Inc.	9.000%	12/15/25	815	874
[1] Bausch Health Cos. Inc.	9.250%	4/1/26	520	565
[1] Bausch Health Cos. Inc.	8.500%	1/31/27	1,150	1,250
[1] Bausch Health Cos. Inc.	7.000%	1/15/28	540	558
[1] Bausch Health Cos. Inc.	5.000%	1/30/28	1,295	1,231
[1] Bausch Health Cos. Inc.	4.875%	6/1/28	925	946
[1] Bausch Health Cos. Inc.	7.250%	5/30/29	60	61
[1] Bausch Health Cos. Inc.	5.250%	1/30/30	2,120	1,978
[1,2] CAB SELAS	3.375%	2/1/28	621	733
[1] Catalent Pharma Solutions Inc.	5.000%	7/15/27	630	659
[1,2] Catalent Pharma Solutions Inc.	2.375%	3/1/28	1,310	1,557
[2] Catalent Pharma Solutions Inc.	2.375%	3/1/28	750	892
[1] Catalent Pharma Solutions Inc.	3.125%	2/15/29	185	179
Centene Corp.	4.250%	12/15/27	2,080	2,194
Centene Corp.	4.625%	12/15/29	735	809
Centene Corp.	3.375%	2/15/30	810	847
Centene Corp.	3.000%	10/15/30	590	606
[1] Charles River Laboratories International Inc.	4.250%	5/1/28	1,550	1,605
[1] Charles River Laboratories International Inc.	3.750%	3/15/29	640	648
[1] Charles River Laboratories International Inc.	4.000%	3/15/31	570	592
[1] CHS/Community Health Systems Inc.	6.625%	2/15/25	975	1,030
[1] CHS/Community Health Systems Inc.	5.625%	3/15/27	1,315	1,403
[1] CHS/Community Health Systems Inc.	6.000%	1/15/29	770	824
[1] CHS/Community Health Systems Inc.	4.750%	2/15/31	835	838
[1,2] Grifols SA	1.625%	2/15/25	810	968
[1,2] Grifols SA	2.250%	11/15/27	1,325	1,596
HCA Inc.	7.690%	6/15/25	130	158
HCA Inc.	5.875%	2/15/26	2,895	3,350
HCA Inc.	5.625%	9/1/28	390	463
HCA Inc.	5.875%	2/1/29	450	544
HCA Inc.	3.500%	9/1/30	5,575	5,936
[1] Hill-Rom Holdings Inc.	4.375%	9/15/27	310	323
[1] Hologic Inc.	3.250%	2/15/29	1,665	1,656
[5,6,7,8] Icon Luxembourg Sarl, 1M USD LIBOR + 2.500%	—%	6/16/28	608	610
[5,6,7,8] Indigo Merger Sub Inc., 1M USD LIBOR + 2.500%	—%	6/16/28	152	152
[1] IQVIA Inc.	5.000%	5/15/27	4,093	4,286
[1,2] IQVIA Inc.	2.250%	1/15/28	1,200	1,430
[1,2] IQVIA Inc.	2.875%	6/15/28	1,405	1,716
[1] Jaguar Holding Co. II / Pharmaceutical Product Development LP	4.625%	6/15/25	395	415
[1] Jaguar Holding Co. II / Pharmaceutical Product Development LP	5.000%	6/15/28	435	471
[1] Jazz Securities DAC	4.375%	1/15/29	485	503
[1] Organon Finance 1 LLC	4.125%	4/30/28	2,075	2,117
[1] Organon Finance 1 LLC	5.125%	4/30/31	1,045	1,076
[1] Par Pharmaceutical Inc.	7.500%	4/1/27	767	784
[1] Teleflex Inc.	4.250%	6/1/28	1,991	2,076
Tenet Healthcare Corp.	4.625%	7/15/24	279	283
[1] Tenet Healthcare Corp.	4.625%	9/1/24	315	323
[1] Tenet Healthcare Corp.	7.500%	4/1/25	305	329
[1] Tenet Healthcare Corp.	4.875%	1/1/26	270	280
[1] Tenet Healthcare Corp.	4.625%	6/15/28	870	895
Teva Pharmaceutical Finance Netherlands III BV	3.150%	10/1/26	2,890	2,749

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
	Teva Pharmaceutical Finance Netherlands III BV	6.750%	3/1/28	2,000	2,190
					74,623
	Industrials (6.1%)				
1	Aramark Services Inc.	5.000%	4/1/25	1,935	1,984
1	Aramark Services Inc.	5.000%	2/1/28	980	1,025
1	Ashtead Capital Inc.	4.125%	8/15/25	1,325	1,357
1	Ashtead Capital Inc.	4.375%	8/15/27	1,545	1,620
1	Brand Industrial Services Inc.	8.500%	7/15/25	3,262	3,326
5,6,7	Brown Group Holding LLC Bank Loan, 3M USD LIBOR + 2.750%	3.250%	6/7/28	3,210	3,194
1	BWX Technologies Inc.	4.125%	6/30/28	1,008	1,027
1	BWX Technologies Inc.	4.125%	4/15/29	1,315	1,338
1	Clean Harbors Inc.	4.875%	7/15/27	1,414	1,484
1	Clean Harbors Inc.	5.125%	7/15/29	768	835
1	Core & Main LP	6.125%	8/15/25	160	163
5,6	Core & Main LP Bank Loan, 3M USD LIBOR + 2.750%	3.750%	11/30/23	260	260
1	Hawaiian Brand Intellectual Property Ltd. / HawaiianMiles Loyalty Ltd.	5.750%	1/20/26	500	537
1	Herc Holdings Inc.	5.500%	7/15/27	5,966	6,291
1,2	Loxam SAS	4.250%	4/15/24	190	227
2	Loxam SAS	2.875%	4/15/26	655	776
2	Loxam SAS	3.750%	7/15/26	750	910
1	Mueller Water Products Inc.	4.000%	6/15/29	175	180
1,2	Q-Park Holding I BV	1.500%	3/1/25	805	919
1,2	Q-Park Holding I BV	2.000%	3/1/27	1,025	1,156
1	Sensata Technologies BV	4.875%	10/15/23	300	322
1	Sensata Technologies BV	5.625%	11/1/24	575	641
1	Sensata Technologies BV	5.000%	10/1/25	1,625	1,810
1	Sensata Technologies Inc.	4.375%	2/15/30	400	422
1	Sensata Technologies Inc.	3.750%	2/15/31	1,642	1,624
1	Spirit AeroSystems Inc.	5.500%	1/15/25	750	798
1,2	SSANGYONG C&E Co. Ltd.	4.375%	7/15/27	275	340
1	Stericycle Inc.	3.875%	1/15/29	255	256
1	TK Elevator U.S. Newco Inc.	5.250%	7/15/27	1,160	1,222
1	United Airlines Inc.	4.375%	4/15/26	260	269
1	United Airlines Inc.	4.625%	4/15/29	295	306
	United Rentals North America Inc.	5.500%	5/15/27	2,125	2,251
	United Rentals North America Inc.	4.875%	1/15/28	1,794	1,904
	United Rentals North America Inc.	5.250%	1/15/30	740	811
	United Rentals North America Inc.	4.000%	7/15/30	3,430	3,530
	United Rentals North America Inc.	3.875%	2/15/31	1,206	1,228
1,2	Verisure Holding AB	3.250%	2/15/27	688	817
1,2	Verisure Midholding AB	5.250%	2/15/29	221	269
1,2	Vertical Holdco GmbH	6.625%	7/15/28	200	252
					47,681
	Materials (10.2%)				
1	ARD Finance SA	6.500%	6/30/27	955	1,002
1	Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance plc	3.250%	9/1/28	1,190	1,190
1	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	4.125%	8/15/26	1,490	1,538
1,4	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	4.750%	7/15/27	160	225
1	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	5.250%	8/15/27	700	714
1	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	5.250%	8/15/27	3,655	3,732
	Ball Corp.	4.875%	3/15/26	1,100	1,226
2	Ball Corp.	1.500%	3/15/27	920	1,105
1	Berry Global Inc.	4.500%	2/15/26	983	1,005
1	Berry Global Inc.	4.875%	7/15/26	2,120	2,243
1	Berry Global Inc.	5.625%	7/15/27	215	227
	Cemex SAB de CV	7.375%	6/5/27	565	637
	Cemex SAB de CV	5.450%	11/19/29	590	650
1	Cemex SAB de CV	3.875%	7/11/31	1,285	1,303
1,2	CeramTec BondCo GmbH	5.250%	12/15/25	425	510
	CF Industries Inc.	5.375%	3/15/44	596	738
	Chemours Co.	7.000%	5/15/25	3,115	3,213
	Commercial Metals Co.	5.375%	7/15/27	595	631
	Commercial Metals Co.	3.875%	2/15/31	145	146
1	Constellium SE	5.875%	2/15/26	1,025	1,055
1	Constellium SE	5.625%	6/15/28	500	537
1	Constellium SE	3.750%	4/15/29	1,105	1,095
	Crown Americas LLC / Crown Americas Capital Corp. IV	4.500%	1/15/23	300	315
	Crown Americas LLC / Crown Americas Capital Corp. VI	4.750%	2/1/26	2,715	2,817
1,2	Crown European Holdings SA	2.875%	2/1/26	1,555	1,960
1,2	Diamond BC BV	5.625%	8/15/25	3,035	3,661
1	Flex Acquisition Co. Inc.	6.875%	1/15/25	4,000	4,075
1	Flex Acquisition Co. Inc.	7.875%	7/15/26	845	880
	Graphic Packaging International LLC	4.125%	8/15/24	1,045	1,121
1	Graphic Packaging International LLC	4.750%	7/15/27	205	222
1	Graphic Packaging International LLC	3.500%	3/15/28	2,765	2,785
1	Graphic Packaging International LLC	3.500%	3/1/29	540	535
1	Novelis Corp.	5.875%	9/30/26	2,206	2,297
1	Novelis Corp.	4.750%	1/30/30	1,889	1,983
1	OCI NV	5.250%	11/1/24	3,230	3,326
1	OCI NV	4.625%	10/15/25	655	684
1	OI European Group BV	4.000%	3/15/23	675	696
	Olin Corp.	5.125%	9/15/27	1,775	1,854
	Olin Corp.	5.625%	8/1/29	730	804
	Olin Corp.	5.000%	2/1/30	1,097	1,170
1	Owens-Brockway Glass Container Inc.	5.875%	8/15/23	2,140	2,306
1	Owens-Brockway Glass Container Inc.	5.375%	1/15/25	640	685
1	Owens-Brockway Glass Container Inc.	6.375%	8/15/25	1,245	1,390
1	Owens-Brockway Glass Container Inc.	6.625%	5/13/27	1,180	1,284
1	Sealed Air Corp.	4.000%	12/1/27	424	451
	Silgan Holdings Inc.	4.750%	3/15/25	84	85
	Silgan Holdings Inc.	4.125%	2/1/28	2,545	2,641
2	Silgan Holdings Inc.	2.250%	6/1/28	1,320	1,573
1	Standard Industries Inc.	5.000%	2/15/27	700	726
1	Standard Industries Inc.	4.750%	1/15/28	1,025	1,073
1	Standard Industries Inc.	4.375%	7/15/30	2,805	2,892
1	Standard Industries Inc.	3.375%	1/15/31	3,015	2,885
5,6	Starfruit Finco B.V. Bank Loan, 1M USD LIBOR + 2.750%	2.843%	10/31/24	609	604
2	Trivium Packaging Finance BV	3.750%	8/15/26	1,000	1,202

		Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
1,2	Trivium Packaging Finance BV	3.750%	8/15/26	180	216
1	Trivium Packaging Finance BV	5.500%	8/15/26	745	782
1	Tronox Inc.	4.625%	3/15/29	2,030	2,053
1	Valvoline Inc.	3.625%	6/15/31	1,040	1,040
					79,795
	Real Estate (0.7%)				
1	Iron Mountain Inc.	4.875%	9/15/27	595	617
1	Iron Mountain Inc.	4.875%	9/15/29	782	808
	MGM Growth Properties Operating Partnership LP / MGP Finance Co-Issuer Inc.	5.625%	5/1/24	150	163
	Service Properties Trust	4.750%	10/1/26	519	512
1	VICI Properties LP / VICI Note Co. Inc.	4.250%	12/1/26	1,635	1,699
1	VICI Properties LP / VICI Note Co. Inc.	3.750%	2/15/27	458	468
1	VICI Properties LP / VICI Note Co. Inc.	4.625%	12/1/29	820	871
					5,138
	Technology (11.0%)				
1	Black Knight InfoServ LLC	3.625%	9/1/28	2,147	2,139
1	Booz Allen Hamilton Inc.	3.875%	9/1/28	300	306
1	Booz Allen Hamilton Inc.	4.000%	7/1/29	370	378
1	BY Crown Parent LLC / BY Bond Finance Inc.	4.250%	1/31/26	1,567	1,641
	CDK Global Inc.	4.875%	6/1/27	785	832
1	CDK Global Inc.	5.250%	5/15/29	2,220	2,422
	CDW LLC / CDW Finance Corp.	5.500%	12/1/24	112	125
	CDW LLC / CDW Finance Corp.	4.125%	5/1/25	1,340	1,400
	CDW LLC / CDW Finance Corp.	4.250%	4/1/28	2,745	2,881
	CDW LLC / CDW Finance Corp.	3.250%	2/15/29	1,977	2,000
1	Dun & Bradstreet Corp.	6.875%	8/15/26	453	480
5,6	Dun & Bradstreet Corp. Bank Loan, 1M USD LIBOR + 3.325%	3.345%	11/30/25	3,318	3,300
1	Entegris Inc.	4.375%	4/15/28	1,905	1,989
1	Entegris Inc.	3.625%	5/1/29	575	582
1	Gartner Inc.	3.625%	6/15/29	430	437
1	Gartner Inc.	3.750%	10/1/30	1,510	1,545
1	Imola Merger Corp.	4.750%	5/15/29	7,050	7,251
	Microchip Technology Inc.	4.250%	9/1/25	1,025	1,077
1	MSCI Inc.	5.375%	5/15/27	690	735
1	MSCI Inc.	4.000%	11/15/29	1,820	1,920
1	MSCI Inc.	3.625%	9/1/30	245	251
1	Nielsen Finance LLC / Nielsen Finance Co.	4.500%	7/15/29	1,738	1,742
1	Nielsen Finance LLC / Nielsen Finance Co.	4.750%	7/15/31	2,050	2,056
	Nokia of America Corp.	6.500%	1/15/28	1,355	1,469
	Nokia of America Corp.	6.450%	3/15/29	2,612	2,954
	Nokia Oyj	4.375%	6/12/27	725	800
	Nokia Oyj	6.625%	5/15/39	3,460	4,509
	NortonLifeLock Inc.	3.950%	6/15/22	345	351
1	NortonLifeLock Inc.	5.000%	4/15/25	4,250	4,304
1	Open Text Corp.	5.875%	6/1/26	2,180	2,256
1	Open Text Corp.	3.875%	2/15/28	3,103	3,153
1	Open Text Holdings Inc.	4.125%	2/15/30	3,080	3,139
5,6	Peraton Corp. Bank Loan, 1M USD LIBOR + 3.750%	4.500%	11/30/27	1,541	1,545
1	Presidio Holdings Inc.	4.875%	2/1/27	2,577	2,656
1	Presidio Holdings Inc.	8.250%	2/1/28	1,130	1,231
1	PTC Inc.	3.625%	2/15/25	335	345
1	PTC Inc.	4.000%	2/15/28	635	656
1	Qorvo Inc.	3.375%	4/1/31	1,570	1,634
5,6	SS&C European Holdings S.A.R.L. Bank Loan, 1M USD LIBOR + 1.750%	1.854%	11/30/24	478	472
1	SS&C Technologies Inc.	5.500%	9/30/27	4,075	4,322
5,6	SS&C Technologies Inc. Bank Loan, 1M USD LIBOR + 1.750%	1.854%	11/30/24	629	622
5,6	SS&C Technologies Inc. Bank Loan, 1M USD LIBOR + 1.750%	1.854%	11/30/24	666	658
	Western Digital Corp.	4.750%	2/15/26	2,554	2,838
	Xerox Corp.	4.375%	3/15/23	698	728
	Xerox Corp.	4.800%	3/1/35	542	545
	Xerox Corp.	6.750%	12/15/39	1,995	2,192
1	Xerox Holdings Corp.	5.000%	8/15/25	155	164
1	Xerox Holdings Corp.	5.500%	8/15/28	4,435	4,584
					85,616
	Utilities (1.8%)				
	AmeriGas Partners LP / AmeriGas Finance Corp.	5.625%	5/20/24	1,395	1,527
	AmeriGas Partners LP / AmeriGas Finance Corp.	5.500%	5/20/25	620	682
	AmeriGas Partners LP / AmeriGas Finance Corp.	5.875%	8/20/26	1,765	1,976
	AmeriGas Partners LP / AmeriGas Finance Corp.	5.750%	5/20/27	1,385	1,548
1	Clearway Energy Operating LLC	4.750%	3/15/28	571	599
1	Clearway Energy Operating LLC	3.750%	2/15/31	2,370	2,350
1	NextEra Energy Operating Partners LP	4.250%	7/15/24	983	1,037
1	NextEra Energy Operating Partners LP	4.250%	9/15/24	103	109
1	NextEra Energy Operating Partners LP	3.875%	10/15/26	3,035	3,207
1	NextEra Energy Operating Partners LP	4.500%	9/15/27	700	759
1	Suburban Propane Partners LP	5.000%	6/1/31	555	568
					14,362
	Total Corporate Bonds (Cost $695,107)				**729,428**

		Shares	
	Common Stocks (0.0%)		
	Other (0.0%)		
*,10	Homer City Holdings LLC **(Cost $1,287)**	62,633	—

	Coupon	Maturity Date	Face Amount ($000)	Market Value• ($000)
Temporary Cash Investments (5.9%)				
Repurchase Agreement (5.9%)				
Bank of America Securities LLC (Dated 6/30/21, Repurchase Value $46,200,000, collateralized by Federal National Mortgage Association 2.500%, 10/1/50, with a value of $47,124,000) (Cost $46,200)	0.050%	7/1/21	46,200	46,200
Total Investments (99.5%) (Cost $742,594)				775,628
Other Assets and Liabilities—Net (0.5%)				4,061
Net Assets (100%)				779,689

Cost is in $000.

• See Note A in Notes to Financial Statements.
* Non-income-producing security.
1 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, 2021, the aggregate value was $436,138,000, representing 55.9% of net assets.
2 Face amount denominated in euro.
3 Face amount denominated in Canadian dollars.
4 Face amount denominated in British pounds.
5 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, 2021, the aggregate value of these securities was $24,116,000, representing 3.1% of net assets.
6 Variable-rate security; rate shown is effective rate at period end. Certain variable-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 Includes securities purchased on a when-issued or delayed-delivery basis for which the portfolio has not taken delivery as of June 30, 2021.
8 Represents an unsettled loan as of June 30, 2021. The coupon rate is not known until the settlement date.
9 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.
10 Security value determined using significant unobservable inputs.
1M—1-month.
3M—3-month.
6M—6-month.
LIBOR—London Interbank Offered Rate.

Derivative Financial Instruments Outstanding as of Period End

Forward Currency Contracts

Counterparty	Contract Settlement Date	Contract Amount (000) Receive		Deliver		Unrealized Appreciation ($000)	Unrealized Depreciation ($000)
Toronto-Dominion Bank	7/30/21	USD	2,083	CAD	2,565	14	—
BNP Paribas	7/30/21	USD	32,858	EUR	27,486	246	—
JPMorgan Chase Bank, N.A.	7/30/21	USD	2,290	GBP	1,641	21	—
						281	—

CAD—Canadian dollar.
EUR—euro.
GBP—British pound.
USD—U.S. dollar.

At June 30, 2021, the counterparties had deposited in segregated accounts securities with a value of $1,046,000 in connection with open forward currency contracts.

Statement of Assets and Liabilities

As of June 30, 2021

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value—Unaffiliated Issuers (Cost $742,594)	775,628
Investment in Vanguard	28
Foreign Currency, at Value (Cost $6)	6
Receivables for Investment Securities Sold	368
Receivables for Accrued Income	9,705
Receivables for Capital Shares Issued	492
Unrealized Appreciation—Forward Currency Contracts	281
Total Assets	786,508
Liabilities	
Due to Custodian	206
Payables for Investment Securities Purchased	6,350
Payables to Investment Advisor	121
Payables for Capital Shares Redeemed	77
Payables to Vanguard	65
Total Liabilities	6,819
Net Assets	779,689

At June 30, 2021, net assets consisted of:

Paid-in Capital	744,273
Total Distributable Earnings (Loss)	35,416
Net Assets	779,689

Net Assets	
Applicable to 98,174,908 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	779,689
Net Asset Value Per Share	$7.94

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2021
	($000)
Investment Income	
Income	
Interest	18,816
Total Income	18,816
Expenses	
Investment Advisory Fees—Note B	245
The Vanguard Group—Note C	
Management and Administrative	773
Marketing and Distribution	26
Custodian Fees	7
Shareholders' Reports	6
Trustees' Fees and Expenses	—
Total Expenses	1,057
Net Investment Income	**17,759**
Realized Net Gain (Loss)	
Investment Securities Sold	6,928
Forward Currency Contracts	662
Foreign Currencies	10
Realized Net Gain (Loss)	**7,600**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities	(8,422)
Forward Currency Contracts	523
Foreign Currencies	(15)
Change in Unrealized Appreciation (Depreciation)	**(7,914)**
Net Increase (Decrease) in Net Assets Resulting from Operations	**17,445**

Statement of Changes in Net Assets

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	17,759	35,499
Realized Net Gain (Loss)	7,600	(14,050)
Change in Unrealized Appreciation (Depreciation)	(7,914)	21,715
Net Increase (Decrease) in Net Assets Resulting from Operations	17,445	43,164
Distributions		
Total Distributions	(34,925)	(39,449)
Capital Share Transactions		
Issued	64,108	259,625
Issued in Lieu of Cash Distributions	34,925	39,449
Redeemed	(133,071)	(254,487)
Net Increase (Decrease) from Capital Share Transactions	(34,038)	44,587
Total Increase (Decrease)	(51,518)	48,302
Net Assets		
Beginning of Period	**831,207**	**782,905**
End of Period	**779,689**	**831,207**

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, 2021	Year Ended December 31, 2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	**$8.12**	**$8.19**	**$7.53**	**$8.13**	**$7.99**	**$7.59**
Investment Operations						
Net Investment Income	.173[1]	.353[1]	.410[1]	.420[1]	.419[1]	.397
Net Realized and Unrealized Gain (Loss) on Investments	(.009)	.021	.731	(.636)	.119	.426
Total from Investment Operations	.164	.374	1.141	(.216)	.538	.823
Distributions						
Dividends from Net Investment Income	(.344)	(.444)	(.481)	(.384)	(.398)	(.423)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.344)	(.444)	(.481)	(.384)	(.398)	(.423)
Net Asset Value, End of Period	**$7.94**	**$8.12**	**$8.19**	**$7.53**	**$8.13**	**$7.99**
Total Return	**2.13%**	**5.67%**	**15.67%**	**-2.73%**	**7.00%**	**11.35%**
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$780	$831	$783	$704	$752	$622
Ratio of Total Expenses to Average Net Assets	0.26%	0.26%	0.26%	0.26%	0.28%	0.28%
Ratio of Net Investment Income to Average Net Assets	4.38%	4.57%	5.21%	5.39%	5.22%	5.44%
Portfolio Turnover Rate	16%	41%	27%	23%	28%	27%

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 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 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.

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 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 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 Statement of Assets and Liabilities. 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, 2021, the portfolio's average investment in forward currency contracts represented 5% of net assets, based on the average of the notional amounts at each quarter-end during the period.

4. 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.

5. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. The portfolio's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the portfolio's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the portfolio's financial statements.

6. 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.

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 alternate 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, 2021, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

8. 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, 2021, the investment advisory fee represented an effective annual basic 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, 2021, the portfolio had contributed to Vanguard capital in the amount of $28,000, 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 and derivatives. 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 and derivatives 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, 2021, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Corporate Bonds	—	729,428	—	729,428
Common Stocks	—	—	—	—
Temporary Cash Investments	—	46,200	—	46,200
Total	—	775,628	—	775,628
Derivative Financial Instruments				
Assets				
Forward Currency Contracts	—	281	—	281

E. As of June 30, 2021, 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	745,291
Gross Unrealized Appreciation	33,778
Gross Unrealized Depreciation	(3,160)
Net Unrealized Appreciation (Depreciation)	30,618

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, 2020, the portfolio had available capital losses totaling $19,119,000 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, 2021; should the portfolio realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended June 30, 2021, the portfolio purchased $119,717,000 of investment securities and sold $176,961,000 of investment securities, other than U.S. government securities and temporary cash investments. Purchases and sales of U.S. government securities were $8,203,000 and $8,206,000, respectively.

G. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2021 Shares (000)	Year Ended December 31, 2020 Shares (000)
Issued	8,017	34,269
Issued in Lieu of Cash Distributions	4,518	5,853
Redeemed	(16,768)	(33,293)
Net Increase (Decrease) in Shares Outstanding	(4,233)	6,829

At June 30, 2021, 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 42% 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.

H. Management has determined that no events or transactions occurred subsequent to June 30, 2021, 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 within the high-yield universe. 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 January 1, 2020, through December 31, 2020 (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 fund 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, 2021

Vanguard Variable Insurance Funds

Mid-Cap Index Portfolio

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, including annual expense ratios, 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, 2021

Mid-Cap Index Portfolio	Beginning Account Value 12/31/2020	Ending Account Value 6/30/2021	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$1,152.40	$0.91
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.95	0.85

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 (181/365).

Mid-Cap Index Portfolio

Portfolio Allocation
As of June 30, 2021

Basic Materials	3.3%
Consumer Discretionary	15.8
Consumer Staples	3.9
Energy	4.3
Financials	11.2
Health Care	11.7
Industrials	14.6
Real Estate	8.6
Technology	18.7
Telecommunications	2.2
Utilities	5.7

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, 2021

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 (100.0%)		
	Basic Materials (3.3%)		
	International Flavors & Fragrances Inc.	92,655	13,843
	Fastenal Co.	213,702	11,112
	Nucor Corp.	111,353	10,682
	International Paper Co.	145,752	8,936
	Albemarle Corp.	43,446	7,319
	Avery Dennison Corp.	30,890	6,494
	Celanese Corp.	41,967	6,362
	Eastman Chemical Co.	50,725	5,922
	FMC Corp.	48,006	5,194
	LyondellBasell Industries NV Class A	49,797	5,123
	CF Industries Holdings Inc.	39,494	2,032
	Westlake Chemical Corp.	6,047	545
			83,564
	Consumer Discretionary (15.8%)		
*	Chipotle Mexican Grill Inc.	10,448	16,198
*	Aptiv plc	100,651	15,835
*	Trade Desk Inc. Class A	160,800	12,439
*	Peloton Interactive Inc. Class A	95,000	11,782
	DR Horton Inc.	120,739	10,911
*	Copart Inc.	79,230	10,445
*,1	AMC Entertainment Holdings Inc. Class A	183,600	10,406
*	Delta Air Lines Inc.	237,800	10,287
	Lennar Corp. Class A	101,692	10,103
*	Etsy Inc.	47,300	9,736
	ViacomCBS Inc. Class B	215,141	9,724
	Best Buy Co. Inc.	83,830	9,639
*	Wayfair Inc. Class A	27,513	8,686
*	Dollar Tree Inc.	87,044	8,661
*	Expedia Group Inc.	52,649	8,619
	Garmin Ltd.	57,246	8,280
*	Carnival Corp.	307,916	8,117
*	Lululemon Athletica Inc.	22,072	8,056
	Tractor Supply Co.	42,913	7,984
*	Burlington Stores Inc.	24,760	7,972
*	CarMax Inc.	60,677	7,836
*	Caesars Entertainment Inc.	73,800	7,657
*	Take-Two Interactive Software Inc.	42,997	7,611
*	Ulta Beauty Inc.	20,572	7,113
	Darden Restaurants Inc.	48,694	7,109
*	Royal Caribbean Cruises Ltd.	80,543	6,869
	Genuine Parts Co.	53,783	6,802
	Domino's Pizza Inc.	14,459	6,745
	MGM Resorts International	155,096	6,615
	Omnicom Group Inc.	80,144	6,411
*	NVR Inc.	1,283	6,381
*	United Airlines Holdings Inc.	120,304	6,291
*	Hilton Worldwide Holdings Inc.	51,800	6,248
*	AutoZone Inc.	4,142	6,181
*	Southwest Airlines Co.	109,900	5,835
*	Lyft Inc. Class A	95,398	5,770
*	DraftKings Inc. Class A	104,466	5,450
	Whirlpool Corp.	23,316	5,083
	PulteGroup Inc.	92,928	5,071
	Advance Auto Parts Inc.	24,386	5,003
	News Corp. Class A	183,921	4,740
*	Wynn Resorts Ltd.	38,750	4,739
*	LKQ Corp.	95,538	4,702
*	Live Nation Entertainment Inc.	52,619	4,609
	Hasbro Inc.	48,588	4,593
	Fox Corp. Class A	121,200	4,500
	BorgWarner Inc.	89,040	4,322
*	Discovery Inc. Class C	117,112	3,394
	L Brands Inc.	41,500	2,990
	Rollins Inc.	81,717	2,795
*	American Airlines Group Inc.	120,351	2,553
*	Liberty Media Corp.-Liberty SiriusXM Class C	53,336	2,474
	Interpublic Group of Cos. Inc.	73,701	2,395
*	Vail Resorts Inc.	7,552	2,390
*	GameStop Corp. Class A	11,100	2,377
*	Penn National Gaming Inc.	29,200	2,233
*	Chewy Inc. Class A	27,620	2,202
	Fox Corp. Class B	57,068	2,009
	Sirius XM Holdings Inc.	304,800	1,993
	Lear Corp.	11,329	1,986
*	Discovery Inc. Class A	59,304	1,819
	Aramark	47,749	1,779
*	QuantumScape Corp. Class A	48,068	1,406
*	Liberty Media Corp.-Liberty SiriusXM Class A	29,745	1,386
	Warner Music Group Corp. Class A	34,867	1,257
	Lennar Corp. Class B	6,899	562
	ViacomCBS Inc. Class A	2,790	135
	News Corp. Class B	3,475	85
*	Endeavor Group Holdings Inc. Class A	426	12
			404,398
	Consumer Staples (3.9%)		
	Corteva Inc.	274,769	12,186
	Clorox Co.	46,311	8,332
	McCormick & Co. Inc. (Non-Voting)	92,626	8,181
	Tyson Foods Inc. Class A	109,715	8,093
	Church & Dwight Co. Inc.	91,230	7,775
	Conagra Brands Inc.	178,614	6,498
	Archer-Daniels-Midland Co.	104,000	6,302
	AmerisourceBergen Corp.	53,524	6,128
	Kellogg Co.	95,020	6,113
	McKesson Corp.	29,400	5,622
	J M Smucker Co.	38,780	5,025
	Kroger Co.	126,804	4,858
	Hormel Foods Corp.	100,587	4,803
	Lamb Weston Holdings Inc.	54,413	4,389
	Campbell Soup Co.	73,158	3,335
*	Molson Coors Beverage Co. Class B	33,908	1,820
			99,460
	Energy (4.3%)		
	Pioneer Natural Resources Co.	81,695	13,277
	Valero Energy Corp.	152,100	11,876
	Occidental Petroleum Corp.	330,000	10,319
	ONEOK Inc.	165,782	9,224
	Hess Corp.	103,336	9,023
*	Cheniere Energy Inc.	84,920	7,366
	Marathon Petroleum Corp.	121,379	7,334
	Halliburton Co.	314,455	7,270
*	Plug Power Inc.	211,500	7,231
	Phillips 66	81,500	6,995
	Baker Hughes Co.	273,512	6,255
	Williams Cos. Inc.	226,064	6,002

		Shares	Market Value• ($000)
*	Enphase Energy Inc.	22,700	4,169
	Devon Energy Corp.	125,900	3,675
			110,016
Financials (11.2%)			
	MSCI Inc.	29,129	15,528
	Discover Financial Services	113,432	13,418
	First Republic Bank	65,630	12,284
*	SVB Financial Group	20,167	11,221
	Willis Towers Watson plc	47,967	11,033
	Arthur J Gallagher & Co.	76,700	10,744
	Ameriprise Financial Inc.	43,092	10,725
	State Street Corp.	123,009	10,121
	Fifth Third Bancorp	261,966	10,015
	Northern Trust Corp.	73,630	8,513
	Hartford Financial Services Group Inc.	132,912	8,237
	Huntington Bancshares Inc.	549,433	7,840
	American International Group Inc.	159,700	7,602
	Nasdaq Inc.	42,726	7,511
	KeyCorp	361,236	7,459
	Citizens Financial Group Inc.	158,550	7,273
	Regions Financial Corp.	357,793	7,220
	Broadridge Financial Solutions Inc.	43,192	6,977
	M&T Bank Corp.	47,886	6,958
	Ally Financial Inc.	137,908	6,873
	Cincinnati Financial Corp.	57,004	6,648
	Principal Financial Group Inc.	101,264	6,399
	MarketAxess Holdings Inc.	13,426	6,224
	KKR & Co. Inc.	102,772	6,088
*	Markel Corp.	5,124	6,081
	Raymond James Financial Inc.	46,058	5,983
*	Arch Capital Group Ltd.	142,748	5,559
	Equitable Holdings Inc.	159,413	4,854
	Cboe Global Markets Inc.	39,670	4,723
	FactSet Research Systems Inc.	14,057	4,718
	Annaly Capital Management Inc.	520,590	4,623
	Loews Corp.	83,233	4,549
	Fidelity National Financial Inc.	102,144	4,439
	Everest Re Group Ltd.	14,824	3,736
	W R Berkley Corp.	49,456	3,681
	Franklin Resources Inc.	112,647	3,604
	Tradeweb Markets Inc. Class A	39,000	3,298
	Globe Life Inc.	34,507	3,287
*	Opendoor Technologies Inc.	161,200	2,858
	Lincoln National Corp.	33,536	2,107
	Interactive Brokers Group Inc. Class A	30,350	1,995
*	Alleghany Corp.	2,497	1,666
	AGNC Investment Corp.	97,601	1,648
	SEI Investments Co.	24,233	1,502
1	UWM Holdings Corp.	30,700	259
			288,081
Health Care (11.7%)			
*	IDEXX Laboratories Inc.	31,746	20,049
*	IQVIA Holdings Inc.	71,273	17,271
*	Veeva Systems Inc. Class A	51,338	15,964
*	Centene Corp.	216,860	15,816
*	Dexcom Inc.	35,993	15,369
	ResMed Inc.	54,184	13,357
*	Laboratory Corp. of America Holdings	36,320	10,019
	West Pharmaceutical Services Inc.	27,500	9,875
	Cerner Corp.	112,148	8,765
*	Teladoc Health Inc.	51,800	8,614
*	Align Technology Inc.	14,014	8,563
*	Seagen Inc.	50,644	7,996
*	Exact Sciences Corp.	64,048	7,962
*	Horizon Therapeutics plc	83,600	7,828
*	Alexion Pharmaceuticals Inc.	41,091	7,549
*	Alnylam Pharmaceuticals Inc.	43,733	7,414
	STERIS plc	35,200	7,262

		Shares	Market Value• ($000)
	Cooper Cos. Inc.	18,307	7,255
	Teleflex Inc.	17,418	6,998
*	Insulet Corp.	24,700	6,780
	Viatris Inc.	449,857	6,428
	Quest Diagnostics Inc.	48,592	6,413
*	Hologic Inc.	95,389	6,364
	Cardinal Health Inc.	108,023	6,167
*	Elanco Animal Health Inc.	176,040	6,107
*	Incyte Corp.	69,581	5,854
*	10X Genomics Inc. Class A	29,200	5,718
*	BioMarin Pharmaceutical Inc.	67,814	5,658
*	ABIOMED Inc.	16,855	5,261
	DENTSPLY SIRONA Inc.	81,273	5,141
	Royalty Pharma plc Class A	117,004	4,796
	Universal Health Services Inc. Class B	27,563	4,036
*	Henry Schein Inc.	52,390	3,887
*	Novocure Ltd.	16,400	3,638
*	Catalent Inc.	31,600	3,417
*	DaVita Inc.	25,728	3,098
*	Oak Street Health Inc.	44,505	2,607
*	Bio-Rad Laboratories Inc. Class A	3,853	2,482
*	PPD Inc.	46,177	2,128
*	agilon health Inc.	21,800	884
*	GoodRx Holdings Inc. Class A	21,975	791
			301,581
Industrials (14.6%)			
	Carrier Global Corp.	323,405	15,717
	IHS Markit Ltd.	133,493	15,039
	Cintas Corp.	33,281	12,713
*	TransDigm Group Inc.	19,392	12,552
*	Mettler-Toledo International Inc.	8,656	11,991
	AMETEK Inc.	85,922	11,471
	Equifax Inc.	45,321	10,855
*	Keysight Technologies Inc.	68,720	10,611
*	Zebra Technologies Corp. Class A	19,960	10,569
	Verisk Analytics Inc.	60,321	10,539
	Synchrony Financial	216,400	10,500
	Ball Corp.	122,142	9,896
	Old Dominion Freight Line Inc.	38,805	9,849
*	Generac Holdings Inc.	23,400	9,715
	Kansas City Southern	33,800	9,578
*	United Rentals Inc.	26,978	8,606
	Vulcan Materials Co.	49,412	8,601
	Fortive Corp.	119,711	8,349
	Martin Marietta Materials Inc.	23,216	8,168
	Dover Corp.	53,543	8,064
	Xylem Inc.	66,968	8,033
	Expeditors International of Washington Inc.	62,818	7,953
*	FleetCor Technologies Inc.	31,057	7,952
*	Waters Corp.	22,928	7,924
	TransUnion	71,203	7,819
*	Trimble Inc.	93,404	7,643
*	Teledyne Technologies Inc.	17,300	7,246
	WW Grainger Inc.	16,463	7,211
*	Ingersoll Rand Inc.	140,412	6,853
	Otis Worldwide Corp.	79,796	6,525
	Jacobs Engineering Group Inc.	48,480	6,468
	Rockwell Automation Inc.	21,574	6,171
	Textron Inc.	84,018	5,778
	Masco Corp.	94,428	5,563
	Westinghouse Air Brake Technologies Corp.	66,855	5,502
	Westrock Co.	99,303	5,285
	Fortune Brands Home & Security Inc.	51,576	5,137
	JB Hunt Transport Services Inc.	31,469	5,128
	Crown Holdings Inc.	50,163	5,127
	Packaging Corp. of America	35,308	4,781
	CH Robinson Worldwide Inc.	49,490	4,636
	Snap-on Inc.	20,157	4,504
	Western Union Co.	152,226	3,497

		Shares	Market Value• ($000)
	HEICO Corp. Class A	27,099	3,365
	Cognex Corp.	30,941	2,601
*	XPO Logistics Inc.	18,101	2,532
	Jack Henry & Associates Inc.	13,860	2,266
	HEICO Corp.	16,169	2,254
*	Mohawk Industries Inc.	10,319	1,983
	Hubbell Inc. Class B	10,232	1,912
*	Affirm Holdings Inc. Class A	19,223	1,295
*	Marqeta Inc. Class A	17,897	502
			374,829
Real Estate (8.6%)			
	Digital Realty Trust Inc.	104,775	15,764
	SBA Communications Corp.	40,705	12,973
	Welltower Inc.	155,414	12,915
*	CoStar Group Inc.	146,840	12,161
	AvalonBay Communities Inc.	51,959	10,843
	Equity Residential	132,236	10,182
*	CBRE Group Inc. Class A	118,719	10,178
	Alexandria Real Estate Equities Inc.	54,883	9,985
	Weyerhaeuser Co.	278,821	9,597
	Realty Income Corp.	138,969	9,275
	Extra Space Storage Inc.	49,792	8,157
	Simon Property Group Inc.	61,133	7,977
	Ventas Inc.	139,600	7,971
	Invitation Homes Inc.	211,174	7,875
*	Zillow Group Inc. Class C	59,800	7,309
	Essex Property Trust Inc.	24,228	7,269
	Mid-America Apartment Communities Inc.	42,638	7,181
	Sun Communities Inc.	41,588	7,128
	Healthpeak Properties Inc.	200,609	6,678
	Duke Realty Corp.	139,599	6,610
	Boston Properties Inc.	52,274	5,990
	UDR Inc.	110,450	5,410
	WP Carey Inc.	66,127	4,934
	Camden Property Trust	36,330	4,820
	Iron Mountain Inc.	107,463	4,548
*	Host Hotels & Resorts Inc.	130,158	2,224
*	Zillow Group Inc. Class A	16,500	2,022
	Regency Centers Corp.	31,299	2,005
	VEREIT Inc.	43,098	1,980
			221,961
Technology (18.7%)			
*	DocuSign Inc.	68,800	19,234
	Marvell Technology Inc.	297,838	17,373
*	Synopsys Inc.	56,761	15,654
*	Match Group Inc.	95,504	15,400
	Microchip Technology Inc.	101,789	15,242
	Amphenol Corp. Class A	222,452	15,218
*	Cadence Design Systems Inc.	103,545	14,167
	Xilinx Inc.	91,515	13,237
*	Okta Inc. Class A	53,377	13,060
*	Palo Alto Networks Inc.	34,466	12,789
*	Fortinet Inc.	51,670	12,307
	Skyworks Solutions Inc.	61,429	11,779
	Corning Inc.	285,245	11,667
*	ANSYS Inc.	32,442	11,259
	Maxim Integrated Products Inc.	99,889	10,524
*	EPAM Systems Inc.	19,900	10,168
*	Twitter Inc.	141,077	9,708
*	HubSpot Inc.	16,500	9,615
	KLA Corp.	28,519	9,246
	CDW Corp.	52,162	9,110
*	Cloudflare Inc. Class A	85,800	9,081
*	Splunk Inc.	60,887	8,803
*	RingCentral Inc. Class A	29,990	8,715
*	Datadog Inc. Class A	82,700	8,607
	Teradyne Inc.	61,900	8,292
*	Qorvo Inc.	41,878	8,193
*	VeriSign Inc.	35,631	8,113
*	Pinterest Inc. Class A	101,804	8,037
*	Palantir Technologies Inc. Class A	302,320	7,969
*	Slack Technologies Inc. Class A	177,603	7,868
*	Western Digital Corp.	108,328	7,710
*	Gartner Inc.	30,437	7,372
*	Coupa Software Inc.	27,400	7,182
*	Akamai Technologies Inc.	60,652	7,072
	Hewlett Packard Enterprise Co.	484,068	7,058
*	Paycom Software Inc.	18,992	6,903
*	Tyler Technologies Inc.	15,200	6,876
	NetApp Inc.	82,880	6,781
	Seagate Technology Holdings plc	76,690	6,743
*	Zscaler Inc.	27,800	6,007
	SS&C Technologies Holdings Inc.	80,861	5,827
*	Unity Software Inc.	51,998	5,711
	NortonLifeLock Inc.	204,963	5,579
	Citrix Systems Inc.	46,353	5,436
*	GoDaddy Inc. Class A	62,397	5,426
*	IAC/InterActiveCorp	29,470	4,543
*	Black Knight Inc.	55,385	4,319
*	MongoDB Inc. Class A	10,957	3,961
	Bentley Systems Inc. Class B	59,200	3,835
*	Dropbox Inc. Class A	112,386	3,406
*	Zendesk Inc.	22,200	3,204
*	ON Semiconductor Corp.	79,500	3,043
	Monolithic Power Systems Inc.	8,063	3,011
*	IPG Photonics Corp.	12,891	2,717
	Leidos Holdings Inc.	26,200	2,649
*	F5 Networks Inc.	11,131	2,078
*	ZoomInfo Technologies Inc. Class A	36,508	1,905
*	Vimeo Inc.	24,193	1,186
*	Bumble Inc. Class A	20,051	1,155
*	AppLovin Corp. Class A	12,107	910
*	Qualtrics International Inc. Class A	9,964	381
			480,421
Telecommunications (2.2%)			
	Motorola Solutions Inc.	63,131	13,690
*	Roku Inc. Class A	21,396	9,826
*	Liberty Broadband Corp. Class C	56,539	9,818
*	Arista Networks Inc.	21,290	7,714
	Lumen Technologies Inc.	409,887	5,570
*	DISH Network Corp. Class A	90,931	3,801
*	Altice USA Inc. Class A	81,577	2,785
	Juniper Networks Inc.	60,139	1,645
*	Liberty Broadband Corp. Class A	8,986	1,511
	Ubiquiti Inc.	2,366	739
			57,099
Utilities (5.7%)			
	Waste Connections Inc.	97,387	11,631
	WEC Energy Group Inc.	117,363	10,439
	American Water Works Co. Inc.	67,562	10,413
	Eversource Energy	127,784	10,253
	DTE Energy Co.	71,996	9,331
	Consolidated Edison Inc.	127,539	9,147
	Edison International	141,241	8,167
	PPL Corp.	271,967	7,607
	Ameren Corp.	95,006	7,604
	FirstEnergy Corp.	202,378	7,530
	Entergy Corp.	74,656	7,443
	AES Corp.	247,823	6,461
	CMS Energy Corp.	107,699	6,363
*	PG&E Corp.	553,967	5,634
	CenterPoint Energy Inc.	215,895	5,294
	Alliant Energy Corp.	92,998	5,186
	Evergy Inc.	84,465	5,104
	NiSource Inc.	145,893	3,574
	Vistra Corp.	179,426	3,328

	Shares	Market Value• ($000)
NRG Energy Inc.	45,871	1,849
Pinnacle West Capital Corp.	21,194	1,737
Avangrid Inc.	28,845	1,484
		145,579
Total Common Stocks (Cost $1,760,505)		2,566,989
Temporary Cash Investments (0.4%)		
Money Market Fund (0.4%)		
2,3 Vanguard Market Liquidity Fund, 0.056% (Cost $9,497)	94,967	9,497
Total Investments (100.4%) (Cost $1,770,002)		2,576,486
Other Assets and Liabilities—Net (-0.4%)		(9,446)
Net Assets (100%)		2,567,040

Cost is in $000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $9,235,000.

2 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

3 Collateral of $9,490,000 was received for securities on loan.

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 2021	6	1,615	—

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2021

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $1,760,505)	2,566,989
Affiliated Issuers (Cost $9,497)	9,497
Total Investments in Securities	2,576,486
Investment in Vanguard	88
Cash Collateral Pledged—Futures Contracts	155
Receivables for Investment Securities Sold	316
Receivables for Accrued Income	2,424
Receivables for Capital Shares Issued	753
Total Assets	**2,580,222**
Liabilities	
Due to Custodian	1,135
Payables for Investment Securities Purchased	226
Collateral for Securities on Loan	9,490
Payables for Capital Shares Redeemed	2,153
Payables to Vanguard	178
Variation Margin Payable—Futures Contracts	—
Total Liabilities	**13,182**
Net Assets	**2,567,040**

At June 30, 2021, net assets consisted of:

Paid-in Capital	1,607,820
Total Distributable Earnings (Loss)	959,220
Net Assets	**2,567,040**

Net Assets	
Applicable to 93,966,597 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	2,567,040
Net Asset Value Per Share	$27.32

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2021
	($000)
Investment Income	
Income	
Dividends	13,078
Interest[1]	1
Securities Lending—Net	109
Total Income	13,188
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	182
Management and Administrative	1,755
Marketing and Distribution	61
Custodian Fees	32
Shareholders' Reports	11
Trustees' Fees and Expenses	—
Total Expenses	2,041
Net Investment Income	**11,147**
Realized Net Gain (Loss)	
Investment Securities Sold[1]	142,281
Futures Contracts	662
Realized Net Gain (Loss)	**142,943**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	185,296
Futures Contracts	(129)
Change in Unrealized Appreciation (Depreciation)	**185,167**
Net Increase (Decrease) in Net Assets Resulting from Operations	**339,257**

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $1,000, ($2,000), and $2,000, respectively. Purchases and sales are for temporary cash investment purposes.

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	11,147	29,290
Realized Net Gain (Loss)	142,943	163,685
Change in Unrealized Appreciation (Depreciation)	185,167	140,812
Net Increase (Decrease) in Net Assets Resulting from Operations	339,257	333,787
Distributions		
Total Distributions	(190,939)	(142,409)
Capital Share Transactions		
Issued	185,798	302,317
Issued in Lieu of Cash Distributions	190,939	142,409
Redeemed	(199,039)	(549,858)
Net Increase (Decrease) from Capital Share Transactions	177,698	(105,132)
Total Increase (Decrease)	326,016	86,246
Net Assets		
Beginning of Period	2,241,024	2,154,778
End of Period	2,567,040	2,241,024

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, 2021	Year Ended December 31, 2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	**$25.77**	**$24.03**	**$20.23**	**$23.72**	**$21.11**	**$20.76**
Investment Operations						
Net Investment Income	.123[1]	.325[1,2]	.334[1]	.343[1]	.292[1]	.280
Net Realized and Unrealized Gain (Loss) on Investments	3.643	3.047	5.621	(2.386)	3.575	1.814
Total from Investment Operations	3.766	3.372	5.955	(2.043)	3.867	2.094
Distributions						
Dividends from Net Investment Income	(.318)	(.344)	(.350)	(.286)	(.270)	(.292)
Distributions from Realized Capital Gains	(1.898)	(1.288)	(1.805)	(1.161)	(.987)	(1.452)
Total Distributions	(2.216)	(1.632)	(2.155)	(1.447)	(1.257)	(1.744)
Net Asset Value, End of Period	**$27.32**	**$25.77**	**$24.03**	**$20.23**	**$23.72**	**$21.11**
Total Return	15.24%	18.07%	30.87%	-9.33%	19.08%	11.11%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$2,567	$2,241	$2,155	$1,621	$1,804	$1,495
Ratio of Total Expenses to Average Net Assets	0.17%	0.17%	0.17%	0.17%	0.19%	0.19%
Ratio of Net Investment Income to Average Net Assets	0.94%	1.50%[2]	1.49%	1.49%	1.32%	1.40%
Portfolio Turnover Rate	12%	28%	21%	21%	18%	21%

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 $0.036 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 securities 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 Statement of Assets and Liabilities. 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, 2021, 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. The portfolio's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the portfolio's tax positions taken for all open federal and state income tax years, and has concluded that no provision for 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, 2021, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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, 2021, the portfolio had contributed to Vanguard capital in the amount of $88,000, representing less than 0.01% of the portfolio's net assets and 0.04% 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 and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At June 30, 2021, 100% of the market value of the portfolio's investments and derivatives was determined based on Level 1 inputs.

D. As of June 30, 2021, 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	1,770,420
Gross Unrealized Appreciation	850,562
Gross Unrealized Depreciation	(44,496)
Net Unrealized Appreciation (Depreciation)	806,066

E. During the six months ended June 30, 2021, the portfolio purchased $286,883,000 of investment securities and sold $283,107,000 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, 2021, such purchases and sales were $61,180,000 and $60,427,000, respectively; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

F. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	Shares (000)	Shares (000)
Issued	6,942	14,451
Issued in Lieu of Cash Distributions	7,500	8,812
Redeemed	(7,441)	(25,982)
Net Increase (Decrease) in Shares Outstanding	7,001	(2,719)

At June 30, 2021 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 39% 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, 2021, 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 January 1, 2020, through December 31, 2020 (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 082021

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Semiannual Report | June 30, 2021

Vanguard Variable Insurance Funds

Real Estate Index Portfolio

Contents

Results of Proxy Voting

At a joint special meeting of shareholders on January 22, 2021, fund shareholders approved the following proposal:

Proposal—Reclassify the diversification status of the Real Estate Index Portfolio to non-diversified and eliminate a related fundamental policy.

Reclassifying the fund's diversification status to non-diversified, as defined by the Investment Company Act of 1940, and eliminating a related fundamental policy, enables the fund to track its index more efficiently and reduces transaction costs associated with the use of derivatives.

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
Real Estate Index Portfolio	60,175,899	4,736,912	3,876,796	0	87.5%

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, including annual expense ratios, 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, 2021

Real Estate Index Portfolio	Beginning Account Value 12/31/2020	Ending Account Value 6/30/2021	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$1,213.30	$1.43
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.51	1.30

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 (181/365).

Real Estate Index Portfolio

Portfolio Allocation
As of June 30, 2021

Diversified Real Estate Activities	0.2%
Diversified REITs	3.9
Health Care REITs	8.4
Hotel & Resort REITs	3.1
Industrial REITs	10.7
Office REITs	7.2
Real Estate Development	0.3
Real Estate Operating Companies	0.2
Real Estate Services	3.9
Residential REITs	14.0
Retail REITs	10.0
Specialized REITs	38.1

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, 2021

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) (95.4%)		
	Diversified REITs (3.9%)		
	WP Carey Inc.	158,751	11,846
	VEREIT Inc.	207,333	9,523
	STORE Capital Corp.	213,423	7,365
*	DigitalBridge Group Inc.	435,586	3,441
	Broadstone Net Lease Inc. Class A	131,467	3,078
	PS Business Parks Inc.	18,597	2,754
	Essential Properties Realty Trust Inc.	96,563	2,611
	Washington REIT	76,591	1,762
	American Assets Trust Inc.	46,612	1,738
	Empire State Realty Trust Inc. Class A	131,536	1,578
	Global Net Lease Inc.	80,445	1,488
	iStar Inc.	67,391	1,397
	Alexander & Baldwin Inc.	66,018	1,209
	Gladstone Commercial Corp.	31,970	721
	Armada Hoffler Properties Inc.	53,021	705
	One Liberty Properties Inc.	14,724	418
			51,634
	Health Care REITs (8.4%)		
	Welltower Inc.	377,413	31,363
	Ventas Inc.	338,924	19,353
	Healthpeak Properties Inc.	487,316	16,223
	Medical Properties Trust Inc.	522,883	10,510
	Omega Healthcare Investors Inc.	209,370	7,598
	Healthcare Trust of America Inc. Class A	197,671	5,278
	Healthcare Realty Trust Inc.	126,631	3,824
	Physicians Realty Trust	187,684	3,466
	Sabra Health Care REIT Inc.	190,203	3,462
	National Health Investors Inc.	38,772	2,600
	CareTrust REIT Inc.	86,823	2,017
	LTC Properties Inc.	35,751	1,372
	Community Healthcare Trust Inc.	20,462	971
	Diversified Healthcare Trust	212,970	890
	Universal Health Realty Income Trust	12,313	758
	Global Medical REIT Inc.	50,711	748
	New Senior Investment Group Inc.	73,831	648
			111,081
	Hotel & Resort REITs (3.2%)		
*	Host Hotels & Resorts Inc.	638,153	10,906
	MGM Growth Properties LLC Class A	136,149	4,986
*	Park Hotels & Resorts Inc.	213,356	4,397
*	Ryman Hospitality Properties Inc.	47,364	3,740
	Apple Hospitality REIT Inc.	191,245	2,919
	Pebblebrook Hotel Trust	118,507	2,791
*	Sunstone Hotel Investors Inc.	194,737	2,419
	RLJ Lodging Trust	149,131	2,271
*	Xenia Hotels & Resorts Inc.	102,951	1,928
	Service Properties Trust	149,236	1,880
*	DiamondRock Hospitality Co.	190,318	1,846
*	Summit Hotel Properties Inc.	94,443	881
*	Chatham Lodging Trust	42,530	547
*	CorePoint Lodging Inc.	36,886	395
			41,906
	Industrial REITs (10.7%)		
	Prologis Inc.	668,489	79,905
	Duke Realty Corp.	338,040	16,006
	Americold Realty Trust	215,869	8,171
	Rexford Industrial Realty Inc.	118,625	6,756
	First Industrial Realty Trust Inc.	116,626	6,091
	EastGroup Properties Inc.	35,910	5,905
	STAG Industrial Inc.	143,182	5,359
	Innovative Industrial Properties Inc.	21,665	4,138
	Terreno Realty Corp.	61,890	3,993
	Lexington Realty Trust	250,250	2,991
	Monmouth Real Estate Investment Corp.	84,833	1,588
	Industrial Logistics Properties Trust	59,551	1,557
			142,460
	Office REITs (7.2%)		
	Alexandria Real Estate Equities Inc.	117,340	21,349
	Boston Properties Inc.	133,645	15,314
	Vornado Realty Trust	147,078	6,864
	Kilroy Realty Corp.	94,769	6,600
	Douglas Emmett Inc.	158,341	5,323
	SL Green Realty Corp.	63,764	5,101
	Cousins Properties Inc.	134,539	4,948
	Highwoods Properties Inc.	94,003	4,246
	Hudson Pacific Properties Inc.	136,139	3,787
	JBG SMITH Properties	106,690	3,362
	Equity Commonwealth	110,432	2,893
	Corporate Office Properties Trust	101,198	2,833
	Brandywine Realty Trust	154,316	2,116
	Piedmont Office Realty Trust Inc. Class A	112,141	2,071
	Columbia Property Trust Inc.	103,836	1,806
	Paramount Group Inc.	158,908	1,600
	Easterly Government Properties Inc.	74,778	1,576
	Office Properties Income Trust	44,084	1,292
	Mack-Cali Realty Corp.	66,326	1,138
	City Office REIT Inc.	40,344	502
	Franklin Street Properties Corp.	91,911	484
			95,205
	Residential REITs (14.0%)		
	AvalonBay Communities Inc.	126,156	26,327
	Equity Residential	320,112	24,649
	Invitation Homes Inc.	513,112	19,134
	Essex Property Trust Inc.	58,800	17,641
	Mid-America Apartment Communities Inc.	103,416	17,417
	Sun Communities Inc.	97,357	16,687
	UDR Inc.	268,194	13,136
	Camden Property Trust	88,284	11,713
	Equity LifeStyle Properties Inc.	156,693	11,644
	American Homes 4 Rent Class A	256,866	9,979
	Apartment Income REIT Corp.	134,694	6,389
	American Campus Communities Inc.	124,344	5,809
	Independence Realty Trust Inc.	92,461	1,686
	NexPoint Residential Trust Inc.	20,639	1,135
	Centerspace	11,765	928
	Apartment Investment & Management Co. Class A	133,164	893
	UMH Properties Inc.	37,308	814
	Preferred Apartment Communities Inc. Class A	46,449	453
			186,434
	Retail REITs (10.0%)		
	Simon Property Group Inc.	297,054	38,760
	Realty Income Corp.	337,382	22,517
	Regency Centers Corp.	138,002	8,842
	Kimco Realty Corp.	390,805	8,148
	National Retail Properties Inc.	158,517	7,431

		Shares	Market Value• ($000)
	Federal Realty Investment Trust	62,474	7,320
	Brixmor Property Group Inc.	268,147	6,138
	Spirit Realty Capital Inc.	103,623	4,957
	Agree Realty Corp.	57,491	4,053
	Weingarten Realty Investors	109,712	3,518
	Macerich Co.	132,915	2,426
	Retail Properties of America Inc. Class A	193,934	2,221
	SITE Centers Corp.	139,795	2,105
	Urban Edge Properties	106,073	2,026
	Retail Opportunity Investments Corp.	106,819	1,886
	Acadia Realty Trust	78,218	1,718
	Kite Realty Group Trust	76,486	1,683
	Tanger Factory Outlet Centers Inc.	83,954	1,582
	Getty Realty Corp.	33,869	1,055
	RPT Realty	72,952	947
	American Finance Trust Inc. Class A	97,376	826
	NETSTREIT Corp.	35,194	812
	Saul Centers Inc.	12,708	578
*,1	Seritage Growth Properties Class A	31,104	572
	Alexander's Inc.	2,056	551
	Urstadt Biddle Properties Inc. Class A	26,672	517
*,2	Spirit MTA REIT	42,040	11
			133,200
Specialized REITs (38.0%)			
	American Tower Corp.	401,730	108,523
	Crown Castle International Corp.	389,933	76,076
	Equinix Inc.	80,725	64,790
	Public Storage	142,327	42,796
	Digital Realty Trust Inc.	253,321	38,115
	SBA Communications Corp.	98,840	31,500
	Weyerhaeuser Co.	676,340	23,280
	Extra Space Storage Inc.	118,703	19,446
	VICI Properties Inc.	485,599	15,063
	Iron Mountain Inc.	260,694	11,032
	Gaming & Leisure Properties Inc.	199,999	9,266
	CubeSmart	176,335	8,168
	Lamar Advertising Co. Class A	78,057	8,151
	CyrusOne Inc.	109,074	7,801
	Life Storage Inc.	68,220	7,323
	CoreSite Realty Corp.	38,639	5,201
	QTS Realty Trust Inc. Class A	58,413	4,515
	Rayonier Inc.	124,679	4,480
*	EPR Properties	67,454	3,553
	PotlatchDeltic Corp.	60,313	3,206
*	Outfront Media Inc.	130,218	3,129
	National Storage Affiliates Trust	57,914	2,928
	Uniti Group Inc.	210,484	2,229
	Four Corners Property Trust Inc.	68,945	1,904
	Safehold Inc.	14,597	1,146
	GEO Group Inc.	108,828	775
	Gladstone Land Corp.	23,397	563
	CatchMark Timber Trust Inc. Class A	44,164	517
			505,476
Total Equity Real Estate Investment Trusts (REITs) (Cost $1,109,754)			1,267,396

		Shares	Market Value• ($000)
Real Estate Management & Development (4.6%)			
Diversified Real Estate Activities (0.2%)			
	St. Joe Co.	29,401	1,312
	RMR Group Inc. Class A	13,790	533
*	Five Point Holdings LLC Class A	52,488	424
*	Tejon Ranch Co.	667	10
			2,279
Real Estate Development (0.3%)			
*	Howard Hughes Corp.	37,466	3,651
*	Forestar Group Inc.	15,044	315
			3,966
Real Estate Operating Companies (0.2%)			
	Kennedy-Wilson Holdings Inc.	115,087	2,287
*	FRP Holdings Inc.	5,472	305
			2,592
Real Estate Services (3.9%)			
*	CBRE Group Inc. Class A	303,243	25,997
*	Jones Lang LaSalle Inc.	46,144	9,019
*	Redfin Corp.	83,967	5,324
*	eXp World Holdings Inc.	57,020	2,211
*	Cushman & Wakefield plc	120,511	2,105
*	Realogy Holdings Corp.	104,997	1,913
*,1	Opendoor Technologies Inc.	104,532	1,853
	Newmark Group Inc. Class A	144,206	1,732
*	Marcus & Millichap Inc.	21,314	829
	RE/MAX Holdings Inc. Class A	16,513	550
*	Altisource Portfolio Solutions SA	393	4
			51,537
Total Real Estate Management & Development (Cost $44,166)			60,374
Temporary Cash Investments (0.0%)			
Money Market Fund (0.0%)			
3,4	Vanguard Market Liquidity Fund, 0.056% (Cost $493)	4,930	493
Total Investments (100.0%) (Cost $1,154,413)			1,328,263
Other Assets and Liabilities—Net (0.0%)			167
Net Assets (100%)			1,328,430

Cost is in $000.
• See Note A in Notes to Financial Statements.
* Non-income-producing security.
1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $464,000.
2 Security value determined using significant unobservable inputs.
3 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.
4 Collateral of $478,000 was received for securities on loan.
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)
Long Futures Contracts				
Dow Jones U.S. Real Estate Index	September 2021	33	1,310	(32)

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2021

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $1,153,920)	1,327,770
Affiliated Issuers (Cost $493)	493
Total Investments in Securities	1,328,263
Investment in Vanguard	45
Cash Collateral Pledged—Futures Contracts	82
Receivables for Investment Securities Sold	5
Receivables for Accrued Income	3,816
Receivables for Capital Shares Issued	441
Total Assets	**1,332,652**
Liabilities	
Due to Custodian	1,616
Payables for Investment Securities Purchased	899
Collateral for Securities on Loan	478
Payables for Capital Shares Redeemed	1,077
Payables to Vanguard	143
Variation Margin Payable—Futures Contracts	9
Total Liabilities	**4,222**
Net Assets	**1,328,430**

At June 30, 2021, net assets consisted of:

Paid-in Capital	1,127,212
Total Distributable Earnings (Loss)	201,218
Net Assets	**1,328,430**

Net Assets	
Applicable to 92,701,734 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	1,328,430
Net Asset Value Per Share	**$14.33**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2021
	($000)
Investment Income	
Income	
Dividends	15,728
Interest[1]	2
Securities Lending—Net	26
Total Income	15,756
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	89
Management and Administrative	1,400
Marketing and Distribution	31
Custodian Fees	8
Shareholders' Reports and Proxy Fees	8
Trustees' Fees and Expenses	—
Total Expenses	1,536
Net Investment Income	**14,220**
Realized Net Gain (Loss)	
Capital Gain Distributions Received	805
Investment Securities Sold[1]	11,465
Futures Contracts	279
Swap Contracts	1,315
Realized Net Gain (Loss)	**13,864**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	202,158
Futures Contracts	(61)
Swap Contracts	(552)
Change in Unrealized Appreciation (Depreciation)	**201,545**
Net Increase (Decrease) in Net Assets Resulting from Operations	**229,629**

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $2,000, ($2,000), and $2,000, respectively. Purchases and sales are for temporary cash investment purposes.

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	14,220	22,598
Realized Net Gain (Loss)	13,864	36,511
Change in Unrealized Appreciation (Depreciation)	201,545	(132,843)
Net Increase (Decrease) in Net Assets Resulting from Operations	229,629	(73,734)
Distributions		
Total Distributions	(58,868)	(44,948)
Capital Share Transactions		
Issued	112,384	151,575
Issued in Lieu of Cash Distributions	58,868	44,948
Redeemed	(90,690)	(243,185)
Net Increase (Decrease) from Capital Share Transactions	80,562	(46,662)
Total Increase (Decrease)	251,323	(165,344)
Net Assets		
Beginning of Period	1,077,107	1,242,451
End of Period	1,328,430	1,077,107

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, 2021	Year Ended December 31, 2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	**$12.43**	**$13.74**	**$11.57**	**$13.14**	**$13.48**	**$13.77**
Investment Operations						
Net Investment Income	.159[1]	.259[1]	.329[1]	.367[1]	.375[1]	.346
Net Realized and Unrealized Gain (Loss) on Investments	2.421	(1.054)	2.874	(1.084)	.220	.734
Total from Investment Operations	2.580	(.795)	3.203	(.717)	.595	1.080
Distributions						
Dividends from Net Investment Income	(.293)	(.316)	(.368)	(.383)	(.336)	(.375)
Distributions from Realized Capital Gains	(.387)	(.199)	(.665)	(.470)	(.599)	(.995)
Total Distributions	(.680)	(.515)	(1.033)	(.853)	(.935)	(1.370)
Net Asset Value, End of Period	**$14.33**	**$12.43**	**$13.74**	**$11.57**	**$13.14**	**$13.48**
Total Return	**21.33%**	**-4.85%**	**28.81%**	**-5.35%**	**4.78%**	**8.36%**
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$1,328	$1,077	$1,242	$965	$1,077	$1,093
Ratio of Total Expenses to Average Net Assets	0.26%	0.26%	0.26%	0.26%	0.27%	0.27%
Ratio of Net Investment Income to Average Net Assets	2.41%	2.19%	2.52%	3.04%	2.87%	2.55%
Portfolio Turnover Rate	5%	10%	7%	35%	10%	14%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

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 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 securities 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 Statement of Assets and Liabilities. 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, 2021, 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.

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 notional amounts of swap contracts are not recorded in the Statement of Assets and Liabilities. 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.

During the six months ended June 30, 2021, 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. The portfolio's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the portfolio's tax positions taken for all open federal and state income tax years, and has concluded that no provision for 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, 2021, 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. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Each investment security 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. 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, 2021, the portfolio had contributed to Vanguard capital in the amount of $45,000, 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 and derivatives. 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 and derivatives 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, 2021, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	1,327,759	—	11	1,327,770
Temporary Cash Investments	493	—	—	493
Total	1,328,252	—	11	1,328,263
Derivative Financial Instruments				
Liabilities				
Futures Contracts[1]	32	—	—	32

1 Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

D. As of June 30, 2021, 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	1,155,401
Gross Unrealized Appreciation	302,457
Gross Unrealized Depreciation	(129,627)
Net Unrealized Appreciation (Depreciation)	172,830

E. During the six months ended June 30, 2021, the portfolio purchased $139,755,000 of investment securities and sold $53,815,000 of investment securities, other than temporary cash investments.

F. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	Shares (000)	Shares (000)
Issued	8,377	12,842
Issued in Lieu of Cash Distributions	4,535	4,527
Redeemed	(6,859)	(21,151)
Net Increase (Decrease) in Shares Outstanding	6,053	(3,782)

At June 30, 2021, 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 42% 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, 2021, 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 January 1, 2020, through December 31, 2020 (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.

Q692REIT 082021

Semiannual Report | June 30, 2021

Vanguard Variable Insurance Funds

Small Company Growth Portfolio

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, including annual expense ratios, 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, 2021

Small Company Growth Portfolio	Beginning Account Value 12/31/2020	Ending Account Value 6/30/2021	Expenses Paid During Period
Based on Actual Portfolio Return	$1,000.00	$1,150.80	$1.60
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.31	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 (181/365).

Small Company Growth Portfolio

Portfolio Allocation
As of June 30, 2021

Communication Services	2.0%
Consumer Discretionary	17.3
Consumer Staples	1.6
Energy	1.0
Financials	3.5
Health Care	26.4
Industrials	19.3
Information Technology	25.3
Materials	1.9
Real Estate	1.3
Utilities	0.3
Other	0.1

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.

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2021

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 (95.8%)		
Communication Services (1.9%)		
* Cargurus Inc.	365,045	9,575
* ZipRecruiter Inc. Class A	272,141	6,798
* Match Group Inc.	29,751	4,797
* Zynga Inc. Class A	315,006	3,348
* Iridium Communications Inc.	59,378	2,375
Nexstar Media Group Inc. Class A	13,185	1,950
* Cars.com Inc.	98,523	1,412
Sinclair Broadcast Group Inc. Class A	42,297	1,405
* Madison Square Garden Sports Corp.	7,362	1,270
* Playtika Holding Corp.	48,264	1,151
* IDT Corp. Class B	22,013	814
* fuboTV Inc.	24,854	798
* Magnite Inc.	23,369	791
* Yelp Inc. Class A	17,970	718
Gray Television Inc.	25,988	608
* Gogo Inc.	51,086	581
* EverQuote Inc. Class A	14,534	475
* Globalstar Inc.	139,792	249
* Consolidated Communications Holdings Inc.	27,951	246
* Clear Channel Outdoor Holdings Inc.	70,009	185
		39,546
Consumer Discretionary (16.6%)		
* Skechers USA Inc. Class A	662,833	33,029
* Sally Beauty Holdings Inc.	1,172,969	25,887
* 2U Inc.	589,592	24,568
Hanesbrands Inc.	1,075,606	20,082
* frontdoor Inc.	402,740	20,065
* Vroom Inc.	448,327	18,767
Shutterstock Inc.	141,775	13,918
Polaris Inc.	66,633	9,126
* Grand Canyon Education Inc.	80,940	7,282
* Canada Goose Holdings Inc.	163,399	7,147
* Under Armour Inc. Class C	367,536	6,825
* Etsy Inc.	32,218	6,632
Papa John's International Inc.	59,811	6,247
* Fox Factory Holding Corp.	35,884	5,586
* Crocs Inc.	47,382	5,521
PulteGroup Inc.	96,859	5,286
Carter's Inc.	49,978	5,156
* Deckers Outdoor Corp.	13,422	5,155
Signet Jewelers Ltd.	55,227	4,462
Wingstop Inc.	24,098	3,799
* Gentherm Inc.	52,455	3,727
* Dave & Buster's Entertainment Inc.	91,064	3,697
* Planet Fitness Inc. Class A	47,137	3,547
* Academy Sports & Outdoors Inc.	77,967	3,215
* Urban Outfitters Inc.	73,194	3,017
* Tapestry Inc.	68,953	2,998
Tempur Sealy International Inc.	70,507	2,763
H&R Block Inc.	112,531	2,642
* Sleep Number Corp.	23,548	2,589
* Penn National Gaming Inc.	33,126	2,534
* Skyline Champion Corp.	45,615	2,431
Winnebago Industries Inc.	35,540	2,415
* Stamps.com Inc.	11,518	2,307
Texas Roadhouse Inc. Class A	23,672	2,277
* Tenneco Inc. Class A	114,935	2,221
* Overstock.com Inc.	23,767	2,191
Wendy's Co.	90,546	2,121
Camping World Holdings Inc. Class A	47,938	1,965
Service Corp. International	36,608	1,962
* Perdoceo Education Corp.	158,802	1,949
* YETI Holdings Inc.	20,107	1,846
Oxford Industries Inc.	18,433	1,822
Rent-A-Center Inc.	33,970	1,803
Big Lots Inc.	27,227	1,797
* Ruth's Hospitality Group Inc.	68,520	1,578
Williams-Sonoma Inc.	9,698	1,548
* Everi Holdings Inc.	60,880	1,518
* RH	2,226	1,511
Caleres Inc.	54,259	1,481
* Children's Place Inc.	15,615	1,453
* Master Craft Boat Holdings Inc.	54,436	1,431
* Bed Bath & Beyond Inc.	41,778	1,391
* El Pollo Loco Holdings Inc.	73,668	1,347
Pool Corp.	2,895	1,328
* Sonos Inc.	37,109	1,307
OneWater Marine Inc. Class A	30,547	1,284
* Lumber Liquidators Holdings Inc.	60,386	1,274
* Scientific Games Corp. Class A	16,395	1,270
* Stitch Fix Inc. Class A	20,505	1,236
* American Axle & Manufacturing Holdings Inc.	112,923	1,169
* Visteon Corp.	9,489	1,148
* Brinker International Inc.	18,506	1,145
* Red Robin Gourmet Burgers Inc.	34,087	1,129
* Chico's FAS Inc.	171,354	1,128
PetMed Express Inc.	35,161	1,120
* Abercrombie & Fitch Co. Class A	21,467	997
* Asbury Automotive Group Inc.	5,619	963
Jack in the Box Inc.	7,994	891
* Drive Shack Inc.	263,536	872
* Floor & Decor Holdings Inc. Class A	8,229	870
* Revolve Group Inc.	12,407	855
* Lovesac Co.	10,018	799
* GameStop Corp. Class A	3,723	797
* Kirkland's Inc.	33,713	771
* Neogames SA	12,390	762
Century Communities Inc.	11,421	760
Churchill Downs Inc.	3,624	718
* Modine Manufacturing Co.	43,142	716
*,1 Canoo Inc.	70,698	703
Standard Motor Products Inc.	15,780	684
Travel + Leisure Co.	11,211	666
* QuantumScape Corp. Class A	21,982	643
* Red Rock Resorts Inc. Class A	14,705	625
* Vivint Smart Home Inc.	45,912	606
* Dine Brands Global Inc.	5,382	480
* Chegg Inc.	5,484	456
* Golden Entertainment Inc.	9,646	432
* Malibu Boats Inc. Class A	5,772	423
Buckle Inc.	7,686	382
Winmark Corp.	1,575	303
* Noodles & Co. Class A	21,624	270
* Cheesecake Factory Inc.	3,691	200
* Dorman Products Inc.	1,926	200
* XPEL Inc.	2,354	197
		340,213
Consumer Staples (1.5%)		
Coca-Cola Consolidated Inc.	14,029	5,642
John B Sanfilippo & Son Inc.	51,233	4,538
Vector Group Ltd.	265,766	3,758
* BJ's Wholesale Club Holdings Inc.	75,280	3,582
* Herbalife Nutrition Ltd.	58,607	3,090
* Boston Beer Co. Inc. Class A	2,657	2,712
Sanderson Farms Inc.	12,643	2,377
* Central Garden & Pet Co. Class A	35,049	1,693
* USANA Health Sciences Inc.	11,983	1,227
Medifast Inc.	3,820	1,081
National Beverage Corp.	16,402	775
* Sprouts Farmers Market Inc.	21,627	537
* Mission Produce Inc.	13,580	281
		31,293

		Shares	Market Value• ($000)
	Energy (1.0%)		
	Ovintiv Inc.	117,695	3,704
*	Denbury Inc.	35,065	2,692
*	Callon Petroleum Co.	45,279	2,612
	Texas Pacific Land Corp.	1,606	2,569
*	Laredo Petroleum Inc.	25,663	2,381
*	Magnolia Oil & Gas Corp. Class A	131,978	2,063
*	Southwestern Energy Co.	318,938	1,808
*	Dorian LPG Ltd.	34,395	486
	Altus Midstream Co. Class A	6,898	466
*	Kosmos Energy Ltd.	110,239	382
*	Earthstone Energy Inc. Class A	30,113	333
*	Contango Oil & Gas Co.	50,174	217
*	Tellurian Inc.	45,959	214
*	TETRA Technologies Inc.	48,710	211
*,1	Meta Materials Inc.	18,928	142
			20,280
	Financials (3.4%)		
	LPL Financial Holdings Inc.	77,701	10,488
	WisdomTree Investments Inc.	1,519,075	9,418
	SLM Corp.	283,103	5,928
	Bank OZK	132,448	5,584
	Primerica Inc.	32,520	4,980
	Virtus Investment Partners Inc.	16,392	4,553
*	Credit Acceptance Corp.	8,542	3,879
	Cowen Inc. Class A	79,520	3,264
	Kinsale Capital Group Inc.	14,963	2,465
*	Triumph Bancorp Inc.	33,173	2,463
	Brightsphere Investment Group Inc.	100,898	2,364
*	Silvergate Capital Corp. Class A	16,674	1,890
	Walker & Dunlop Inc.	14,830	1,548
	Regional Management Corp.	32,416	1,509
	Ares Management Corp. Class A	18,138	1,153
	National Bank Holdings Corp. Class A	24,828	937
	Erie Indemnity Co. Class A	4,523	875
	Universal Insurance Holdings Inc.	59,085	820
	Hanmi Financial Corp.	40,655	775
	PROG Holdings Inc.	15,158	730
*	Upstart Holdings Inc.	5,741	717
	Great Western Bancorp Inc.	21,822	716
	FactSet Research Systems Inc.	2,019	678
*	Selectquote Inc.	31,264	602
	Brown & Brown Inc.	8,714	463
	First Foundation Inc.	20,162	454
*	Texas Capital Bancshares Inc.	3,611	229
	Everest Re Group Ltd.	330	83
			69,565
	Health Care (25.3%)		
	STERIS plc	140,508	28,987
*	Merit Medical Systems Inc.	342,301	22,133
*	Syneos Health Inc.	197,148	17,643
*,1	Cano Health Inc.	1,151,261	13,930
*	AMN Healthcare Services Inc.	124,187	12,044
*	Quidel Corp.	89,275	11,438
*	Omnicell Inc.	68,488	10,373
*	Hologic Inc.	149,526	9,976
*	HealthEquity Inc.	121,852	9,807
*	Axogen Inc.	426,711	9,221
*	Neurocrine Biosciences Inc.	93,862	9,135
*	Henry Schein Inc.	116,383	8,634
*	10X Genomics Inc. Class A	43,367	8,492
*	Veracyte Inc.	203,845	8,150
*	Kodiak Sciences Inc.	87,283	8,117
*	Nevro Corp.	48,752	8,083
	Bruker Corp.	101,538	7,715
*	Revance Therapeutics Inc.	258,237	7,654
*	Charles River Laboratories International Inc.	20,525	7,593
*	MEDNAX Inc.	247,663	7,467
*	Avantor Inc.	206,923	7,348
*	CareDx Inc.	75,951	6,951
*	Heron Therapeutics Inc.	421,896	6,548
	Chemed Corp.	13,697	6,499
*	Medpace Holdings Inc.	35,981	6,355
*	Sotera Health Co.	260,506	6,312
*	Novavax Inc.	29,034	6,164
*	Natera Inc.	53,583	6,083
*	Agios Pharmaceuticals Inc.	109,429	6,031
*	Inovalon Holdings Inc. Class A	169,755	5,785
	PerkinElmer Inc.	32,675	5,045
*	SpringWorks Therapeutics Inc.	58,597	4,829
*	IQVIA Holdings Inc.	19,865	4,814
*	Integra LifeSciences Holdings Corp.	69,938	4,773
	Cooper Cos. Inc.	11,890	4,712
*	Deciphera Pharmaceuticals Inc.	127,309	4,661
*	Intellia Therapeutics Inc.	27,971	4,529
*	CorVel Corp.	33,461	4,494
*	Sarepta Therapeutics Inc.	56,252	4,373
*	Tenet Healthcare Corp.	64,837	4,343
*	ABIOMED Inc.	13,560	4,232
*	Veeva Systems Inc. Class A	13,567	4,219
*	Molina Healthcare Inc.	16,589	4,198
*	Exact Sciences Corp.	33,735	4,194
*	LHC Group Inc.	20,305	4,066
*	C4 Therapeutics Inc.	102,931	3,895
*	Viking Therapeutics Inc.	644,074	3,858
*	Masimo Corp.	14,737	3,573
*	ModivCare Inc.	20,614	3,506
	Hill-Rom Holdings Inc.	29,507	3,352
*	Arvinas Inc.	43,367	3,339
*	Apellis Pharmaceuticals Inc.	52,168	3,297
*	MacroGenics Inc.	120,912	3,248
	Bio-Techne Corp.	7,186	3,236
*	Alkermes plc	130,188	3,192
*,1	Talis Biomedical Corp.	279,261	3,080
	Encompass Health Corp.	39,426	3,076
*	Allakos Inc.	35,996	3,073
*	Agenus Inc.	494,310	2,714
*	Emergent BioSolutions Inc.	42,318	2,666
*	Neogen Corp.	57,702	2,657
*	Travere Thrapeutics Inc.	175,181	2,556
*	Ionis Pharmaceuticals Inc.	60,197	2,401
*	STAAR Surgical Co.	15,462	2,358
	West Pharmaceutical Services Inc.	6,493	2,332
*	Tivity Health Inc.	88,193	2,320
*	Precision BioSciences Inc.	180,686	2,262
*	Guardant Health Inc.	18,041	2,241
	Ensign Group Inc.	25,527	2,212
*	Forte Biosciences Inc.	64,191	2,158
*	Tandem Diabetes Care Inc.	21,524	2,096
*	Denali Therapeutics Inc.	26,310	2,064
*	Turning Point Therapeutics Inc.	25,956	2,025
*	Atara Biotherapeutics Inc.	130,118	2,023
*	CytomX Therapeutics Inc.	316,050	2,001
	Select Medical Holdings Corp.	46,630	1,971
*	Meridian Bioscience Inc.	83,016	1,841
*	Surmodics Inc.	33,831	1,835
*	Amedisys Inc.	6,969	1,707
*	Pacific Biosciences of California Inc.	48,053	1,680
*	Ultragenyx Pharmaceutical Inc.	16,917	1,613
*	ImmunoGen Inc.	226,995	1,496
*	Puma Biotechnology Inc.	157,480	1,446
*	Twist Bioscience Corp.	10,346	1,379
*	Fate Therapeutics Inc.	15,751	1,367
*	Maravai LifeSciences Holdings Inc. Class A	32,699	1,365
*	Omeros Corp.	90,027	1,336
*	Fortress Biotech Inc.	360,734	1,288
*	Enanta Pharmaceuticals Inc.	26,958	1,186
*	MannKind Corp.	217,579	1,186
*	Inari Medical Inc.	12,355	1,152
*	Protagonist Therapeutics Inc.	25,319	1,136
*	PTC Therapeutics Inc.	26,791	1,132
*	Radius Health Inc.	60,769	1,108
*	Bluebird Bio Inc.	34,228	1,095
*	Inogen Inc.	16,176	1,054
*	Esperion Therapeutics Inc.	47,113	996
*	Bioventus Inc. Class A	55,499	977
*	Cardiovascular Systems Inc.	22,558	962
*	Community Health Systems Inc.	62,190	960
*,1	Fulgent Genetics Inc.	10,388	958
*	Translate Bio Inc.	34,428	948
*	Minerva Neurosciences Inc.	406,946	944
*	Certara Inc.	33,169	940
*	Selecta Biosciences Inc.	223,167	933
*	Apria Inc.	32,555	912
*	Biohaven Pharmaceutical Holding Co. Ltd.	9,268	900
*	Precigen Inc.	137,261	895
*	Intercept Pharmaceuticals Inc.	44,769	894
*	Option Care Health Inc.	40,554	887
*	Molecular Templates Inc.	112,801	882
*	Clovis Oncology Inc.	151,310	878
*	iRhythm Technologies Inc.	13,088	868
*	Penumbra Inc.	3,096	849
*	Myriad Genetics Inc.	27,358	837

		Shares	Market Value• ($000)
	U.S. Physical Therapy Inc.	7,183	832
*	Akebia Therapeutics Inc.	210,343	797
*	Ortho Clinical Diagnostics Holdings plc Class H	36,627	784
*	Cerecor Inc.	237,319	776
*	Inspire Medical Systems Inc.	4,004	774
*	Ovid therapeutics Inc.	193,033	755
*	Voyager Therapeutics Inc.	178,909	739
*	Affimed NV	85,345	725
*	Blueprint Medicines Corp.	8,191	720
*	Invitae Corp.	21,017	709
*	Codexis Inc.	30,471	690
*	Sientra Inc.	86,737	690
*	Pulmonx Corp.	15,371	678
*	PAVmed Inc.	102,464	656
*,1	Pieris Pharmaceuticals Inc.	170,392	653
*	Pennant Group Inc.	15,609	638
*	Sangamo Therapeutics Inc.	52,673	631
*	Kiniksa Pharmaceuticals Ltd. Class A	44,598	621
*	CytoSorbents Corp.	82,145	620
*	Editas Medicine Inc. Class A	10,760	609
*	Vir Biotechnology Inc.	12,749	603
*	ACADIA Pharmaceuticals Inc.	24,312	593
*	Personalis Inc.	22,588	571
*	Asensus Surgical Inc.	165,327	524
	Phibro Animal Health Corp. Class A	17,709	511
*	Senseonics Holdings Inc.	132,234	508
*,1	Co-Diagnostics Inc.	60,375	498
*,1	Bionano Genomics Inc.	67,964	498
*	Accolade Inc.	9,069	493
*	Rapt Therapeutics Inc.	15,203	483
*	Homology Medicines Inc.	66,289	482
*,1	Sorrento Therapeutics Inc.	46,820	454
*	Surgery Partners Inc.	6,484	432
*	Ironwood Pharmaceuticals Inc. Class A	33,090	426
*	Assembly Biosciences Inc.	106,916	415
*	VBI Vaccines Inc.	123,355	413
*	Gritstone bio Inc.	44,743	409
*	Silk Road Medical Inc.	8,106	388
*	Cassava Sciences Inc.	4,472	382
*	Reata Pharmaceuticals Inc. Class A	2,610	369
*	Seres Therapeutics Inc.	15,201	363
*,1	Retractable Technologies Inc.	31,312	362
*	Vanda Pharmaceuticals Inc.	16,136	347
*	Kaleido Biosciences Inc.	45,818	341
*	Iovance Biotherapeutics Inc.	12,865	335
*	Cytokinetics Inc.	16,895	334
*	Syros Pharmaceuticals Inc.	60,991	332
*	Pliant Therapeutics Inc.	11,302	329
*	1Life Healthcare Inc.	9,495	314
*	Exelixis Inc.	16,279	297
*	Sutro Biopharma Inc.	15,437	287
*	VYNE Therapeutics Inc.	76,105	267
*	Ontrak Inc.	8,160	265
*	Cross Country Healthcare Inc.	15,227	251
*	Cue Biopharma Inc.	20,916	244
*	Halozyme Therapeutics Inc.	5,172	235
*	Jounce Therapeutics Inc.	33,807	230
*	Karyopharm Therapeutics Inc.	21,407	221
*,1	Aquestive Therapeutics Inc.	55,778	221
*	Mustang Bio Inc.	65,465	217
*	Arrowhead Pharmaceuticals Inc.	2,564	212
*	Mirum Pharmaceuticals Inc.	11,891	206
*	WaVe Life Sciences Ltd.	30,199	201
*	Immunovant Inc.	18,466	195
*	Abeona Therapeutics Inc.	122,584	191
*	Athenex Inc.	40,482	187
*	Replimune Group Inc.	4,781	184
*	NanoString Technologies Inc.	2,814	182
*	Amneal Pharmaceuticals Inc.	35,084	180
*	9 Meters Biopharma Inc.	155,079	171
*	Durect Corp.	92,762	151
*	Viemed Healthcare Inc.	21,005	150
*	ChemoCentryx Inc.	11,090	149
*	Recro Pharma Inc.	43,855	101
			519,555
	Industrials (18.5%)		
*	Generac Holdings Inc.	64,762	26,886
*	Sensata Technologies Holding plc	454,147	26,327
*	TriNet Group Inc.	292,381	21,192
	Ritchie Bros Auctioneers Inc.	355,957	21,101
	Matson Inc.	313,083	20,037
*	Middleby Corp.	93,303	16,166
	CH Robinson Worldwide Inc.	156,331	14,643
*	Clean Harbors Inc.	155,916	14,522
	ABM Industries Inc.	325,204	14,423
	Tennant Co.	177,245	14,153
*	Kirby Corp.	189,975	11,520
*	Cimpress plc	105,537	11,441
	Forward Air Corp.	106,316	9,542
	John Bean Technologies Corp.	65,852	9,392
	Booz Allen Hamilton Holding Corp. Class A	107,427	9,151
	Allegion plc	46,534	6,482
*	ACV Auctions Inc. Class A	238,166	6,104
	Kforce Inc.	94,357	5,938
*	GMS Inc.	121,841	5,865
*	Atkore Inc.	81,422	5,781
	EMCOR Group Inc.	46,337	5,708
	Landstar System Inc.	35,513	5,612
	Boise Cascade Co.	92,932	5,423
	UFP Industries Inc.	68,431	5,087
	Woodward Inc.	38,623	4,746
	Kennametal Inc.	128,889	4,630
	Allison Transmission Holdings Inc.	113,200	4,499
*	Upwork Inc.	74,320	4,332
	Heartland Express Inc.	225,681	3,866
*	Plug Power Inc.	103,326	3,533
	Primoris Services Corp.	116,673	3,434
	Franklin Electric Co. Inc.	41,342	3,333
	Mueller Industries Inc.	72,954	3,160
	Hillenbrand Inc.	66,196	2,918
	Fortune Brands Home & Security Inc.	25,960	2,586
	Graco Inc.	33,703	2,551
	Robert Half International Inc.	26,930	2,396
	Tetra Tech Inc.	19,175	2,340
*	Builders FirstSource Inc.	50,053	2,135
*	Meritor Inc.	90,277	2,114
	Applied Industrial Technologies Inc.	22,130	2,015
	Terex Corp.	41,170	1,960
*	Masonite International Corp.	17,201	1,923
	GrafTech International Ltd.	161,655	1,878
*	SiteOne Landscape Supply Inc.	10,948	1,853
	Exponent Inc.	20,532	1,832
*	Avis Budget Group Inc.	20,569	1,602
	Douglas Dynamics Inc.	38,476	1,566
*	Cornerstone Building Brands Inc.	85,786	1,560
*	MYR Group Inc.	17,019	1,547
*	Atlas Air Worldwide Holdings Inc.	18,620	1,268
*	Vicor Corp.	10,437	1,104
*	Blue Bird Corp.	43,664	1,085
*	Desktop Metal Inc. Class A	93,613	1,076
*	Virgin Galactic Holdings Inc.	20,999	966
*,1	Nikola Corp.	53,436	965
*	XPO Logistics Inc.	6,771	947
	HNI Corp.	20,710	911
	Pitney Bowes Inc.	100,450	881
	REV Group Inc.	55,066	864
*	Daseke Inc.	117,668	762
	Shyft Group Inc.	19,428	727
	Global Industrial Co.	19,043	699
	Toro Co.	5,349	588
	Interface Inc. Class A	34,547	529
*	Titan International Inc.	59,765	507
	CRA International Inc.	5,066	434
*	FuelCell Energy Inc.	46,467	413
*	Bloom Energy Corp. Class A	12,660	340
*	Axon Enterprise Inc.	1,770	313
*	Echo Global Logistics Inc.	9,972	306
*	American Woodmark Corp.	3,461	283
	Nordson Corp.	1,190	261
	McGrath RentCorp.	2,804	229
*	Textainer Group Holdings Ltd.	5,543	187
			379,450
	Information Technology (24.2%)		
*	J2 Global Inc.	231,339	31,821
*	ON Semiconductor Corp.	730,709	27,972
*	Proofpoint Inc.	120,616	20,958
	Belden Inc.	315,530	15,956
*	Trimble Inc.	184,661	15,111
*	Euronet Worldwide Inc.	109,196	14,780
*	Nuance Communications Inc.	222,916	12,136
*	Fair Isaac Corp.	21,585	10,850
*	SolarWinds Corp.	624,461	10,547
*	Gartner Inc.	41,895	10,147

		Shares	Market Value• ($000)
*	Enphase Energy Inc.	55,062	10,111
*	New Relic Inc.	150,189	10,058
*	Zendesk Inc.	68,426	9,877
*	8x8 Inc.	352,891	9,796
*	Mimecast Ltd.	178,833	9,487
*	Wix.com Ltd.	30,287	8,792
*	Manhattan Associates Inc.	53,583	7,761
	MKS Instruments Inc.	42,870	7,629
*	Box Inc. Class A	286,105	7,310
*	Tenable Holdings Inc.	175,920	7,274
*	Smartsheet Inc. Class A	97,312	7,038
*	FireEye Inc.	343,923	6,954
	Jabil Inc.	115,387	6,706
*	ChannelAdvisor Corp.	273,524	6,704
	TTEC Holdings Inc.	60,899	6,278
*	Teradata Corp.	124,493	6,221
	Maximus Inc.	67,774	5,962
*	EPAM Systems Inc.	11,300	5,774
*	Atlassian Corp. plc Class A	21,933	5,634
*	Cadence Design Systems Inc.	40,909	5,597
*	MongoDB Inc. Class A	15,456	5,588
	CDW Corp.	31,870	5,566
*	Workiva Inc. Class A	48,553	5,405
*	Momentive Global Inc.	255,023	5,373
*	Elastic NV	36,790	5,362
*	Five9 Inc.	27,984	5,132
*	Ultra Clean Holdings Inc.	87,259	4,688
*	Bill.Com Holdings Inc.	24,833	4,549
*	Extreme Networks Inc.	363,142	4,053
*	Domo Inc. Class B	49,979	4,040
*	Comm Scope Holding Co. Inc.	188,508	4,017
*	Nutanix Inc. Class A	99,891	3,818
*	Aspen Technology Inc.	27,490	3,781
	Monolithic Power Systems Inc.	10,122	3,780
*	Alarm.com Holdings Inc.	44,045	3,731
	Brooks Automation Inc.	38,592	3,677
*	MACOM Technology Solutions Holdings Inc. Class H	54,931	3,520
*	Sumo Logic Inc.	166,678	3,442
*	Digital Turbine Inc.	43,829	3,332
*	Cornerstone OnDemand Inc.	64,505	3,327
*	Brightcove Inc.	221,599	3,180
*	FormFactor Inc.	85,388	3,113
*	Monday.com Ltd.	13,370	2,989
*	Avaya Holdings Corp.	109,167	2,937
*	Agilysys Inc.	50,053	2,847
*	Verint Systems Inc.	62,435	2,814
	Amkor Technology Inc.	118,332	2,801
*	A10 Networks Inc.	237,485	2,674
*	Plantronics Inc.	55,828	2,330
*	eGain Corp.	202,552	2,325
*	Anaplan Inc.	40,339	2,150
*	Benefitfocus Inc.	150,015	2,115
*	NeoPhotonics Corp.	204,328	2,086
*	Dynatrace Inc.	34,751	2,030
*	Diodes Inc.	25,287	2,017
*	Axcelis Technologies Inc.	49,577	2,004
	CDK Global Inc.	40,028	1,989
*	Allegro MicroSystems Inc.	66,995	1,856
*	Calix Inc.	38,390	1,824
*	Avid Technology Inc.	46,358	1,815
*	Ichor Holdings Ltd.	32,532	1,750
	CSG Systems International Inc.	36,349	1,715
*	Itron Inc.	15,460	1,546
*	Cognyte Software Ltd.	62,435	1,530
*	Unisys Corp.	57,377	1,452
*	3D Systems Corp.	34,992	1,399
	McAfee Corp.Class A	49,005	1,373
*	Clear Secure Inc. Class A	33,229	1,329
*	International Money Express Inc.	89,403	1,328
*	Diebold Nixdorf Inc.	96,296	1,236
*	Appian Corp. Class A	8,848	1,219
*	Cambium Networks Corp.	24,319	1,176
*	Sitime Corp.	9,204	1,165
*	Sprout Social Inc. Class A	12,463	1,114
*	Paylocity Holding Corp.	5,815	1,109
*	LiveRamp Holdings Inc.	23,161	1,085
*	MicroVision Inc.	63,250	1,059
*	Riot Blockchain Inc.	27,858	1,049
	Xperi Holding Corp.	44,695	994
*,1	Maxeon Solar Technologies Ltd.	45,778	981
*	Synaptics Inc.	6,253	973
*	Lattice Semiconductor Corp.	16,963	953
*	Corsair Gaming Inc.	27,286	908
*	SPS Commerce Inc.	8,923	891
*	CalAmp Corp.	67,210	855
*	SunPower Corp.	29,277	855
*	Alpha & Omega Semiconductor Ltd.	26,671	811
*	PTC Inc.	5,420	766
*	Vonage Holdings Corp.	45,949	662
*	Veritone Inc.	30,331	598
*	Cohu Inc.	16,007	589
*	Zuora Inc. Class A	32,927	568
*	Infinera Corp.	52,465	535
*	BigCommerce Holdings Inc. Series 1	8,147	529
	Advanced Energy Industries Inc.	4,526	510
*	Telos Corp.	14,785	503
*	ePlus Inc.	5,590	485
*	PFSweb Inc.	65,384	483
*	Arlo Technologies Inc.	67,389	456
*	Mitek Systems Inc.	21,675	417
*	Sanmina Corp.	10,385	405
*	Turtle Beach Corp.	12,666	404
*	SMART Global Holdings Inc.	7,513	358
*	Casa Systems Inc.	32,563	289
	Entegris Inc.	1,954	240
*	LivePerson Inc.	3,376	213
*	DSP Group Inc.	13,814	204
*	EMCORE Corp.	21,399	197
*,1	Eastman Kodak Co.	22,819	190
*	PDF Solutions Inc.	9,754	177
*	ON24 Inc.	3,687	131
			497,082
Materials (1.8%)			
	Graphic Packaging Holding Co.	376,218	6,824
	Louisiana-Pacific Corp.	104,507	6,301
	RPM International Inc.	32,101	2,847
	Schnitzer Steel Industries Inc. Class A	54,357	2,666
	Myers Industries Inc.	121,781	2,557
	Trinseo SA	38,999	2,334
*	O-I Glass Inc.	138,867	2,268
*	Ingevity Corp.	23,542	1,915
	Avery Dennison Corp.	7,370	1,549
	Steel Dynamics Inc.	23,310	1,389
*	MP Materials Corp.	30,974	1,142
	Stepan Co.	8,390	1,009
*	Berry Global Group Inc.	14,884	971
	Sensient Technologies Corp.	10,031	868
	Westlake Chemical Corp.	9,565	862
*	Koppers Holdings Inc.	24,637	797
	Olin Corp.	16,837	779
*	Orion Engineered Carbons SA	28,422	540
	Tronox Holdings plc Class A	18,182	407
			38,025
Other (0.1%)			
*	Xometry Inc. Class A	18,996	1,660
*,2	Torchlight Energy Resources Inc.	37,855	41
			1,701
Real Estate (1.2%)			
*	Redfin Corp.	113,811	7,217
	Iron Mountain Inc.	112,514	4,762
	Uniti Group Inc.	381,849	4,044
	PS Business Parks Inc.	12,409	1,838
	Lamar Advertising Co. Class A	14,336	1,497
1	GEO Group Inc.	202,679	1,443
	Alexander's Inc.	3,782	1,013
*	eXp World Holdings Inc.	25,078	972
	CatchMark Timber Trust Inc. Class A	77,924	912
	Innovative Industrial Properties Inc.	4,488	857
*	Fathom Holdings Inc.	11,048	362
	Universal Health Realty Income Trust	4,611	284
	American Finance Trust Inc.	29,763	252
			25,453
Utilities (0.3%)			
	NRG Energy Inc.	68,110	2,745
1	Brookfield Infrastructure Corp. Class A	28,605	2,157
	Otter Tail Corp.	8,655	422
*	Pure Cycle Corp.	24,014	332
			5,656
Total Common Stocks (Cost $1,605,050)			1,967,819
Temporary Cash Investments (3.8%)			
Money Market Fund (3.8%)			
3,4	Vanguard Market Liquidity Fund, 0.056%	792,079	79,208

	Face Amount ($000)	Market Value• ($000)
U.S. Government and Agency Obligations (0.0%)		
5 U.S. Treasury Bill, 0.020%, 8/26/21	200	200
Total Temporary Cash Investments (Cost $79,409)		79,408
Total Investments (99.6%) (Cost $1,684,459)		2,047,227
Other Assets and Liabilities—Net (0.4%)		7,211
Net Assets (100%)		2,054,438

Cost is in $000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is $13,751,000.

2 Security value determined using significant unobservable inputs.

3 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

4 Collateral of $14,682,000 was received for securities on loan, of which $14,296,000 is held in Vanguard Market Liquidity Fund and $386,000 is held in cash.

5 Securities with a value of $200,000 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 Russell 2000 Index	September 2021	529	61,041	(323)

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2021

($000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $1,605,250)	1,968,019
Affiliated Issuers (Cost $79,209)	79,208
Total Investments in Securities	2,047,227
Investment in Vanguard	70
Cash	386
Cash Collateral Pledged—Futures Contracts	1,860
Receivables for Investment Securities Sold	26,905
Receivables for Accrued Income	539
Receivables for Capital Shares Issued	503
Variation Margin Receivable—Futures Contracts	44
Total Assets	**2,077,534**
Liabilities	
Due to Custodian	4,183
Payables for Investment Securities Purchased	2,694
Collateral for Securities on Loan	14,682
Payables to Investment Advisor	404
Payables for Capital Shares Redeemed	948
Payables to Vanguard	185
Total Liabilities	**23,096**
Net Assets	**2,054,438**

At June 30, 2021, net assets consisted of:

Paid-in Capital	1,330,910
Total Distributable Earnings (Loss)	723,528
Net Assets	**2,054,438**

Net Assets	
Applicable to 76,944,543 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	2,054,438
Net Asset Value Per Share	**$26.70**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended June 30, 2021
	($000)
Investment Income	
Income	
Dividends	3,973
Interest[1]	33
Securities Lending—Net	228
Total Income	4,234
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	1,515
Performance Adjustment	(198)
The Vanguard Group—Note C	
Management and Administrative	1,818
Marketing and Distribution	48
Custodian Fees	13
Shareholders' Reports	11
Trustees' Fees and Expenses	1
Total Expenses	3,208
Net Investment Income	**1,026**
Realized Net Gain (Loss)	
Investment Securities Sold[1,2]	351,302
Futures Contracts	11,448
Realized Net Gain (Loss)	**362,750**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	(56,294)
Futures Contracts	(2,245)
Change in Unrealized Appreciation (Depreciation)	**(58,539)**
Net Increase (Decrease) in Net Assets Resulting from Operations	**305,237**

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were $33,000, $(2,000), and $3,000, respectively. Purchases and sales are for temporary cash investment purposes.

2 Includes $80,408,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	1,026	9,472
Realized Net Gain (Loss)	362,750	109,211
Change in Unrealized Appreciation (Depreciation)	(58,539)	270,236
Net Increase (Decrease) in Net Assets Resulting from Operations	305,237	388,919
Distributions		
Total Distributions	(116,289)	(190,506)
Capital Share Transactions		
Issued	92,703	190,807
Issued in Lieu of Cash Distributions	116,289	190,506
Redeemed	(473,485)	(560,869)
Net Increase (Decrease) from Capital Share Transactions	(264,493)	(179,556)
Total Increase (Decrease)	(75,545)	18,857
Net Assets		
Beginning of Period	**2,129,983**	**2,111,126**
End of Period	**2,054,438**	**2,129,983**

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, 2021	Year Ended December 31, 2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	**$24.49**	**$23.08**	**$20.30**	**$24.62**	**$21.50**	**$20.79**
Investment Operations						
Net Investment Income	.012[1]	.102[1]	.128[1]	.123[1]	.109[1]	.116
Net Realized and Unrealized Gain (Loss) on Investments	3.587	3.521	5.323	(1.563)	4.652	2.547
Total from Investment Operations	3.599	3.623	5.451	(1.440)	4.761	2.663
Distributions						
Dividends from Net Investment Income	(.101)	(.143)	(.118)	(.103)	(.111)	(.074)
Distributions from Realized Capital Gains	(1.288)	(2.070)	(2.553)	(2.777)	(1.530)	(1.879)
Total Distributions	(1.389)	(2.213)	(2.671)	(2.880)	(1.641)	(1.953)
Net Asset Value, End of Period	**$26.70**	**$24.49**	**$23.08**	**$20.30**	**$24.62**	**$21.50**
Total Return	**15.08%**	**23.18%**	**28.05%**	**-7.22%**	**23.46%**	**14.94%**
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$2,054	$2,130	$2,111	$1,827	$1,750	$1,397
Ratio of Total Expenses to Average Net Assets[2]	0.30%	0.30%	0.32%	0.32%	0.34%	0.36%
Ratio of Net Investment Income to Average Net Assets	0.11%	0.52%	0.59%	0.52%	0.48%	0.58%
Portfolio Turnover Rate	29%[3]	53%	58%	66%	93%	91%

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%), (0.02%), 0.01%, 0.01%, 0.00%, and 0.00%.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the portfolio's capital shares.

See accompanying Notes, which are an integral part of the Financial Statements.

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 securities 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 Statement of Assets and Liabilities. 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, 2021, 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. The portfolio's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the portfolio's tax positions taken for all open federal and state income tax years, and has concluded that no provision for 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 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 alternate 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, 2021, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 $455,000 for the six months ended June 30, 2021.

For the six months ended June 30, 2021, 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 of $198,000 (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, 2021, the portfolio had contributed to Vanguard capital in the amount of $70,000, 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 and derivatives. 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 and derivatives 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, 2021, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	1,967,778	—	41	1,967,819
Temporary Cash Investments	79,208	200	—	79,408
Total	2,046,986	200	41	2,047,227
Derivative Financial Instruments				
Liabilities				
Futures Contracts[1]	323	—	—	323

1 Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

E. As of June 30, 2021, 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	1,684,691
Gross Unrealized Appreciation	459,437
Gross Unrealized Depreciation	(97,224)
Net Unrealized Appreciation (Depreciation)	362,213

F. During the six months ended June 30, 2021, the portfolio purchased $597,926,000 of investment securities and sold $968,719,000 of investment securities, other than temporary cash investments. Purchases and sales include $0 and $232,568,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

G. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2021 Shares (000)	Year Ended December 31, 2020 Shares (000)
Issued	3,546	10,624
Issued in Lieu of Cash Distributions	4,650	13,855
Redeemed	(18,216)	(28,989)
Net Increase (Decrease) in Shares Outstanding	(10,020)	(4,510)

At June 30, 2021, 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 51% 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.

H. Management has determined that no events or transactions occurred subsequent to June 30, 2021, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

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 decisions.

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-term, long-term, and since-inception performance, as applicable, of each advisor, 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 January 1, 2020, through December 31, 2020 (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 fund 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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