BlackRock®

DECEMBER 31, 2022

# 2022 Annual Report

**BlackRock Variable Series Funds II, Inc.**

- BlackRock Total Return V.I. Fund

**Not FDIC Insured - May Lose Value - No Bank Guarantee**

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# The Markets in Review

Dear Shareholder,

Significant economic headwinds emerged during the 12-month reporting period ended December 31, 2022, as investors navigated changing economic conditions and volatile markets. The U.S. economy shrank in the first half of 2022 before returning to modest growth in the third quarter, marking a shift to a more challenging post-reopening economic environment. Changes in consumer spending patterns and a tight labor market led to elevated inflation, which reached a 40-year high before beginning to moderate. Moreover, while the foremost effect of Russia's invasion of Ukraine has been a severe humanitarian crisis, the ongoing war continued to present challenges for both investors and policymakers.

Equity prices fell as interest rates rose, particularly during the first half of the reporting period. Both large- and small-capitalization U.S. stocks fell, although equities began to recover in the second half of the year as inflation eased and economic growth resumed. Emerging market stocks and international equities from developed markets declined overall, pressured by rising interest rates and a strengthening U.S. dollar.

The 10-year U.S. Treasury yield rose notably during the reporting period, driving its price down, as investors reacted to fluctuating inflation data and attempted to anticipate its impact on future interest rate changes. The corporate bond market also faced inflationary headwinds, and heightened uncertainty led to higher corporate bond spreads (the difference in yield between U.S. Treasuries and similarly-dated corporate bonds).

The U.S. Federal Reserve (the "Fed"), acknowledging that inflation has been more persistent than expected, raised interest rates seven times. Furthermore, the Fed wound down its bond-buying programs and is accelerating the reduction of its balance sheet. While the Fed suggested that additional rate hikes were likely, it also gave indications that the pace of increases would slow if inflation continued to subside.

The pandemic's restructuring of the economy brought an ongoing mismatch between supply and demand, contributing to the current inflationary regime. While growth slowed in 2022, we believe that taming inflation requires a more dramatic economic decline to bring demand back to a level more in line with the economy's capacity. The Fed has been raising interest rates at the fastest pace in decades, and seems set to overtighten in its effort to get inflation back to target. With this in mind, we believe the possibility of a U.S. recession in the near-term is high, but this prospect has not yet been fully priced in by markets. Investors should expect a period of higher volatility as markets adjust to the new economic reality and policymakers attempt to adapt to rapidly changing conditions.

In this environment, while we favor an overweight to equities in the long-term, the market's concerns over excessive rate hikes from central banks moderate our outlook. Rising input costs and a deteriorating economic backdrop are likely to challenge corporate earnings, so we are underweight equities overall in the near term. However, we see better opportunities in credit, where valuations are attractive and higher yields provide income opportunities. We believe that global investment-grade corporates, global inflation-linked bonds, and U.S. mortgage-backed securities offer strong opportunities for a six- to twelve-month horizon.

Overall, our view is that investors need to think globally, position themselves to be prepared for a decarbonizing economy, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today's markets.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

Rob Kapito
President, BlackRock Advisors, LLC

**Total Returns as of December 31, 2022**

| | *6-Month* | *12-Month* |
|---|---|---|
| U.S. large cap equities (S&P 500® Index) | 2.31% | (18.11)% |
| U.S. small cap equities (Russell 2000® Index) | 3.91 | (20.44) |
| International equities (MSCI Europe, Australasia, Far East Index) | 6.36 | (14.45) |
| Emerging market equities (MSCI Emerging Markets Index) | (2.99) | (20.09) |
| 3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index) | 1.32 | 1.47 |
| U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index) | (5.58) | (16.28) |
| U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index) | (2.97) | (13.01) |
| Tax-exempt municipal bonds (Bloomberg Municipal Bond Index) | 0.50 | (8.53) |
| U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index) | 3.50 | (11.18) |

Past performance is not an indication of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

## Investment Objective

**BlackRock Total Return V.I. Fund's (the "Fund")** investment objective is to maximize total return, consistent with income generation and prudent investment management.

## Portfolio Management Commentary

### How did the Fund perform?

For the 12-month period ended December 31, 2022, the Fund underperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index.

### What factors influenced performance?

The global fixed-income markets lost ground in 2022, reflecting central banks' efforts to combat surging inflation by winding down their quantitative easing policies and raising interest rates aggressively. In this environment, both rate- and credit-sensitive investments experienced losses.

Positioning in securitized assets was the largest detractor from Fund performance. Overweights in commercial mortgage-backed securities (CMBS) and asset-backed securities detracted, as did out-of-benchmark allocations to non-agency mortgage-backed securities (MBS) and collateralized loan obligations (CLOs). Allocations to high yield bonds and emerging market debt, which lagged in the "risk-off" environment, also detracted. On the other hand, the Fund's underweight to duration made the largest contribution to returns at a time of rising yields. (Duration is a measure of interest rate sensitivity; prices and yields move in opposite directions.)

The Fund held futures, options, interest-rate swaps and currency forward contracts to manage duration and portfolio risk. The use of derivatives in place of physical securities detracted marginally from performance. The Fund's cash position had no material impact on performance.

### Describe recent portfolio activity.

Given the negative trends affecting the market in the first quarter of 2022, the Fund held a defensive positioning during this time. It had low allocations to emerging market debt, particularly Russia and Ukraine, as well as to high yield bonds. The investment adviser maintained a healthy cash position to dampen the effects of volatility and maintain the flexibility to capitalize on further market downside. The Fund was also underweight to duration given the backdrop of high inflation and rising interest rates. The investment adviser favored higher-quality bonds, leading it to increase the portfolio's weightings in agency MBS and, to a lesser extent, investment-grade corporates.

In the second quarter of 2022, the investment adviser began to take advantage of price weakness in high-quality market segments. It selectively deployed cash as yields started to look increasingly attractive. It focused most of the additions in investment-grade corporates, favoring short-dated securities, and it continued to add to high-quality CLOs and CMBS. The investment adviser reduced the Fund's weighting in agency MBS given the category's substantial weakness relative to other spread sectors, and it decreased the portfolio's allocation to floating rate loan interest following their strong performance. It added modestly to high yield, where it saw positive supply-and-demand conditions, but it remained cautious on the emerging markets. It also tactically added to Treasury Inflation Protected Securities in order to capture their compelling valuations and ability to offset the risk of rising inflation. In addition, it increased the extent of the duration underweight on expectations that yields would continue to rise. The investment adviser had a cautious view on European government debt, and it held a short position in long-term Japanese government bonds.

In the third quarter of 2022, the investment adviser remained on the lookout for opportunities to capitalize on the market sell-off by adding bonds with compelling risk-and-reward profiles. It increased the portfolio's duration in the United States, with a preference for short- and longer-dated bonds. It ended the quarter with a neutral duration, a modest overweight in the United States, a tactical long position in short-dated U.K. bonds, and short positions in Europe and Japan. The Fund continued to have a core allocation to securitized assets, namely high-quality CLOs and CMBS. The investment adviser also added to agency MBS to capitalize on their wider yield spreads. It maintained a defensive posture with respect to the emerging markets.

The investment adviser identified an increasingly attractive opportunity set as the fourth quarter of 2022 progressed. It added to higher-quality, short-dated bonds—particularly in investment-grade corporates—while keeping the allocation to high yield near historically low levels. It retained an overweight in agency MBS, but to a smaller extent than it held earlier in the year.

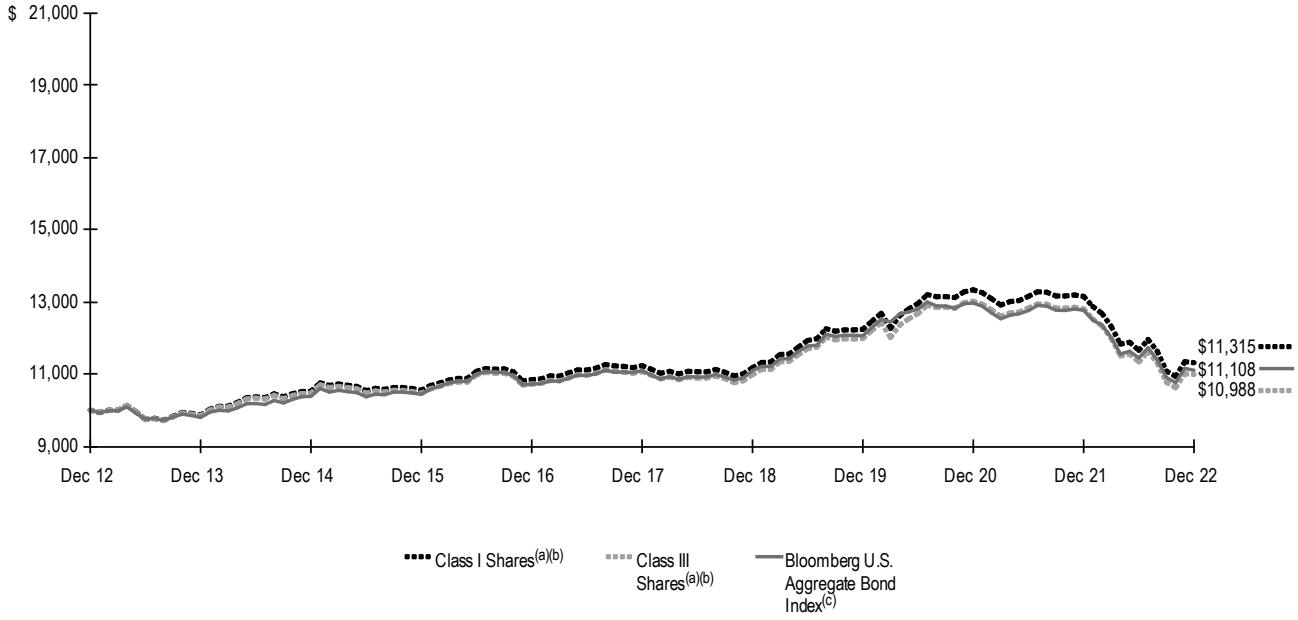
### Describe portfolio positioning at period end.

The Fund had a neutral duration positioning, with an overweight to short-dated U.S. issues balanced by a short position in seven- to 10-year Japanese bonds.

The investment adviser continued to rotate its positioning in the securitized category, with a preference for higher-quality CMBS and CLOs. It maintained a defensive stance with respect to emerging market debt given concerns about tighter central bank policies, weakening growth and reduced liquidity.

The views expressed reflect the opinions of BlackRock 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.

**GROWTH OF $10,000 INVESTMENT**




(a) Assuming transaction costs, if any, and other operating expenses, including investment advisory fees. Does not include insurance-related fees and expenses.

(b) Under normal circumstances, the Fund invests at least 80%, and typically invests 90% or more, of its assets in fixed income securities, such as corporate bonds and notes, mortgage-backed securities, asset-backed securities, convertible securities, preferred securities, government obligations and money market securities. On September 17, 2018, the Fund acquired all of the assets, subject to the liabilities, of BlackRock Total Return V.I. Fund (the "Predecessor Fund"), a series of BlackRock Variable Series Funds, Inc., through a tax-free reorganization (the "Reorganization"). The Predecessor Fund is the performance and accounting survivor of the Reorganization.

(c) A broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

## Performance

| | *Standardized 30-Day Yields*(b) | *Unsubsidized 30-Day Yields*(b) | Average Annual Total Returns(a) *1 Year* | *5 Years* | *10 Years* |
|---|---|---|---|---|---|
| Class I(c) | 3.71% | 3.51% | (14.06)% | 0.11% | 1.24% |
| Class III(c) | 3.40 | 3.31 | (14.28) | (0.17) | 0.95 |
| **Bloomberg U.S. Aggregate Bond Index** | — | — | (13.01) | 0.02 | 1.06 |

(a) For a portion of the period, the Fund's investment adviser waived and/or reimbursed a portion of its fee. Without such waiver and/or reimbursement, the Fund's performance would have been lower.

(b) The standardized 30-day yield includes the effects of any waivers and/or reimbursements. The unsubsidized 30-day yield excludes the effects of any waivers and/or reimbursements.

(c) Average annual total returns are based on changes in net asset value for the periods shown, and assume reinvestment of all distributions at net asset value on the ex-dividend/payable date. Insurance-related fees and expenses are not reflected in these returns. On September 17, 2018, the Fund acquired all of the assets, subject to the liabilities, of the Predecessor Fund, a series of BlackRock Variable Series Funds, Inc., through the Reorganization. The Predecessor Fund is the performance and accounting survivor of the Reorganization.

Past performance is not an indication of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

## Expense Example

| | Actual | | | | Hypothetical 5% Return | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Expenses Paid During the Period | | | Including Interest Expense | | Excluding Interest Expense | | Annualized Expense Ratio |
| | Beginning Account Value (07/01/22) | Ending Account Value (12/31/22) | Including Interest Expense[a] | Excluding Interest Expense[a] | Beginning Account Value (07/01/22) | Ending Account Value (12/31/22) | Expenses Paid During the Period[a] | Ending Account Value (12/31/22) | Expenses Paid During the Period[a] | Including Interest Expense | Excluding Interest Expense |
| Class I | $ 1,000.00 | $ 969.20 | $ 2.33 | $ 2.33 | $ 1,000.00 | $ 1,022.84 | $ 2.40 | $ 1,022.84 | $ 2.40 | 0.47% | 0.47% |
| Class III | 1,000.00 | 968.10 | 3.87 | 3.87 | 1,000.00 | 1,021.27 | 3.97 | 1,021.27 | 3.97 | 0.78 | 0.78 |

[a] For each class of the Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period shown).

See "Disclosure of Expenses" for further information on how expenses were calculated.

## Portfolio Information

**PORTFOLIO COMPOSITION**

| Asset Type | Percent of Total Investments[a] |
|---|---|
| U.S. Government Sponsored Agency Securities | 35.7% |
| Corporate Bonds | 25.4 |
| Investment Companies | 18.3 |
| U.S. Treasury Obligations | 14.9 |
| Asset-Backed Securities | 2.3 |
| Non-Agency Mortgage-Backed Securities | 1.3 |
| Foreign Government Obligations | 0.8 |
| Municipal Bonds | 0.6 |
| Floating Rate Loan Interests | 0.4 |
| Preferred Securities | 0.2 |
| Foreign Agency Obligations | 0.1 |
| Other Interests | — |

**CREDIT QUALITY ALLOCATION**

| Credit Rating[b] | Percent of Total Investments[a] |
|---|---|
| AAA/Aaa[c] | 53.7% |
| AA/Aa | 1.5 |
| A | 29.0 |
| BBB/Baa | 14.1 |
| BB/Ba | 0.7 |
| B | 0.5 |
| CCC/Caa | 0.1 |
| CC/Ca | 0.2 |
| C | 0.0[d] |
| NR | 0.2 |

[a] Excludes short-term securities, options purchased, options written and TBA sale commitments.

[b] For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P Global Ratings or Moody's Investors Service if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated NR are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

[c] The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors, individual investments and/or issuers. Using this approach, the investment adviser has deemed unrated U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations to be of similar credit quality as investments rated AAA/Aaa.

[d] Represents less than 0.1% of the Fund's total investments.

# The Benefits and Risks of Leveraging

The Fund may utilize leverage to seek to enhance returns and net asset value ("NAV"). However, there is no guarantee that these objectives can be achieved in all interest rate environments.

The Fund may utilize leverage by entering into reverse repurchase agreements.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which is based on short-term interest rates, is normally lower than the income earned by the Fund on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund's shareholders benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is distributed to the Fund's shareholders, and the value of these portfolio holdings is reflected in the Fund's per share NAV. However, in order to benefit shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other ongoing costs of leverage exceed the Fund's return on assets purchased with leverage proceeds, income to shareholders is lower than if the Fund had not used leverage.

Furthermore, the value of the Fund's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can also influence the value of portfolio investments. As a result, changes in interest rates can influence the Fund's NAV positively or negatively in addition to the impact on the Fund's performance from leverage. Changes in the direction of interest rates are difficult to predict accurately, and there is no assurance that the Fund's leveraging strategy will be successful.

The use of leverage also generally causes greater changes in the Fund's NAV and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV of the Fund's shares than if the Fund were not leveraged. In addition, the Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of the leverage instruments, which may cause the Fund to incur losses. The use of leverage may limit the Fund's ability to invest in certain types of securities or use certain types of hedging strategies. The Fund incurs expenses in connection with the use of leverage, all of which are borne by the Fund's shareholders and may reduce income.

# Disclosure of Expenses

Shareholders of the Fund may incur the following charges: (a) transactional expenses; and (b) operating expenses, including investment advisory fees, service and distribution fees, including 12b-1 fees, acquired fund fees and expenses, and other fund expenses. The expense example shown (which is based on a hypothetical investment of $1,000 invested at the beginning of the period and held through the end of the period) is intended to assist shareholders both in calculating expenses based on an investment in the Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The expense example provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by $1,000 and then multiply the result by the number corresponding to their share class under the heading entitled "Expenses Paid During the Period."

The expense example also provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in the Fund and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

The expenses shown in the expense example are intended to highlight shareholders' ongoing costs only and do not reflect transactional expenses, such as sales charges, if any. Therefore, the hypothetical example is useful in comparing ongoing expenses only and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

# Derivative Financial Instruments

The Fund may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other assets without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the instrument. Pursuant to Rule 18f-4 under the 1940 Act, among other things, the Fund must either use derivative financial instruments with embedded leverage in a limited manner or comply with an outer limit on fund leverage risk based on value-at-risk. The Fund's successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation the Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Fund's investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

| Security | | Par (000) | | Value |
|---|---|---|---|---|
| **Asset-Backed Securities** | | | | |
| ACE Securities Corp. Home Equity Loan Trust[a] | | | | |
| Series 2003-OP1, Class A2, (LIBOR USD 1 Month + 0.72%), 5.11%, 12/25/33 | USD | 118 | $ | 107,153 |
| Series 2007-HE4, Class A2A, (LIBOR USD 1 Month + 0.26%), 4.65%, 05/25/37 | | 87 | | 15,285 |
| Ajax Mortgage Loan Trust[b] | | | | |
| Series 2018-A, Class B, 0.00%, 04/25/58 | | 3 | | 2,501 |
| Series 2018-B, Class B, 0.00%, 02/26/57 | | 6 | | 4,598 |
| Series 2018-D, Class B, 0.00%, 08/25/58[a] | | 1 | | 598 |
| Series 2018-E, Class C, 0.00%, 06/25/58[a] | | —[c] | | 305 |
| Series 2018-F, Class C, 0.00%, 11/25/58 | | 11 | | 7,202 |
| Allegro CLO II-S Ltd., Series 2014-1RA, Class A1, (LIBOR USD 3 Month + 1.08%), 5.36%, 10/21/28[a][b] | | 378 | | 373,364 |
| American Homes 4 Rent Trust, Series 2014-SFR3, Class A, 3.68%, 12/17/36[b] | | 170 | | 163,707 |
| Anchorage Capital CLO 4-R Ltd.[a][b] | | | | |
| Series 2014-4RA, Class A, (LIBOR USD 3 Month + 1.05%), 5.42%, 01/28/31 | | 245 | | 242,131 |
| Series 2014-4RA, Class C, (LIBOR USD 3 Month + 1.85%), 6.22%, 01/28/31 | | 250 | | 233,548 |
| Anchorage Capital CLO 5-R Ltd.[a][b] | | | | |
| Series 2014-5RA, Class B, (LIBOR USD 3 Month + 1.45%), 5.53%, 01/15/30 | | 500 | | 491,839 |
| Series 2014-5RA, Class C, (LIBOR USD 3 Month + 1.85%), 5.93%, 01/15/30 | | 250 | | 240,368 |
| Anchorage Capital CLO Ltd.[a][b] | | | | |
| Series 2013-1A, Class A1R, (LIBOR USD 3 Month + 1.25%), 5.19%, 10/13/30 | | 250 | | 247,190 |
| Series 2018-1RA, Class A1, (LIBOR USD 3 Month + 0.99%), 4.93%, 04/13/31 | | 310 | | 306,016 |
| Apidos CLO XII, Series 2013-12A, Class AR, (LIBOR USD 3 Month + 1.08%), 5.16%, 04/15/31[a][b] | | 500 | | 492,394 |
| Apidos CLO XV, Series 2013-15A, Class A1RR, (LIBOR USD 3 Month + 1.01%), 5.25%, 04/20/31[a][b] | | 500 | | 492,677 |
| Ares XXXVII CLO Ltd., Series 2015-4A, Class A1R, (LIBOR USD 3 Month + 1.17%), 5.25%, 10/15/30[a][b] | | 250 | | 247,410 |
| Argent Mortgage Loan Trust, Series 2005-W1, Class A2, (LIBOR USD 1 Month + 0.48%), 4.87%, 05/25/35[a] | | 34 | | 29,521 |
| BankAmerica Manufactured Housing Contract Trust, Series 1998-2, Class B1, 7.33%, 12/10/25[a] | | 300 | | 73,700 |
| Barings CLO Ltd., Series 2015-2A, Class AR, (LIBOR USD 3 Month + 1.19%), 5.43%, 10/20/30[a][b] | | 260 | | 256,940 |
| Bayview Financial Revolving Asset Trust[a][b] | | | | |
| Series 2004-B, Class A1, (LIBOR USD 1 Month + 1.00%), 5.39%, 05/28/39[d] | | 70 | | 55,134 |
| Series 2005-A, Class A1, (LIBOR USD 1 Month + 1.00%), 5.39%, 02/28/40 | | 92 | | 86,092 |
| Series 2005-E, Class A1, (LIBOR USD 1 Month + 1.00%), 5.39%, 12/28/40 | | 28 | | 28,032 |
| BCMSC Trust[a] | | | | |
| Series 2000-A, Class A2, 7.58%, 06/15/30 | | 40 | | 5,551 |
| Series 2000-A, Class A3, 7.83%, 06/15/30 | | 37 | | 5,328 |
| Series 2000-A, Class A4, 8.29%, 06/15/30 | | 27 | | 4,083 |
| Bear Stearns Asset-Backed Securities I Trust[a] | | | | |
| Series 2007-FS1, Class 1A3, (LIBOR USD 1 Month + 0.34%), 4.73%, 05/25/35 | | 9 | | 9,323 |
| Series 2007-HE2, Class 23A, (LIBOR USD 1 Month + 0.14%), 4.53%, 03/25/37 | | 20 | | 18,584 |
| Series 2007-HE3, Class 1A4, (LIBOR USD 1 Month + 0.35%), 4.74%, 04/25/37 | USD | 195 | $ | 190,761 |
| BlueMountain CLO Ltd., Series 2013-2A, Class A1R, (LIBOR USD 3 Month + 1.18%), 5.50%, 10/22/30[a][b] | | 490 | | 483,820 |
| Carrington Mortgage Loan Trust, Series 2006-NC4, Class A3, (LIBOR USD 1 Month + 0.16%), 4.55%, 10/25/36[a] | | 33 | | 31,440 |
| CBAM Ltd., Series 2017-1A, Class A1, (LIBOR USD 3 Month + 1.25%), 5.49%, 07/20/30[a][b] | | 249 | | 246,519 |
| C-BASS Trust, Series 2006-CB7, Class A4, (LIBOR USD 1 Month + 0.32%), 4.71%, 10/25/36[a] | | 37 | | 24,702 |
| Citigroup Mortgage Loan Trust[a] | | | | |
| Series 2007-AHL2, Class A3B, (LIBOR USD 1 Month + 0.20%), 4.59%, 05/25/37 | | 165 | | 112,604 |
| Series 2007-AHL2, Class A3C, (LIBOR USD 1 Month + 0.27%), 4.66%, 05/25/37 | | 75 | | 51,180 |
| Conseco Finance Corp.[a] | | | | |
| Series 1997-3, Class M1, 7.53%, 03/15/28 | | 22 | | 20,948 |
| Series 1997-6, Class M1, 7.21%, 01/15/29 | | 14 | | 13,280 |
| Series 1998-8, Class M1, 6.98%, 09/01/30 | | 93 | | 82,944 |
| Series 1999-5, Class A5, 7.86%, 03/01/30 | | 25 | | 10,487 |
| Series 1999-5, Class A6, 7.50%, 03/01/30 | | 26 | | 10,684 |
| Series 2001-D, Class B1, (LIBOR USD 1 Month + 2.50%), 6.82%, 11/15/32 | | 9 | | 10,085 |
| Conseco Finance Securitizations Corp. | | | | |
| Series 2000-1, Class A5, 8.06%, 09/01/29[a] | | 56 | | 12,505 |
| Series 2000-4, Class A6, 8.31%, 05/01/32[a] | | 151 | | 32,664 |
| Series 2000-5, Class A7, 8.20%, 05/01/31 | | 134 | | 43,559 |
| Countrywide Asset-Backed Certificates, Series 2006-SPS1, Class A, (LIBOR USD 1 Month + 0.22%), 4.61%, 12/25/25[a] | | —[c] | | 464 |
| Credit-Based Asset Servicing & Securitization LLC | | | | |
| Series 2006-CB2, Class AF4, 3.02%, 12/25/36[e] | | 11 | | 8,611 |
| Series 2006-MH1, Class B1, 6.25%, 10/25/36[b][e] | | 84 | | 78,982 |
| Series 2006-SL1, Class A2, 6.06%, 09/25/36[b][e] | | 76 | | 4,694 |
| Series 2007-CB6, Class A4, (LIBOR USD 1 Month + 0.34%), 4.38%, 07/25/37[a][b] | | 37 | | 24,651 |
| CWABS Asset-Backed Certificates Trust[a] | | | | |
| Series 2005-16, Class 1AF, 4.53%, 04/25/36 | | 82 | | 70,865 |
| Series 2006-11, Class 3AV2, (LIBOR USD 1 Month + 0.16%), 4.55%, 09/25/46 | | 1 | | 740 |
| CWABS Revolving Home Equity Loan Trust, Series 2004-U, Class 2A, (LIBOR USD 1 Month + 0.27%), 4.59%, 03/15/34[a] | | 7 | | 6,990 |
| CWABS, Inc. Asset-Backed Certificates Trust, Series 2004-5, Class A, (LIBOR USD 1 Month + 0.90%), 5.29%, 10/25/34[a] | | 72 | | 67,959 |
| CWHEQ Home Equity Loan Trust, Series 2006-S5, Class A5, 6.16%, 06/25/35 | | 2 | | 2,277 |
| CWHEQ Revolving Home Equity Loan Resuritization Trust[a][b] | | | | |
| Series 2006-RES, Class 4Q1B, (LIBOR USD 1 Month + 0.30%), 4.62%, 12/15/33 | | 4 | | 3,992 |
| Series 2006-RES, Class 5B1B, (LIBOR USD 1 Month + 0.19%), 4.51%, 05/15/35 | | 2 | | 1,923 |
| CWHEQ Revolving Home Equity Loan Trust[a] | | | | |
| Series 2005-B, Class 2A, (LIBOR USD 1 Month + 0.18%), 4.50%, 05/15/35 | | 4 | | 3,966 |

| Security | | Par (000) | | Value |
|---|---|---|---|---|
| **Asset-Backed Securities (continued)** | | | | |
| Series 2006-C, Class 2A, (LIBOR USD 1 Month + 0.18%), 4.50%, 05/15/36 | USD | 27 | $ | 25,945 |
| Series 2006-H, Class 1A, (LIBOR USD 1 Month + 0.15%), 4.47%, 11/15/36 | | 17 | | 16,168 |
| Dryden 45 Senior Loan Fund, Series 2016-45A, Class BR, (LIBOR USD 3 Month + 1.70%), 5.78%, 10/15/30[a][b] | | 250 | | 240,231 |
| Dryden 53 CLO Ltd., Series 2017-53A, Class A, (LIBOR USD 3 Month + 1.12%), 5.20%, 01/15/31[a][b] | | 800 | | 790,163 |
| First Franklin Mortgage Loan Trust[a] | | | | |
| Series 2004-FFH3, Class M3, (LIBOR USD 1 Month + 1.05%), 5.44%, 10/25/34 | | 33 | | 29,456 |
| Series 2006-FF16, Class 2A3, (LIBOR USD 1 Month + 0.28%), 4.67%, 12/25/36 | | 557 | | 237,418 |
| Series 2006-FF17, Class A5, (LIBOR USD 1 Month + 0.15%), 4.54%, 12/25/36 | | 334 | | 301,934 |
| Series 2006-FFH1, Class M2, (LIBOR USD 1 Month + 0.60%), 4.99%, 01/25/36 | | 95 | | 86,727 |
| Fremont Home Loan Trust, Series 2006-3, Class 1A1, (LIBOR USD 1 Month + 0.28%), 4.67%, 02/25/37[a] | | 74 | | 56,588 |
| Generate CLO 2 Ltd., Series 2A, Class AR, (LIBOR USD 3 Month + 1.15%), 5.47%, 01/22/31[a][b] | | 250 | | 246,920 |
| GSAA Home Equity Trust, Series 2007-2, Class AF3, 5.92%, 03/25/37[a] | | 25 | | 5,094 |
| GSAMP Trust[a] | | | | |
| Series 2007-H1, Class A1B, (LIBOR USD 1 Month + 0.40%), 4.79%, 01/25/47 | | 21 | | 10,934 |
| Series 2007-HS1, Class M6, (LIBOR USD 1 Month + 3.38%), 7.76%, 02/25/47 | | 40 | | 37,210 |
| Home Equity Asset Trust, Series 2007-1, Class 2A3, (LIBOR USD 1 Month + 0.30%), 4.69%, 05/25/37[a] | | 69 | | 50,918 |
| Home Equity Mortgage Loan Asset-Backed Trust[a] | | | | |
| Series 2004-A, Class M2, (LIBOR USD 1 Month + 2.03%), 3.61%, 07/25/34 | | 14 | | 13,538 |
| Series 2007-A, Class 2A2, (LIBOR USD 1 Month + 0.19%), 4.58%, 04/25/37 | | 53 | | 34,416 |
| Home Equity Mortgage Trust, Series 2006-2, Class 1A1, 5.87%, 07/25/36[e] | | 51 | | 6,118 |
| HPS Loan Management Ltd., Series 6A-2015, Class A1R, (LIBOR USD 3 Month + 1.00%), 5.53%, 02/05/31[a][b] | | 248 | | 245,499 |
| ICG US CLO Ltd., Series 2015-1A, Class A1R, (LIBOR USD 3 Month + 1.14%), 5.37%, 10/19/28[a][b] | | 169 | | 166,771 |
| Irwin Home Equity Loan Trust, Series 2006-3, Class 2A3, 6.53%, 09/25/37[b][e] | | 12 | | 10,851 |
| JPMorgan Mortgage Acquisition Trust, Series 2006-CW1, Class M1, (LIBOR USD 1 Month + 0.41%), 4.79%, 05/25/36[a] | | 74 | | 70,934 |
| LCM 26 Ltd., Series 26A, Class A1, (LIBOR USD 3 Month + 1.07%), 5.31%, 01/20/31[a][b] | | 280 | | 276,466 |
| LCM XX LP, Series 20A, Class AR, (LIBOR USD 3 Month + 1.04%), 5.28%, 10/20/27[a][b] | | 71 | | 70,475 |
| Lehman ABS Manufactured Housing Contract Trust, Series 2001-B, Class M1, 6.63%, 04/15/40[a] | | 36 | | 35,386 |
| Madison Avenue Manufactured Housing Contract Trust, Series 2002-A, Class B2, (LIBOR USD 1 Month + 3.25%), 7.64%, 03/25/32[a] | | 9 | | 8,646 |
| Madison Park Funding XIII Ltd., Series 2014-13A, Class AR2, (LIBOR USD 3 Month + 0.95%), 5.18%, 04/19/30[a][b] | USD | 547 | $ | 541,350 |
| Madison Park Funding XXVI Ltd., Series 2017-26A, Class AR, (LIBOR USD 3 Month + 1.20%), 5.61%, 07/29/30[a][b] | | 270 | | 268,169 |
| Marble Point CLO XI Ltd., Series 2017-2A, Class A, (LIBOR USD 3 Month + 1.18%), 5.37%, 12/18/30[a][b] | | 250 | | 245,039 |
| MASTR Specialized Loan Trust, Series 2006-3, Class A, (LIBOR USD 1 Month + 0.26%), 4.65%, 06/25/46[a][b] | | 9 | | 8,094 |
| Merrill Lynch Mortgage Investors Trust[a] | | | | |
| Series 2006-OPT1, Class M1, (LIBOR USD 1 Month + 0.26%), 4.65%, 08/25/37 | | 35 | | 26,387 |
| Series 2006-RM3, Class A2B, (LIBOR USD 1 Month + 0.18%), 4.57%, 06/25/37 | | 25 | | 5,232 |
| Morgan Stanley ABS Capital I, Inc. Trust[a] | | | | |
| Series 2005-HE1, Class A2MZ, (LIBOR USD 1 Month + 0.60%), 4.99%, 12/25/34 | | 155 | | 134,782 |
| Series 2005-HE5, Class M4, (LIBOR USD 1 Month + 0.87%), 5.26%, 09/25/35 | | 92 | | 75,368 |
| MP CLO III Ltd., Series 2013-1A, Class AR, (LIBOR USD 3 Month + 1.25%), 5.49%, 10/20/30[a][b] | | 250 | | 245,592 |
| Navient Private Education Loan Trust, Series 2014-AA, Class A2B, (LIBOR USD 1 Month + 1.25%), 5.57%, 02/15/29[a][b] | | 5 | | 5,005 |
| Oakwood Mortgage Investors, Inc.[a] | | | | |
| Series 2001-D, Class A2, 5.26%, 09/15/31 | | 15 | | 7,373 |
| Series 2001-D, Class A4, 6.93%, 09/15/31 | | 9 | | 4,962 |
| Series 2002-B, Class M1, 7.62%, 06/15/32 | | 81 | | 78,327 |
| OCP CLO Ltd., Series 2017-14A, Class B, (LIBOR USD 3 Month + 1.95%), 6.63%, 11/20/30[a][b] | | 250 | | 237,472 |
| Octagon Investment Partners XVI Ltd., Series 2013-1A, Class A1R, (LIBOR USD 3 Month + 1.02%), 5.10%, 07/17/30[a][b] | | 250 | | 245,910 |
| Octagon Investment Partners XVII Ltd., Series 2013-1A, Class A1R2, (LIBOR USD 3 Month + 1.00%), 5.36%, 01/25/31[a][b] | | 250 | | 246,343 |
| OHA Loan Funding Ltd., Series 2013-2A, Class AR, (LIBOR USD 3 Month + 1.04%), 5.73%, 05/23/31[a][b] | | 225 | | 221,499 |
| Option One Mortgage Loan Trust | | | | |
| Series 2007-CP1, Class 2A3, (LIBOR USD 1 Month + 0.21%), 4.60%, 03/25/37[a] | | 90 | | 69,591 |
| Series 2007-FXD1, Class 1A1, 5.87%, 01/25/37[e] | | 68 | | 55,109 |
| Series 2007-FXD1, Class 2A1, 5.87%, 01/25/37[e] | | 170 | | 141,633 |
| Series 2007-FXD2, Class 1A1, 5.82%, 03/25/37[e] | | 86 | | 74,567 |
| Origen Manufactured Housing Contract Trust, Series 2007-B, Class A1, (LIBOR USD 1 Month + 1.20%), 5.52%, 10/15/37[a][b] | | 26 | | 24,909 |
| Ownit Mortgage Loan Trust, Series 2006-2, Class A2C, 6.50%, 01/25/37[e] | | 61 | | 50,297 |
| OZLM Funding IV Ltd., Series 2013-4A, Class A1R, (LIBOR USD 3 Month + 1.25%), 5.57%, 10/22/30[a][b] | | 383 | | 377,130 |
| Palmer Square CLO Ltd.[a][b] | | | | |
| Series 2014-1A, Class A1R2, (LIBOR USD 3 Month + 1.13%), 5.21%, 01/17/31 | | 250 | | 247,482 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Asset-Backed Securities (continued)** | | | |
| Series 2018-1A, Class A1, (LIBOR USD 3 Month + 1.03%), 5.22%, 04/18/31 | USD | 250 | $ 245,847 |
| Series 2018-2A, Class A1A, (LIBOR USD 3 Month + 1.10%), 5.18%, 07/16/31 | | 420 | 414,417 |
| Race Point X CLO Ltd., Series 2016-10A, Class A1R, (LIBOR USD 3 Month + 1.10%), 5.46%, 07/25/31[a][b] | | 246 | 241,927 |
| Rockford Tower CLO Ltd., Series 2017-3A, Class A, (LIBOR USD 3 Month + 1.19%), 5.43%, 10/20/30[a][b] | | 250 | 246,500 |
| Romark WM-R Ltd., Series 2018-1A, Class A1, (LIBOR USD 3 Month + 1.03%), 5.27%, 04/20/31[a][b] | | 247 | 242,827 |
| RR 3 Ltd., Series 2018-3A, Class A1R2, (LIBOR USD 3 Month + 1.09%), 5.17%, 01/15/30[a][b] | | 1,250 | 1,236,037 |
| SG Mortgage Securities Trust, Series 2006-OPT2, Class A3D, (LIBOR USD 1 Month + 0.21%), 4.60%, 10/25/36[a] | | 100 | 67,549 |
| Signal Peak CLO 5 Ltd., Series 2018-5A, Class A, (LIBOR USD 3 Month + 1.11%), 5.47%, 04/25/31[a][b] | | 250 | 244,959 |
| Silver Creek CLO Ltd., Series 2014-1A, Class AR, (LIBOR USD 3 Month + 1.24%), 5.48%, 07/20/30[a][b] | | 198 | 195,165 |
| SLM Private Credit Student Loan Trust, Series 2004-B, Class A3, (LIBOR USD 3 Month + 0.33%), 5.10%, 03/15/24[a] | | 23 | 22,489 |
| SMB Private Education Loan Trust, Series 2015-B, Class B, 3.50%, 12/17/40[b] | | 100 | 94,645 |
| Soundview Home Loan Trust, Series 2004-WMC1, Class M2, (LIBOR USD 1 Month + 0.80%), 5.18%, 01/25/35[a] | | 1 | 1,120 |
| Tricon American Homes Trust, Series 2018-SFR1, Class E, 4.56%, 05/17/37[b] | | 100 | 93,538 |
| Venture XVIII CLO Ltd., Series 2014-18A, Class AR, (LIBOR USD 3 Month + 1.22%), 5.30%, 10/15/29[a][b] | | 301 | 297,201 |
| Voya CLO Ltd., Series 2017-4A, Class A1, (LIBOR USD 3 Month + 1.13%), 5.21%, 10/15/30[a][b] | | 250 | 246,896 |
| Washington Mutual Asset-Backed CertificatesTrust[a] | | | |
| Series 2006-HE4, Class 2A2, (LIBOR USD 1 Month + 0.36%), 4.75%, 09/25/36 | | 124 | 38,023 |
| Series 2006-HE5, Class 1A, (LIBOR USD 1 Month + 0.16%), 3.94%, 10/25/36 | | 108 | 80,652 |
| Yale Mortgage Loan Trust, Series 2007-1, Class A, (LIBOR USD 1 Month + 0.40%), 4.79%, 06/25/37[a][b] | | 79 | 26,004 |
| **Total Asset-Backed Securities — 2.2% (Cost: $17,603,219)** | | | 16,643,094 |
| **Corporate Bonds** | | | |
| **Aerospace & Defense — 0.8%** | | | |
| BAE Systems plc, 3.40%, 04/15/30[b] | | 502 | 442,972 |
| Boeing Co. (The) | | | |
| 5.81%, 05/01/50 | | 132 | 122,387 |
| 3.95%, 08/01/59 | | 350 | 235,032 |
| 5.93%, 05/01/60 | | 226 | 205,874 |
| Huntington Ingalls Industries, Inc., 4.20%, 05/01/30 | | 82 | 74,425 |
| L3Harris Technologies, Inc. | | | |
| 4.40%, 06/15/28 | | 316 | 302,480 |
| 2.90%, 12/15/29 | | 300 | 255,899 |
| **Aerospace & Defense (continued)** | | | |
| 1.80%, 01/15/31 | USD | 982 | $ 753,627 |
| Leidos, Inc. | | | |
| 4.38%, 05/15/30 | | 266 | 239,868 |
| 2.30%, 02/15/31 | | 241 | 184,619 |
| Lockheed Martin Corp., 3.60%, 03/01/35 | | 1,007 | 893,791 |
| Northrop Grumman Corp., 4.03%, 10/15/47 | | 314 | 260,206 |
| Raytheon Technologies Corp. | | | |
| 7.00%, 11/01/28 | | 360 | 388,644 |
| 4.13%, 11/16/28 | | 583 | 557,994 |
| 2.25%, 07/01/30 | | 169 | 140,632 |
| 3.75%, 11/01/46 | | 130 | 100,335 |
| 2.82%, 09/01/51 | | 121 | 78,379 |
| 3.03%, 03/15/52 | | 741 | 502,360 |
| Textron, Inc., 3.90%, 09/17/29 | | 566 | 512,654 |
| | | | 6,252,178 |
| **Airlines — 0.3%** | | | |
| Air Canada Pass-Through Trust[b] | | | |
| Series 2017-1, Class B, 3.70%, 01/15/26 | | 1 | 555 |
| Series 2017-1, Class AA, 3.30%, 01/15/30 | | 76 | 65,169 |
| American Airlines Pass-Through Trust | | | |
| Series 2013-2, Class A, 4.95%, 01/15/23 | | 27 | 26,707 |
| Series 2015-2, Class B, 4.40%, 09/22/23 | | 196 | 192,635 |
| Series 2015-2, Class AA, 3.60%, 09/22/27 | | 35 | 31,660 |
| Series 2016-1, Class AA, 3.58%, 01/15/28 | | 93 | 82,898 |
| Series 2016-2, Class AA, 3.20%, 06/15/28 | | 63 | 54,909 |
| Series 2016-3, Class AA, 3.00%, 10/15/28 | | 304 | 263,433 |
| Series 2017-1, Class AA, 3.65%, 02/15/29 | | 51 | 45,047 |
| Series 2019-1, Class AA, 3.15%, 02/15/32 | | 186 | 153,803 |
| Avianca Midco 2 plc, 9.00%, 12/01/28[b] | | 161 | 117,886 |
| Delta Air Lines Pass-Through Trust, Series 2019-1, Class AA, 3.20%, 04/25/24 | | 420 | 409,358 |
| Gol Finance SA, 7.00%, 01/31/25[b] | | 53 | 23,065 |
| Turkish Airlines Pass-Through Trust, Series 2015-1, Class A, 4.20%, 03/15/27[b] | | 24 | 20,452 |
| United Airlines Pass-Through Trust | | | |
| Series 2016-2, Class B, 3.65%, 10/07/25 | | 9 | 7,559 |
| Series 2020-1, Class B, 4.88%, 01/15/26 | | 103 | 97,869 |
| Series 2014-1, Class A, 4.00%, 04/11/26 | | 118 | 109,378 |
| Series 2020-1, Class A, 5.88%, 10/15/27 | | 628 | 619,524 |
| Series 2015-1, Class AA, 3.45%, 12/01/27 | | 32 | 28,049 |
| Series 2019-2, Class B, 3.50%, 05/01/28 | | 113 | 97,263 |
| Series 2016-1, Class AA, 3.10%, 07/07/28 | | 10 | 9,291 |
| Series 2016-2, Class AA, 2.88%, 10/07/28 | | 65 | 55,672 |
| Series 2018-1, Class AA, 3.50%, 03/01/30 | | 32 | 27,941 |
| Series 2019-2, Class AA, 2.70%, 05/01/32 | | 115 | 92,781 |
| | | | 2,632,904 |
| **Automobiles — 0.3%** | | | |
| Ford Motor Co., 3.25%, 02/12/32 | | 44 | 32,997 |
| General Motors Co. | | | |
| 5.40%, 10/15/29 | | 78 | 74,435 |
| 5.60%, 10/15/32 | | 1,111 | 1,032,115 |
| Nissan Motor Co. Ltd., 4.81%, 09/17/30[b] | | 1,159 | 983,611 |
| | | | 2,123,158 |
| **Banks — 3.2%** | | | |
| Banco Mercantil del Norte SA, (US Treasury Yield Curve Rate T Note Constant Maturity 5 Year + 4.64%), 5.88%[a][b][f] | | 200 | 178,100 |
| Bank of America Corp.[a] | | | |
| (LIBOR USD 3 Month + 0.78%), 3.55%, 03/05/24 | | 740 | 737,214 |
| (LIBOR USD 3 Month + 0.87%), 2.46%, 10/22/25 | | 1,049 | 991,155 |
| Series N, (SOFR 1 Day + 0.91%), 1.66%, 03/11/27 | | 547 | 483,933 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Banks (continued)** | | | |
| (SOFR 1 Day + 0.96%), 1.73%, 07/22/27 | USD | 1,906 | $ 1,669,878 |
| (LIBOR USD 3 Month + 1.21%), 3.97%, 02/07/30 | | 553 | 502,251 |
| (SOFR 1 Day + 1.37%), 1.92%, 10/24/31 | | 515 | 393,402 |
| (SOFR 1 Day + 1.32%), 2.69%, 04/22/32 | | 445 | 356,171 |
| (SOFR 1 Day + 1.22%), 2.30%, 07/21/32 | | 981 | 755,475 |
| (SOFR 1 Day + 1.21%), 2.57%, 10/20/32 | | 209 | 163,689 |
| (SOFR 1 Day + 1.33%), 2.97%, 02/04/33 | | 4,003 | 3,224,892 |
| (SOFR 1 Day + 1.83%), 4.57%, 04/27/33 | | 3,258 | 2,980,102 |
| (SOFR 1 Day + 2.16%), 5.02%, 07/22/33 | | 248 | 235,449 |
| Barclays plc[a] | | | |
| (US Treasury Yield Curve Rate T Note Constant Maturity 1 Year + 2.30%), 5.30%, 08/09/26 | | 710 | 704,692 |
| (US Treasury Yield Curve Rate T Note Constant Maturity 1 Year + 3.00%), 5.75%, 08/09/33 | | 235 | 221,996 |
| Citigroup, Inc.[a] | | | |
| (SOFR 1 Day + 1.28%), 3.07%, 02/24/28 | | 259 | 233,496 |
| (SOFR 1 Day + 1.42%), 2.98%, 11/05/30 | | 1,491 | 1,253,671 |
| (SOFR 1 Day + 1.35%), 3.06%, 01/25/33 | | 442 | 356,700 |
| (SOFR 1 Day + 1.94%), 3.79%, 03/17/33 | | 212 | 181,322 |
| (SOFR 1 Day + 2.34%), 6.27%, 11/17/33 | | 475 | 490,030 |
| Grupo Aval Ltd., 4.38%, 02/04/30[b] | | 200 | 161,600 |
| HSBC Holdings plc[a] | | | |
| (SOFR 1 Day + 1.10%), 2.25%, 11/22/27 | | 247 | 213,913 |
| (SOFR 1 Day + 2.87%), 5.40%, 08/11/33 | | 720 | 666,737 |
| JPMorgan Chase & Co.[a] | | | |
| (LIBOR USD 3 Month + 1.25%), 3.96%, 01/29/27 | | 498 | 474,717 |
| (LIBOR USD 3 Month + 1.34%), 3.78%, 02/01/28 | | 194 | 181,253 |
| (SOFR 1 Day + 1.17%), 2.95%, 02/24/28 | | 2,324 | 2,102,284 |
| (SOFR 1 Day + 1.75%), 4.57%, 06/14/30 | | 472 | 444,088 |
| (3 Month CME Term SOFR + 1.11%), 1.76%, 11/19/31 | | 168 | 127,355 |
| (SOFR 1 Day + 1.18%), 2.55%, 11/08/32 | | 620 | 490,067 |
| (SOFR 1 Day + 1.26%), 2.96%, 01/25/33 | | 1,422 | 1,157,369 |
| (SOFR 1 Day + 1.80%), 4.59%, 04/26/33 | | 469 | 434,183 |
| (SOFR 1 Day + 2.08%), 4.91%, 07/25/33 | | 738 | 702,670 |
| Washington Mutual Escrow Bonds[g][h] | | | |
| 0.00%, 11/06/09 | | 300 | 3,000 |
| 0.00%, 09/19/17[d][i] | | 250 | — |
| 0.00%, 09/29/17[d] | | 500 | — |
| Wells Fargo & Co.[a] | | | |
| (LIBOR USD 3 Month + 1.31%), 3.58%, 05/22/28 | | 334 | 310,118 |
| (SOFR 1 Day + 2.10%), 2.39%, 06/02/28 | | 134 | 118,267 |
| (SOFR 1 Day + 1.50%), 3.35%, 03/02/33 | | 169 | 142,365 |
| | | | 23,843,604 |
| **Beverages — 0.1%** | | | |
| Anheuser-Busch Cos. LLC, 4.70%, 02/01/36 | | 249 | 235,166 |
| Anheuser-Busch InBev Worldwide, Inc. | | | |
| 4.75%, 01/23/29 | | 310 | 305,999 |
| 3.50%, 06/01/30 | | 190 | 172,962 |
| | | | 714,127 |
| **Biotechnology — 0.5%** | | | |
| AbbVie, Inc. | | | |
| 4.55%, 03/15/35 | | 591 | 552,632 |
| 4.50%, 05/14/35 | | 478 | 442,774 |
| 4.70%, 05/14/45 | | 342 | 303,765 |
| 4.88%, 11/14/48 | | 50 | 45,543 |
| 4.25%, 11/21/49 | | 355 | 294,609 |
| **Biotechnology (continued)** | | | |
| Amgen, Inc. | | | |
| 4.05%, 08/18/29 | USD | 735 | $ 686,875 |
| 4.40%, 05/01/45 | | 385 | 322,561 |
| Biogen, Inc., 2.25%, 05/01/30 | | 316 | 257,442 |
| Gilead Sciences, Inc. | | | |
| 2.60%, 10/01/40 | | 356 | 248,378 |
| 4.15%, 03/01/47 | | 137 | 113,151 |
| 2.80%, 10/01/50 | | 267 | 170,703 |
| | | | 3,438,433 |
| **Building Products — 0.0%** | | | |
| Masonite International Corp., 5.38%, 02/01/28[b] | | 36 | 33,286 |
| Owens Corning, 3.95%, 08/15/29 | | 41 | 37,263 |
| Standard Industries, Inc.[b] | | | |
| 5.00%, 02/15/27 | | 35 | 32,296 |
| 4.75%, 01/15/28 | | 15 | 13,498 |
| | | | 116,343 |
| **Capital Markets — 3.0%** | | | |
| FactSet Research Systems, Inc., 3.45%, 03/01/32 | | 643 | 539,092 |
| Gaci First Investment Co., 5.00%, 10/13/27[j] | | 295 | 295,041 |
| Goldman Sachs Group, Inc. (The) | | | |
| (SOFR 1 Day + 0.51%), 0.66%, 09/10/24[a] | | 1,973 | 1,898,098 |
| 3.50%, 04/01/25 | | 2,381 | 2,289,670 |
| (LIBOR USD 3 Month + 1.17%), 5.78%, 05/15/26[a] | | 300 | 297,888 |
| (SOFR 1 Day + 1.11%), 2.64%, 02/24/28[a] | | 716 | 637,516 |
| (SOFR 1 Day + 1.28%), 2.62%, 04/22/32[a] | | 841 | 670,690 |
| (SOFR 1 Day + 1.25%), 2.38%, 07/21/32[a] | | 105 | 81,470 |
| (SOFR 1 Day + 1.26%), 2.65%, 10/21/32[a] | | 1,053 | 831,417 |
| (SOFR 1 Day + 1.41%), 3.10%, 02/24/33[a] | | 4,483 | 3,640,109 |
| Intercontinental Exchange, Inc., 4.35%, 06/15/29 | | 109 | 105,386 |
| Moody's Corp. | | | |
| 3.25%, 01/15/28 | | 809 | 745,705 |
| 3.25%, 05/20/50 | | 101 | 69,738 |
| 3.10%, 11/29/61 | | 316 | 198,879 |
| Morgan Stanley[a] | | | |
| (SOFR 1 Day + 0.47%), 4.79%, 11/10/23 | | 1,065 | 1,061,874 |
| (SOFR 1 Day + 0.46%), 0.53%, 01/25/24 | | 2,177 | 2,162,398 |
| (SOFR 1 Day + 0.62%), 0.73%, 04/05/24 | | 372 | 366,665 |
| (SOFR 1 Day + 0.86%), 1.51%, 07/20/27 | | 253 | 219,550 |
| (SOFR 1 Day + 1.00%), 2.48%, 01/21/28 | | 1,544 | 1,371,926 |
| (SOFR 1 Day + 2.24%), 6.30%, 10/18/28 | | 356 | 367,500 |
| (SOFR 1 Day + 1.14%), 2.70%, 01/22/31 | | 1,655 | 1,367,604 |
| (SOFR 1 Day + 1.03%), 1.79%, 02/13/32 | | 256 | 192,399 |
| (SOFR 1 Day + 1.18%), 2.24%, 07/21/32 | | 1,535 | 1,177,643 |
| (SOFR 1 Day + 1.20%), 2.51%, 10/20/32 | | 1,606 | 1,256,793 |
| (SOFR 1 Day + 1.29%), 2.94%, 01/21/33 | | 104 | 84,134 |
| (SOFR 1 Day + 2.08%), 4.89%, 07/20/33 | | 189 | 177,570 |
| Nomura Holdings, Inc., 2.61%, 07/14/31 | | 343 | 265,278 |
| S&P Global, Inc., 4.75%, 08/01/28[b] | | 327 | 323,181 |
| | | | 22,695,214 |
| **Chemicals — 0.1%** | | | |
| Braskem Idesa SAPI, 6.99%, 02/20/32[j] | | 200 | 142,500 |
| Ecolab, Inc., 2.75%, 08/18/55 | | 234 | 139,637 |
| Sherwin-Williams Co. (The), 2.30%, 05/15/30 | | 181 | 148,800 |
| Westlake Corp., 3.38%, 08/15/61 | | 216 | 127,379 |
| | | | 558,316 |
| **Commercial Services & Supplies — 0.1%** | | | |
| Aramark Services, Inc., 5.00%, 02/01/28[b] | | 83 | 77,434 |
| Atento Luxco 1 SA | | | |
| 8.00%, 02/10/26[b] | | 36 | 19,244 |
| 8.00%, 02/10/26[j] | | 14 | 7,484 |

| Security | Par (000) | Value |
|---|---|---|
| **Commercial Services & Supplies (continued)** | | |
| KAR Auction Services, Inc., 5.13%, 06/01/25[b] | USD 16 | $ 15,631 |
| RELX Capital, Inc., 3.00%, 05/22/30 | 201 | 171,282 |
| Republic Services, Inc., 3.95%, 05/15/28 | 119 | 113,035 |
| Waste Management, Inc., 1.15%, 03/15/28 | 105 | 87,702 |
| Waste Pro USA, Inc., 5.50%, 02/15/26[b] | 37 | 32,675 |
| | | 524,487 |
| **Communications Equipment — 0.3%** | | |
| Juniper Networks, Inc., 2.00%, 12/10/30 | 156 | 118,754 |
| Motorola Solutions, Inc. | | |
| 4.60%, 05/23/29 | 302 | 287,422 |
| 2.75%, 05/24/31 | 1,617 | 1,292,859 |
| 5.60%, 06/01/32 | 277 | 269,645 |
| 5.50%, 09/01/44 | 401 | 361,053 |
| | | 2,329,733 |
| **Construction & Engineering — 0.0%** | | |
| Mexico City Airport Trust, 4.25%, 10/31/26[ij] | 200 | 189,912 |
| **Consumer Finance — 0.3%** | | |
| Capital One Financial Corp., (SOFR 1 Day + 1.79%), 3.27%, 03/01/30[a] | 276 | 235,972 |
| General Motors Financial Co., Inc. | | |
| 3.70%, 05/09/23 | 66 | 65,673 |
| 4.00%, 01/15/25 | 443 | 429,840 |
| 2.40%, 10/15/28 | 143 | 118,577 |
| 4.30%, 04/06/29 | 329 | 294,687 |
| 2.70%, 06/10/31 | 709 | 543,218 |
| 3.10%, 01/12/32 | 975 | 763,953 |
| Navient Corp. | | |
| 5.88%, 10/25/24 | 37 | 35,799 |
| 6.75%, 06/25/25 | 38 | 36,477 |
| 6.75%, 06/15/26 | 37 | 35,068 |
| | | 2,559,264 |
| **Containers & Packaging — 0.0%** | | |
| International Paper Co., 6.00%, 11/15/41 | 112 | 111,640 |
| **Diversified Financial Services — 0.1%** | | |
| ORIX Corp., 4.00%, 04/13/32 | 30 | 26,607 |
| Shell International Finance BV | | |
| 3.88%, 11/13/28 | 487 | 468,981 |
| 2.75%, 04/06/30 | 104 | 91,250 |
| | | 586,838 |
| **Diversified Telecommunication Services — 0.9%** | | |
| AT&T, Inc. | | |
| 4.30%, 02/15/30 | 319 | 300,369 |
| 4.50%, 05/15/35 | 1,216 | 1,105,404 |
| 3.50%, 06/01/41 | 292 | 217,754 |
| 3.55%, 09/15/55 | 835 | 557,149 |
| 3.65%, 09/15/59 | 786 | 526,094 |
| CCO Holdings LLC[b] | | |
| 5.38%, 06/01/29 | 92 | 83,193 |
| 4.75%, 03/01/30 | 106 | 91,416 |
| Level 3 Financing, Inc., 4.63%, 09/15/27[b] | 15 | 12,487 |
| Oi SA, 10.00%, (10.00% Cash or 4.00% PIK), 07/27/25[k] | 49 | 8,201 |
| Verizon Communications, Inc. | | |
| 1.50%, 09/18/30 | 1,041 | 809,309 |
| 1.68%, 10/30/30 | 353 | 275,153 |
| 7.75%, 12/01/30 | 250 | 289,088 |
| 1.75%, 01/20/31 | 106 | 82,239 |
| 2.55%, 03/21/31 | 414 | 340,456 |
| 2.36%, 03/15/32 | 533 | 422,510 |
| 4.40%, 11/01/34 | 593 | 544,525 |
| 2.65%, 11/20/40 | 496 | 334,792 |
| 2.85%, 09/03/41 | 560 | 385,393 |
| 3.85%, 11/01/42 | 162 | 128,391 |
| **Diversified Telecommunication Services (continued)** | | |
| 2.88%, 11/20/50 | USD 569 | $ 356,740 |
| 3.00%, 11/20/60 | 303 | 180,413 |
| | | 7,051,076 |
| **Electric Utilities — 2.2%** | | |
| AEP Texas, Inc. | | |
| 3.95%, 06/01/28 | 567 | 531,684 |
| Series I, 2.10%, 07/01/30 | 171 | 138,630 |
| Series G, 4.15%, 05/01/49 | 235 | 183,277 |
| 3.45%, 05/15/51 | 305 | 215,072 |
| AEP Transmission Co. LLC | | |
| 3.80%, 06/15/49 | 155 | 120,732 |
| Series M, 3.65%, 04/01/50 | 232 | 176,946 |
| Alabama Power Co., 3.45%, 10/01/49 | 353 | 254,291 |
| American Transmission Systems, Inc., 2.65%, 01/15/32[b] | 521 | 427,565 |
| Baltimore Gas & Electric Co. | | |
| 3.50%, 08/15/46 | 153 | 113,463 |
| 3.75%, 08/15/47 | 586 | 451,908 |
| 4.25%, 09/15/48 | 105 | 88,009 |
| 2.90%, 06/15/50 | 221 | 146,042 |
| CenterPoint Energy Houston Electric LLC | | |
| Series AE, 2.35%, 04/01/31 | 120 | 99,504 |
| 3.95%, 03/01/48 | 85 | 69,578 |
| Series AD, 2.90%, 07/01/50 | 414 | 278,354 |
| Series AF, 3.35%, 04/01/51 | 194 | 142,763 |
| Commonwealth Edison Co. | | |
| 4.00%, 03/01/49 | 135 | 109,190 |
| Series 127, 3.20%, 11/15/49 | 180 | 127,976 |
| Series 130, 3.13%, 03/15/51 | 220 | 151,799 |
| DTE Electric Co. | | |
| 3.95%, 03/01/49 | 623 | 510,510 |
| Series B, 3.25%, 04/01/51 | 110 | 78,698 |
| Duke Energy Carolinas LLC | | |
| 3.88%, 03/15/46 | 32 | 25,163 |
| 3.70%, 12/01/47 | 343 | 260,934 |
| 3.95%, 03/15/48 | 155 | 124,001 |
| 3.45%, 04/15/51 | 114 | 83,209 |
| Duke Energy Corp. | | |
| 5.00%, 12/08/25 | 190 | 189,588 |
| 4.30%, 03/15/28 | 190 | 182,823 |
| Duke Energy Florida LLC | | |
| 2.50%, 12/01/29 | 550 | 470,039 |
| 5.95%, 11/15/52 | 55 | 58,536 |
| Duke Energy Progress LLC | | |
| 3.45%, 03/15/29 | 527 | 485,111 |
| 2.50%, 08/15/50 | 250 | 150,009 |
| Edison International, 6.95%, 11/15/29 | 550 | 574,355 |
| Entergy Louisiana LLC | | |
| 4.20%, 09/01/48 | 325 | 265,926 |
| 2.90%, 03/15/51 | 115 | 73,573 |
| Entergy Mississippi LLC, 2.85%, 06/01/28 | 137 | 121,618 |
| Exelon Corp. | | |
| 5.10%, 06/15/45 | 35 | 32,546 |
| 4.45%, 04/15/46 | 139 | 117,414 |
| 4.70%, 04/15/50 | 267 | 232,575 |
| FirstEnergy Corp. | | |
| 2.05%, 03/01/25 | 52 | 48,007 |
| Series B, 4.40%, 07/15/27[e] | 349 | 324,657 |
| Series C, 5.35%, 07/15/47[e] | 43 | 38,390 |
| Series C, 3.40%, 03/01/50 | 192 | 126,681 |
| FirstEnergy Transmission LLC, 4.55%, 04/01/49[b] | 433 | 350,361 |
| Florida Power & Light Co. | | |
| 3.95%, 03/01/48 | 470 | 387,886 |
| 3.99%, 03/01/49 | 111 | 93,060 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Electric Utilities (continued)** | | | |
| 3.15%, 10/01/49 | USD | 576 | $ 414,881 |
| Generacion Mediterranea SA, 9.88%, 12/01/27[b] | | 111 | 69,143 |
| Genneia SA, 8.75%, 09/02/27[b] | | 18 | 17,724 |
| MidAmerican Energy Co. | | | |
| 3.10%, 05/01/27 | | 225 | 210,650 |
| 3.65%, 04/15/29 | | 520 | 486,181 |
| 3.15%, 04/15/50 | | 428 | 302,912 |
| Mid-Atlantic Interstate Transmission LLC, 4.10%, 05/15/28[b] | | 22 | 20,702 |
| Northern States Power Co. | | | |
| 3.60%, 05/15/46 | | 27 | 20,776 |
| 2.90%, 03/01/50 | | 221 | 151,156 |
| 2.60%, 06/01/51 | | 241 | 152,758 |
| NRG Energy, Inc. | | | |
| 2.45%, 12/02/27[b] | | 735 | 608,988 |
| 5.75%, 01/15/28 | | 59 | 55,382 |
| 5.25%, 06/15/29[b] | | 53 | 46,785 |
| NSTAR Electric Co., 3.95%, 04/01/30 | | 38 | 35,722 |
| Ohio Power Co. | | | |
| Series Q, 1.63%, 01/15/31 | | 122 | 94,402 |
| 4.00%, 06/01/49 | | 27 | 21,293 |
| Series R, 2.90%, 10/01/51 | | 311 | 202,343 |
| Oncor Electric Delivery Co. LLC | | | |
| 4.55%, 09/15/32[b] | | 259 | 253,565 |
| 3.80%, 09/30/47 | | 101 | 81,776 |
| 3.10%, 09/15/49 | | 357 | 252,678 |
| 4.95%, 09/15/52[b] | | 109 | 105,199 |
| Pacific Gas & Electric Co. | | | |
| 3.95%, 12/01/47 | | 150 | 101,702 |
| 3.50%, 08/01/50 | | 112 | 69,565 |
| PECO Energy Co., 3.05%, 03/15/51 | | 491 | 335,406 |
| Public Service Electric & Gas Co. | | | |
| 3.65%, 09/01/28 | | 210 | 197,631 |
| 2.45%, 01/15/30 | | 129 | 110,666 |
| 4.90%, 12/15/32 | | 304 | 304,544 |
| 2.05%, 08/01/50 | | 85 | 47,363 |
| Southern California Edison Co. | | | |
| 2.25%, 06/01/30 | | 775 | 638,256 |
| Series G, 2.50%, 06/01/31 | | 227 | 187,050 |
| 5.95%, 11/01/32 | | 295 | 311,697 |
| Southwestern Public Service Co., Series 8, 3.15%, 05/01/50 | | 450 | 310,359 |
| Trans-Allegheny Interstate Line Co., 3.85%, 06/01/25[b] | | 700 | 675,687 |
| Virginia Electric & Power Co., 4.00%, 01/15/43 | | 247 | 199,725 |
| Vistra Operations Co. LLC[b] | | | |
| 5.50%, 09/01/26 | | 72 | 69,366 |
| 5.63%, 02/15/27 | | 93 | 88,225 |
| 5.00%, 07/31/27 | | 93 | 86,313 |
| | | | 16,571,024 |
| **Entertainment — 0.1%** | | | |
| Electronic Arts, Inc., 1.85%, 02/15/31 | | 174 | 136,761 |
| TWDC Enterprises 18 Corp., 3.00%, 07/30/46 | | 382 | 266,727 |
| | | | 403,488 |
| **Equity Real Estate Investment Trusts (REITs) — 1.7%** | | | |
| Alexandria Real Estate Equities, Inc., 2.95%, 03/15/34 | | 789 | 639,490 |
| American Tower Corp. | | | |
| 3.95%, 03/15/29 | | 703 | 648,065 |
| 3.80%, 08/15/29 | | 815 | 739,346 |
| 2.90%, 01/15/30 | | 86 | 72,831 |
| Crown Castle, Inc. | | | |
| 3.15%, 07/15/23 | | 17 | 16,810 |
| **Equity Real Estate Investment Trusts (REITs) (continued)** | | | |
| 3.80%, 02/15/28 | USD | 369 | $ 342,936 |
| 3.10%, 11/15/29 | | 1,081 | 942,249 |
| 3.30%, 07/01/30 | | 259 | 226,571 |
| 2.25%, 01/15/31 | | 193 | 154,831 |
| 2.10%, 04/01/31 | | 249 | 196,248 |
| Digital Dutch Finco BV[j] | | | |
| 1.50%, 03/15/30 | EUR | 315 | 263,238 |
| 1.00%, 01/15/32 | | 180 | 134,634 |
| Equinix, Inc. | | | |
| 2.15%, 07/15/30 | USD | 1,188 | 945,101 |
| 3.90%, 04/15/32 | | 1,380 | 1,226,051 |
| GLP Capital LP | | | |
| 4.00%, 01/15/30 | | 1,150 | 1,007,186 |
| 4.00%, 01/15/31 | | 80 | 68,624 |
| 3.25%, 01/15/32 | | 845 | 675,480 |
| Invitation Homes Operating Partnership LP, 2.70%, 01/15/34 | | 104 | 75,821 |
| Kimco Realty Corp., 4.60%, 02/01/33 | | 162 | 148,151 |
| MPT Operating Partnership LP, 5.25%, 08/01/26 | | 7 | 6,375 |
| National Retail Properties, Inc. | | | |
| 3.50%, 04/15/51 | | 254 | 169,857 |
| 3.00%, 04/15/52 | | 135 | 80,333 |
| Prologis LP | | | |
| 1.75%, 02/01/31 | | 954 | 750,983 |
| 4.63%, 01/15/33 | | 180 | 174,252 |
| Realty Income Corp., 3.25%, 01/15/31 | | 174 | 150,887 |
| RHP Hotel Properties LP, 4.75%, 10/15/27 | | 61 | 55,206 |
| Service Properties Trust, 4.35%, 10/01/24 | | 37 | 33,636 |
| VICI Properties LP | | | |
| 5.63%, 05/01/24[b] | | 159 | 157,451 |
| 4.50%, 09/01/26[b] | | 44 | 41,408 |
| 5.75%, 02/01/27[b] | | 71 | 69,208 |
| 4.75%, 02/15/28 | | 901 | 854,750 |
| 4.63%, 12/01/29[b] | | 611 | 556,010 |
| 4.95%, 02/15/30 | | 469 | 446,449 |
| WP Carey, Inc. | | | |
| 2.40%, 02/01/31 | | 283 | 225,486 |
| 2.45%, 02/01/32 | | 150 | 117,211 |
| | | | 12,413,165 |
| **Food & Staples Retailing — 0.0%[b]** | | | |
| Albertsons Cos., Inc. | | | |
| 5.88%, 02/15/28 | | 68 | 64,646 |
| 4.88%, 02/15/30 | | 15 | 13,387 |
| Performance Food Group, Inc., 5.50%, 10/15/27 | | 79 | 74,510 |
| | | | 152,543 |
| **Food Products — 0.0%[b]** | | | |
| BRF GmbH, 4.35%, 09/29/26 | | 200 | 180,787 |
| Post Holdings, Inc. | | | |
| 5.63%, 01/15/28 | | 72 | 67,777 |
| 5.50%, 12/15/29 | | 57 | 51,580 |
| | | | 300,144 |
| **Gas Utilities — 0.1%** | | | |
| Atmos Energy Corp. | | | |
| 4.13%, 03/15/49 | | 91 | 74,420 |
| 3.38%, 09/15/49 | | 100 | 72,583 |
| CenterPoint Energy Resources Corp., 1.75%, 10/01/30 | | 188 | 148,215 |
| ONE Gas, Inc., 2.00%, 05/15/30 | | 80 | 65,046 |
| Piedmont Natural Gas Co., Inc., 2.50%, 03/15/31 | | 175 | 142,731 |
| Promigas SA ESP, 3.75%, 10/16/29[b] | | 200 | 162,750 |
| | | | 665,745 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Health Care Equipment & Supplies — 0.2%** | | | |
| Baxter International, Inc., 3.95%, 04/01/30 | USD | 115 | $ 104,700 |
| GE HealthCare Technologies, Inc., 5.60%, 11/15/25[b] | | 630 | 633,882 |
| Medline Borrower LP, 3.88%, 04/01/29[b] | | 452 | 364,294 |
| Medtronic Global Holdings SCA, 1.75%, 07/02/49 | EUR | 100 | 65,941 |
| | | | 1,168,817 |
| **Health Care Providers & Services — 0.8%** | | | |
| Aetna, Inc., 4.75%, 03/15/44 | USD | 98 | 86,297 |
| CVS Health Corp. | | | |
| 3.75%, 04/01/30 | | 769 | 697,223 |
| 5.13%, 07/20/45 | | 501 | 456,614 |
| 4.25%, 04/01/50 | | 233 | 185,448 |
| Elevance Health, Inc., 6.10%, 10/15/52 | | 321 | 342,209 |
| HCA, Inc. | | | |
| 4.50%, 02/15/27 | | 1,103 | 1,063,046 |
| 3.50%, 09/01/30 | | 1,157 | 997,885 |
| 2.38%, 07/15/31 | | 968 | 753,519 |
| Select Medical Corp., 6.25%, 08/15/26[b] | | 41 | 38,984 |
| Tenet Healthcare Corp.[b] | | | |
| 4.88%, 01/01/26 | | 148 | 139,955 |
| 5.13%, 11/01/27 | | 23 | 21,396 |
| 4.38%, 01/15/30 | | 163 | 141,087 |
| UnitedHealth Group, Inc. | | | |
| 3.05%, 05/15/41 | | 282 | 211,903 |
| 4.63%, 11/15/41 | | 117 | 107,826 |
| 4.20%, 01/15/47 | | 241 | 206,076 |
| 3.25%, 05/15/51 | | 332 | 237,558 |
| 6.05%, 02/15/63 | | 189 | 205,091 |
| | | | 5,892,117 |
| **Hotels, Restaurants & Leisure — 0.1%** | | | |
| 1011778 BC ULC, 3.88%, 01/15/28[b] | | 11 | 9,840 |
| Caesars Entertainment, Inc., 4.63%, 10/15/29[b] | | 48 | 39,063 |
| Cedar Fair LP | | | |
| 5.50%, 05/01/25[b] | | 47 | 46,488 |
| 5.38%, 04/15/27 | | 73 | 69,715 |
| 5.25%, 07/15/29 | | 73 | 65,558 |
| Churchill Downs, Inc.[b] | | | |
| 5.50%, 04/01/27 | | 88 | 83,385 |
| 4.75%, 01/15/28 | | 44 | 39,374 |
| Grupo Posadas SAB de CV, 6.00%, 12/30/27[e][j] | | 33 | 25,741 |
| MGM Resorts International | | | |
| 5.75%, 06/15/25 | | 10 | 9,719 |
| 4.63%, 09/01/26 | | 6 | 5,500 |
| 5.50%, 04/15/27 | | 10 | 9,302 |
| Wynn Las Vegas LLC[b] | | | |
| 5.50%, 03/01/25 | | 162 | 153,794 |
| 5.25%, 05/15/27 | | 81 | 73,100 |
| Wynn Resorts Finance LLC, 5.13%, 10/01/29[b] | | 67 | 57,428 |
| | | | 688,007 |
| **Household Durables — 0.0%[b]** | | | |
| Brookfield Residential Properties, Inc., 6.25%, 09/15/27 | | 87 | 77,265 |
| Mattamy Group Corp., 5.25%, 12/15/27 | | 7 | 6,208 |
| | | | 83,473 |
| **Insurance — 0.2%** | | | |
| Ambac Assurance Corp., 5.10%[b][f] | | 15 | 20,784 |
| American International Group, Inc., 4.38%, 01/15/55 | | 142 | 106,243 |
| Aon Corp. | | | |
| 4.50%, 12/15/28 | | 412 | 397,381 |
| 3.75%, 05/02/29 | | 129 | 118,995 |
| **Insurance (continued)** | | | |
| Marsh & McLennan Cos., Inc. | | | |
| 1.35%, 09/21/26 | EUR | 160 | $ 155,167 |
| 2.25%, 11/15/30 | USD | 492 | 402,787 |
| | | | 1,201,357 |
| **Interactive Media & Services — 0.1%** | | | |
| Meta Platforms, Inc., 4.45%, 08/15/52 | | 851 | 676,248 |
| **Internet & Direct Marketing Retail — 0.2%** | | | |
| Amazon.com, Inc. | | | |
| 4.70%, 12/01/32 | | 335 | 331,592 |
| 2.50%, 06/03/50 | | 278 | 175,199 |
| 3.10%, 05/12/51 | | 229 | 163,095 |
| 3.95%, 04/13/52 | | 137 | 113,392 |
| 4.25%, 08/22/57 | | 181 | 155,464 |
| eBay, Inc., 6.30%, 11/22/32 | | 289 | 300,281 |
| | | | 1,239,023 |
| **IT Services — 0.4%** | | | |
| Fidelity National Information Services, Inc., 1.00%, 12/03/28 | EUR | 200 | 177,983 |
| Global Payments, Inc. | | | |
| 1.20%, 03/01/26 | USD | 343 | 298,978 |
| 4.95%, 08/15/27 | | 1,132 | 1,098,043 |
| 3.20%, 08/15/29 | | 977 | 830,500 |
| 2.90%, 05/15/30 | | 184 | 150,764 |
| 5.95%, 08/15/52 | | 354 | 320,073 |
| | | | 2,876,341 |
| **Life Sciences Tools & Services — 0.1%** | | | |
| Agilent Technologies, Inc., 2.10%, 06/04/30 | | 202 | 163,445 |
| Charles River Laboratories International, Inc., 4.25%, 05/01/28[b] | | 7 | 6,447 |
| Thermo Fisher Scientific, Inc. | | | |
| 2.00%, 10/15/31 | | 100 | 80,987 |
| 4.95%, 11/21/32 | | 318 | 322,484 |
| | | | 573,363 |
| **Machinery — 0.1%** | | | |
| CNH Industrial Capital LLC, 4.20%, 01/15/24 | | 792 | 780,629 |
| **Media — 0.8%** | | | |
| Charter Communications Operating LLC | | | |
| 5.38%, 05/01/47 | | 229 | 179,638 |
| 3.70%, 04/01/51 | | 197 | 119,789 |
| 3.90%, 06/01/52 | | 1,185 | 743,974 |
| 6.83%, 10/23/55 | | 335 | 309,050 |
| 3.85%, 04/01/61 | | 785 | 454,013 |
| 4.40%, 12/01/61 | | 202 | 129,214 |
| 3.95%, 06/30/62 | | 557 | 328,574 |
| Clear Channel Outdoor Holdings, Inc., 5.13%, 08/15/27[b] | | 92 | 79,718 |
| Comcast Corp. | | | |
| 2.65%, 02/01/30 | | 726 | 628,076 |
| 1.50%, 02/15/31 | | 347 | 270,175 |
| 5.50%, 11/15/32 | | 71 | 74,031 |
| 4.20%, 08/15/34 | | 721 | 665,632 |
| 3.75%, 04/01/40 | | 661 | 545,143 |
| 2.80%, 01/15/51 | | 193 | 121,803 |
| 2.94%, 11/01/56 | | 155 | 95,856 |
| Cox Communications, Inc.[b] | | | |
| 3.15%, 08/15/24 | | 268 | 257,914 |
| 2.95%, 10/01/50 | | 279 | 167,275 |
| Discovery Communications LLC, 1.90%, 03/19/27 | EUR | 413 | 398,916 |
| iHeartCommunications, Inc.[b] | | | |
| 5.25%, 08/15/27 | USD | 54 | 45,743 |
| 4.75%, 01/15/28 | | 7 | 5,700 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Media (continued)** | | | |
| Interpublic Group of Cos., Inc. (The), 4.75%, 03/30/30 | USD | 79 | $ 74,529 |
| Lamar Media Corp., 3.75%, 02/15/28 | | 9 | 8,056 |
| Nexstar Media, Inc., 5.63%, 07/15/27[b] | | 85 | 77,975 |
| Omnicom Group, Inc., 2.45%, 04/30/30 | | 116 | 96,074 |
| Outfront Media Capital LLC[b] | | | |
| 5.00%, 08/15/27 | | 97 | 87,324 |
| 4.63%, 03/15/30 | | 7 | 5,791 |
| Paramount Global | | | |
| 4.85%, 07/01/42 | | 108 | 79,895 |
| 4.38%, 03/15/43 | | 232 | 159,757 |
| Sirius XM Radio, Inc., 5.50%, 07/01/29[b] | | 90 | 82,150 |
| TEGNA, Inc. | | | |
| 4.63%, 03/15/28 | | 15 | 14,245 |
| 5.00%, 09/15/29 | | 17 | 16,130 |
| | | | 6,322,160 |
| **Metals & Mining — 0.5%** | | | |
| Anglo American Capital plc[b] | | | |
| 4.50%, 03/15/28 | | 558 | 529,577 |
| 3.88%, 03/16/29 | | 1,138 | 1,023,489 |
| 5.63%, 04/01/30 | | 753 | 745,635 |
| 2.63%, 09/10/30 | | 317 | 257,721 |
| Commercial Metals Co., 4.38%, 03/15/32 | | 146 | 127,009 |
| Glencore Funding LLC, 2.50%, 09/01/30[b] | | 368 | 298,702 |
| Newmont Corp. | | | |
| 2.80%, 10/01/29 | | 305 | 259,291 |
| 2.25%, 10/01/30 | | 117 | 94,038 |
| Nucor Corp., 3.95%, 05/01/28 | | 386 | 364,644 |
| | | | 3,700,106 |
| **Multi-Utilities — 0.2%** | | | |
| Ameren Illinois Co., 3.25%, 03/15/50 | | 123 | 88,033 |
| Consolidated Edison Co. of New York, Inc., 6.15%, 11/15/52 | | 548 | 586,655 |
| Consumers Energy Co., 3.75%, 02/15/50 | | 814 | 634,315 |
| | | | 1,309,003 |
| **Oil, Gas & Consumable Fuels — 2.9%** | | | |
| Buckeye Partners LP, 3.95%, 12/01/26 | | 9 | 8,052 |
| Cameron LNG LLC[b] | | | |
| 3.30%, 01/15/35 | | 655 | 527,351 |
| 3.40%, 01/15/38 | | 707 | 573,997 |
| Cenovus Energy, Inc., 6.75%, 11/15/39 | | 116 | 120,357 |
| Cheniere Corpus Christi Holdings LLC | | | |
| 5.88%, 03/31/25 | | 1,161 | 1,168,052 |
| 5.13%, 06/30/27 | | 930 | 918,773 |
| 2.74%, 12/31/39 | | 320 | 247,445 |
| Cheniere Energy Partners LP | | | |
| 4.50%, 10/01/29 | | 510 | 458,603 |
| 3.25%, 01/31/32 | | 887 | 704,905 |
| CrownRock LP, 5.63%, 10/15/25[b] | | 39 | 37,635 |
| Devon Energy Corp. | | | |
| 8.25%, 08/01/23 | | 114 | 115,552 |
| 5.85%, 12/15/25 | | 26 | 26,469 |
| 5.25%, 10/15/27 | | 114 | 112,807 |
| 5.88%, 06/15/28 | | 17 | 17,193 |
| 4.50%, 01/15/30 | | 166 | 154,545 |
| 4.75%, 05/15/42 | | 431 | 364,836 |
| Diamondback Energy, Inc. | | | |
| 3.25%, 12/01/26 | | 200 | 186,019 |
| 3.50%, 12/01/29 | | 3,296 | 2,891,651 |
| 3.13%, 03/24/31 | | 751 | 621,874 |
| 4.40%, 03/24/51 | | 255 | 194,255 |
| Energy Transfer LP | | | |
| 3.60%, 02/01/23 | | 1,323 | 1,320,457 |
| 6.50%, 02/01/42 | | 197 | 194,710 |
| **Oil, Gas & Consumable Fuels (continued)** | | | |
| 5.30%, 04/15/47 | USD | 122 | $ 101,503 |
| 6.25%, 04/15/49 | | 250 | 232,469 |
| 5.00%, 05/15/50 | | 554 | 442,608 |
| Enterprise Products Operating LLC | | | |
| 4.15%, 10/16/28 | | 485 | 459,248 |
| 5.95%, 02/01/41 | | 114 | 114,210 |
| 3.30%, 02/15/53 | | 145 | 96,451 |
| EQT Corp. | | | |
| 3.90%, 10/01/27 | | 171 | 157,861 |
| 5.70%, 04/01/28 | | 268 | 266,560 |
| Hess Corp., 7.13%, 03/15/33 | | 61 | 65,700 |
| Kinder Morgan Energy Partners LP | | | |
| 4.70%, 11/01/42 | | 486 | 401,488 |
| 5.40%, 09/01/44 | | 364 | 327,055 |
| Marathon Petroleum Corp. | | | |
| 5.85%, 12/15/45 | | 65 | 58,824 |
| 5.00%, 09/15/54 | | 20 | 16,690 |
| Matador Resources Co., 5.88%, 09/15/26 | | 16 | 15,383 |
| NGPL PipeCo LLC[b] | | | |
| 4.88%, 08/15/27 | | 230 | 218,443 |
| 3.25%, 07/15/31 | | 999 | 812,590 |
| Northwest Pipeline LLC, 4.00%, 04/01/27 | | 710 | 671,145 |
| Sabine Pass Liquefaction LLC | | | |
| 5.75%, 05/15/24 | | 500 | 500,121 |
| 5.63%, 03/01/25 | | 1,949 | 1,951,753 |
| 5.88%, 06/30/26 | | 172 | 174,037 |
| 5.90%, 09/15/37[b] | | 105 | 105,072 |
| SCC Power plc[b][k] | | | |
| 8.00%, (8.00% Cash or 8.00% PIK), 12/31/28 | | 2 | 616 |
| 4.00%, (4.00% Cash or 4.00% PIK), 05/17/32 | | 45 | 1,120 |
| Sunoco LP, 4.50%, 04/30/30 | | 95 | 82,465 |
| Targa Resources Partners LP | | | |
| 5.00%, 01/15/28 | | 932 | 889,089 |
| 4.00%, 01/15/32 | | 369 | 310,473 |
| Texas Eastern Transmission LP, 3.50%, 01/15/28[b] | | 710 | 645,388 |
| Transcontinental Gas Pipe Line Co. LLC | | | |
| 7.85%, 02/01/26 | | 408 | 435,444 |
| 4.00%, 03/15/28 | | 895 | 839,736 |
| 4.60%, 03/15/48 | | 183 | 152,095 |
| Williams Cos., Inc. (The), 3.50%, 10/15/51 | | 273 | 185,791 |
| | | | 21,696,966 |
| **Paper & Forest Products — 0.0%** | | | |
| Suzano Austria GmbH, Series DM3N, 3.13%, 01/15/32 | | 90 | 70,087 |
| **Pharmaceuticals — 0.2%** | | | |
| Bristol-Myers Squibb Co., 3.70%, 03/15/52 | | 516 | 401,373 |
| Takeda Pharmaceutical Co. Ltd. | | | |
| 5.00%, 11/26/28 | | 535 | 530,436 |
| 2.05%, 03/31/30 | | 1,016 | 829,310 |
| | | | 1,761,119 |
| **Real Estate Management & Development — 0.0%[j]** | | | |
| Agile Group Holdings Ltd., (US Treasury Yield Curve Rate T Note Constant Maturity 5 Year + 11.25%), 8.38%[a][f] | | 200 | 49,500 |
| Fantasia Holdings Group Co. Ltd., 11.75%, 04/17/22[g][h] | | 200 | 15,500 |
| Modern Land China Co. Ltd., 9.80%, 04/11/23[g][h] | | 200 | 11,500 |
| Redsun Properties Group Ltd., 7.30%, 01/13/25[g][h] | | 200 | 18,975 |
| RKPF Overseas 2020 A Ltd., 5.20%, 01/12/26 | | 200 | 141,000 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Real Estate Management & Development (continued)** | | | |
| Yango Justice International Ltd., 8.25%, 11/25/23[g][h] | USD | 200 | $ 3,000 |
| | | | 239,475 |
| **Road & Rail — 0.5%** | | | |
| Burlington Northern Santa Fe LLC | | | |
| 4.90%, 04/01/44 | | 90 | 84,954 |
| 4.55%, 09/01/44 | | 131 | 118,436 |
| 3.30%, 09/15/51 | | 293 | 213,250 |
| 2.88%, 06/15/52 | | 229 | 152,668 |
| CSX Corp. | | | |
| 4.30%, 03/01/48 | | 296 | 251,255 |
| 3.35%, 09/15/49 | | 106 | 76,263 |
| 4.25%, 11/01/66 | | 169 | 132,522 |
| Norfolk Southern Corp. | | | |
| 3.05%, 05/15/50 | | 326 | 218,349 |
| 2.90%, 08/25/51 | | 111 | 71,688 |
| 4.55%, 06/01/53 | | 251 | 218,165 |
| 3.16%, 05/15/55 | | 135 | 89,341 |
| Penske Truck Leasing Co. LP[b] | | | |
| 4.00%, 07/15/25 | | 77 | 73,671 |
| 1.70%, 06/15/26 | | 376 | 328,920 |
| 5.88%, 11/15/27 | | 1,115 | 1,122,825 |
| Simpar Europe SA, 5.20%, 01/26/31[b] | | 200 | 149,310 |
| Union Pacific Corp. | | | |
| 3.84%, 03/20/60 | | 550 | 424,865 |
| 2.97%, 09/16/62 | | 237 | 152,234 |
| 3.75%, 02/05/70 | | 143 | 104,239 |
| Union Pacific Railroad Co. Pass-Through Trust, Series 2014-1, 3.23%, 05/14/26 | | 83 | 78,413 |
| | | | 4,061,368 |
| **Semiconductors & Semiconductor Equipment — 1.1%** | | | |
| Applied Materials, Inc., 2.75%, 06/01/50 | | 154 | 104,897 |
| Broadcom, Inc. | | | |
| 4.30%, 11/15/32 | | 791 | 697,141 |
| 2.60%, 02/15/33[b] | | 100 | 75,060 |
| 3.42%, 04/15/33[b] | | 1,347 | 1,079,900 |
| 3.47%, 04/15/34[b] | | 557 | 444,337 |
| 4.93%, 05/15/37[b] | | 598 | 521,674 |
| Intel Corp. | | | |
| 4.10%, 05/11/47 | | 108 | 87,078 |
| 3.73%, 12/08/47 | | 146 | 109,416 |
| 3.25%, 11/15/49 | | 122 | 83,029 |
| KLA Corp. | | | |
| 3.30%, 03/01/50 | | 757 | 548,177 |
| 5.25%, 07/15/62 | | 353 | 338,977 |
| Lam Research Corp., 2.88%, 06/15/50 | | 411 | 274,635 |
| NVIDIA Corp., 3.50%, 04/01/50 | | 151 | 113,968 |
| NXP BV | | | |
| 4.30%, 06/18/29 | | 1,487 | 1,377,798 |
| 3.40%, 05/01/30 | | 426 | 366,174 |
| 2.50%, 05/11/31 | | 1,268 | 998,391 |
| 2.65%, 02/15/32 | | 329 | 255,962 |
| QUALCOMM, Inc. | | | |
| 5.40%, 05/20/33 | | 334 | 347,734 |
| 6.00%, 05/20/53 | | 450 | 477,932 |
| | | | 8,302,280 |
| **Software — 0.7%** | | | |
| Autodesk, Inc., 2.40%, 12/15/31 | | 197 | 157,368 |
| Microsoft Corp. | | | |
| 3.70%, 08/08/46 | | 116 | 98,581 |
| 2.92%, 03/17/52 | | 287 | 203,053 |
| Oracle Corp. | | | |
| 3.85%, 07/15/36 | | 260 | 212,606 |
| 3.80%, 11/15/37 | | 120 | 95,015 |
| **Software (continued)** | | | |
| 6.13%, 07/08/39 | USD | 350 | $ 348,134 |
| 3.60%, 04/01/40 | | 764 | 560,479 |
| 3.65%, 03/25/41 | | 1,079 | 796,511 |
| 4.00%, 07/15/46 | | 238 | 173,440 |
| 4.00%, 11/15/47 | | 618 | 451,693 |
| 3.60%, 04/01/50 | | 1,155 | 777,623 |
| 4.38%, 05/15/55 | | 149 | 112,607 |
| Salesforce, Inc., 3.05%, 07/15/61 | | 171 | 108,581 |
| ServiceNow, Inc., 1.40%, 09/01/30 | | 565 | 432,234 |
| VMware, Inc. | | | |
| 1.80%, 08/15/28 | | 132 | 107,789 |
| 2.20%, 08/15/31 | | 699 | 530,446 |
| Workday, Inc., 3.80%, 04/01/32 | | 99 | 87,391 |
| | | | 5,253,551 |
| **Specialty Retail — 0.1%** | | | |
| Lowe's Cos., Inc., 4.50%, 04/15/30 | | 870 | 833,765 |
| **Technology Hardware, Storage & Peripherals — 0.2%** | | | |
| Apple, Inc. | | | |
| 2.38%, 02/08/41 | | 189 | 133,567 |
| 2.65%, 05/11/50 | | 495 | 327,494 |
| 2.55%, 08/20/60 | | 80 | 48,408 |
| 2.80%, 02/08/61 | | 268 | 169,552 |
| 2.85%, 08/05/61 | | 37 | 23,792 |
| Dell International LLC | | | |
| 4.90%, 10/01/26 | | 128 | 125,990 |
| 8.35%, 07/15/46 | | 20 | 22,785 |
| 3.45%, 12/15/51[b] | | 158 | 96,697 |
| Hewlett Packard Enterprise Co., 6.35%, 10/15/45[e] | | 77 | 76,798 |
| HP, Inc., 6.00%, 09/15/41 | | 151 | 144,879 |
| Seagate HDD Cayman, 4.09%, 06/01/29 | | 80 | 66,323 |
| Western Digital Corp., 2.85%, 02/01/29 | | 145 | 112,182 |
| | | | 1,348,467 |
| **Tobacco — 0.3%** | | | |
| Altria Group, Inc. | | | |
| 3.13%, 06/15/31 | EUR | 460 | 407,799 |
| 5.80%, 02/14/39 | USD | 308 | 283,997 |
| 3.40%, 02/04/41 | | 236 | 156,526 |
| 4.50%, 05/02/43 | | 265 | 198,947 |
| Philip Morris International, Inc. | | | |
| 5.13%, 11/17/27 | | 608 | 612,440 |
| 1.45%, 08/01/39 | EUR | 395 | 241,833 |
| Reynolds American, Inc., 5.85%, 08/15/45 | USD | 429 | 365,421 |
| | | | 2,266,963 |
| **Trading Companies & Distributors — 0.0%** | | | |
| Herc Holdings, Inc., 5.50%, 07/15/27[b] | | 89 | 83,015 |
| **Wireless Telecommunication Services — 0.4%** | | | |
| Millicom International Cellular SA, 6.63%, 10/15/26[b] | | 180 | 178,515 |
| Rogers Communications, Inc.[b] | | | |
| 3.80%, 03/15/32 | | 885 | 763,714 |
| 4.55%, 03/15/52 | | 87 | 67,450 |
| T-Mobile USA, Inc. | | | |
| 3.38%, 04/15/29 | | 381 | 335,573 |
| 3.88%, 04/15/30 | | 983 | 890,416 |
| 2.88%, 02/15/31 | | 869 | 718,079 |
| | | | 2,953,747 |
| **Total Corporate Bonds — 24.2% (Cost: $200,477,438)** | | | 181,614,783 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Floating Rate Loan Interests** | | | |
| **Building Products — 0.0%[a]** | | | |
| CP Iris Holdco I, Inc., 1st Lien Term Loan, (LIBOR USD 1 Month + 3.50%), 7.88%, 10/02/28 | USD | 32 | $ 28,216 |
| CP Iris Holdco I, Inc., Delayed Draw 1st Lien Term Loan, 10/02/28[l] | | 6 | 5,048 |
| | | | 33,264 |
| **Chemicals — 0.1%[a]** | | | |
| Bakelite UK Intermediate Ltd., Term Loan, (3 Month CME Term SOFR + 4.00%), 8.73%, 05/29/29 | | 287 | 265,785 |
| LSF11 A5 Holdco LLC, Term Loan, (1 Month CME Term SOFR + 3.50%), 7.94%, 10/15/28 | | 199 | 192,460 |
| | | | 458,245 |
| **Commercial Services & Supplies — 0.0%** | | | |
| Allied Universal Holdco LLC, Term Loan, (1 Month CME Term SOFR + 3.75%), 8.17%, 05/12/28[a] | | 141 | 133,888 |
| **Consumer Finance — 0.0%** | | | |
| Credito Real SAB de CV SOFOM ER, Term Loan A, (LIBOR USD 3 Month + 3.75%), 5.26%, 02/21/23[a][d] | | 21 | 399 |
| **Containers & Packaging — 0.0%** | | | |
| Valcour Packaging LLC, 1st Lien Term Loan, (LIBOR USD 3 Month + 3.75%), 7.98%, 10/04/28[a][d] | | 30 | 24,415 |
| **Diversified Telecommunication Services — 0.1%** | | | |
| Connect Finco SARL, Term Loan, (LIBOR USD 1 Month + 3.50%), 7.58%, 12/11/26[a] | | 265 | 261,817 |
| **Food Products — 0.0%** | | | |
| BCPE North Star US Holdco 2, Inc., 1st Lien Term Loan, (LIBOR USD 3 Month + 4.00%), 8.73%, 06/09/28[a] | | 190 | 173,919 |
| **Health Care Providers & Services — 0.0%[a]** | | | |
| AEA International Holdings SARL, 1st Lien Term Loan, (LIBOR USD 3 Month + 3.75%), 8.50%, 09/07/28[d] | | 148 | 145,764 |
| Select Medical Corp., Term Loan B, (LIBOR USD 1 Month + 2.50%), 6.89%, 03/06/25 | | 45 | 43,733 |
| | | | 189,497 |
| **Hotels, Restaurants & Leisure — 0.1%[a]** | | | |
| Aimbridge Acquisition Co., Inc., 1st Lien Term Loan, (LIBOR USD 1 Month + 3.75%), 8.13%, 02/02/26 | | 152 | 136,904 |
| Bally's Corp., Facility Term Loan B, (LIBOR USD 1 Month + 3.25%), 7.54%, 10/02/28 | | 320 | 295,068 |
| Fertitta Entertainment LLC, Term Loan B, (1 Month CME Term SOFR + 4.00%), 8.32%, 01/27/29 | | 207 | 196,440 |
| Herschend Entertainment Co. LLC, Term Loan, (LIBOR USD 1 Month + 3.75%), 8.19%, 08/27/28 | | 75 | 74,205 |
| | | | 702,617 |
| **Household Durables — 0.0%** | | | |
| SWF Holdings I Corp., 1st Lien Term Loan, (LIBOR USD 3 Month + 4.00%), 8.75%, 10/06/28[a] | USD | 79 | $ 64,024 |
| **Internet & Direct Marketing Retail — 0.0%** | | | |
| Fanatics Commerce Intermediate Holdco LLC, Term Loan, (LIBOR USD 1 Month + 3.25%), 7.63%, 11/24/28[a][d] | | 61 | 60,152 |
| **IT Services — 0.0%** | | | |
| ConnectWise LLC, Term Loan, (LIBOR USD 1 Month + 3.50%), 7.88%, 09/29/28[a] | | 155 | 147,318 |
| **Media — 0.0%** | | | |
| Gray Television, Inc., Term Loan D, (LIBOR USD 1 Month + 3.00%), 7.37%, 12/01/28[a] | | 230 | 222,551 |
| **Specialty Retail — 0.0%** | | | |
| Tory Burch LLC, Term Loan B, (LIBOR USD 1 Month + 3.50%), 7.88%, 04/16/28[a] | | 136 | 125,113 |
| **Thrifts & Mortgage Finance — 0.1%** | | | |
| Caliber Home Loans, Term Loan, (LIBOR USD 1 Month + 0.00%), 0.00%, 07/01/25[a][d] | | 610 | 606,950 |
| **Total Floating Rate Loan Interests — 0.4% (Cost: $3,375,985)** | | | 3,204,169 |
| **Foreign Agency Obligations** | | | |
| **Argentina — 0.0%** | | | |
| YPF SA | | | |
| 7.00%, 09/30/33[e][j] | | 4 | 2,685 |
| 7.00%, 12/15/47[b] | | 53 | 31,644 |
| | | | 34,329 |
| **Colombia — 0.1%** | | | |
| Ecopetrol SA | | | |
| 5.88%, 09/18/23 | | 18 | 17,856 |
| 4.13%, 01/16/25 | | 92 | 87,446 |
| 6.88%, 04/29/30 | | 343 | 310,415 |
| Empresas Publicas de Medellin ESP, 4.25%, 07/18/29[b] | | 200 | 158,412 |
| | | | 574,129 |
| **Mexico — 0.0%** | | | |
| Petroleos Mexicanos | | | |
| 4.88%, 01/18/24 | | 46 | 45,034 |
| Series 13-2, 7.19%, 09/12/24 | MXN | 11 | 52,381 |
| 6.88%, 08/04/26 | USD | 27 | 25,664 |
| 8.75%, 06/02/29 | | 160 | 149,730 |
| 6.70%, 02/16/32 | | 75 | 58,781 |
| | | | 331,590 |
| **Total Foreign Agency Obligations — 0.1% (Cost: $1,043,161)** | | | 940,048 |
| **Foreign Government Obligations** | | | |
| **Colombia — 0.0%** | | | |
| Republic of Colombia | | | |
| 7.00%, 03/26/31 | COP | 192,000 | 27,972 |
| 8.00%, 04/20/33 | USD | 200 | 199,600 |
| 7.25%, 10/18/34 | COP | 334,000 | 45,158 |
| | | | 272,730 |
| **Indonesia — 0.0%** | | | |
| Republic of Indonesia, 3.05%, 03/12/51 | USD | 441 | 318,671 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Mexico — 0.3%** | | | |
| United Mexican States | | | |
| 5.75%, 03/05/26 | MXN | 36 | $ 164,643 |
| 7.50%, 06/03/27 | | 36 | 173,976 |
| 2.66%, 05/24/31 | USD | 598 | 483,184 |
| 8.50%, 11/18/38 | MXN | 50 | 243,077 |
| 4.50%, 01/31/50 | USD | 1,011 | 769,181 |
| | | | 1,834,061 |
| **Oman — 0.0%** | | | |
| Oman Government Bond, 6.75%, 10/28/27[j] | | 200 | 206,600 |
| **Panama — 0.1%** | | | |
| Republic of Panama | | | |
| 3.88%, 03/17/28 | | 347 | 327,438 |
| 4.50%, 04/01/56 | | 488 | 357,856 |
| | | | 685,294 |
| **Peru — 0.1%** | | | |
| Republic of Peru | | | |
| 4.13%, 08/25/27 | | 231 | 221,370 |
| 3.55%, 03/10/51 | | 356 | 252,938 |
| | | | 474,308 |
| **Philippines — 0.1%** | | | |
| Republic of Philippines | | | |
| 3.00%, 02/01/28 | | 516 | 479,937 |
| 3.20%, 07/06/46 | | 329 | 238,561 |
| | | | 718,498 |
| **Romania — 0.0%** | | | |
| Romania Government Bond[j] | | | |
| 2.13%, 03/07/28 | EUR | 54 | 48,024 |
| 2.88%, 05/26/28 | | 32 | 29,562 |
| | | | 77,586 |
| **Russia — 0.0%** | | | |
| Russian Federation, 6.10%, 07/18/35[g][h] | RUB | 13,759 | 50,372 |
| **Saudi Arabia — 0.0%** | | | |
| Kingdom of Saudi Arabia, 3.45%, 02/02/61[j] | USD | 200 | 142,288 |
| **South Africa — 0.0%** | | | |
| Republic of South Africa, 8.00%, 01/31/30 | ZAR | 4,612 | 241,978 |
| **Uruguay — 0.1%** | | | |
| Oriental Republic of Uruguay | | | |
| 4.38%, 10/27/27 | USD | 179 | 180,188 |
| 5.10%, 06/18/50 | | 234 | 230,512 |
| | | | 410,700 |
| **Total Foreign Government Obligations — 0.7% (Cost: $6,748,172)** | | | 5,433,086 |

| | Shares | |
|---|---|---|
| **Investment Companies** | | |
| BlackRock Allocation Target Shares - BATS Series A[m] | 14,408,518 | 131,261,596 |
| **Total Investment Companies — 17.5% (Cost: $144,284,000)** | | 131,261,596 |

| Security | Par (000) | Value |
|---|---|---|
| **Municipal Bonds** | | |
| **California — 0.3%** | | |
| Bay Area Toll Authority, Series 2010S-1, RB, 7.04%, 04/01/50 (USD) | 290 | $ 356,364 |
| Los Angeles Community College District, Series 2010E, GO, 6.60%, 08/01/42 | 110 | 128,313 |
| Los Angeles Unified School District, Series 2010RY, GO, 6.76%, 07/01/34 | 500 | 558,725 |
| State of California | | |
| Series 2018, GO, 4.60%, 04/01/38 | 815 | 764,268 |
| Series 2009, GO, 7.55%, 04/01/39 | 65 | 82,116 |
| University of California, Series 2012AD, RB, 4.86%, 05/15/12 | 25 | 21,223 |
| | | 1,911,009 |
| **Georgia — 0.0%** | | |
| Municipal Electric Authority of Georgia, Series 2010-A, RB, 6.64%, 04/01/57 | 53 | 56,794 |
| **Illinois — 0.1%** | | |
| State of Illinois, Series 2003, GO, 5.10%, 06/01/33 | 775 | 741,128 |
| **Massachusetts — 0.0%** | | |
| Massachusetts Housing Finance Agency, Series 2015A, RB, AMT, 4.50%, 12/01/48 | 30 | 27,235 |
| **New Jersey — 0.0%** | | |
| New Jersey Turnpike Authority, Series 2009F, RB, 7.41%, 01/01/40 | 167 | 206,533 |
| **New York — 0.0%** | | |
| Metropolitan Transportation Authority, Series 2010A, RB, 6.67%, 11/15/39 | 75 | 79,125 |
| New York City Municipal Water Finance Authority | | |
| Series 2010EE, RB, 6.01%, 06/15/42 | 35 | 38,485 |
| Series 2011CC, RB, 5.88%, 06/15/44 | 55 | 60,301 |
| New York State Dormitory Authority, Series 2010H, RB, 5.39%, 03/15/40 | 60 | 60,583 |
| Port Authority of New York & New Jersey | | |
| Series 2010-165, RB, 5.65%, 11/01/40 | 120 | 126,168 |
| Series 2014-181, RB, 4.96%, 08/01/46 | 195 | 188,781 |
| | | 553,443 |
| **Ohio — 0.0%** | | |
| American Municipal Power, Inc., Series 2010A, RB, 8.08%, 02/15/50 | 135 | 173,217 |
| **Texas — 0.2%** | | |
| City of San Antonio Electric & Gas Systems, Series 2010A, RB, 5.81%, 02/01/41 | 215 | 226,064 |
| State of Texas, Series 2009A, GO, 5.52%, 04/01/39 | 215 | 226,824 |
| | | 452,888 |
| **Total Municipal Bonds — 0.6% (Cost: $4,803,510)** | | 4,122,247 |
| **Non-Agency Mortgage-Backed Securities** | | |
| **Collateralized Mortgage Obligations — 0.3%** | | |
| Alternative Loan Trust | | |
| Series 2005-22T1, Class A1, (LIBOR USD 1 Month + 0.35%), 4.74%, 06/25/35[a] | 102 | 86,714 |
| Series 2005-76, Class 2A1, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT + 1.00%), 3.05%, 02/25/36[a] | 14 | 12,644 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Collateralized Mortgage Obligations (continued)** | | | |
| Series 2006-11CB, Class 3A1, 6.50%, 05/25/36 | USD | 49 | $ 25,790 |
| Series 2006-15CB, Class A1, 6.50%, 06/25/36 | | 8 | 3,852 |
| Series 2006-OA14, Class 1A1, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT + 1.73%), 3.78%, 11/25/46[a] | | 53 | 40,619 |
| Series 2006-OA16, Class A4C, (LIBOR USD 1 Month + 0.68%), 5.07%, 10/25/46[a] | | 139 | 101,278 |
| Series 2006-OA8, Class 1A1, (LIBOR USD 1 Month + 0.38%), 4.77%, 07/25/46[a] | | 7 | 5,904 |
| Series 2006-OC10, Class 2A3, (LIBOR USD 1 Month + 0.46%), 4.85%, 11/25/36[a] | | 56 | 46,908 |
| Series 2006-OC7, Class 2A3, (LIBOR USD 1 Month + 0.50%), 4.89%, 07/25/46[a] | | 61 | 52,737 |
| Series 2007-3T1, Class 1A1, 6.00%, 04/25/37 | | 9 | 4,556 |
| Series 2007-OA3, Class 1A1, (LIBOR USD 1 Month + 0.28%), 4.67%, 04/25/47[a] | | 14 | 11,690 |
| American Home Mortgage Assets Trust[a] | | | |
| Series 2006-3, Class 2A11, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT + 0.94%), 2.99%, 10/25/46 | | 45 | 31,059 |
| Series 2006-4, Class 1A12, (LIBOR USD 1 Month + 0.21%), 4.60%, 10/25/46 | | 51 | 27,296 |
| Series 2007-1, Class A1, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT + 0.70%), 2.75%, 02/25/47 | | 51 | 20,693 |
| APS Resecuritization Trust[a][b] | | | |
| Series 2016-1, Class 1MZ, 3.02%, 07/31/57 | | 276 | 108,643 |
| Series 2016-3, Class 3A, (LIBOR USD 1 Month + 2.85%), 7.24%, 09/27/46 | | 42 | 42,377 |
| Banc of America Funding Trust[a][b] | | | |
| Series 2014-R2, Class 1C, 0.00%, 11/26/36 | | 127 | 32,420 |
| Series 2016-R2, Class 1A1, 4.70%, 05/01/33 | | 62 | 59,576 |
| Bayview Commercial Asset Trust, Series 2007-4A, Class A1, (LIBOR USD 1 Month + 0.45%), 4.84%, 09/25/37[a][b] | | 83 | 75,440 |
| Bear Stearns Mortgage Funding Trust[a] | | | |
| Series 2006-SL1, Class A1, (LIBOR USD 1 Month + 0.28%), 4.67%, 08/25/36 | | 14 | 13,976 |
| Series 2007-AR2, Class A1, (LIBOR USD 1 Month + 0.17%), 4.56%, 03/25/37 | | 73 | 65,735 |
| Series 2007-AR3, Class 1A1, (LIBOR USD 1 Month + 0.14%), 4.53%, 03/25/37 | | 9 | 7,791 |
| Series 2007-AR4, Class 1A1, (LIBOR USD 1 Month + 0.40%), 4.79%, 09/25/47 | | 32 | 28,601 |
| Series 2007-AR4, Class 2A1, (LIBOR USD 1 Month + 0.21%), 4.60%, 06/25/37 | | 10 | 9,244 |
| Chase Mortgage Finance Trust, Series 2007-S6, Class 1A1, 6.00%, 12/25/37 | | 661 | 296,090 |
| CHL Mortgage Pass-Through Trust | | | |
| Series 2006-OA4, Class A1, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT + 0.96%), 3.01%, 04/25/46[a] | | 128 | 40,429 |
| Series 2006-OA5, Class 3A1, (LIBOR USD 1 Month + 0.40%), 4.79%, 04/25/46[a] | | 16 | 14,223 |
| Series 2007-15, Class 2A2, 6.50%, 09/25/37 | | 174 | 74,117 |
| Citicorp Mortgage Securities Trust | | | |
| Series 2007-9, Class 1A1, 6.25%, 12/25/37 | | 39 | 31,964 |
| Series 2008-2, Class 1A1, 6.50%, 06/25/38 | | 55 | 41,823 |
| Credit Suisse Mortgage Capital Certificates, Series 2009-12R, Class 3A1, 6.50%, 10/27/37[b] | USD | 281 | $ 110,991 |
| CSFB Mortgage-Backed Pass-Through Certificates, Series 2005-10, Class 10A1, (LIBOR USD 1 Month + 1.35%), 5.74%, 11/25/35[a] | | 41 | 10,197 |
| CSMC Trust, Series 2009-5R, Class 4A4, 2.97%, 06/25/36[a][b][d] | | —[c] | 1 |
| Deutsche Alt-A Securities Mortgage Loan Trust, Series 2007-OA4, Class A2A, (LIBOR USD 1 Month + 0.34%), 4.73%, 08/25/47[a] | | 93 | 78,927 |
| Deutsche Alt-B Securities Mortgage Loan Trust, Series 2006-AB3, Class A8, (LIBOR USD 1 Month + 0.00%), 6.36%, 07/25/36[a] | | 8 | 6,201 |
| GreenPoint Mortgage Funding Trust, Series 2006-AR2, Class 4A1, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT + 2.00%), 4.05%, 03/25/36[a] | | 13 | 12,575 |
| GSMPS Mortgage Loan Trust[a][b] | | | |
| Series 2005-RP1, Class 1AF, (LIBOR USD 1 Month + 0.35%), 4.74%, 01/25/35 | | 33 | 29,415 |
| Series 2005-RP2, Class 1AF, (LIBOR USD 1 Month + 0.35%), 4.74%, 03/25/35 | | 37 | 34,856 |
| Series 2006-RP1, Class 1AF1, (LIBOR USD 1 Month + 0.35%), 4.74%, 01/25/36 | | 30 | 25,194 |
| GSR Mortgage Loan Trust, Series 2007-1F, Class 2A4, 5.50%, 01/25/37 | | 3 | 3,304 |
| HarborView Mortgage Loan Trust, Series 2007-4, Class 2A2, (LIBOR USD 1 Month + 0.50%), 4.59%, 07/19/47[a] | | 89 | 77,512 |
| IndyMac INDX Mortgage Loan Trust[a] | | | |
| Series 2007-AR19, Class 3A1, 3.37%, 09/25/37 | | 68 | 43,794 |
| Series 2007-FLX5, Class 2A2, (LIBOR USD 1 Month + 0.24%), 4.63%, 08/25/37 | | 82 | 69,657 |
| Lehman XS Trust, Series 2007-20N, Class A1, (LIBOR USD 1 Month + 2.30%), 6.69%, 12/25/37[a] | | 15 | 14,640 |
| MASTR Resecuritization Trust, Series 2008-3, Class A1, 3.78%, 08/25/37[a][b] | | 15 | 9,348 |
| Merrill Lynch Alternative Note Asset Trust, Series 2007-OAR2, Class A2, (LIBOR USD 1 Month + 0.42%), 4.81%, 04/25/37[a] | | 102 | 84,439 |
| Mortgage Loan Resecuritization Trust, Series 2009-RS1, Class A85, (LIBOR USD 1 Month + 0.34%), 4.46%, 04/16/36[a][b] | | 232 | 216,399 |
| New Residential Mortgage Loan Trust, Series 2019-2A, Class A1, 4.25%, 12/25/57[a][b] | | 39 | 37,024 |
| Nomura Asset Acceptance Corp. Alternative Loan Trust, Series 2007-2, Class A4, (LIBOR USD 1 Month + 0.42%), 4.81%, 06/25/37[a] | | 11 | 9,376 |
| Prima Capital CRE Securitization Ltd., Series 2015-4A, Class C, 4.00%, 08/24/49[b] | | 93 | 89,916 |
| RALI Trust, Series 2007-QH9, Class A1, 3.48%, 11/25/37[a] | | 22 | 17,475 |
| Reperforming Loan REMIC Trust, Series 2005-R3, Class AF, (LIBOR USD 1 Month + 0.40%), 4.79%, 09/25/35[a][b] | | 3 | 2,574 |
| Seasoned Credit Risk Transfer Trust, Series 2018-1, Class BX, 2.73%, 05/25/57[a] | | 19 | 6,897 |
| Structured Adjustable Rate Mortgage Loan Trust, Series 2006-3, Class 4A, 3.33%, 04/25/36[a] | | 39 | 23,664 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Collateralized Mortgage Obligations (continued)** | | | |
| Structured Asset Mortgage Investments II Trust[a] | | | |
| Series 2006-AR4, Class 3A1, (LIBOR USD 1 Month + 0.38%), 4.77%, 06/25/36 | USD | 57 | $ 46,436 |
| Series 2006-AR5, Class 2A1, (LIBOR USD 1 Month + 0.42%), 4.81%, 05/25/46 | | 33 | 20,765 |
| Washington Mutual Mortgage Pass-Through Certificates WMALT Trust | | | |
| Series 2006-4, Class 1A1, 6.00%, 04/25/36 | | 37 | 33,436 |
| Series 2006-4, Class 3A1, 7.00%, 05/25/36[e] | | 25 | 21,719 |
| | | | 2,550,921 |
| **Commercial Mortgage-Backed Securities — 0.8%** | | | |
| 245 Park Avenue Trust, Series 2017-245P, Class E, 3.66%, 06/05/37[a][b] | | 200 | 143,783 |
| 280 Park Avenue Mortgage Trust[a][b] | | | |
| Series 2017-280P, Class D, (LIBOR USD 1 Month + 1.54%), 5.77%, 09/15/34 | | 100 | 91,717 |
| Series 2017-280P, Class E, (LIBOR USD 1 Month + 2.12%), 6.36%, 09/15/34[d] | | 150 | 134,142 |
| Ashford Hospitality Trust, Series 2018-ASHF, Class D, (LIBOR USD 1 Month + 2.10%), 6.42%, 04/15/35[a][b] | | 19 | 17,472 |
| BAMLL Commercial Mortgage Securities Trust[a][b] | | | |
| Series 2015-200P, Class F, 3.60%, 04/14/33 | | 300 | 243,796 |
| Series 2017-SCH, Class CL, (LIBOR USD 1 Month + 1.50%), 5.82%, 11/15/32 | | 100 | 89,107 |
| Series 2017-SCH, Class DL, (LIBOR USD 1 Month + 2.00%), 6.32%, 11/15/32 | | 100 | 84,856 |
| Series 2018-DSNY, Class D, (LIBOR USD 1 Month + 1.70%), 6.02%, 09/15/34 | | 650 | 614,174 |
| Bayview Commercial Asset Trust[a][b] | | | |
| Series 2005-4A, Class A1, (LIBOR USD 1 Month + 0.45%), 4.84%, 01/25/36 | | 28 | 25,617 |
| Series 2005-4A, Class M1, (LIBOR USD 1 Month + 0.68%), 5.06%, 01/25/36 | | 21 | 18,596 |
| Series 2006-1A, Class A2, (LIBOR USD 1 Month + 0.54%), 4.93%, 04/25/36 | | 7 | 5,871 |
| Series 2006-3A, Class A1, (LIBOR USD 1 Month + 0.38%), 4.76%, 10/25/36 | | 10 | 9,561 |
| Series 2006-3A, Class A2, (LIBOR USD 1 Month + 0.45%), 4.84%, 10/25/36 | | 9 | 7,984 |
| Series 2007-2A, Class A1, (LIBOR USD 1 Month + 0.27%), 4.66%, 07/25/37 | | 19 | 16,420 |
| BBCMS Mortgage Trust, Series 2018-TALL, Class A, (LIBOR USD 1 Month + 0.72%), 5.04%, 03/15/37[a][b] | | 35 | 32,330 |
| BBCMS Trust, Series 2015-SRCH, Class A1, 3.31%, 08/10/35[b] | | 71 | 66,163 |
| BHMS, Series 2018-ATLS, Class A, (LIBOR USD 1 Month + 1.25%), 5.57%, 07/15/35[a][b] | | 140 | 134,410 |
| BWAY Mortgage Trust[b] | | | |
| Series 2013-1515, Class A2, 3.45%, 03/10/33 | | 150 | 142,912 |
| Series 2013-1515, Class C, 3.45%, 03/10/33 | | 105 | 93,668 |
| BXP Trust[a][b] | | | |
| Series 2017-CC, Class D, (LIBOR USD 1 Month + 0.00%), 3.55%, 08/13/37 | | 60 | 46,990 |
| Series 2017-CC, Class E, (LIBOR USD 1 Month + 0.00%), 3.55%, 08/13/37[d] | | 110 | 82,894 |
| Series 2017-GM, Class D, 3.42%, 06/13/39[d] | | 200 | 167,300 |
| Series 2017-GM, Class E, 3.42%, 06/13/39[d] | | 50 | 41,785 |
| CAMB Commercial Mortgage Trust, Series 2019-LIFE, Class D, (LIBOR USD 1 Month + 1.75%), 6.07%, 12/15/37[a][b] | USD | 100 | $ 96,483 |
| Cassia SRL, Series 2022-1A, Class A, (EURIBOR 3 Month + 2.50%), 2.89%, 05/22/34[a][b] | EUR | 364 | 363,732 |
| CD Mortgage Trust, Series 2017-CD3, Class A4, 3.63%, 02/10/50 | USD | 30 | 27,897 |
| CFCRE Commercial Mortgage Trust, Series 2016-C3, Class A3, 3.87%, 01/10/48 | | 10 | 9,516 |
| CFK Trust, Series 2019-FAX, Class D, 4.64%, 01/15/39[a][b] | | 126 | 106,285 |
| Citigroup Commercial Mortgage Trust, Series 2016-GC37, Class C, 4.91%, 04/10/49[a] | | 20 | 17,994 |
| Commercial Mortgage Trust, Series 2016-667M, Class D, 3.18%, 10/10/36[a][b] | | 100 | 75,878 |
| Credit Suisse Mortgage Capital Certificates, Series 2019-ICE4, Class A, (LIBOR USD 1 Month + 0.98%), 5.30%, 05/15/36[a][b] | | 698 | 690,299 |
| CSAIL Commercial Mortgage Trust, Series 2015-C2, Class A4, 3.50%, 06/15/57 | | 50 | 47,446 |
| CSMC Trust[b] | | | |
| Series 2017-PFHP, Class A, (LIBOR USD 1 Month + 0.95%), 5.27%, 12/15/30[a] | | 60 | 57,560 |
| Series 2017-TIME, Class A, 3.65%, 11/13/39 | | 100 | 85,100 |
| Series 2022-NWPT, Class A, (1 Month CME Term SOFR + 3.14%), 7.48%, 09/09/24[a] | | 224 | 219,676 |
| DBUBS Mortgage Trust[a][b][d] | | | |
| Series 2017-BRBK, Class E, (LIBOR USD 1 Month + 0.00%), 3.53%, 10/10/34 | | 210 | 175,985 |
| Series 2017-BRBK, Class F, 3.53%, 10/10/34 | | 80 | 67,301 |
| GS Mortgage Securities Corp. II, Series 2005-ROCK, Class A, 5.37%, 05/03/32[b] | | 100 | 96,261 |
| GS Mortgage Securities Corp. Trust, Series 2017-GPTX, Class A, 2.86%, 05/10/34[b] | | 100 | 93,000 |
| HMH Trust, Series 2017-NSS, Class A, 3.06%, 07/05/31[b] | | 110 | 103,400 |
| IMT Trust[b] | | | |
| Series 2017-APTS, Class AFX, 3.48%, 06/15/34 | | 100 | 95,332 |
| Series 2017-APTS, Class EFX, 3.50%, 06/15/34[a] | | 100 | 91,770 |
| JPMBB Commercial Mortgage Securities Trust, Series 2015-C33, Class D1, 4.12%, 12/15/48[a][b] | | 100 | 84,728 |
| JPMCC Commercial Mortgage Securities Trust, Series 2017-JP7, Class B, 4.05%, 09/15/50 | | 10 | 8,595 |
| JPMorgan Chase Commercial Mortgage Securities Trust, Series 2022-NXSS, Class A, (1 Month CME Term SOFR + 2.18%), 6.51%, 08/15/39[a][b] | | 300 | 299,245 |
| Lehman Brothers Small Balance Commercial Mortgage Trust, Series 2007-1A, Class 1A, (LIBOR USD 1 Month + 0.25%), 4.64%, 03/25/37[a][b] | | 6 | 5,533 |
| LSTAR Commercial Mortgage Trust, Series 2015-3, Class AS, 3.14%, 04/20/48[a][b] | | 10 | 9,190 |
| Olympic Tower Mortgage Trust, Series 2017-OT, Class E, 3.95%, 05/10/39[a][b][d] | | 190 | 130,356 |
| PFP Ltd., Series 2022-9, Class A, (1 Month CME Term SOFR + 2.27%), 6.60%, 08/19/35[a][b] | | 270 | 263,419 |
| Velocity Commercial Capital Loan Trust[a][b] | | | |
| Series 2017-2, Class M3, (LIBOR USD 3 Month + 0.00%), 4.24%, 11/25/47 | | 64 | 52,451 |

| Security | Par (000) | Value |
|---|---|---|
| **Commercial Mortgage-Backed Securities (continued)** | | |
| Series 2017-2, Class M4, 5.00%, 11/25/47 | USD 32 | $ 25,389 |
| Wells Fargo Commercial Mortgage Trust, Series 2017-HSDB, Class A, (LIBOR USD 1 Month + 0.85%), 5.37%, 12/13/31[a][b] | 151 | 148,935 |
| | | 5,860,304 |
| **Interest Only Commercial Mortgage-Backed Securities — 0.1%[a]** | | |
| BAMLL Commercial Mortgage Securities Trust, Series 2016-SS1, Class XA, 0.56%, 12/15/35[b] | 15,000 | 208,414 |
| Bank of America Merrill Lynch Commercial Mortgage Trust, Series 2017-BNK3, Class XB, 0.59%, 02/15/50 | 1,000 | 21,623 |
| BBCMS Trust, Series 2015-SRCH, Class XA, 0.91%, 08/10/35[b] | 962 | 30,418 |
| BB-UBS Trust, Series 2012-SHOW, Class XA, 0.60%, 11/05/36[b] | 3,475 | 34,841 |
| Benchmark Mortgage Trust | | |
| Series 2018-B8, Class XA, 0.63%, 01/15/52 | 4,613 | 126,053 |
| Series 2019-B9, Class XA, (LIBOR USD 1 Month + 0.00%), 1.03%, 03/15/52 | 1,031 | 48,762 |
| CFCRE Commercial Mortgage Trust, Series 2016-C4, Class XB, 0.69%, 05/10/58 | 170 | 3,540 |
| Commercial Mortgage Trust | | |
| Series 2015-3BP, Class XA, 0.06%, 02/10/35[b] | 1,916 | 3,486 |
| Series 2015-CR25, Class XA, 0.80%, 08/10/48 | 179 | 3,081 |
| CSAIL Commercial Mortgage Trust, Series 2017-CX10, Class XB, 0.17%, 11/15/50 | 1,430 | 15,328 |
| JPMBB Commercial Mortgage Securities Trust | | |
| Series 2014-C22, Class XA, 0.80%, 09/15/47 | 1,013 | 9,504 |
| Series 2014-C23, Class XA, 0.60%, 09/15/47 | 982 | 7,219 |
| JPMDB Commercial Mortgage Securities Trust, Series 2016-C4, Class XC, 0.75%, 12/15/49[b] | 1,800 | 41,348 |
| JPMorgan Chase Commercial Mortgage Securities Trust, Series 2016-JP3, Class XC, 0.75%, 08/15/49[b] | 900 | 20,015 |
| Morgan Stanley Bank of America Merrill Lynch Trust[b] | | |
| Series 2014-C19, Class XF, 1.18%, 12/15/47 | 130 | 2,846 |
| Series 2015-C26, Class XD, 1.31%, 10/15/48 | 120 | 3,841 |
| Morgan Stanley Capital I Trust | | |
| Series 2016-UBS9, Class XD, 1.60%, 03/15/49[b] | 1,000 | 44,489 |
| Series 2017-H1, Class XD, 2.15%, 06/15/50[b] | 110 | 8,328 |
| Series 2019-L2, Class XA, 1.00%, 03/15/52 | 376 | 17,919 |
| One Market Plaza Trust[b] | | |
| Series 2017-1MKT, Class XCP, 0.00%, 02/10/32 | 1,880 | 54 |
| Series 2017-1MKT, Class XNCP, 0.09%, 02/10/32 | 376 | 992 |
| Wells Fargo Commercial Mortgage Trust, Series 2016-BNK1, Class XD, 1.25%, 08/15/49[b] | 1,000 | 36,657 |
| | | 688,758 |
| **Principal Only Collateralized Mortgage Obligations — 0.0%** | | |
| Seasoned Credit Risk Transfer Trust, Series 2017-3, Class B, 0.00%, 07/25/56[b][i] | USD 113 | $ 16,690 |
| **Total Non-Agency Mortgage-Backed Securities — 1.2% (Cost: $10,280,714)** | | 9,116,673 |
| | *Beneficial Interest (000)* | |
| **Other Interests[n]** | | |
| **Capital Markets — 0.0%[d][g][h]** | | |
| Lehman Brothers Holdings, Capital Trust VII. | 185 | — |
| Lehman Brothers Holdings, Inc. | 679 | — |
| Lehman Brothers Holdings, Inc. | 1,025 | — |
| **Total Other Interests — 0.0% (Cost: $12)** | | — |
| | *Par (000)* | |
| **Preferred Securities** | | |
| **Capital Trusts — 0.2%[a][f]** | | |
| **Banks — 0.0%** | | |
| Bank of America Corp., Series FF, (LIBOR USD 3 Month + 2.93%), 5.88% | 307 | 270,363 |
| Citigroup, Inc., (US Treasury Yield Curve Rate T Note Constant Maturity 5 Year + 3.42%), 3.88% | 159 | 135,547 |
| | | 405,910 |
| **Capital Markets — 0.2%** | | |
| Bank of New York Mellon Corp. (The), Series F, (LIBOR USD 3 Month + 3.13%), 4.63% | 164 | 139,849 |
| Charles Schwab Corp. (The), Series H, (US Treasury Yield Curve Rate T Note Constant Maturity 10 Year + 3.08%), 4.00% | 359 | 286,285 |
| State Street Corp. | | |
| Series F, (LIBOR USD 3 Month + 3.60%), 8.37% | 68 | 67,815 |
| Series H, (LIBOR USD 3 Month + 2.54%), 5.63% | 680 | 631,228 |
| | | 1,125,177 |
| **Total Preferred Securities — 0.2% (Cost: $1,759,837)** | | 1,531,087 |
| **U.S. Government Sponsored Agency Securities** | | |
| **Collateralized Mortgage Obligations — 0.0%** | | |
| Federal Home Loan Mortgage Corp. Structured Agency Credit Risk Debt Variable Rate Notes, Series 2017-DNA3, Class B1, (LIBOR USD 1 Month + 4.45%), 8.84%, 03/25/30[a] | 250 | 263,078 |
| **Interest Only Commercial Mortgage-Backed Securities — 0.0%** | | |
| Government National Mortgage Association Variable Rate Notes[a] | | |
| Series 2015-48, 0.91%, 02/16/50 | 16 | 400 |
| Series 2015-173, 0.60%, 09/16/55 | 115 | 2,611 |
| | | 3,011 |
| **Mortgage-Backed Securities — 34.0%** | | |
| Federal Home Loan Mortgage Corp. | | |
| 2.50%, 01/01/29 - 04/01/31 | 268 | 252,154 |
| 3.00%, 09/01/27 - 12/01/46 | 879 | 804,370 |
| 3.50%, 02/01/31 - 01/01/48 | 1,724 | 1,637,314 |
| 4.00%, 08/01/40 - 12/01/45 | 137 | 132,257 |

| Security | | Par (000) | Value |
|---|---|---|---|
| **Mortgage-Backed Securities (continued)** | | | |
| 4.50%, 02/01/39 - 04/01/49 | USD | 2,398 | $ 2,365,463 |
| 5.00%, 10/01/41 - 11/01/48 | | 102 | 102,771 |
| 5.50%, 02/01/35 - 06/01/41 | | 91 | 94,571 |
| Federal National Mortgage Association | | | |
| 4.00%, 01/01/41 | | 8 | 7,448 |
| 6.00%, 07/01/39 | | 75 | 76,749 |
| Government National Mortgage Association | | | |
| 2.00%, 08/20/50 - 02/20/51 | | 6,076 | 5,126,154 |
| 2.00%, 01/15/53[o] | | 5,821 | 4,877,374 |
| 2.50%, 04/20/51 - 07/20/52 | | 8,929 | 7,750,548 |
| 2.50%, 01/15/53[o] | | 3,304 | 2,862,187 |
| 3.00%, 02/15/45 - 01/20/52 | | 5,359 | 4,795,727 |
| 3.00%, 01/15/53[o] | | 3,570 | 3,177,545 |
| 3.50%, 01/15/42 - 11/20/46 | | 3,642 | 3,401,489 |
| 3.50%, 01/15/53[o] | | 3,155 | 2,898,599 |
| 4.00%, 04/20/39 - 12/20/47 | | 907 | 872,411 |
| 4.00%, 01/15/53[o] | | 3,476 | 3,288,162 |
| 4.50%, 12/20/39 - 07/20/49 | | 724 | 712,038 |
| 4.50%, 01/15/53[o] | | 2,332 | 2,261,836 |
| 5.00%, 12/15/38 - 07/20/44 | | 69 | 70,182 |
| 5.00%, 01/15/53[o] | | 2,171 | 2,150,873 |
| Uniform Mortgage-Backed Securities | | | |
| 1.50%, 01/25/38 - 01/25/53[o] | | 3,604 | 3,070,425 |
| 1.50%, 11/01/41 - 03/01/51 | | 9,874 | 7,956,988 |
| 2.00%, 10/01/31 - 03/01/52 | | 42,373 | 34,873,564 |
| 2.00%, 01/25/38 - 01/25/53[o] | | 18,432 | 15,615,921 |
| 2.50%, 09/01/27 - 04/01/52 | | 39,732 | 34,262,476 |
| 2.50%, 01/25/38 - 01/25/53[o] | | 2,641 | 2,361,639 |
| 3.00%, 04/01/28 - 08/01/52 | | 18,637 | 16,738,534 |
| 3.00%, 01/25/38 - 01/25/53[o] | | 8,768 | 7,720,858 |
| 3.50%, 03/01/29 - 01/01/51 | | 11,477 | 10,626,985 |
| 3.50%, 01/25/38 - 01/25/53[o] | | 3,616 | 3,313,555 |
| 4.00%, 08/01/31 - 04/01/52 | | 16,781 | 15,996,606 |
| 4.00%, 01/25/53[o] | | 465 | 436,012 |
| 4.50%, 02/01/25 - 08/01/52 | | 7,590 | 7,477,076 |
| 4.50%, 01/25/53 - 02/25/53[o] | | 12,096 | 11,639,576 |
| 5.00%, 02/01/35 - 05/01/49 | | 719 | 726,278 |
| 5.00%, 01/25/53 - 02/25/53[o] | | 7,725 | 7,610,523 |
| 5.50%, 02/01/35 - 03/01/40 | | 273 | 282,113 |
| 5.50%, 01/25/53 - 02/25/53[o] | | 24,548 | 24,602,537 |
| 6.00%, 04/01/35 - 06/01/41 | | 151 | 157,182 |
| 6.50%, 05/01/40 | | 59 | 62,251 |
| | | | 255,249,321 |
| **Total U.S. Government Sponsored Agency Securities — 34.0% (Cost: $273,542,136)** | | | 255,515,410 |

## U.S. Treasury Obligations

| | | | |
|---|---|---|---|
| U.S. Treasury Bonds | | | |
| 4.25%, 05/15/39 - 11/15/40 | | 529 | 541,251 |
| 4.50%, 08/15/39 | | 146 | 154,811 |
| 4.38%, 11/15/39 | | 146 | 152,234 |
| 4.63%, 02/15/40 | | 432 | 464,248 |
| 1.13%, 05/15/40 - 08/15/40 | | 3,866 | 2,410,209 |
| 3.88%, 08/15/40 | | 432 | 421,403 |
| 1.38%, 11/15/40 | | 1,933 | 1,256,676 |
| 3.13%, 02/15/43 | | 528 | 450,450 |
| 2.88%, 05/15/43 - 05/15/49 | | 1,138 | 920,098 |
| 3.63%, 08/15/43 | | 528 | 485,389 |
| 3.75%, 11/15/43 | | 528 | 494,876 |
| 2.50%, 02/15/45[p] | | 4,920 | 3,704,030 |
| 2.75%, 11/15/47[p] | | 4,920 | 3,837,792 |
| 3.00%, 02/15/48[p] | | 5,129 | 4,203,977 |
| 2.25%, 08/15/49 - 02/15/52 | | 1,946 | 1,366,765 |
| 2.38%, 11/15/49 - 05/15/51 | | 617 | 445,880 |
| 1.63%, 11/15/50 | USD | 13 | $ 7,735 |
| U.S. Treasury Notes | | | |
| 0.50%, 03/15/23 - 05/31/27 | | 7,310 | 6,887,414 |
| 0.13%, 03/31/23 - 05/31/23 | | 13,341 | 13,154,925 |
| 0.25%, 04/15/23 | | 4,593 | 4,539,535 |
| 2.75%, 05/31/23 | | 1,029 | 1,021,363 |
| 1.75%, 07/31/24 - 01/31/29 | | 9,430 | 8,960,958 |
| 2.13%, 07/31/24 - 05/15/25 | | 2,153 | 2,057,836 |
| 1.50%, 10/31/24 - 02/15/30 | | 10,676 | 9,954,508 |
| 2.00%, 02/15/25 - 11/15/26 | | 2,610 | 2,447,659 |
| 0.38%, 04/30/25 - 12/31/25 | | 17,870 | 16,114,100 |
| 0.75%, 05/31/26 | | 4,768 | 4,252,274 |
| 2.38%, 05/15/27 - 05/15/29 | | 2,443 | 2,253,283 |
| 2.25%, 08/15/27 | | 3,746 | 3,465,196 |
| 1.25%, 03/31/28 - 09/30/28 | | 6,534 | 5,667,426 |
| 2.88%, 08/15/28 - 05/15/32 | | 1,073 | 994,592 |
| 3.13%, 11/15/28 | | 1,164 | 1,110,210 |
| 2.63%, 02/15/29 | | 474 | 438,080 |
| 1.88%, 02/28/29 - 02/15/32 | | 191 | 164,787 |
| 1.63%, 08/15/29 - 05/15/31 | | 2,175 | 1,864,496 |
| **Total U.S. Treasury Obligations — 14.2% (Cost: $123,560,776)** | | | 106,666,466 |
| **Total Long-Term Investments — 95.3% (Cost: $787,478,960)** | | | 716,048,659 |

| | Shares | |
|---|---|---|
| **Short-Term Securities** | | |
| **Money Market Funds — 16.3%** | | |
| BlackRock Liquidity Funds, T-Fund, Institutional Class, 4.03%[m][q] | 122,525,407 | 122,525,407 |
| **Total Short-Term Securities — 16.3% (Cost: $122,525,407)** | | 122,525,407 |
| **Total Options Purchased — 0.2% (Cost: $1,111,925)** | | 1,904,230 |
| **Total Investments Before Options Written and TBA Sale Commitments — 111.8% (Cost: $911,116,292)** | | 840,478,296 |
| **Total Options Written — (0.5)% (Premium Received — $(2,488,659))** | | (3,954,351) |

| | Par (000) | |
|---|---|---|
| **TBA Sale Commitments** | | |
| **Mortgage-Backed Securities — (5.9)%** | | |
| Uniform Mortgage-Backed Securities[o] | | |
| 2.50%, 01/25/38 - 01/25/53 | (144) | (129,145) |
| 3.00%, 01/25/38 - 01/25/53 | (1,153) | (1,012,139) |
| 4.00%, 01/25/53 - 02/25/53 | (7,938) | (7,443,043) |
| 4.50%, 01/25/53 | (8,994) | (8,654,292) |
| 5.00%, 01/25/53 | (2,491) | (2,454,187) |

| *Security* | | *Par (000)* | *Value* |
|---|---|---|---|
| **Mortgage-Backed Securities (continued)** | | | |
| 5.50%, 01/25/53 - 02/25/53 | USD | (24,548) | $ (24,602,537) |
| **Total TBA Sale Commitments — (5.9)% (Proceeds: $(44,711,558))** | | | (44,295,343) |
| **Total Investments Net of Options Written and TBA Sale Commitments — 105.4% (Cost: $863,916,075)** | | | 792,228,602 |
| **Liabilities in Excess of Other Assets — (5.4)%** | | | (40,721,318) |
| **Net Assets — 100.0%** | | | $ 751,507,284 |

(a) Variable rate security. Interest rate resets periodically. The rate shown is the effective interest rate as of period end. Security description also includes the reference rate and spread if published and available.
(b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
(c) Rounds to less than 1,000.
(d) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
(e) Step coupon security. Coupon rate will either increase (step-up bond) or decrease (step-down bond) at regular intervals until maturity. Interest rate shown reflects the rate currently in effect.
(f) Perpetual security with no stated maturity date.
(g) Issuer filed for bankruptcy and/or is in default.
(h) Non-income producing security.
(i) Zero-coupon bond.
(j) This security may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.
(k) Payment-in-kind security which may pay interest/dividends in additional par/shares and/or in cash. Rates shown are the current rate and possible payment rates.
(l) Represents an unsettled loan commitment at period end. Certain details associated with this purchase are not known prior to the settlement date, including coupon rate.
(m) Affiliate of the Fund.
(n) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
(o) Represents or includes a TBA transaction.
(p) All or a portion of the security has been pledged as collateral in connection with outstanding OTC derivatives.
(q) Annualized 7-day yield as of period end.

### Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the year ended December 31, 2022 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| *Affiliated Issuer* | *Value at 12/31/21* | *Purchases at Cost* | *Proceeds from Sale* | *Net Realized Gain (Loss)* | *Change in Unrealized Appreciation (Depreciation)* | *Value at 12/31/22* | *Shares Held at 12/31/22* | *Income* | *Capital Gain Distributions from Underlying Funds* |
|---|---|---|---|---|---|---|---|---|---|
| BlackRock Liquidity Funds, T-Fund, Institutional Class | $ 190,346,721 | $ — | $ (67,821,314)[a] | $ — | $ — | $ 122,525,407 | 122,525,407 | $ 1,520,494 | $ — |
| BlackRock Allocation Target Shares - BATS Series A | 143,797,007 | — | — | — | (12,535,411) | 131,261,596 | 14,408,518 | 5,324,013 | — |
| | | | | $ — | $ (12,535,411) | $ 253,787,003 | | $ 6,844,507 | $ — |

(a) Represents net amount purchased (sold).

For Fund compliance purposes, the Fund's industry classifications refer to one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

## Derivative Financial Instruments Outstanding as of Period End

### Futures Contracts

| Description | Number of Contracts | Expiration Date | Notional Amount (000) | Value/ Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|
| Long Contracts | | | | |
| U.S. Treasury 10 Year Note | 35 | 03/22/23 | $ 3,925 | $ (40,353) |
| U.S. Treasury Long Bond | 250 | 03/22/23 | 31,172 | (284,322) |
| U.S. Treasury Ultra Bond | 184 | 03/22/23 | 24,570 | (327,463) |
| U.S. Treasury 2 Year Note | 733 | 03/31/23 | 150,265 | (207,238) |
| U.S. Treasury 5 Year Note | 801 | 03/31/23 | 86,370 | (185,910) |
| 3 Month SONIA Index | 15 | 09/19/23 | 4,323 | 642 |
| | | | | (1,044,644) |
| Short Contracts | | | | |
| Euro-Bund | 5 | 03/08/23 | 711 | 17,028 |
| Euro-Buxl | 4 | 03/08/23 | 579 | 49,149 |
| Euro-OAT | 10 | 03/08/23 | 1,363 | 30,775 |
| Japan 10 Year Bond | 28 | 03/13/23 | 31,034 | 553,079 |
| U.S. Treasury 10 Year Ultra Note | 7 | 03/22/23 | 825 | 15,442 |
| | | | | 665,473 |
| | | | | $ (379,171) |

### Forward Foreign Currency Exchange Contracts

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|
| AUD | 86,000 | CAD | 78,188 | Natwest Markets plc | 01/12/23 | $ 824 |
| AUD | 166,000 | USD | 111,924 | JPMorgan Chase Bank NA | 01/12/23 | 1,134 |
| AUD | 218,000 | USD | 146,607 | Morgan Stanley & Co. International plc | 01/12/23 | 1,868 |
| CAD | 85,567 | USD | 63,000 | Citibank NA | 01/12/23 | 198 |
| CAD | 258,596 | USD | 190,000 | JPMorgan Chase Bank NA | 01/12/23 | 996 |
| CLP | 83,338,750 | USD | 95,000 | Citibank NA | 01/12/23 | 3,173 |
| CZK | 5,620,162 | USD | 238,000 | BNP Paribas SA | 01/12/23 | 10,570 |
| CZK | 2,596,280 | USD | 112,000 | Citibank NA | 01/12/23 | 2,828 |
| EUR | 610,000 | USD | 638,462 | HSBC Bank plc | 01/12/23 | 14,884 |
| HUF | 58,266,250 | USD | 146,000 | Barclays Bank plc | 01/12/23 | 9,788 |
| JPY | 8,299,220 | EUR | 58,000 | Royal Bank of Canada | 01/12/23 | 1,185 |
| JPY | 15,842,693 | USD | 115,000 | Bank of America NA | 01/12/23 | 5,847 |
| JPY | 10,182,528 | USD | 74,000 | Citibank NA | 01/12/23 | 3,672 |
| JPY | 10,333,796 | USD | 76,000 | Deutsche Bank AG | 01/12/23 | 2,826 |
| JPY | 10,237,468 | USD | 76,000 | JPMorgan Chase Bank NA | 01/12/23 | 2,090 |
| KRW | 146,467,200 | USD | 114,000 | Bank of America NA | 01/12/23 | 2,324 |
| MXN | 1,510,204 | USD | 76,000 | Citibank NA | 01/12/23 | 1,388 |
| MXN | 4,361,095 | USD | 221,000 | HSBC Bank plc | 01/12/23 | 2,476 |
| NOK | 749,531 | USD | 75,000 | Deutsche Bank AG | 01/12/23 | 1,534 |
| PLN | 340,344 | USD | 76,000 | JPMorgan Chase Bank NA | 01/12/23 | 1,638 |
| THB | 2,546,606 | USD | 73,000 | Citibank NA | 01/12/23 | 582 |
| THB | 2,590,772 | USD | 74,000 | JPMorgan Chase Bank NA | 01/12/23 | 858 |
| USD | 77,040 | AUD | 112,000 | Bank of America NA | 01/12/23 | 760 |
| USD | 112,000 | CAD | 150,992 | JPMorgan Chase Bank NA | 01/12/23 | 480 |
| USD | 77,294 | EUR | 72,000 | Deutsche Bank AG | 01/12/23 | 178 |
| USD | 38,275 | GBP | 31,000 | JPMorgan Chase Bank NA | 01/12/23 | 789 |
| USD | 72,000 | INR | 5,895,216 | JPMorgan Chase Bank NA | 01/12/23 | 764 |
| USD | 107,000 | MXN | 2,075,218 | Goldman Sachs International | 01/12/23 | 659 |
| USD | 112,000 | MXN | 2,175,432 | HSBC Bank plc | 01/12/23 | 524 |
| USD | 37,000 | NOK | 361,999 | Deutsche Bank AG | 01/12/23 | 36 |
| USD | 76,034 | NZD | 118,000 | Bank of America NA | 01/12/23 | 1,108 |
| ZAR | 1,002,587 | USD | 57,000 | Citibank NA | 01/12/23 | 1,966 |
| ZAR | 5,007,520 | USD | 292,000 | Goldman Sachs International | 01/12/23 | 2,512 |
| ZAR | 1,339,302 | USD | 76,000 | JPMorgan Chase Bank NA | 01/12/23 | 2,770 |
| USD | 38,000 | BRL | 198,929 | BNP Paribas SA | 02/02/23 | 547 |

## Forward Foreign Currency Exchange Contracts (continued)

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|
| USD | 110,000 | TWD | 3,356,650 | Citibank NA | 02/17/23 | $ 264 |
| USD | 321,294 | MXN | 6,311,366 | Citibank NA | 02/21/23 | 335 |
| USD | 166,835 | MXN | 3,240,560 | Deutsche Bank AG | 02/21/23 | 2,039 |
| EUR | 950,000 | USD | 1,020,072 | Citibank NA | 03/15/23 | 1,784 |
| EUR | 2,500,000 | USD | 2,677,536 | Goldman Sachs International | 03/15/23 | 11,557 |
| JPY | 52,000,000 | USD | 397,153 | BNP Paribas SA | 03/15/23 | 2,841 |
| JPY | 52,000,000 | USD | 397,353 | HSBC Bank plc | 03/15/23 | 2,641 |
| | | | | | | 107,237 |
| EUR | 57,000 | PLN | 269,630 | HSBC Bank plc | 01/12/23 | (456) |
| EUR | 57,000 | PLN | 269,633 | UBS AG | 01/12/23 | (457) |
| MXN | 2,183,398 | GBP | 94,000 | UBS AG | 01/12/23 | (1,782) |
| USD | 77,094 | AUD | 114,000 | Morgan Stanley & Co. International plc | 01/12/23 | (548) |
| USD | 76,000 | CAD | 103,696 | HSBC Bank plc | 01/12/23 | (588) |
| USD | 112,000 | CHF | 105,067 | BNP Paribas SA | 01/12/23 | (1,728) |
| USD | 133,000 | CLP | 116,886,860 | Bank of America NA | 01/12/23 | (4,686) |
| USD | 66,000 | CLP | 57,258,500 | Citibank NA | 01/12/23 | (1,448) |
| USD | 102,000 | CLP | 93,884,880 | Deutsche Bank AG | 01/12/23 | (8,594) |
| USD | 10,000 | CLP | 8,656,644 | Goldman Sachs International | 01/12/23 | (197) |
| USD | 114,364 | EUR | 108,000 | Deutsche Bank AG | 01/12/23 | (1,310) |
| USD | 76,916 | EUR | 72,000 | JPMorgan Chase Bank NA | 01/12/23 | (200) |
| USD | 191,194 | EUR | 180,000 | State Street Bank and Trust Co. | 01/12/23 | (1,605) |
| USD | 88,977 | GBP | 74,000 | Royal Bank of Canada | 01/12/23 | (505) |
| USD | 76,000 | HUF | 30,403,896 | Goldman Sachs International | 01/12/23 | (5,292) |
| USD | 76,000 | NOK | 757,465 | Deutsche Bank AG | 01/12/23 | (1,344) |
| USD | 38,000 | NOK | 373,240 | Goldman Sachs International | 01/12/23 | (111) |
| USD | 74,552 | NZD | 118,000 | Bank of America NA | 01/12/23 | (374) |
| USD | 74,000 | PLN | 337,300 | UBS AG | 01/12/23 | (2,942) |
| USD | 57,000 | ZAR | 980,310 | BNP Paribas SA | 01/12/23 | (656) |
| USD | 112,000 | ZAR | 1,919,176 | Citibank NA | 01/12/23 | (874) |
| USD | 57,000 | ZAR | 980,589 | Deutsche Bank AG | 01/12/23 | (672) |
| USD | 37,000 | ZAR | 631,090 | Goldman Sachs International | 01/12/23 | (117) |
| USD | 114,000 | ZAR | 1,994,230 | HSBC Bank plc | 01/12/23 | (3,288) |
| USD | 92,562 | COP | 462,532,438 | BNP Paribas SA | 02/16/23 | (2,041) |
| USD | 75,536 | EUR | 70,367 | Deutsche Bank AG | 02/21/23 | (41) |
| USD | 6,417 | EUR | 6,026 | Royal Bank of Canada | 02/21/23 | (55) |
| USD | 172,012 | MXN | 3,445,480 | JPMorgan Chase Bank NA | 02/21/23 | (3,205) |
| USD | 75,961 | ZAR | 1,310,977 | Bank of America NA | 02/21/23 | (866) |
| USD | 94,918 | ZAR | 1,642,754 | Deutsche Bank AG | 02/21/23 | (1,352) |
| USD | 69,989 | ZAR | 1,221,850 | Northern Trust Co. | 02/21/23 | (1,615) |
| USD | 119,534 | CAD | 163,000 | Bank of America NA | 03/15/23 | (915) |
| USD | 1,809,874 | EUR | 1,690,810 | Bank of America NA | 03/15/23 | (8,825) |
| USD | 1,413,356 | EUR | 1,320,000 | BNP Paribas SA | 03/15/23 | (6,484) |
| USD | 1,394,862 | EUR | 1,299,190 | Deutsche Bank AG | 03/15/23 | (2,595) |
| USD | 1,274,523 | EUR | 1,194,000 | UBS AG | 03/15/23 | (9,788) |
| | | | | | | (77,556) |
| | | | | | | $ 29,681 |

## OTC Barrier Options Purchased

| Description | Type of Option | Counterparty | Expiration Date | Exercise Price | | Barrier Price/Range | | Notional Amount (000) | | Value |
|---|---|---|---|---|---|---|---|---|---|---|
| Put | | | | | | | | | | |
| USD Currency | Down and Out | Bank of America NA | 02/07/23 | MXN | 19.55 | MXN | 19.10 | USD | 230 | $ 621 |
| USD Currency | One-Touch | Bank of America NA | 03/23/23 | BRL | 4.65 | BRL | 4.65 | USD | 22 | 1,224 |
| | | | | | | | | | | $ 1,845 |

## Exchange-Traded Options Purchased

| Description | Number of Contracts | Expiration Date | Exercise Price | Notional Amount (000) | Value |
|---|---|---|---|---|---|
| Call | | | | | |
| U.S. Treasury 10 Year Note | 8 | 01/27/23 | USD 114.50 | USD 800 | $ 1,624 |

## OTC Currency Options Purchased

| Description | Counterparty | Expiration Date | Exercise Price | Notional Amount (000) | Value |
|---|---|---|---|---|---|
| Call | | | | | |
| EUR Currency | Bank of America NA | 01/13/23 | USD 1.06 | EUR 2,400 | $ 36,307 |
| USD Currency | Bank of America NA | 01/13/23 | CLP 920.00 | USD 180 | 246 |
| USD Currency | Citibank NA | 03/10/23 | JPY 137.00 | USD 266 | 1,325 |
| EUR Currency | Deutsche Bank AG | 03/14/23 | USD 1.10 | EUR 4,780 | 34,659 |
| | | | | | 72,537 |
| Put | | | | | |
| GBP Currency | JPMorgan Chase Bank NA | 01/17/23 | USD 1.21 | GBP 156 | 1,900 |
| USD Currency | HSBC Bank plc | 01/31/23 | MXN 19.35 | USD 188 | 1,296 |
| GBP Currency | Morgan Stanley & Co. International plc | 02/02/23 | USD 1.21 | GBP 154 | 2,477 |
| USD Currency | HSBC Bank plc | 02/16/23 | BRL 5.30 | USD 148 | 3,622 |
| | | | | | 9,295 |
| | | | | | $ 81,832 |

## OTC Interest Rate Swaptions Purchased

| | Paid by the Fund | | Received by the Fund | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Description | Rate | Frequency | Rate | Frequency | Counterparty | Expiration Date | Exercise Rate | Notional Amount (000) | Value |
| Call | | | | | | | | | |
| 1-Year Interest Rate Swap[a] | 1 day SOFR | At Termination | 4.00% | At Termination | Goldman Sachs International | 06/30/23 | 4.00% | USD 190,760 | $ 227,630 |
| Put | | | | | | | | | |
| 10-Year Interest Rate Swap[a] | 2.51% | Semi-Annual | 1 day SOFR | Annual | Goldman Sachs International | 08/10/23 | 2.51 | USD 9,171 | 786,178 |
| 10-Year Interest Rate Swap[a] | 2.48% | Semi-Annual | 1 day SOFR | Annual | Goldman Sachs International | 08/10/23 | 2.48 | USD 9,171 | 805,121 |
| | | | | | | | | | 1,591,299 |
| | | | | | | | | | $ 1,818,929 |

[a] Forward settling swaption.

## Exchange-Traded Options Written

| Description | Number of Contracts | Expiration Date | Exercise Price | Notional Amount (000) | Value |
|---|---|---|---|---|---|
| Call | | | | | |
| U.S. Treasury 10 Year Note | 10 | 01/27/23 | USD 116.50 | USD 1,000 | $ (469) |
| U.S. Treasury 5 Year Note | 3 | 01/27/23 | USD 108.25 | USD 300 | (1,453) |
| | | | | | $ (1,922) |

## OTC Currency Options Written

| Description | Counterparty | Expiration Date | | Exercise Price | | Notional Amount (000) | | Value |
|---|---|---|---|---|---|---|---|---|
| Call | | | | | | | | |
| USD Currency | Bank of America NA | 01/13/23 | CLP | 960.00 | USD | 252 | $ | (90) |
| USD Currency | HSBC Bank plc | 01/31/23 | MXN | 20.00 | USD | 188 | | (1,130) |
| GBP Currency | Morgan Stanley & Co. International plc | 02/02/23 | USD | 1.28 | GBP | 154 | | (95) |
| USD Currency | Citibank NA | 03/10/23 | JPY | 142.00 | USD | 266 | | (375) |
| | | | | | | | | (1,690) |
| Put | | | | | | | | |
| USD Currency | Citibank NA | 01/05/23 | MXN | 19.75 | USD | 76 | | (1,083) |
| USD Currency | Bank of America NA | 01/13/23 | CLP | 860.00 | USD | 108 | | (2,588) |
| GBP Currency | Morgan Stanley & Co. International plc | 02/02/23 | USD | 1.17 | GBP | 154 | | (565) |
| USD Currency | HSBC Bank plc | 02/16/23 | BRL | 4.90 | USD | 220 | | (744) |
| USD Currency | Bank of America NA | 02/17/23 | HUF | 390.00 | USD | 112 | | (5,297) |
| | | | | | | | | (10,277) |
| | | | | | | | $ | (11,967) |

## OTC Interest Rate Swaptions Written

| | Paid by the Fund | | Received by the Fund | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Description | Rate | Frequency | Rate | Frequency | Counterparty | Expiration Date | Exercise Rate | | Notional Amount (000) | Value |
| Call | | | | | | | | | | |
| 1-Year Interest Rate Swap[a] | 3.40% | At Termination | 1 day SOFR | At Termination | Goldman Sachs International | 06/30/23 | 3.40% | USD | 190,760 | $ (92,986) |
| 10-Year Interest Rate Swap[a] | 2.62% | Semi-Annual | 1 day SOFR | Annual | Goldman Sachs International | 10/27/23 | 2.62 | USD | 11,492 | (144,678) |
| 10-Year Interest Rate Swap[a] | 3.11% | Semi-Annual | 1 day SOFR | Annual | Morgan Stanley & Co. International plc | 12/19/23 | 3.11 | USD | 13,961 | (385,713) |
| | | | | | | | | | | (623,377) |
| Put | | | | | | | | | | |
| 10-Year Interest Rate Swap[a] | 1 day SOFR | Annual | 3.10% | Semi-Annual | Goldman Sachs International | 08/10/23 | 3.10 | USD | 6,107 | (303,513) |
| 10-Year Interest Rate Swap[a] | 1 day SOFR | Annual | 3.20% | Semi-Annual | Goldman Sachs International | 08/10/23 | 3.20 | USD | 6,107 | (272,752) |
| 1-Year Interest Rate Swap[a] | 1 day SOFR | At Termination | 3.48% | At Termination | Goldman Sachs International | 08/10/23 | 3.48 | USD | 165,160 | (1,862,814) |
| 10-Year Interest Rate Swap[a] | 1 day SOFR | Annual | 4.42% | Semi-Annual | Goldman Sachs International | 10/27/23 | 4.42 | USD | 11,492 | (145,687) |
| 10-Year Interest Rate Swap[a] | 1 day SOFR | Annual | 3.11% | Semi-Annual | Morgan Stanley & Co. International plc | 12/19/23 | 3.11 | USD | 13,961 | (732,319) |
| | | | | | | | | | | (3,317,085) |
| | | | | | | | | | | $ (3,940,462) |

[a] Forward settling swaption.

## Centrally Cleared Credit Default Swaps — Buy Protection

| Reference Obligation/Index | Financing Rate Paid by the Fund | Payment Frequency | Termination Date | Notional Amount (000) | | Value | Upfront Premium Paid (Received) | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|---|---|
| iTraxx Europe Crossover Index Series 38.V1 | 5.00% | Quarterly | 12/20/27 | EUR | 88 | $ (1,084) | $ (585) | $ (499) |

## Centrally Cleared Credit Default Swaps — Sell Protection

| Reference Obligation/Index | Financing Rate Received by the Fund | Payment Frequency | Termination Date | Credit Rating [a] | Notional Amount (000) [b] | Value | Upfront Premium Paid (Received) | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|---|---|
| iTraxx Europe Main Index Series 38.V1. . . . . | 1.00% | Quarterly | 12/20/27 | BBB+ | EUR 1,200 | $ 5,904 | $ (85) | $ 5,989 |

[a] Using the rating of the issuer or the underlying securities of the index, as applicable, provided by S&P Global Ratings.

[b] The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

## Centrally Cleared Interest Rate Swaps

| Paid by the Fund | | Received by the Fund | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Rate | Frequency | Rate | Frequency | Effective Date | Termination Date | Notional Amount (000) | Value | Upfront Premium Paid (Received) | Unrealized Appreciation (Depreciation) |
| 28 day MXIBTIIE | Monthly | 10.17% | Monthly | N/A | 09/14/23 | MXN 9,512 | $ (2,997) | $ — | $ (2,997) |
| 28 day MXIBTIIE | Monthly | 10.30% | Monthly | N/A | 09/18/23 | MXN 7,578 | (2,021) | — | (2,021) |
| 6.15% | Annual | 3 month WIBOR | Quarterly | 04/11/23 [a] | 04/11/24 | PLN 1,297 | 2,770 | — | 2,770 |
| 2.22% | Annual | 6 month EURIBOR | Semi-Annual | N/A | 09/12/24 | EUR 381 | 6,059 | 104 | 5,955 |
| 1 day SONIA | At Termination | 4.41% | At Termination | 12/20/23 [a] | 12/20/24 | GBP 6,710 | (5,929) | 1,493 | (7,422) |
| 3.45% | Annual | 1 day SOFR | Annual | 11/02/23 [a] | 11/02/25 | USD 27,922 | 166,060 | — | 166,060 |
| 2.91% | Semi-Annual | 3 month LIBOR | Quarterly | N/A | 08/23/26 | USD 125 | 4,657 | — | 4,657 |
| 6.87% | Annual | 6 month WIBOR | Semi-Annual | N/A | 09/29/27 | PLN 229 | (1,341) | — | (1,341) |
| 6.99% | Annual | 6 month WIBOR | Semi-Annual | N/A | 09/30/27 | PLN 331 | (2,254) | — | (2,254) |
| 5.99% | Annual | 6 month WIBOR | Semi-Annual | 03/15/23 [a] | 03/15/28 | PLN 295 | 302 | — | 302 |
| 5.67% | Annual | 6 month WIBOR | Semi-Annual | 03/15/23 [a] | 03/15/28 | PLN 313 | 1,237 | — | 1,237 |
| 5.92% | Annual | 6 month WIBOR | Semi-Annual | 03/15/23 [a] | 03/15/28 | PLN 901 | 1,499 | — | 1,499 |
| 3.16% | Semi-Annual | 3 month LIBOR | Quarterly | N/A | 10/03/28 | USD 152 | 6,549 | — | 6,549 |
| 0.31% | Annual | 1 day TONAR | Annual | N/A | 04/07/32 | JPY 182,422 | 66,898 | — | 66,898 |
| 0.31% | Annual | 1 day TONAR | Annual | N/A | 04/07/32 | JPY 205,710 | 75,408 | — | 75,408 |
| 0.30% | Annual | 1 day TONAR | Annual | N/A | 04/07/32 | JPY 208,075 | 77,506 | — | 77,506 |
| 0.30% | Annual | 1 day TONAR | Annual | N/A | 04/07/32 | JPY 208,994 | 77,091 | — | 77,091 |
| 0.30% | Annual | 1 day TONAR | Annual | N/A | 04/07/32 | JPY 209,801 | 77,645 | — | 77,645 |
| 0.39% | Annual | 1 day TONAR | Annual | N/A | 05/02/32 | JPY 128,350 | 39,702 | — | 39,702 |
| 0.40% | Annual | 1 day TONAR | Annual | N/A | 05/02/32 | JPY 128,350 | 39,465 | — | 39,465 |
| 0.42% | Annual | 1 day TONAR | Annual | N/A | 06/14/32 | JPY 257,127 | 77,340 | — | 77,340 |
| 0.42% | Annual | 1 day TONAR | Annual | N/A | 06/14/32 | JPY 289,952 | 86,358 | — | 86,358 |
| 6 month EURIBOR | Semi-Annual | 2.44% | Annual | 07/14/27 [a] | 07/14/32 | EUR 383 | (11,649) | — | (11,649) |
| 9.25% | Monthly | 28 day MXIBTIIE | Monthly | N/A | 09/17/32 | MXN 4,531 | (7,688) | — | (7,688) |
| 3.24% | Annual | 1 day SONIA | Annual | N/A | 10/20/72 | GBP 386 | (5,902) | 5,089 | (10,991) |
| | | | | | | | $ 766,765 | $ 6,686 | $ 760,079 |

[a] Forward swap.

## OTC Credit Default Swaps — Buy Protection

| Reference Obligation/Index | Financing Rate Paid by the Fund | Payment Frequency | Counterparty | Termination Date | Notional Amount (000) | Value | Upfront Premium Paid (Received) | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|---|---|
| Federative Republic of Brazil . . | 1.00% | Quarterly | Barclays Bank plc | 12/20/24 | USD 170 | $ 499 | $ 1,662 | $ (1,163) |
| Federative Republic of Brazil . . | 1.00 | Quarterly | Barclays Bank plc | 12/20/24 | USD 78 | 229 | 763 | (534) |
| Federative Republic of Brazil . . | 1.00 | Quarterly | Barclays Bank plc | 12/20/24 | USD 120 | 352 | 1,196 | (844) |
| Federative Republic of Brazil . . | 1.00 | Quarterly | Barclays Bank plc | 12/20/24 | USD 122 | 358 | 1,216 | (858) |
| Federative Republic of Brazil . . | 1.00 | Quarterly | Barclays Bank plc | 12/20/24 | USD 120 | 352 | 1,196 | (844) |
| Federative Republic of Brazil . . | 1.00 | Quarterly | Barclays Bank plc | 12/20/24 | USD 123 | 361 | 1,203 | (842) |
| Federative Republic of Brazil . . | 1.00 | Quarterly | Barclays Bank plc | 12/20/27 | USD 287 | 18,452 | 18,924 | (472) |

## OTC Credit Default Swaps — Buy Protection (continued)

| Reference Obligation/Index | Financing Rate Paid by the Fund | Payment Frequency | Counterparty | Termination Date | Notional Amount (000) | | Value | Upfront Premium Paid (Received) | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|---|---|---|
| Federative Republic of Brazil | 1.00% | Quarterly | Barclays Bank plc | 12/20/27 | USD 282 | | $ 18,119 | $ 18,583 | $ (464) |
| Federative Republic of Brazil | 1.00 | Quarterly | Barclays Bank plc | 12/20/27 | USD 45 | | 2,859 | 2,713 | 146 |
| Republic of Colombia | 1.00 | Quarterly | Barclays Bank plc | 12/20/27 | USD 191 | | 13,859 | 15,764 | (1,905) |
| Republic of Colombia | 1.00 | Quarterly | Citibank NA | 12/20/27 | USD 192 | | 13,907 | 12,859 | 1,048 |
| Republic of Indonesia | 1.00 | Quarterly | Goldman Sachs International | 12/20/27 | USD 123 | | (44) | 903 | (947) |
| Republic of the Philippines | 1.00 | Quarterly | Goldman Sachs International | 12/20/27 | USD 377 | | (614) | 218 | (832) |
| United Mexican States | 1.00 | Quarterly | Bank of America NA | 12/20/27 | USD 89 | | 1,171 | 1,018 | 153 |
| United Mexican States | 1.00 | Quarterly | Barclays Bank plc | 12/20/27 | USD 93 | | 1,224 | 2,155 | (931) |
| United Mexican States | 1.00 | Quarterly | Deutsche Bank AG | 12/20/27 | USD 131 | | 1,724 | 2,310 | (586) |
| United Mexican States | 1.00 | Quarterly | Goldman Sachs International | 12/20/27 | USD 75 | | 987 | 1,707 | (720) |
| United Mexican States | 1.00 | Quarterly | Goldman Sachs International | 12/20/27 | USD 75 | | 987 | 1,612 | (625) |
| United Mexican States | 1.00 | Quarterly | Morgan Stanley & Co. International plc | 12/20/27 | USD 75 | | 987 | 1,177 | (190) |
| United Mexican States | 1.00 | Quarterly | Morgan Stanley & Co. International plc | 12/20/27 | USD 83 | | 1,088 | 1,889 | (801) |
| CMBX.NA.9.AAA | 0.50 | Monthly | Credit Suisse International | 09/17/58 | USD 149 | | 57 | 1,595 | (1,538) |
| CMBX.NA.9.AAA | 0.50 | Monthly | Deutsche Bank AG | 09/17/58 | USD 119 | | 45 | 1,293 | (1,248) |
| CMBX.NA.9.AAA | 0.50 | Monthly | Morgan Stanley & Co. International plc | 09/17/58 | USD 99 | | 37 | 1,063 | (1,026) |
| CMBX.NA.9.AAA | 0.50 | Monthly | Morgan Stanley & Co. International plc | 09/17/58 | USD 229 | | 86 | 2,636 | (2,550) |
| CMBX.NA.9.AAA | 0.50 | Monthly | Morgan Stanley & Co. International plc | 09/17/58 | USD 89 | | 34 | 957 | (923) |
| CMBX.NA.9.BBB- | 3.00 | Monthly | Morgan Stanley & Co. International plc | 09/17/58 | USD 8 | | 1,506 | 410 | 1,096 |
| CMBX.NA.6.AAA | 0.50 | Monthly | Deutsche Bank AG | 05/11/63 | USD 2 | | — | (131) | 131 |
| CMBX.NA.6.AAA | 0.50 | Monthly | Deutsche Bank AG | 05/11/63 | USD 1 | | — | (11) | 11 |
| CMBX.NA.6.BBB- | 3.00 | Monthly | J.P. Morgan Securities LLC | 05/11/63 | USD 20 | | 4,653 | 2,593 | 2,060 |
| | | | | | | | $ 83,275 | $ 99,473 | $ (16,198) |

## OTC Credit Default Swaps — Sell Protection

| Reference Obligation/Index | Financing Rate Received by the Fund | Payment Frequency | Counterparty | Termination Date | Credit Rating [a] | Notional Amount (000) [b] | | Value | Upfront Premium Paid (Received) | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|---|---|---|---|
| Petroleos Mexicanos | 1.00% | Quarterly | Goldman Sachs International | 12/20/24 | BBB | USD 46 | | $ (2,549) | $ (3,865) | $ 1,316 |
| CMBX.NA.3.AM. | 0.50 | Monthly | Credit Suisse International | 12/13/49 | AAA | USD 390 | | — | (28,526) | 28,526 |
| CMBX.NA.9.BBB- | 3.00 | Monthly | Deutsche Bank AG | 09/17/58 | BBB- | USD 8 | | (1,506) | (860) | (646) |
| CMBX.NA.10.A | 2.00 | Monthly | Deutsche Bank AG | 11/17/59 | A | USD 120 | | (7,716) | (4,635) | (3,081) |
| CMBX.NA.10.A | 2.00 | Monthly | Deutsche Bank AG | 11/17/59 | A | USD 60 | | (3,858) | (2,357) | (1,501) |
| CMBX.NA.10.BBB- | 3.00 | Monthly | J.P. Morgan Securities LLC | 11/17/59 | BBB- | USD 10 | | (1,729) | (770) | (959) |
| CMBX.NA.6.BBB- | 3.00 | Monthly | Credit Suisse International | 05/11/63 | BBB- | USD 20 | | (4,653) | (2,145) | (2,508) |
| | | | | | | | | $ (22,011) | $ (43,158) | $ 21,147 |

[a] Using the rating of the issuer or the underlying securities of the index, as applicable, provided by S&P Global Ratings.

[b] The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

## OTC Interest Rate Swaps

| Paid by the Fund | | Received by the Fund | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Rate | Frequency | Rate | Frequency | Counterparty | Termination Date | Notional Amount (000) | | Value | Upfront Premium Paid (Received) | Unrealized Appreciation (Depreciation) |
| 1.42% | Semi-Annual | 1 day CLICP | Semi-Annual | Bank of America NA | 04/01/23 | CLP 688,128 | $ | 40,343 | $ — | $ 40,343 |
| 1 day CLICP | Semi-Annual | 1.65% | Semi-Annual | Bank of America NA | 05/28/23 | CLP 688,128 | | (38,523) | — | (38,523) |
| 1 day BZDIOVER | At Termination | 13.97% | At Termination | Citibank NA | 01/02/24 | BRL 1,002 | | 937 | — | 937 |

### OTC Interest Rate Swaps (continued)

| Paid by the Fund | | Received by the Fund | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *Rate* | *Frequency* | *Rate* | *Frequency* | *Counterparty* | *Termination Date* | | *Notional Amount (000)* | *Value* | *Upfront Premium Paid (Received)* | *Unrealized Appreciation (Depreciation)* |
| 1 day BZDIOVER | At Termination | 13.98% | At Termination | Citibank NA | 01/02/24 | BRL | 944 | $ 887 | $ — | $ 887 |
| 1 day BZDIOVER | At Termination | 14.49% | At Termination | Goldman Sachs International | 01/02/24 | BRL | 1,033 | 1,962 | — | 1,962 |
| 1 day BZDIOVER | At Termination | 11.65% | At Termination | JPMorgan Chase Bank NA | 01/02/25 | BRL | 463 | (2,293) | — | (2,293) |
| 1 day BZDIOVER | At Termination | 11.69% | At Termination | Citibank NA | 01/02/25 | BRL | 648 | (3,091) | — | (3,091) |
| | | | | | | | | $ 222 | $ — | $ 222 |

The following reference rates, and their values as of period end, are used for security descriptions:

| *Reference Index* | | *Reference Rate* |
|---|---|---|
| 1 day BZDIOVER | Overnight Brazil CETIP — Interbank Rate | 0.05% |
| 1 day CLICP | Chile Indice de Camara Promedio Interbank Overnight Index | 0.03 |
| 1 day SOFR | Secured Overnight Financing Rate | 4.06 |
| 1 day SONIA | Sterling Overnight Index Average | 3.43 |
| 1 day TONAR | Tokyo Overnight Average Rate | (0.02) |
| 28 day MXIBTIIE | Mexico Interbank TIIE 28-Day | 10.77 |
| 3 month LIBOR | London Interbank Offered Rate | 4.77 |
| 3 month WIBOR | Warsaw Interbank Offered Rate | 7.02 |
| 6 month EURIBOR | Euro Interbank Offered Rate | 2.69 |
| 6 month WIBOR | Warsaw Interbank Offered Rate | 7.04 |

### Balances Reported in the Statement of Assets and Liabilities for Centrally Cleared Swaps, OTC Swaps and Options Written

| *Description* | *Swap Premiums Paid* | *Swap Premiums Received* | *Unrealized Appreciation* | *Unrealized Depreciation* | *Value* |
|---|---|---|---|---|---|
| Centrally Cleared Swaps [a] | $ 6,686 | $ (670) | $ 812,431 | $ (46,862) | $ — |
| OTC Swaps | 99,615 | (43,300) | 78,616 | (73,445) | — |
| Options Written | N/A | N/A | 296,188 | (1,761,880) | (3,954,351) |

[a] Includes cumulative appreciation (depreciation) on centrally cleared swaps, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities and is net of any previously paid (received) swap premium amounts.

**Derivative Financial Instruments Categorized by Risk Exposure**

As of period end, the fair values of derivative financial instruments located in the Statement of Assets and Liabilities were as follows:

| | Commodity Contracts | Credit Contracts | Equity Contracts | Foreign Currency Exchange Contracts | Interest Rate Contracts | Other Contracts | Total |
|---|---|---|---|---|---|---|---|
| **Assets — Derivative Financial Instruments** | | | | | | | |
| Futures contracts | | | | | | | |
| Unrealized appreciation on futures contracts[a] | $ — | $ — | $ — | $ — | $ 666,115 | $ — | $ 666,115 |
| Forward foreign currency exchange contracts | | | | | | | |
| Unrealized appreciation on forward foreign currency exchange contracts | — | — | — | 107,237 | — | — | 107,237 |
| Options purchased[b] | | | | | | | |
| Investments at value — unaffiliated[c] | — | — | — | 83,677 | 1,820,553 | — | 1,904,230 |
| Swaps — centrally cleared | | | | | | | |
| Unrealized appreciation on centrally cleared swaps[a] | — | 5,989 | — | — | 806,442 | — | 812,431 |
| Swaps — OTC | | | | | | | |
| Unrealized appreciation on OTC swaps; Swap premiums paid | — | 134,102 | — | — | 44,129 | — | 178,231 |
| | $ — | $ 140,091 | $ — | $ 190,914 | $ 3,337,239 | $ — | $ 3,668,244 |
| **Liabilities — Derivative Financial Instruments** | | | | | | | |
| Futures contracts | | | | | | | |
| Unrealized depreciation on futures contracts[a] | — | — | — | — | 1,045,286 | — | 1,045,286 |
| Forward foreign currency exchange contracts | | | | | | | |
| Unrealized depreciation on forward foreign currency exchange contracts | — | — | — | 77,556 | — | — | 77,556 |
| Options written[b] | | | | | | | |
| Options written at value | — | — | — | 11,967 | 3,942,384 | — | 3,954,351 |
| Swaps — centrally cleared | | | | | | | |
| Unrealized depreciation on centrally cleared swaps[a] | — | 499 | — | — | 46,363 | — | 46,862 |
| Swaps — OTC | | | | | | | |
| Unrealized depreciation on OTC swaps; Swap premiums received | — | 72,838 | — | — | 43,907 | — | 116,745 |
| | $ — | $ 73,337 | $ — | $ 89,523 | $ 5,077,940 | $ — | $ 5,240,800 |

[a] Net cumulative unrealized appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, are reported in the Schedule of Investments. In the Statement of Assets and Liabilities, only current day's variation margin is reported in receivables or payables and the net cumulative unrealized appreciation (depreciation) is included in accumulated earnings (loss).

[b] Includes forward settling swaptions.

[c] Includes options purchased at value as reported in the Schedule of Investments.

For the period ended December 31, 2022, the effect of derivative financial instruments in the Statement of Operations was as follows:

| | Commodity Contracts | Credit Contracts | Equity Contracts | Foreign Currency Exchange Contracts | Interest Rate Contracts | Other Contracts | Total |
|---|---|---|---|---|---|---|---|
| **Net Realized Gain (Loss) from** | | | | | | | |
| Futures contracts | $ — | $ — | $ — | $ — | $ (19,193,174) | $ — | $ (19,193,174) |
| Forward foreign currency exchange contracts | — | — | — | 1,206,098 | — | — | 1,206,098 |
| Options purchased[a] | — | — | — | (1,037,488) | (90,765) | — | (1,128,253) |
| Options written | — | — | — | 604,932 | (1,633,360) | — | (1,028,428) |
| Swaps | — | (27,107) | — | — | (1,400,007) | (2,088,502) | (3,515,616) |
| | $ — | $ (27,107) | $ — | $ 773,542 | $ (22,317,306) | $ (2,088,502) | $ (23,659,373) |
| **Net Change in Unrealized Appreciation (Depreciation) on** | | | | | | | |
| Futures contracts | $ — | $ — | $ — | $ — | $ (894,552) | $ — | $ (894,552) |
| Forward foreign currency exchange contracts | — | — | — | (49,719) | — | — | (49,719) |
| Options purchased[b] | — | — | — | 38,392 | 792,373 | — | 830,765 |
| Options written | — | — | — | 83,979 | (1,490,028) | — | (1,406,049) |
| Swaps | — | 301 | — | — | 655,837 | 505,526 | 1,161,664 |
| | $ — | $ 301 | $ — | $ 72,652 | $ (936,370) | $ 505,526 | $ (357,891) |

[a] Options purchased are included in net realized gain (loss) from investments — unaffiliated.

[b] Options purchased are included in net change in unrealized appreciation (depreciation) on investments — unaffiliated.

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

| | |
|---|---|
| Futures contracts | |
| Average notional value of contracts — long | $ 199,297,069 |
| Average notional value of contracts — short | $ 73,250,881 |
| Forward foreign currency exchange contracts | |
| Average amounts purchased — in USD | $ 33,782,620 |
| Average amounts sold — in USD | $ 12,513,421 |
| Options | |
| Average value of option contracts purchased | $ 161,566 |
| Average value of option contracts written | $ 244,730 |
| Average notional value of swaption contracts purchased | $ 95,717,500 |
| Average notional value of swaption contracts written | $ 237,843,960 |
| Credit default swaps | |
| Average notional value — buy protection | $ 15,569,057 |
| Average notional value — sell protection | $ 1,651,137 |
| Interest rate swaps | |
| Average notional value — pays fixed rate | $ 45,621,872 |
| Average notional value — receives fixed rate | $ 188,117,700 |
| Inflation swaps | |
| Average notional value — receives fixed rate | $ 7,605,698 |

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

**Derivative Financial Instruments — Offsetting as of Period End**

The Fund's derivative assets and liabilities (by type) were as follows:

| | *Assets* | *Liabilities* |
|---|---|---|
| Derivative Financial Instruments | | |
| Futures contracts | $ 90,422 | $ 770,349 |
| Forward foreign currency exchange contracts | 107,237 | 77,556 |
| Options [a][b] | 1,904,230 | 3,954,351 |
| Swaps — centrally cleared | 89,079 | — |
| Swaps — OTC [c] | 178,231 | 116,745 |
| Total derivative assets and liabilities in the Statement of Assets and Liabilities | $ 2,369,199 | $ 4,919,001 |
| Derivatives not subject to a Master Netting Agreement or similar agreement ("MNA") | (181,125) | (772,271) |
| Total derivative assets and liabilities subject to an MNA | $ 2,188,074 | $ 4,146,730 |

[a] Includes options purchased at value which is included in Investments at value – unaffiliated in the Statement of Assets and Liabilities and reported in the Schedule of Investments.

[b] Includes forward settling swaptions.

[c] Includes unrealized appreciation (depreciation) on OTC swaps and swap premiums paid/(received) in the Statement of Assets and Liabilities.

The following tables present the Fund's derivative assets and liabilities by counterparty net of amounts available for offset under an MNA and net of the related collateral received and pledged by the Fund:

| *Counterparty* | *Derivative Assets Subject to an MNA by Counterparty* | *Derivatives Available for Offset [a]* | *Non-cash Collateral Received* | *Cash Collateral Received* | *Net Amount of Derivative Assets [b][c]* |
|---|---|---|---|---|---|
| Bank of America NA | $ 89,951 | $ (62,164) | $ — | $ — | $ 27,787 |
| Barclays Bank plc | 75,307 | (8,857) | — | — | 66,450 |
| BNP Paribas SA | 13,958 | (10,909) | — | — | 3,049 |
| Citibank NA | 33,246 | (6,871) | — | — | 26,375 |
| Credit Suisse International | 30,121 | (30,121) | — | — | — |
| Deutsche Bank AG | 45,017 | (30,964) | — | — | 14,053 |
| Goldman Sachs International | 1,841,377 | (1,841,377) | — | — | — |
| HSBC Bank plc | 25,443 | (6,206) | — | — | 19,237 |
| J.P. Morgan Securities LLC | 4,653 | (1,729) | — | — | 2,924 |
| JPMorgan Chase Bank NA | 13,419 | (5,698) | — | — | 7,721 |
| Morgan Stanley & Co. International plc | 13,573 | (13,573) | — | — | — |
| Natwest Markets plc | 824 | — | — | — | 824 |
| Royal Bank of Canada | 1,185 | (560) | — | — | 625 |
| | $ 2,188,074 | $ (2,019,029) | $ — | $ — | $ 169,045 |

| Counterparty | Derivative Liabilities Subject to an MNA by Counterparty | Derivatives Available for Offset [a] | Non-cash Collateral Pledged | Cash Collateral Pledged | Net Amount of Derivative Liabilities [c][d] |
|---|---|---|---|---|---|
| Bank of America NA | $ 62,164 | $ (62,164) | $ — | $ — | $ — |
| Barclays Bank plc | 8,857 | (8,857) | — | — | — |
| BNP Paribas SA | 10,909 | (10,909) | — | — | — |
| Citibank NA | 6,871 | (6,871) | — | — | — |
| Credit Suisse International | 34,717 | (30,121) | — | — | 4,596 |
| Deutsche Bank AG | 30,964 | (30,964) | — | — | — |
| Goldman Sachs International | 2,835,136 | (1,841,377) | (964,255) | — | 29,504 |
| HSBC Bank plc | 6,206 | (6,206) | — | — | — |
| J.P. Morgan Securities LLC | 1,729 | (1,729) | — | — | — |
| JPMorgan Chase Bank NA | 5,698 | (5,698) | — | — | — |
| Morgan Stanley & Co. International plc | 1,124,730 | (13,573) | (1,048,646) | — | 62,511 |
| Northern Trust Co. | 1,615 | — | — | — | 1,615 |
| Royal Bank of Canada | 560 | (560) | — | — | — |
| State Street Bank and Trust Co. | 1,605 | — | — | — | 1,605 |
| UBS AG | 14,969 | — | — | — | 14,969 |
| | $ 4,146,730 | $ (2,019,029) | $ (2,012,901) | $ — | $ 114,800 |

[a] The amount of derivatives available for offset is limited to the amount of derivative assets and/or liabilities that are subject to an MNA.

[b] Net amount represents the net amount receivable from the counterparty in the event of default.

[c] Net amount may also include forward foreign currency exchange contracts that are not required to be collateralized.

[d] Net amount represents the net amount payable due to the counterparty in the event of default.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of financial instruments. For a description of the input levels and information about the Fund's policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets | | | | |
| Investments | | | | |
| Long-Term Investments | | | | |
| Asset-Backed Securities | $ — | $ 16,587,960 | $ 55,134 | $ 16,643,094 |
| Corporate Bonds | | | | |
| Aerospace & Defense | — | 6,252,178 | — | 6,252,178 |
| Airlines | — | 2,632,904 | — | 2,632,904 |
| Automobiles | — | 2,123,158 | — | 2,123,158 |
| Banks | — | 23,843,604 | — | 23,843,604 |
| Beverages | — | 714,127 | — | 714,127 |
| Biotechnology | — | 3,438,433 | — | 3,438,433 |
| Building Products | — | 116,343 | — | 116,343 |
| Capital Markets | — | 22,695,214 | — | 22,695,214 |
| Chemicals | — | 558,316 | — | 558,316 |
| Commercial Services & Supplies | — | 524,487 | — | 524,487 |
| Communications Equipment | — | 2,329,733 | — | 2,329,733 |
| Construction & Engineering | — | 189,912 | — | 189,912 |
| Consumer Finance | — | 2,559,264 | — | 2,559,264 |
| Containers & Packaging | — | 111,640 | — | 111,640 |
| Diversified Financial Services | — | 586,838 | — | 586,838 |
| Diversified Telecommunication Services | — | 7,051,076 | — | 7,051,076 |
| Electric Utilities | — | 16,571,024 | — | 16,571,024 |
| Entertainment | — | 403,488 | — | 403,488 |
| Equity Real Estate Investment Trusts (REITs) | — | 12,413,165 | — | 12,413,165 |
| Food & Staples Retailing | — | 152,543 | — | 152,543 |
| Food Products | — | 300,144 | — | 300,144 |
| Gas Utilities | — | 665,745 | — | 665,745 |
| Health Care Equipment & Supplies | — | 1,168,817 | — | 1,168,817 |
| Health Care Providers & Services | — | 5,892,117 | — | 5,892,117 |

**Fair Value Hierarchy as of Period End (continued)**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Hotels, Restaurants & Leisure | $ — | $ 688,007 | $ — | $ 688,007 |
| Household Durables | — | 83,473 | — | 83,473 |
| Insurance | — | 1,201,357 | — | 1,201,357 |
| Interactive Media & Services | — | 676,248 | — | 676,248 |
| Internet & Direct Marketing Retail | — | 1,239,023 | — | 1,239,023 |
| IT Services | — | 2,876,341 | — | 2,876,341 |
| Life Sciences Tools & Services | — | 573,363 | — | 573,363 |
| Machinery | — | 780,629 | — | 780,629 |
| Media | — | 6,322,160 | — | 6,322,160 |
| Metals & Mining | — | 3,700,106 | — | 3,700,106 |
| Multi-Utilities | — | 1,309,003 | — | 1,309,003 |
| Oil, Gas & Consumable Fuels | — | 21,696,966 | — | 21,696,966 |
| Paper & Forest Products | — | 70,087 | — | 70,087 |
| Pharmaceuticals | — | 1,761,119 | — | 1,761,119 |
| Real Estate Management & Development | — | 239,475 | — | 239,475 |
| Road & Rail | — | 4,061,368 | — | 4,061,368 |
| Semiconductors & Semiconductor Equipment | — | 8,302,280 | — | 8,302,280 |
| Software | — | 5,253,551 | — | 5,253,551 |
| Specialty Retail | — | 833,765 | — | 833,765 |
| Technology Hardware, Storage & Peripherals | — | 1,348,467 | — | 1,348,467 |
| Tobacco | — | 2,266,963 | — | 2,266,963 |
| Trading Companies & Distributors | — | 83,015 | — | 83,015 |
| Wireless Telecommunication Services | — | 2,953,747 | — | 2,953,747 |
| Floating Rate Loan Interests | | | | |
| Building Products | — | 33,264 | — | 33,264 |
| Chemicals | — | 458,245 | — | 458,245 |
| Commercial Services & Supplies | — | 133,888 | — | 133,888 |
| Consumer Finance | — | — | 399 | 399 |
| Containers & Packaging | — | — | 24,415 | 24,415 |
| Diversified Telecommunication Services | — | 261,817 | — | 261,817 |
| Food Products | — | 173,919 | — | 173,919 |
| Health Care Providers & Services | — | 43,733 | 145,764 | 189,497 |
| Hotels, Restaurants & Leisure | — | 702,617 | — | 702,617 |
| Household Durables | — | 64,024 | — | 64,024 |
| Internet & Direct Marketing Retail | — | — | 60,152 | 60,152 |
| IT Services | — | 147,318 | — | 147,318 |
| Media | — | 222,551 | — | 222,551 |
| Specialty Retail | — | 125,113 | — | 125,113 |
| Thrifts & Mortgage Finance | — | — | 606,950 | 606,950 |
| Foreign Agency Obligations | — | 940,048 | — | 940,048 |
| Foreign Government Obligations | — | 5,433,086 | — | 5,433,086 |
| Municipal Bonds | — | 4,122,247 | — | 4,122,247 |
| Non-Agency Mortgage-Backed Securities | — | 8,316,909 | 799,764 | 9,116,673 |
| Other Interests | — | — | — | — |
| Capital Trusts | — | 1,531,087 | — | 1,531,087 |
| U.S. Government Sponsored Agency Securities | — | 255,515,410 | — | 255,515,410 |
| U.S. Treasury Obligations | — | 106,666,466 | — | 106,666,466 |
| Short-Term Securities | | | | |
| Money Market Funds | 122,525,407 | — | — | 122,525,407 |
| Options Purchased | | | | |
| Foreign currency exchange contracts | — | 83,677 | — | 83,677 |
| Interest rate contracts | 1,624 | 1,818,929 | — | 1,820,553 |
| Liabilities | | | | |
| Investments | | | | |
| TBA Sale Commitments | — | (44,295,343) | — | (44,295,343) |
| | $ 122,527,031 | $ 540,701,748 | $ 1,692,578 | $ 664,921,357 |
| Investments valued at NAV[a] | | | | 131,261,596 |
| | | | | $ 796,182,953 |
| Derivative Financial Instruments[b] | | | | |
| Assets | | | | |
| Credit contracts | $ — | $ 40,476 | $ — | $ 40,476 |
| Foreign currency exchange contracts | — | 107,237 | — | 107,237 |

**Fair Value Hierarchy as of Period End (continued)**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Interest rate contracts | $ 666,115 | $ 850,571 | $ — | $ 1,516,686 |
| Liabilities | | | | |
| Credit contracts | — | (30,037) | — | (30,037) |
| Foreign currency exchange contracts | — | (89,523) | — | (89,523) |
| Interest rate contracts | (1,047,208) | (4,030,732) | — | (5,077,940) |
| | $ (381,093) | $ (3,152,008) | $ — | $ (3,533,101) |

(a) Certain investments of the Fund were fair valued using NAV as a practical expedient as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

(b) Derivative financial instruments are swaps, futures contracts, forward foreign currency exchange contracts and options written. Swaps, futures contracts and forward foreign currency exchange contracts are valued at the unrealized appreciation (depreciation) on the instrument and options written are shown at value.

*See notes to financial statements.*

# Statement of Assets and Liabilities

December 31, 2022

| | BlackRock Total Return V.I. Fund |
|---|---|
| **ASSETS** | |
| Investments, at value — unaffiliated[a] | $ 586,691,293 |
| Investments, at value — affiliated[b] | 253,787,003 |
| Cash | 439,200 |
| Cash pledged: | |
| Futures contracts | 4,872,050 |
| Centrally cleared swaps | 733,090 |
| Foreign currency, at value[c] | 5,503,458 |
| Receivables: | |
| Investments sold | 1,039,933 |
| TBA sale commitments | 44,711,558 |
| Capital shares sold | 1,665,206 |
| Dividends — affiliated | 976,517 |
| Interest — unaffiliated | 3,265,903 |
| Variation margin on futures contracts | 90,422 |
| Variation margin on centrally cleared swaps | 89,079 |
| Swap premiums paid | 99,615 |
| Unrealized appreciation on: | |
| Forward foreign currency exchange contracts | 107,237 |
| OTC swaps | 78,616 |
| Prepaid expenses | 11,929 |
| Total assets | 904,162,109 |
| **LIABILITIES** | |
| Options written, at value[d] | 3,954,351 |
| TBA sale commitments, at value[e] | 44,295,343 |
| Payables: | |
| Investments purchased | 99,118,247 |
| Capital shares redeemed | 1,154,400 |
| Distribution fees | 114,859 |
| Income dividend distributions | 2,110,883 |
| Investment advisory fees | 251,844 |
| Directors' and Officer's fees | 2,275 |
| Professional fees | 79,613 |
| Variation margin on futures contracts | 770,349 |
| Other accrued expenses | 608,360 |
| Swap premiums received | 43,300 |
| Unrealized depreciation on: | |
| Forward foreign currency exchange contracts | 77,556 |
| OTC swaps | 73,445 |
| Total liabilities | 152,654,825 |
| NET ASSETS | $ 751,507,284 |
| **NET ASSETS CONSIST OF:** | |
| Paid-in capital | $ 895,236,264 |
| Accumulated loss | (143,728,980) |
| NET ASSETS | $ 751,507,284 |
| [a] Investments, at cost — unaffiliated | $ 644,306,885 |
| [b] Investments, at cost — affiliated | $ 266,809,407 |
| [c] Foreign currency, at cost | $ 5,521,094 |
| [d] Premiums received | $ 2,488,659 |
| [e] Proceeds from TBA sale commitments | $ 44,711,558 |

*See notes to financial statements.*

# Statement of Assets and Liabilities (continued)

December 31, 2022

| | BlackRock Total Return V.I. Fund |
|---|---|
| **NET ASSET VALUE** | |
| **Class I** | |
| Net assets | $ 187,262,670 |
| Shares outstanding | 18,626,224 |
| Net asset value | $ 10.05 |
| Shares authorized | 600 million |
| Par value | $ 0.10 |
| **Class III** | |
| Net assets | $ 564,244,614 |
| Shares outstanding | 56,833,430 |
| Net asset value | $ 9.93 |
| Shares authorized | 100 million |
| Par value | $ 0.10 |

*See notes to financial statements.*

# Statement of Operations

Year Ended December 31, 2022

| | BlackRock Total Return V.I. Fund |
|---|---|
| **INVESTMENT INCOME** | |
| Dividends — affiliated | $ 6,844,507 |
| Interest — unaffiliated | 15,340,140 |
| Total investment income | 22,184,647 |
| EXPENSES | |
| Investment advisory | 3,132,784 |
| Distribution — class specific | 1,450,513 |
| Transfer agent — class specific | 1,165,100 |
| Accounting services | 180,712 |
| Printing and postage | 110,309 |
| Professional | 95,463 |
| Custodian | 49,192 |
| Directors and Officer | 13,767 |
| Transfer agent | 7,803 |
| Miscellaneous | 67,583 |
| Total expenses excluding interest expense | 6,273,226 |
| Interest expense | 21,623 |
| Total expenses | 6,294,849 |
| Less: | |
| Transfer agent fees reimbursed by the Manager — class specific | (817,061) |
| Fees waived and/or reimbursed by the Manager | (63,648) |
| Total expenses after fees waived and/or reimbursed | 5,414,140 |
| Net investment income | 16,770,507 |
| **REALIZED AND UNREALIZED GAIN (LOSS)** | |
| Net realized gain (loss) from: | |
| Investments — unaffiliated | (48,202,111) |
| Forward foreign currency exchange contracts | 1,206,098 |
| Foreign currency transactions | (180,955) |
| Futures contracts | (19,193,174) |
| Options written | (1,028,428) |
| Swaps | (3,515,616) |
| | (70,914,186) |
| Net change in unrealized appreciation (depreciation) on: | |
| Investments — unaffiliated | (55,813,385) |
| Investments — affiliated | (12,535,411) |
| Forward foreign currency exchange contracts | (49,719) |
| Foreign currency translations | (183,573) |
| Futures contracts | (894,552) |
| Options written | (1,406,049) |
| Swaps | 1,161,664 |
| Unfunded floating rate loan interests | 16 |
| | (69,721,009) |
| Net realized and unrealized loss | (140,635,195) |
| NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS | $ (123,864,688) |

*See notes to financial statements.*

# Statements of Changes in Net Assets

| | BlackRock Total Return V.I. Fund | |
|---|---|---|
| | Year Ended 12/31/22 | Year Ended 12/31/21 |
| *INCREASE (DECREASE) IN NET ASSETS* | | |
| **OPERATIONS** | | |
| Net investment income | $ 16,770,507 | $ 9,800,052 |
| Net realized gain (loss) | (70,914,186) | 1,480,640 |
| Net change in unrealized appreciation (depreciation) | (69,721,009) | (23,096,115) |
| Net decrease in net assets resulting from operations | (123,864,688) | (11,815,423) |
| **DISTRIBUTIONS TO SHAREHOLDERS[a]** | | |
| Class I | (4,788,015) | (4,817,382) |
| Class III | (12,018,905) | (9,763,495) |
| Decrease in net assets resulting from distributions to shareholders | (16,806,920) | (14,580,877) |
| **CAPITAL SHARE TRANSACTIONS** | | |
| Net increase in net assets derived from capital share transactions | 44,918,168 | 152,884,173 |
| *NET ASSETS* | | |
| Total increase (decrease) in net assets | (95,753,440) | 126,487,873 |
| Beginning of year | 847,260,724 | 720,772,851 |
| End of year | $ 751,507,284 | $ 847,260,724 |

[a] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

*See notes to financial statements.*

# Financial Highlights

(For a share outstanding throughout each period)

| | BlackRock Total Return V.I. Fund | | | | |
|---|---|---|---|---|---|
| | Class I | | | | |
| | Year Ended 12/31/22 | Year Ended 12/31/21 | Year Ended 12/31/20 | Year Ended 12/31/19 | Year Ended 12/31/18 |
| **Net asset value, beginning of year** | $ 11.98 | $ 12.40 | $ 12.22 | $ 11.53 | $ 11.91 |
| Net investment income[a] | 0.25 | 0.17 | 0.25 | 0.35 | 0.33 |
| Net realized and unrealized gain (loss) | (1.93) | (0.35) | 0.82 | 0.73 | (0.39) |
| Net increase (decrease) from investment operations | (1.68) | (0.18) | 1.07 | 1.08 | (0.06) |
| **Distributions[b]** | | | | | |
| From net investment income | (0.25) | (0.17) | (0.29) | (0.35) | (0.32) |
| From net realized gain | (0.00)[c] | (0.07) | (0.60) | (0.04) | — |
| Total distributions | (0.25) | (0.24) | (0.89) | (0.39) | (0.32) |
| **Net asset value, end of year** | $ 10.05 | $ 11.98 | $ 12.40 | $ 12.22 | $ 11.53 |
| **Total Return[d]** | | | | | |
| Based on net asset value | (14.06)% | (1.42)% | 8.88% | 9.49% | (0.46)% |
| **Ratios to Average Net Assets[e]** | | | | | |
| Total expenses | 0.65% | 0.65% | 0.69% | 0.74% | 0.85%[f] |
| Total expenses after fees waived and/or reimbursed | 0.46% | 0.47% | 0.51% | 0.54% | 0.58%[f] |
| Total expenses after fees waived and/or reimbursed and excluding interest expense | 0.46% | 0.47% | 0.51% | 0.52% | 0.55% |
| Net investment income | 2.36% | 1.44% | 1.98% | 2.90% | 2.84% |
| **Supplemental Data** | | | | | |
| Net assets, end of year (000) | $ 187,263 | $ 232,294 | $ 250,444 | $ 245,548 | $ 246,390 |
| Portfolio turnover rate[g] | 488% | 647% | 674% | 536% | 488% |

[a] Based on average shares outstanding.

[b] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

[c] Amount is greater than $(0.005) per share.

[d] Where applicable, excludes insurance-related fees and expenses and assumes the reinvestment of distributions.

[e] Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

[f] Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.82% and 0.57%, respectively.

[g] Includes mortgage dollar roll transactions ("MDRs"). Additional information regarding portfolio turnover rate is as follows:

| | Year Ended 12/31/22 | Year Ended 12/31/21 | Year Ended 12/31/20 | Year Ended 12/31/19 | Year Ended 12/31/18 |
|---|---|---|---|---|---|
| Portfolio turnover rate (excluding MDRs) | 283% | 334% | 399% | 326% | 310% |

*See notes to financial statements.*

# Financial Highlights (continued)

(For a share outstanding throughout each period)

| | BlackRock Total Return V.I. Fund | | | | |
|---|---|---|---|---|---|
| | Class III | | | | |
| | Year Ended 12/31/22 | Year Ended 12/31/21 | Year Ended 12/31/20 | Year Ended 12/31/19 | Year Ended 12/31/18 |
| **Net asset value, beginning of year** | $ 11.83 | $ 12.24 | $ 12.07 | $ 11.40 | $ 11.76 |
| Net investment income[a] | 0.22 | 0.13 | 0.21 | 0.31 | 0.29 |
| Net realized and unrealized gain (loss) | (1.90) | (0.34) | 0.81 | 0.71 | (0.37) |
| Net increase (decrease) from investment operations | (1.68) | (0.21) | 1.02 | 1.02 | (0.08) |
| **Distributions[b]** | | | | | |
| From net investment income | (0.22) | (0.13) | (0.25) | (0.31) | (0.28) |
| From net realized gain | (0.00)[c] | (0.07) | (0.60) | (0.04) | — |
| Total distributions | (0.22) | (0.20) | (0.85) | (0.35) | (0.28) |
| **Net asset value, end of year** | $ 9.93 | $ 11.83 | $ 12.24 | $ 12.07 | $ 11.40 |
| **Total Return[d]** | | | | | |
| Based on net asset value | (14.28)% | (1.69)% | 8.54% | 9.05% | (0.63)% |
| **Ratios to Average Net Assets[e]** | | | | | |
| Total expenses | 0.86% | 0.87% | 0.92% | 0.97% | 1.06%[f] |
| Total expenses after fees waived and/or reimbursed | 0.77% | 0.78% | 0.82% | 0.85% | 0.89%[f] |
| Total expenses after fees waived and/or reimbursed and excluding interest expense | 0.77% | 0.78% | 0.82% | 0.83% | 0.86% |
| Net investment income | 2.07% | 1.12% | 1.67% | 2.58% | 2.54% |
| **Supplemental Data** | | | | | |
| Net assets, end of year (000) | $ 564,245 | $ 614,967 | $ 470,328 | $ 385,784 | $ 318,595 |
| Portfolio turnover rate[g] | 488% | 647% | 674% | 536% | 488% |

[a] Based on average shares outstanding.

[b] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

[c] Amount is greater than $(0.005) per share.

[d] Where applicable, excludes insurance-related fees and expenses and assumes the reinvestment of distributions.

[e] Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

[f] Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 1.03% and 0.88%, respectively.

[g] Includes mortgage dollar roll transactions ("MDRs"). Additional information regarding portfolio turnover rate is as follows:

| | Year Ended 12/31/22 | Year Ended 12/31/21 | Year Ended 12/31/20 | Year Ended 12/31/19 | Year Ended 12/31/18 |
|---|---|---|---|---|---|
| Portfolio turnover rate (excluding MDRs) | 283% | 334% | 399% | 326% | 310% |

*See notes to financial statements.*

## *1. ORGANIZATION*

BlackRock Variable Series Funds II, Inc. (the "Company") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Company is organized as a Maryland corporation that is comprised of 3 separate funds. The funds offer shares to insurance companies for their separate accounts to fund benefits under certain variable annuity and variable life insurance contracts. The financial statements presented are for BlackRock Total Return V.I. Fund (the "Fund"). The Fund is classified as diversified. The Fund offers multiple classes of shares. Class I and Class III Shares have equal voting, dividend, liquidation and other rights, except that only shares of the respective classes are entitled to vote on matters concerning only that class. In addition, Class III Shares bear certain expenses related to the distribution of such shares.

The Fund, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the "Manager") or its affiliates, is included in a complex of funds referred to as the BlackRock Fixed-Income Complex.

## *2. SIGNIFICANT ACCOUNTING POLICIES*

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

**Investment Transactions and Income Recognition:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend dates. Non-cash dividends, if any, are recorded on the ex-dividend dates at fair value. Dividends from foreign securities where the ex-dividend dates may have passed are subsequently recorded when the Fund is informed of the ex-dividend dates. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Interest income, including amortization and accretion of premiums and discounts on debt securities and payment-in-kind interest, is recognized daily on an accrual basis. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

**Foreign Currency Translation:** The Fund's books and records are maintained in U.S. dollars. Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates determined as of the close of trading on the New York Stock Exchange ("NYSE"). Purchases and sales of investments are recorded at the rates of exchange prevailing on the respective dates of such transactions. Generally, when the U.S. dollar rises in value against a foreign currency, the investments denominated in that currency will lose value; the opposite effect occurs if the U.S. dollar falls in relative value.

The Fund does not isolate the effect of fluctuations in foreign exchange rates from the effect of fluctuations in the market prices of investments for financial reporting purposes. Accordingly, the effects of changes in exchange rates on investments are not segregated in the Statement of Operations from the effects of changes in market prices of those investments, but are included as a component of net realized and unrealized gain (loss) from investments. The Fund reports realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for U.S. federal income tax purposes.

**Collateralization:** If required by an exchange or counterparty agreement, the Fund may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments.

**Distributions:** Distributions from net investment income are declared daily and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates and made at least annually. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP.

**Deferred Compensation Plan:** Under the Deferred Compensation Plan (the "Plan") approved by the Board of Directors of the Company (the "Board"), the directors who are not "interested persons" of the Fund, as defined in the 1940 Act ("Independent Directors"), may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain funds in the BlackRock Fixed-Income Complex selected by the Independent Directors. This has the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in certain funds in the BlackRock Fixed-Income Complex.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of the Fund, as applicable. Deferred compensation liabilities, if any, are included in the Directors' and Officer's fees payable in the Statement of Assets and Liabilities and will remain as a liability of the Fund until such amounts are distributed in accordance with the Plan. Net appreciation (depreciation) in the value of participants' deferral accounts is allocated among the participating funds in the BlackRock Fixed-Income Complex and reflected as Trustee and Officer expense on the Statement of Operations. The Trustee and Officer expense may be negative as a result of a decrease in value of the deferred accounts.

**Indemnifications:** In the normal course of business, the Fund enters into contracts that contain a variety of representations that provide general indemnification. The Fund's maximum exposure under these arrangements is unknown because it involves future potential claims against the Fund, which cannot be predicted with any certainty.

**Other:** Expenses directly related to the Fund or its classes are charged to the Fund or the applicable class. Expenses directly related to the Fund and other shared expenses prorated to the Fund are allocated daily to each class based on its relative net assets or other appropriate methods. Other operating expenses shared by several funds, including other funds managed by the Manager, are prorated among those funds on the basis of relative net assets or other appropriate methods.

## *3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS*

**Investment Valuation Policies:** The Fund's investments are valued at fair value (also referred to as "market value" within the financial statements) each day that the Fund is open for business and, for financial reporting purposes, as of the report date. U.S. GAAP defines fair value as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Board has approved the designation of the Fund's Manager as the valuation designee for the Fund. The Fund determines the fair values of its financial instruments using various independent dealers or pricing services under the Manager's policies. If a security's market price is not readily available or does not otherwise accurately represent the fair value of the security, the security will be valued in accordance with the Manager's policies and procedures as reflecting fair value. The Manager has formed a committee (the "Valuation Committee") to develop pricing policies and procedures and to oversee the pricing function for all financial instruments, with assistance from other BlackRock pricing committees.

**Fair Value Inputs and Methodologies:** The following methods and inputs are used to establish the fair value of the Fund's assets and liabilities:

- Equity investments traded on a recognized securities exchange are valued at that day's official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.
- Fixed-income investments for which market quotations are readily available are generally valued using the last available bid price or current market quotations provided by independent dealers or third-party pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more independent brokers or dealers as obtained from a third-party pricing service.Pricing services generally value fixed-income securities assuming orderly transactions of an institutional round lot size, but a fund may hold or transact in such securities in smaller, odd lot sizes. Odd lots may trade at lower prices than institutional round lots. The pricing services may use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values, including transaction data (e.g., recent representative bids and offers), market data, credit quality information, perceived market movements, news, and other relevant information. Certain fixed-income securities, including asset-backed and mortgage related securities may be valued based on valuation models that consider the estimated cash flows of each tranche of the entity, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. The amortized cost method of valuation may be used with respect to debt obligations with sixty days or less remaining to maturity unless the Manager determines such method does not represent fair value.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").
- Futures contracts are valued based on that day's last reported settlement or trade price on the exchange where the contract is traded.
- Forward foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of trading on the NYSE based on that day's prevailing forward exchange rate for the underlying currencies.
- Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter ("OTC") options and options on swaps ("swaptions") are valued by an independent pricing service using a mathematical model, which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.
- Swap agreements are valued utilizing quotes received daily by independent pricing services or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of trading on the NYSE. Each business day, the Fund uses current market factors supplied by independent pricing services to value certain foreign instruments ("Systematic Fair Value Price"). The Systematic Fair Value Price is designed to value such foreign securities at fair value as of the close of trading on the NYSE, which follows the close of the local markets.

If events (e.g., market volatility, company announcement or a natural disaster) occur that are expected to materially affect the value of such investment, or in the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Valuation Committee in accordance with the Manager's policies and procedures as reflecting fair value ("Fair Valued Investments"). The fair valuation approaches that may be used by the Valuation Committee include market approach, income approach and cost approach. Valuation techniques such as discounted cash flow, use of market comparables and matrix pricing are types of valuation approaches and are typically used in determining fair value. When determining the price for Fair Valued Investments, the Valuation Committee seeks to determine the price that the Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Valuation Committee deems relevant and consistent with the principles of fair value measurement.

For investments in equity or debt issued by privately held companies or funds ("Private Company" or collectively, the "Private Companies") and other Fair Valued Investments, the fair valuation approaches that are used by the Valuation Committee and third-party pricing services utilized by the Valuation Committee include one or a combination of, but not limited to, the following inputs.

| | *Standard Inputs Generally Considered By The Valuation Committee And Third-Party Pricing Services* | |
|---|---|---|
| Market approach | (i) | recent market transactions, including subsequent rounds of financing, in the underlying investment or comparable issuers; |
| | (ii) | recapitalizations and other transactions across the capital structure; and |
| | (iii) | market multiples of comparable issuers. |
| Income approach | (i) | future cash flows discounted to present and adjusted as appropriate for liquidity, credit, and/or market risks; |
| | (ii) | quoted prices for similar investments or assets in active markets; and |
| | (iii) | other risk factors, such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. |
| Cost approach | (i) | audited or unaudited financial statements, investor communications and financial or operational metrics issued by the Private Company; |
| | (ii) | changes in the valuation of relevant indices or publicly traded companies comparable to the Private Company; |
| | (iii) | relevant news and other public sources; and |
| | (iv) | known secondary market transactions in the Private Company's interests and merger or acquisition activity in companies comparable to the Private Company. |

Investments in series of preferred stock issued by Private Companies are typically valued utilizing market approach in determining the enterprise value of the company. Such investments often contain rights and preferences that differ from other series of preferred and common stock of the same issuer. Enterprise valuation techniques such as an option pricing model ("OPM"), a probability weighted expected return model ("PWERM"), current value method or a hybrid of those techniques are used as deemed appropriate under the circumstances. The use of these valuation techniques involve a determination of the exit scenarios of the investment in order to appropriately allocate the enterprise value of the company among the various parts of its capital structure.

The Private Companies are not subject to the public company disclosure, timing, and reporting standards applicable to other investments held by the Fund. Typically, the most recently available information by a Private Company is as of a date that is earlier than the date the Fund is calculating its NAV. This factor may result in a difference between the value of the investment and the price the Fund could receive upon the sale of the investment.

**Fair Value Hierarchy:** Various inputs are used in determining the fair value of financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

- Level 1 — Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access;
- Level 2 — Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market–corroborated inputs); and
- Level 3 — Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Valuation Committee's assumptions used in determining the fair value of financial instruments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by Private Companies that may not have a secondary market and/or may have a limited number of investors. The categorization of a value determined for financial instruments is based on the pricing transparency of the financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

As of December 31, 2022, certain investments of the Fund were fair valued using NAV as a practical expedient as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

## *4. SECURITIES AND OTHER INVESTMENTS*

**Asset-Backed and Mortgage-Backed Securities:** Asset-backed securities are generally issued as pass-through certificates or as debt instruments. Asset-backed securities issued as pass-through certificates represent undivided fractional ownership interests in an underlying pool of assets. Asset-backed securities issued as debt instruments, which are also known as collateralized obligations, are typically issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security will have the effect of shortening the maturity of the security. In addition, a fund may subsequently have to reinvest the proceeds at lower interest rates. If a fund has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

For mortgage pass-through securities (the "Mortgage Assets") there are a number of important differences among the agencies and instrumentalities of the U.S. Government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to

the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States, but are supported by the right of the issuer to borrow from the U.S. Treasury.

Non-agency mortgage-backed securities are securities issued by non-governmental issuers and have no direct or indirect government guarantees of payment and are subject to various risks. Non-agency mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity. The ability of a borrower to repay a loan is dependent upon the income or assets of the borrower. A number of factors, including a general economic downturn, acts of God, terrorism, social unrest and civil disturbances, may impair a borrower's ability to repay its loans.

**Collateralized Debt Obligations:** Collateralized debt obligations ("CDOs"), including collateralized bond obligations ("CBOs") and collateralized loan obligations ("CLOs"), are types of asset-backed securities. A CDO is an entity that is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called "tranches," which will vary in risk profile and yield. The riskiest segment is the subordinated or "equity" tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a "senior" tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

**Inflation-Indexed Bonds:** Inflation-indexed bonds (other than municipal inflation-indexed and certain corporate inflation-indexed bonds) are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation. If the index measuring inflation rises or falls, the principal value of inflation-indexed bonds (other than municipal inflation-indexed and certain corporate inflation-indexed bonds) will be adjusted upward or downward, and consequently the interest payable on these securities (calculated with respect to a larger or smaller principal amount) will be increased or reduced, respectively. Any upward or downward adjustment in the principal amount of an inflation-indexed bond is included as interest income in the Statement of Operations, even though investors do not receive their principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal. With regard to municipal inflation-indexed bonds and certain corporate inflation-indexed bonds, the inflation adjustment is typically reflected in the semi-annual coupon payment. As a result, the principal value of municipal inflation-indexed bonds and such corporate inflation-indexed bonds does not adjust according to the rate of inflation.

**Multiple Class Pass-Through Securities:** Multiple class pass-through securities, including collateralized mortgage obligations ("CMOs") and commercial mortgage-backed securities, may be issued by Ginnie Mae, U.S. Government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by a pool of residential or commercial mortgage loans or Mortgage Assets. The payments on these are used to make payments on the CMOs or multiple pass-through securities. Multiple class pass-through securities represent direct ownership interests in the Mortgage Assets. Classes of CMOs include interest only ("IOs"), principal only ("POs"), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated prepayments of principal, a fund's initial investment in the IOs may not fully recoup.

**Stripped Mortgage-Backed Securities:** Stripped mortgage-backed securities are typically issued by the U.S. Government, its agencies and instrumentalities. Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest (IOs) and principal (POs) distributions on a pool of Mortgage Assets. Stripped mortgage-backed securities may be privately issued.

**Zero-Coupon Bonds:** Zero-coupon bonds are normally issued at a significant discount from face value and do not provide for periodic interest payments. These bonds may experience greater volatility in market value than other debt obligations of similar maturity which provide for regular interest payments.

**Capital Securities and Trust Preferred Securities:** Capital securities, including trust preferred securities, are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics. In the case of trust preferred securities, an affiliated business trust of a corporation issues these securities, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured with either a fixed or adjustable coupon that can have either a perpetual or stated maturity date. For trust preferred securities, the issuing bank or corporation pays interest to the trust, which is then distributed to holders of these securities as a dividend. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. These securities generally are rated below that of the issuing company's senior debt securities and are freely callable at the issuer's option.

**Preferred Stocks:** Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well), but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

**Floating Rate Loan Interests:** Floating rate loan interests are typically issued to companies (the "borrower") by banks, other financial institutions, or privately and publicly offered corporations (the "lender"). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged or in bankruptcy proceedings. In addition, transactions in floating rate loan interests may settle on a delayed basis, which may result in proceeds from the sale not being readily available for a fund to make additional investments or meet its redemption obligations. Floating rate loan interests may

include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. Since the rates reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the NAV of a fund to the extent that it invests in floating rate loan interests. The base lending rates are generally the lending rate offered by one or more European banks, such as the London Interbank Offered Rate ("LIBOR"), the prime rate offered by one or more U.S. banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. These investments are treated as investments in debt securities for purposes of a fund's investment policies.

When a fund purchases a floating rate loan interest, it may receive a facility fee and when it sells a floating rate loan interest, it may pay a facility fee. On an ongoing basis, a fund may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by a fund upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. A fund may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower's option. A fund may invest in such loans in the form of participations in loans ("Participations") or assignments ("Assignments") of all or a portion of loans from third parties. Participations typically will result in a fund having a contractual relationship only with the lender, not with the borrower. A fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, a fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower. A fund may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, a fund assumes the credit risk of both the borrower and the lender that is selling the Participation. A fund's investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, a fund may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in a fund having a direct contractual relationship with the borrower, and a fund may enforce compliance by the borrower with the terms of the loan agreement.

**Forward Commitments, When-Issued and Delayed Delivery Securities**: The Fund may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Fund may purchase securities under such conditions with the intention of actually acquiring them but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Fund may be required to pay more at settlement than the security is worth. In addition, the fund is not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Fund's maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions.

**TBA Commitments:** TBA commitments 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. When entering into TBA commitments, a fund may take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date, if there are expenses or delays in connection with the TBA transactions, or if the counterparty fails to complete the transaction.

In order to better define contractual rights and to secure rights that will help a fund mitigate its counterparty risk, TBA commitments may be entered into by a fund under Master Securities Forward Transaction Agreements (each, an "MSFTA"). An MSFTA typically contains, among other things, collateral posting terms and netting provisions in the event of default and/or termination event. The collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of the collateral currently pledged by a fund and the counterparty. Cash collateral that has been pledged to cover the obligations of a fund and cash collateral received from the counterparty, if any, is reported separately in the Statement of Assets and Liabilities as cash pledged as collateral for TBA commitments or cash received as collateral for TBA commitments, respectively. Non-cash collateral pledged by a fund, if any, is noted in the Schedule of Investments. Typically, a fund is permitted to sell, re-pledge or use the collateral it receives; however, the counterparty is not permitted to do so. To the extent amounts due to a fund are not fully collateralized, contractually or otherwise, a fund bears the risk of loss from counterparty non-performance.

**Mortgage Dollar Roll Transactions**: The Fund may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (i.e., same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, a fund is not entitled to receive interest and principal payments on the securities sold. Mortgage dollar roll transactions are treated as purchases and sales and a fund realizes gains and losses on these transactions. Mortgage dollar rolls involve the risk that the market value of the securities that a fund is required to purchase may decline below the agreed upon repurchase price of those securities.

## *5. DERIVATIVE FINANCIAL INSTRUMENTS*

The Fund engages in various portfolio investment strategies using derivative contracts both to increase the returns of the Fund and/or to manage its exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk, commodity price risk or other risks (e.g., inflation risk). Derivative financial instruments categorized by risk exposure are included in the Schedule of Investments. These contracts may be transacted on an exchange or OTC.

**Futures Contracts:** Futures contracts are purchased or sold to gain exposure to, or manage exposure to, changes in interest rates (interest rate risk) and changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk).

Futures contracts are exchange-traded agreements between the Fund and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and on a specified date. Depending on the terms of a contract, it is settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash amount on the settlement date. Upon entering into a futures contract, the Fund is required to deposit initial margin with the broker in the form of cash or securities in

an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Amounts pledged, which are considered restricted, are included in cash pledged for futures contracts in the Statement of Assets and Liabilities.

Securities deposited as initial margin are designated in the Schedule of Investments and cash deposited, if any, are shown as cash pledged for futures contracts in the Statement of Assets and Liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract ("variation margin"). Variation margin is recorded as unrealized appreciation (depreciation) and, if any, shown as variation margin receivable (or payable) on futures contracts in the Statement of Assets and Liabilities. When the contract is closed, a realized gain or loss is recorded in the Statement of Operations equal to the difference between the notional amount of the contract at the time it was opened and the notional amount at the time it was closed. The use of futures contracts involves the risk of an imperfect correlation in the movements in the price of futures contracts and interest rates, foreign currency exchange rates or underlying assets.

**Forward Foreign Currency Exchange Contracts**: Forward foreign currency exchange contracts are entered into to gain or reduce exposure to foreign currencies (foreign currency exchange rate risk).

A forward foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a specified date. These contracts help to manage the overall exposure to the currencies in which some of the investments held by the Fund are denominated and in some cases, may be used to obtain exposure to a particular market. The contracts are traded OTC and not on an organized exchange.

The contract is marked-to-market daily and the change in market value is recorded as unrealized appreciation (depreciation) in the Statement of Assets and Liabilities. When a contract is closed, a realized gain or loss is recorded in the Statement of Operations equal to the difference between the value at the time it was opened and the value at the time it was closed. Non-deliverable forward foreign currency exchange contracts are settled with the counterparty in cash without the delivery of foreign currency. The use of forward foreign currency exchange contracts involves the risk that the value of a forward foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies, and such value may exceed the amount(s) reflected in the Statement of Assets and Liabilities. Cash amounts pledged for forward foreign currency exchange contracts are considered restricted and are included in cash pledged as collateral for OTC derivatives in the Statement of Assets and Liabilities. A Fund's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund.

**Options:** The Fund may purchase and write call and put options to increase or decrease its exposure to the risks of underlying instruments, including equity risk, interest rate risk and/or commodity price risk and/or, in the case of options written, to generate gains from options premiums.

A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised) the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period.

Premiums paid on options purchased and premiums received on options written, as well as the daily fluctuation in market value, are included in investments at value – unaffiliated and options written at value, respectively, in the Statement of Assets and Liabilities. When an instrument is purchased or sold through the exercise of an option, the premium is offset against the cost or proceeds of the underlying instrument. When an option expires, a realized gain or loss is recorded in the Statement of Operations to the extent of the premiums received or paid. When an option is closed or sold, a gain or loss is recorded in the Statement of Operations to the extent the cost of the closing transaction exceeds the premiums received or paid. When the Fund writes a call option, such option is typically "covered," meaning that it holds the underlying instrument subject to being called by the option counterparty. When the Fund writes a put option, cash is segregated in an amount sufficient to cover the obligation. These amounts, which are considered restricted, are included in cash pledged as collateral for options written in the Statement of Assets and Liabilities.

- Swaptions – The Fund may purchase and write options on swaps ("swaptions") primarily to preserve a return or spread on a particular investment or portion of the Fund's holdings, as a duration management technique or to protect against an increase in the price of securities it anticipates purchasing at a later date. The purchaser and writer of a swaption is buying or granting the right to enter into a previously agreed upon interest rate or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

- Foreign currency options – The Fund may purchase and write foreign currency options, foreign currency futures and options on foreign currency futures to gain or reduce exposure to foreign currencies (foreign currency exchange rate risk). Foreign currency options give the purchaser the right to buy from or sell to the writer a foreign currency at any time before the expiration of the option.

- Barrier options – The Fund may purchase and write a variety of options with non-standard payout structures or other features ("barrier options") that are generally traded OTC.

  The Fund may invest in various types of barrier options, including down-and-out options, down-and-in options, double no-touch options, one-touch options, instant one-touch options, up-and-out options and up-and-in options. Down-and-out options expire worthless to the purchaser if the price of the underlying instrument falls below a specific barrier price level prior to the expiration date. Down-and-in options expire worthless to the purchaser unless the price of the underlying instrument falls below a specific barrier price level prior to the expiration date. Double no-touch options provide the purchaser an agreed-upon payout if the price of the underlying instrument does not reach or surpass predetermined barrier price levels prior to the option's expiration date. One-touch options and instant one-touch options provide the purchaser an agreed-upon payout if the price of the underlying instrument reaches or surpasses predetermined barrier price levels prior to the expiration date. Up-and-out options expire worthless to the purchaser if the price of the underlying instrument increases beyond a predetermined barrier price level prior to the expiration date. Up-and-in options can only be exercised when the price of the underlying instrument increases beyond a predetermined barrier price level.

In purchasing and writing options, the Fund bears the risk of an unfavorable change in the value of the underlying instrument or the risk that it may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Fund purchasing or selling a security when it otherwise would not, or at a price different from the current market value.

**Swaps:** Swap contracts are entered into to manage exposure to issuers, markets and securities. Such contracts are agreements between the Fund and a counterparty to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract ("OTC swaps") or centrally cleared ("centrally cleared swaps").

For OTC swaps, any upfront premiums paid and any upfront fees received are shown as swap premiums paid and swap premiums received, respectively, in the Statement of Assets and Liabilities and amortized over the term of the contract. The daily fluctuation in market value is recorded as unrealized appreciation (depreciation) on OTC Swaps in the Statement of Assets and Liabilities. Payments received or paid are recorded in the Statement of Operations as realized gains or losses, respectively. When an OTC swap is terminated, a realized gain or loss is recorded in the Statement of Operations equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any. Generally, the basis of the contract is the premium received or paid.

In a centrally cleared swap, immediately following execution of the swap contract, the swap contract is novated to a central counterparty (the "CCP") and the CCP becomes the Fund's counterparty on the swap. The Fund is required to interface with the CCP through the broker. Upon entering into a centrally cleared swap, the Fund is required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on the size and risk profile of the particular swap. Securities deposited as initial margin are designated in the Schedule of Investments and cash deposited is shown as cash pledged for centrally cleared swaps in the Statement of Assets and Liabilities. Amounts pledged, which are considered restricted cash, are included in cash pledged for centrally cleared swaps in the Statement of Assets and Liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker variation margin. Variation margin is recorded as unrealized appreciation (depreciation) and shown as variation margin receivable (or payable) on centrally cleared swaps in the Statement of Assets and Liabilities. Payments received from (paid to) the counterparty are amortized over the term of the contract and recorded as realized gains (losses) in the Statement of Operations, including those at termination.

- Credit default swaps — Credit default swaps are entered into to manage exposure to the market or certain sectors of the market, to reduce risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which a fund is not otherwise exposed (credit risk).

  The Fund may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps are agreements in which the protection buyer pays fixed periodic payments to the seller in consideration for a promise from the protection seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation acceleration, repudiation, moratorium or restructuring). As a buyer, if an underlying credit event occurs, the Fund will either (i) receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index, or (ii) receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Fund will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index.

- Interest rate swaps — Interest rate swaps are entered into to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate (interest rate risk).

  Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating, in exchange for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. In more complex interest rate swaps, the notional principal amount may decline (or amortize) over time.

- Forward swaps — The Fund may enter into forward interest rate swaps and forward total return swaps. In a forward swap, the Fund and the counterparty agree to make periodic net payments beginning on a specified date or a net payment at termination.

- Inflation swaps — Inflation swaps are entered into to gain or reduce exposure to inflation (inflation risk). In an inflation swap, one party makes fixed interest payments on a notional principal amount in exchange for another party's variable payments based on an inflation index, such as the Consumer Price Index.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risks in excess of the amounts recognized in the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

**Master Netting Arrangements:** In order to define its contractual rights and to secure rights that will help it mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its counterparties. An ISDA Master Agreement is a bilateral agreement between a Fund and a counterparty that governs certain OTC derivatives 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, a Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

**Collateral Requirements:** For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Fund and the counterparty.

Cash collateral that has been pledged to cover obligations of the Fund and cash collateral received from the counterparty, if any, is reported separately in the Statement of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Fund, if any, is noted in the Schedule of Investments. Generally, the amount of collateral due from or to a counterparty is subject to a certain minimum transfer amount threshold before a transfer is required, which is determined at the close of business of the Fund. Any additional required collateral is delivered to/pledged by the Fund on the next business day. Typically, the counterparty is not permitted to sell, re-pledge or use cash and non-cash collateral it receives. The Fund generally agrees not to use non-cash collateral that it receives but may, absent

default or certain other circumstances defined in the underlying ISDA Master Agreement, be permitted to use cash collateral received. In such cases, interest may be paid pursuant to the collateral arrangement with the counterparty. To the extent amounts due to the Fund from the counterparties are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance. Likewise, to the extent the Fund has delivered collateral to a counterparty and stands ready to perform under the terms of its agreement with such counterparty, the Fund bears the risk of loss from a counterparty in the amount of the value of the collateral in the event the counterparty fails to return such collateral. Based on the terms of agreements, collateral may not be required for all derivative contracts.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements, if any, in the Statement of Assets and Liabilities.

## 6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

**Investment Advisory:** The Company, on behalf of the Fund, entered into an Investment Advisory Agreement with the Manager, the Fund's investment adviser and an indirect, wholly-owned subsidiary of BlackRock, Inc. ("BlackRock"), to provide investment advisory and administrative services. The Manager is responsible for the management of the Fund's portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of the Fund.

For such services, the Fund pays the Manager a monthly fee based on a percentage of the aggregate average daily net assets of the Fund and BlackRock High Yield V.I. Fund, a series of the Company, at the following annual rates:

| *Average Daily Net Assets* | *Investment Advisory Fees* |
|---|---|
| First $250 million | 0.50% |
| $250 million- $500 million | 0.45 |
| $500 million- $750 million | 0.40 |
| Greater than $750 million | 0.35 |

For the year ended December 31, 2022, the aggregate average daily net assets of the Fund and BlackRock High Yield V.I. Fund were approximately $1,495,058,262.

The Manager entered into separate sub-advisory agreements with BlackRock International Limited ("BIL") and BlackRock (Singapore) Limited ("BSL") (collectively, the "Sub-Advisers"), each an affiliate of the Manager. The Manager pays BIL and BSL for services they provide for that portion of the Fund for which BIL and BSL as applicable, acts as sub-adviser, a monthly fee that is equal to a percentage of the investment advisory fees paid by the Fund to the Manager.

**Distribution Fees:** The Company, on behalf of the Fund, entered into a Distribution Agreement and a Distribution Plan with BlackRock Investments, LLC ("BRIL"), an affiliate of the Manager. Pursuant to the Distribution Plan and in accordance with Rule 12b-1 under the 1940 Act, the Fund pays BRIL ongoing distribution fees. The fees are accrued daily and paid monthly at an annual rate of 0.25% based upon the average daily net assets attributable to Class III.

BRIL and broker-dealers, pursuant to sub-agreements with BRIL, provide shareholder distribution services to the Fund. The ongoing distribution fee compensates BRIL and each broker-dealer for providing shareholder distribution related services to shareholders.

For the year ended December 31, 2022, the class specific distribution fees borne directly by Class III were $1,450,513.

**Transfer Agent:** On behalf of the Fund, the Manager entered into agreements with insurance companies and other financial intermediaries ("Service Organizations"), some of which may be affiliates. Pursuant to these agreements, the Service Organizations provide the Fund with administrative, networking, recordkeeping, sub-transfer agency and shareholder services to underlying investor accounts. For these services, the Service Organizations receive an annual fee per shareholder account, which will vary depending on share class and/or net assets of Fund shareholders serviced by the Service Organizations which is shown as transfer agent – class specific in the Statement of Operations. For the year ended December 31, 2022, the Fund did not pay any amounts to affiliates in return for these services.

In addition, the Fund pays the transfer agent, which is not an affiliate, a fee for the issuance, transfer and redemption of shares and the opening and maintenance of shareholder accounts, which is included in transfer agent in the Statement of Operations.

For the year ended December 31, 2022, the following table shows the class specific transfer agent fees borne directly by each share class of the Fund:

| | Class I | Class III | Total |
|---|---|---|---|
| Transfer agent fees - class specific | $ 360,867 | $ 804,233 | $ 1,165,100 |

**Expense Limitations, Waivers and Reimbursements:** The Manager contractually agreed to waive its investment advisory fees by the amount of investment advisory fees the Fund pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver") through June 30, 2023. The contractual agreement may be terminated upon 90 days' notice by a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund. The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitation described below will be reduced by the amount of the affiliated money market fund waiver. This amount is included in fees waived and/or reimbursed by the Manager in the Statement of Operations. For the year ended December 31, 2022, the amount waived was $63,648.

The Manager has contractually agreed to waive its investment advisory fee with respect to any portion of the Fund's assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through June 30, 2023. The contractual agreement may be terminated upon 90 days' notice by a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended December 31, 2022, there were no fees waived by the Manager pursuant to this arrangement.

The Manager has contractually agreed to reimburse certain transfer agent fees in order to limit such expenses to a percentage of average daily net assets as follows:

| | |
|---|---|
| Class I | 0.00% |
| Class III | 0.06 |

The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2023, unless approved by the Board, including a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund. These amounts are included in transfer agent fees reimbursed by the Manager – class specific in the Statement of Operations. For the year ended December 31, 2022, class specific expense reimbursements were as follows:

| *Fund Name/Share Class* | *Transfer Agent Fees Reimbursed by the Manager - Class Specific* |
|---|---|
| **BlackRock Total Return V.I. Fund** | |
| Class I | $ 360,867 |
| Class III | 456,194 |
| | $ 817,061 |

The Manager contractually agreed to waive and/or reimburse fees or expenses in order to limit expenses, excluding interest expense, dividend expense, acquired fund fees and expenses, and certain other fund expenses, which constitute extraordinary expenses not incurred in the ordinary course of the Fund's business ("expense limitation"). The expense limitations as a percentage of average daily net assets are as follows:

| | Class I | Class III |
|---|---|---|
| Expense Limitations | 0.60% | 1.50% |

In addition, with respect to Class I shares, the Manager has contractually agreed to waive and/or reimburse fees or expenses in order to limit expenses including interest expense, and excluding dividend expense, acquired fund fees and expenses, and certain other fund expenses, which constitute extraordinary expenses not incurred in the ordinary course of the Fund's business to 0.60% of average daily net assets through June 30, 2023.

The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2023, unless approved by the Board, including a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended December 31, 2022, there were no fees waived and/or reimbursed by the Manager pursuant to this agreement.

**Interfund Lending:** In accordance with an exemptive order (the "Order") from the U.S. Securities and Exchange Commission ("SEC"), the Fund may participate in a joint lending and borrowing facility for temporary purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the Fund's investment policies and restrictions. The Fund is currently permitted to borrow and lend under the Interfund Lending Program.

A lending BlackRock fund may lend in aggregate up to 15% of its net assets but may not lend more than 5% of its net assets to any one borrowing fund through the Interfund Lending Program. A borrowing BlackRock fund may not borrow through the Interfund Lending Program or from any other source more than 33 1/3% of its total assets (or any lower threshold provided for by the fund's investment restrictions). If a borrowing BlackRock fund's total outstanding borrowings exceed 10% of its total assets, each of its outstanding interfund loans will be subject to collateralization of at least 102% of the outstanding principal value of the loan. All interfund loans are for temporary or emergency purposes and the interest rate to be charged will be the average of the highest current overnight repurchase agreement rate available to a lending fund and the bank loan rate, as calculated according to a formula established by the Board.

During the year ended December 31, 2022, the Fund did not participate in the Interfund Lending Program.

**Directors and Officers:** Certain directors and/or officers of the Company are directors and/or officers of BlackRock or its affiliates. The Fund reimburses the Manager for a portion of the compensation paid to the Company's Chief Compliance Officer, which is included in Directors and Officer in the Statement of Operations.

**Other Transactions:** The Fund may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment adviser, common officers, or common directors. For the year ended December 31, 2022, the purchase and sale transactions and any net realized gains (losses) with an affiliated fund in compliance with Rule 17a-7 under the 1940 Act were as follows:

| | |
|---|---|
| Purchases | $ 37,845 |
| Sales | 4,421 |
| Net Realized Loss | (524) |

## *7. PURCHASES AND SALES*

For the year ended December 31, 2022, purchases and sales of investments, including paydowns/payups and mortgage dollar rolls and excluding short-term securities, were as follows:

| | *U.S. Government Securities* | | *Other Securities* | |
|---|---|---|---|---|
| *Fund Name* | *Purchases* | *Sales* | *Purchases* | *Sales* |
| BlackRock Total Return V.I. Fund | $ 43,467,002 | $ 53,774,521 | $ 3,615,361,794 | $ 3,672,541,193 |

For the year ended December 31, 2022, purchases and sales related to mortgage dollar rolls were $1,536,953,532 and $1,538,263,399, respectively.

## 8. INCOME TAX INFORMATION

It is the Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required.

The Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Fund's U.S. federal tax returns generally remains open for a period of three years after they are filed. The statutes of limitations on the Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Fund as of December 31, 2022, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Fund's financial statements.

The tax character of distributions paid was as follows:

| *Fund Name* | *Year Ended 12/31/22* | *Year Ended 12/31/21* |
|---|---|---|
| BlackRock Total Return V.I. Fund | | |
| Ordinary income | $ 16,665,421 | $ 11,815,769 |
| Long-term capital gains | 141,499 | 2,765,108 |
| | $ 16,806,920 | $ 14,580,877 |

As of December 31, 2022, the tax components of accumulated earnings (loss) were as follows:

| *Fund Name* | *Non-Expiring Capital Loss Carryforwards[a]* | *Net Unrealized Gains (Losses)[b]* | *Total* |
|---|---|---|---|
| BlackRock Total Return V.I. Fund | $ (69,238,439) | $ (74,490,541) | $ (143,728,980) |

[a] Amounts available to offset future realized capital gains.

[b] The difference between book-basis and tax-basis net unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales and straddles, amortization and accretion methods of premiums and discounts on fixed income securities, the realization for tax purposes of unrealized gains (losses) on certain futures and foreign currency exchange contracts, the accrual of income on securities in default, the accounting for swap agreements and the classification of investments.

As of December 31, 2022, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

| *Fund Name* | *Tax Cost* | *Gross Unrealized Appreciation* | *Gross Unrealized Depreciation* | *Net Unrealized Appreciation (Depreciation)* |
|---|---|---|---|---|
| BlackRock Total Return V.I. Fund | $ 913,753,314 | $ 2,106,451 | $ (75,102,482) | $ (72,996,031) |

## 9. BANK BORROWINGS

The Company, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), are a party to a 364-day, $2.50 billion credit agreement with a group of lenders. Under this agreement, the Fund may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Fund, can borrow up to an aggregate commitment amount of $1.75 billion at any time outstanding, subject to asset coverage and other limitations as specified in the agreement. The credit agreement has the following terms: a fee of 0.10% per annum on unused commitment amounts and interest at a rate equal to the higher of (a) Overnight Bank Funding Rate ("OBFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum, (b) the Fed Funds rate (but, in any event, not less than 0.00%) in effect from time to time plus 0.80% per annum on amounts borrowed or (c) the sum of (x) Daily Simple Secured Overnight Financing Rate ("SOFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.10% and (y) 0.80% per annum. The agreement expires in April 2023 unless extended or renewed. These fees were allocated among such funds based upon portions of the aggregate commitment available to them and relative net assets of Participating Funds. During the year ended December 31, 2022, the Fund did not borrow under the credit agreement.

## 10. PRINCIPAL RISKS

In the normal course of business, the Fund invests in securities or other instruments and may enter into certain transactions, and such activities subject the Fund to various risks, including among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate and price fluctuations. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments. The Fund's prospectus provides details of the risks to which the Fund is subject.

**Market Risk:** The Fund may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force the Fund to reinvest in lower yielding securities. The Fund may also be exposed to reinvestment risk, which is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed-income securities at market interest rates that are below the Fund portfolio's current earnings rate.

Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions, credit rating downgrades, or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest or otherwise affect the value of such securities. Municipal securities can be significantly affected by political or economic changes, including changes made in the law after issuance of the securities, as well as uncertainties in the municipal market related to, taxation, legislative changes or the rights of municipal security holders, including in connection with an issuer insolvency. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the tax benefits supporting the project or assets or the inability to collect revenues for the project or from the assets. Municipal securities may be less liquid than taxable bonds, and there may be less publicly available information on the financial condition of municipal security issuers than for issuers of other securities.

**Infectious Illness Risk:** An outbreak of an infectious illness, such as the COVID-19 pandemic, may adversely impact the economies of many nations and the global economy, and may impact individual issuers and capital markets in ways that cannot be foreseen.

An infectious illness outbreak may result in, among other things, closed international borders, prolonged quarantines, supply chain disruptions, market volatility or disruptions and other significant economic, social and political impacts.

**Valuation Risk:** The market values of equities, such as common stocks and preferred securities or equity related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company. They may also decline due to factors which affect a particular industry or industries. The Fund may invest in illiquid investments. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. The Fund may experience difficulty in selling illiquid investments in a timely manner at the price that it believes the investments are worth. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. This volatility may cause the Fund's NAV to experience significant increases or decreases over short periods of time. If there is a general decline in the securities and other markets, the NAV of the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

The price the Fund could receive upon the sale of any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair valuation technique or a price provided by an independent pricing service. Changes to significant unobservable inputs and assumptions (i.e., publicly traded company multiples, growth rate, time to exit) due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Fund's results of operations. As a result, the price received upon the sale of an investment may be less than the value ascribed by the Fund, and the Fund could realize a greater than expected loss or lesser than expected gain upon the sale of the investment. The Fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third-party service providers.

**Counterparty Credit Risk:** The Fund may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions, including making timely interest and/or principal payments or otherwise honoring its obligations. The Fund manages counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Fund to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Fund's exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statement of Assets and Liabilities, less any collateral held by the Fund.

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

For OTC options purchased, the Fund bears the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral held by the Fund should the counterparty fail to perform under the contracts. Options written by the Fund do not typically give rise to counterparty credit risk, as options written generally obligate the Fund, and not the counterparty, to perform. The Fund may be exposed to counterparty credit risk with respect to options written to the extent the Fund deposits collateral with its counterparty to a written option.

With exchange-traded options purchased, exchange-traded futures and centrally cleared swaps, there is less counterparty credit risk to the Fund since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency). Additionally, credit risk exists in exchange-traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Fund.

**Concentration Risk:** A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within the Fund's portfolio are disclosed in its Schedule of Investments.

The Fund invests a significant portion of its assets in fixed-income securities and/or uses derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will decrease as interest rates rise and increase as interest rates fall. The Fund may be subject to a greater risk of rising interest rates due to the recent period of historically low interest rates. The Federal Reserve has recently begun to raise the federal funds rate as part of its efforts to address inflation. There is a risk that interest rates will continue to rise, which will likely drive down the prices of bonds and other fixed-income securities, and could negatively impact the Fund's performance.

The Fund invests a significant portion of its assets in securities backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. When a Fund concentrates its investments in this manner, it assumes a greater risk of prepayment or payment extension by securities issuers. Changes in

economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions. Investment percentages in these securities are presented in the Schedule of Investments.

**Significant Shareholder Redemption Risk:** Certain shareholders may own or manage a substantial amount of fund shares and/or hold their fund investments for a limited period of time. Large redemptions of fund shares by these shareholders may force a fund to sell portfolio securities, which may negatively impact the fund's NAV, increase the fund's brokerage costs, and/or accelerate the realization of taxable income/gains and cause the fund to make additional taxable distributions to shareholders.

**LIBOR Transition Risk:** The United Kingdom's Financial Conduct Authority announced a phase out of the LIBOR. Although many LIBOR rates ceased to be published or no longer are representative of the underlying market they seek to measure after December 31, 2021, a selection of widely used USD LIBOR rates will continue to be published through June 2023 in order to assist with the transition. The Fund may be exposed to financial instruments tied to LIBOR to determine payment obligations, financing terms, hedging strategies or investment value. The transition process away from LIBOR might lead to increased volatility and illiquidity in markets for, and reduce the effectiveness of new hedges placed against instruments whose terms currently include LIBOR. The ultimate effect of the LIBOR transition process on the Fund is uncertain.

## *11. CAPITAL SHARE TRANSACTIONS*

Transactions in capital shares for each class were as follows:

| | Year Ended 12/31/22 | | Year Ended 12/31/21 | |
|---|---|---|---|---|
| *Fund Name/Share Class* | *Shares* | *Amount* | *Shares* | *Amount* |
| **BlackRock Total Return V.I. Fund** | | | | |
| Class I | | | | |
| Shares sold | 1,269,585 | $ 13,566,880 | 1,004,821 | $ 12,131,216 |
| Shares issued in reinvestment of distributions | 422,553 | 4,498,977 | 407,962 | 4,947,460 |
| Shares redeemed | (2,457,355) | (26,337,879) | (2,220,302) | (26,884,647) |
| | (765,217) | $ (8,272,022) | (807,519) | $ (9,805,971) |
| Class III | | | | |
| Shares sold | 9,133,898 | $ 97,878,389 | 16,331,905 | $ 195,401,044 |
| Shares issued in reinvestment of distributions | 1,055,485 | 11,052,742 | 821,013 | 9,828,497 |
| Shares redeemed | (5,341,159) | (55,740,941) | (3,579,836) | (42,539,397) |
| | 4,848,224 | $ 53,190,190 | 13,573,082 | $ 162,690,144 |
| | 4,083,007 | $ 44,918,168 | 12,765,563 | $ 152,884,173 |

## *12. SUBSEQUENT EVENTS*

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued and has determined that there were no subsequent events requiring adjustment or additional disclosure in the financial statements.

# Report of Independent Registered Public Accounting Firm

To the Shareholders of BlackRock Total Return V.I. Fund and the Board of Directors of BlackRock Variable Series Funds II, Inc.:

## Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of BlackRock Total Return V.I. Fund of BlackRock Variable Series Funds II, Inc. (the "Fund"), including the schedule of investments, as of December 31, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2022, by correspondence with custodians or counterparties; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP
Boston, Massachusetts
February 14, 2023

We have served as the auditor of one or more BlackRock investment companies since 1992.

# Glossary of Terms Used in this Report

## Currency Abbreviation

| | |
|---|---|
| AUD | Australian Dollar |
| BRL | Brazilian Real |
| CAD | Canadian Dollar |
| CHF | Swiss Franc |
| CLP | Chilean Peso |
| COP | Colombian Peso |
| CZK | Czech Koruna |
| EUR | Euro |
| GBP | British Pound |
| HUF | Hungarian Forint |
| INR | Indian Rupee |
| JPY | Japanese Yen |
| KRW | South Korean Won |
| MXN | Mexican Peso |
| NOK | Norwegian Krone |
| NZD | New Zealand Dollar |
| PLN | Polish Zloty |
| RUB | New Russian Ruble |
| THB | Thai Baht |
| TWD | Taiwan New Dollar |
| USD | United States Dollar |
| ZAR | South African Rand |

## Portfolio Abbreviation

| | |
|---|---|
| ABS | Asset-Backed Security |
| BZDIOVER | Overnight Brazil CETIP — Interbank Rate |
| CLO | Collateralized Loan Obligation |
| CMT | Constant Maturity Treasury |
| CSMC | Credit Suisse Mortgage Capital |
| CWABS | Countrywide Asset-Backed Certificates |
| EURIBOR | Euro Interbank Offered Rate |
| GO | General Obligation Bonds |
| LIBOR | London Interbank Offered Rate |
| MXIBTIIE | Mexico Interbank TIIE 28-Day |
| OTC | Over-the-counter |
| PIK | Payment-In-Kind |
| RB | Revenue Bonds |
| REMIC | Real Estate Mortgage Investment Conduit |
| S&P | Standard & Poor's |
| SCA | Svenska Cellulosa Aktiebolaget |
| SONIA | Sterling Overnight Interbank Average Rate |
| SOFR | Secured Overnight Financing Rate |
| TBA | To-be-announced |
| TONAR | Tokyo Overnight Average Rate |
| WIBOR | Warsaw Interbank Offered Rate |

# Statement Regarding Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), BlackRock Variable Series Funds, Inc. ("Variable Series Funds") and BlackRock Variable Series Funds II, Inc. ("Variable Series Funds II" and together with Variable Series Funds, the "Companies" and each, a "Company") has adopted and implemented a liquidity risk management program (the "Program") for BlackRock 60/40 Target Allocation ETF V.I. Fund, BlackRock Advantage Large Cap Core V.I. Fund, BlackRock Advantage Large Cap Value V.I. Fund, BlackRock Advantage SMID Cap V.I. Fund, BlackRock Basic Value V.I. Fund, BlackRock Capital Appreciation V.I. Fund, BlackRock Equity Dividend V.I. Fund, BlackRock Global Allocation V.I. Fund, BlackRock High Yield V.I. Fund, BlackRock International Index V.I. Fund, BlackRock International V.I. Fund, BlackRock Large Cap Focus Growth V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Small Cap Index V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund (the "Funds"), each a series of Variable Series Funds or Variable Series Funds II, as applicable, which is reasonably designed to assess and manage each Fund's liquidity risk.

The Board of Directors (the "Board") of Variable Series Funds, on behalf of BlackRock 60/40 Target Allocation ETF V.I. Fund, BlackRock Advantage Large Cap Core V.I. Fund, BlackRock Advantage Large Cap Value V.I. Fund, BlackRock Advantage SMID Cap V.I. Fund, BlackRock Basic Value V.I. Fund, BlackRock Capital Appreciation V.I. Fund, BlackRock Equity Dividend V.I. Fund, BlackRock Global Allocation V.I. Fund, BlackRock International Index V.I. Fund, BlackRock International V.I. Fund, BlackRock Large Cap Focus Growth V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock S&P 500 Index V.I. Fund and BlackRock Small Cap Index V.I. Fund, met on November 8-9, 2022 and the Board of Directors of Variable Series Funds II, (together with the Board, the "Boards"), on behalf of BlackRock High Yield V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund, met on November 10-11, 2022 (the "Meetings") to review the Program. The Boards previously appointed BlackRock Advisors, LLC or BlackRock Fund Advisors ("BlackRock"), each an investment adviser to certain BlackRock funds, as the program administrator for each Fund's Program, as applicable. BlackRock also previously delegated oversight of the Program to the 40 Act Liquidity Risk Management Committee (the "Committee"). At the Meetings, the Committee, on behalf of BlackRock, provided the Boards with a report that addressed the operation of the Program and assessed its adequacy and effectiveness of implementation, including the management of each Fund's Highly Liquid Investment Minimum ("HLIM"), where applicable, and any material changes to the Program (the "Report"). The Report covered the period from October 1, 2021 through September 30, 2022 (the "Program Reporting Period").

The Report described the Program's liquidity classification methodology for categorizing each Fund's investments (including derivative transactions) into one of four liquidity buckets. It also referenced the methodology used by BlackRock to establish each Fund's HLIM and noted that the Committee reviews and ratifies the HLIM assigned to each Fund no less frequently than annually. The Report also discussed notable events affecting liquidity over the Program Reporting Period, including the imposition of capital controls in certain countries.

The Report noted that the Program complied with the key factors for consideration under the Liquidity Rule for assessing, managing and periodically reviewing each Fund's liquidity risk, as follows:

a) ***The Fund's investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions.*** During the Program Reporting Period, the Committee reviewed whether each Fund's strategy is appropriate for an open-end fund structure with a focus on funds with more significant and consistent holdings of less liquid and illiquid assets. The Committee also factored a fund's concentration in an issuer into the liquidity classification methodology by taking issuer position sizes into account. Where a fund participated in borrowings for investment purposes (such as tender option bonds or reverse repurchase agreements), such borrowings were factored into the Program's calculation of a fund's liquidity bucketing. A fund's derivative exposure was also considered in such calculation.

b) ***Short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions.*** During the Program Reporting Period, the Committee reviewed historical redemption activity and used this information as a component to establish each Fund's reasonably anticipated trading size utilized for liquidity classifications. Each Fund has adopted an in-kind redemption policy which may be utilized to meet larger redemption requests. The Committee may also take into consideration a fund's shareholder ownership concentration (which, depending on product type and distribution channel, may or may not be available), a fund's distribution channels, and the degree of certainty associated with a fund's short-term and long-term cash flow projections.

c) ***Holdings of cash and cash equivalents, as well as borrowing arrangements.*** The Committee considered the terms of the credit facility committed to each Fund, the financial health of the institution providing the facility and the fact that the credit facility is shared among multiple funds (including that a portion of the aggregate commitment amount is specifically designated for BlackRock Floating Rate Income Portfolio, a series of BlackRock Funds V, and BlackRock Floating Rate Loan ETF, a series of BlackRock ETF Trust II). The Committee also considered other types of borrowing available to the funds, such as the ability to use reverse repurchase agreements and interfund lending, as applicable.

There were no material changes to the Program during the Program Reporting Period other than the enhancement of certain model components in the Program's classification methodology. The Report provided to the Board stated that the Committee concluded that based on the operation of the functions, as described in the Report, the Program is operating as intended and is effective in implementing the requirements of the Liquidity Rule.

# Director and Officer Information

## BlackRock Variable Series Funds, Inc.

### Independent Directors [a]

| Name Year of Birth [b] | Position(s) Held (Length of Service) [c] | Principal Occupation(s) During Past 5 Years | Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen | Public Company and Other Investment Company Directorships Held During Past 5 Years |
|---|---|---|---|---|
| **Mark Stalnecker** 1951 | Chair of the Board and Director (Since 2019) | Chief Investment Officer, University of Delaware from 1999 to 2013; Trustee and Chair of the Finance and Investment Committees, Winterthur Museum and Country Estate from 2005 to 2016; Member of the Investment Committee, Delaware Public Employees' Retirement System since 2002; Member of the Investment Committee, Christiana Care Health System from 2009 to 2017; Member of the Investment Committee, Delaware Community Foundation from 2013 to 2014; Director and Chair of the Audit Committee, SEI Private Trust Co. from 2001 to 2014. | 28 RICs consisting of 164 Portfolios | None |
| **Susan J. Carter** 1956 | Director (Since 2019) | Trustee, Financial Accounting Foundation from 2017 to 2021; Advisory Board Member, Center for Private Equity and Entrepreneurship at Tuck School of Business from 1997 to 2021; Director, Pacific Pension Institute from 2014 to 2018; Senior Advisor, Commonfund Capital, Inc. ("CCI") (investment adviser) in 2015; Chief Executive Officer, CCI from 2013 to 2014; President & Chief Executive Officer, CCI from 1997 to 2013; Advisory Board Member, Girls Who Invest from 2015 to 2018 and Board Member thereof since 2018; Advisory Board Member, Bridges Fund Management since 2016; Practitioner Advisory Board Member, Private Capital Research Institute ("PCRI") since 2017; Lecturer in the Practice of Management, Yale School of Management since 2019; Advisor to Finance Committee, Altman Foundation since 2020; Investment Committee Member, Tostan since 2021. | 28 RICs consisting of 164 Portfolios | None |
| **Collette Chilton** 1958 | Director (Since 2019) | Chief Investment Officer, Williams College since 2006; Chief Investment Officer, Lucent Asset Management Corporation from 1998 to 2006; Director, Boys and Girls Club of Boston since 2017; Director, B1 Capital since 2018; Director, David and Lucile Packard Foundation since 2020. | 28 RICs consisting of 164 Portfolios | None |
| **Neil A. Cotty** 1954 | Director (Since 2019) | Bank of America Corporation from 1996 to 2015, serving in various senior finance leadership roles, including Chief Accounting Officer from 2009 to 2015, Chief Financial Officer of Global Banking, Markets and Wealth Management from 2008 to 2009, Chief Accounting Officer from 2004 to 2008, Chief Financial Officer of Consumer Bank from 2003 to 2004, Chief Financial Officer of Global Corporate Investment Bank from 1999 to 2002. | 28 RICs consisting of 164 Portfolios | None |
| **Lena G. Goldberg** 1949 | Director (Since 2016) | Director, Charles Stark Draper Laboratory, Inc. from 2013 to 2021; Senior Lecturer, Harvard Business School from 2008 to 2021; FMR LLC/Fidelity Investments (financial services) from 1996 to 2008, serving in various senior roles including Executive Vice President - Strategic Corporate Initiatives and Executive Vice President and General Counsel; Partner, Sullivan & Worcester LLP from 1985 to 1996 and Associate thereof from 1979 to 1985. | 28 RICs consisting of 164 Portfolios | None |
| **Henry R. Keizer** 1956 | Director (Since 2016) | Director, Park Indemnity Ltd. (captive insurer) since 2010; Director, MUFG Americas Holdings Corporation and MUFG Union Bank, N.A. (financial and bank holding company) from 2014 to 2016; Director, American Institute of Certified Public Accountants from 2009 to 2011; Director, KPMG LLP (audit, tax and advisory services) from 2004 to 2005 and 2010 to 2012; Director, KPMG International in 2012, Deputy Chairman and Chief Operating Officer thereof from 2010 to 2012 and U.S. Vice Chairman of Audit thereof from 2005 to 2010; Global Head of Audit, KPMGI (consortium of KPMG firms) from 2006 to 2010; Director, YMCA of Greater New York from 2006 to 2010. | 28 RICs consisting of 164 Portfolios | Hertz Global Holdings (car rental) from 2015 to 2021; GrafTech International Ltd. (materials manufacturing); WABCO (commercial vehicle safety systems) from 2015 to 2020; Sealed Air Corp. (packaging) from 2015 to 2021 |
| **Cynthia A. Montgomery** 1952 | Director (Since 2019) | Professor, Harvard Business School since 1989. | 28 RICs consisting of 164 Portfolios | None |

## Independent Directors [a] (continued)

| Name<br>Year of Birth [b] | Position(s) Held<br>(Length of Service) [c] | Principal Occupation(s) During Past 5 Years | Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen | Public Company and Other Investment Company Directorships Held During Past 5 Years |
|---|---|---|---|---|
| **Donald C. Opatrny**<br>1952 | Director<br>(Since 2015) | Director, Athena Capital Advisors LLC (investment management firm) from 2013 to 2020; Trustee, Vice Chair, Member of the Executive Committee and Chair of the Investment Committee, Cornell University from 2004 to 2019; President and Trustee, the Center for the Arts, Jackson Hole from 2011 to 2018; Member of the Board and Investment Committee, University School from 2007 to 2018; Trustee, Artstor (a Mellon Foundation affiliate) from 2010 to 2015; Member of the Investment Committee, Mellon Foundation from 2009 to 2015; President, Trustee and Member of the Investment Committee, The Aldrich Contemporary Art Museum from 2007 to 2014; Trustee and Chair of the Investment Committee, Community Foundation of Jackson Hole since 2014; Member of Affordable Housing Supply Board of Jackson, Wyoming since 2017; Member, Investment Funds Committee, State of Wyoming since 2017; Trustee, Phoenix Art Museum since 2018; Trustee, Arizona Community Foundation and Member of Investment Committee since 2020. | 28 RICs consisting of 164 Portfolios | None |
| **Joseph P. Platt**<br>1947 | Director<br>(Since 2019) | General Partner, Thorn Partners, LP (private investments) since 1998; Director, WQED Multi-Media (public broadcasting not-for-profit) since 2001; Chair, Basic Health International (non-profit) since 2015. | 28 RICs consisting of 164 Portfolios | Greenlight Capital Re, Ltd. (reinsurance company); Consol Energy Inc. |
| **Kenneth L. Urish**<br>1951 | Director<br>(Since 2019) | Managing Partner, Urish Popeck & Co., LLC (certified public accountants and consultants) since 1976; Past-Chairman of the Professional Ethics Committee of the Pennsylvania Institute of Certified Public Accountants and Committee Member thereof since 2007; Member of External Advisory Board, The Pennsylvania State University Accounting Department since founding in 2001; Principal, UP Strategic Wealth Investment Advisors, LLC since 2013; Trustee, The Holy Family Institute from 2001 to 2010; President and Trustee, Pittsburgh Catholic Publishing Associates from 2003 to 2008; Director, Inter-Tel from 2006 to 2007; Member, Advisory Board, ESG Competent Boards since 2020. | 28 RICs consisting of 164 Portfolios | None |
| **Claire A. Walton**<br>1957 | Director<br>(Since 2019) | Chief Operating Officer and Chief Financial Officer of Liberty Square Asset Management, LP from 1998 to 2015; General Partner of Neon Liberty Capital Management, LLC since 2003; Director, Boston Hedge Fund Group from 2009 to 2018; Director, Woodstock Ski Runners since 2013; Director, Massachusetts Council on Economic Education from 2013 to 2015. | 28 RICs consisting of 164 Portfolios | None |

## Interested Directors [a][d]

| Name Year of Birth [b] | Position(s) Held (Length of Service) [c] | Principal Occupation(s) During Past 5 Years | Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen | Public Company and Other Investment Company Directorships Held During Past 5 Years |
|---|---|---|---|---|
| **Robert Fairbairn** 1965 | Director (Since 2015) | Vice Chairman of BlackRock, Inc. since 2019; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; Senior Managing Director of BlackRock, Inc. from 2010 to 2019; oversaw BlackRock's Strategic Partner Program and Strategic Product Management Group from 2012 to 2019; Member of the Board of Managers of BlackRock Investments, LLC from 2011 to 2018; Global Head of BlackRock's Retail and iShares® businesses from 2012 to 2016. | 98 RICs consisting of 266 Portfolios | None |
| **John M. Perlowski** [e] 1964 | Director (Since 2015); President and Chief Executive Officer (Since 2010) | Managing Director of BlackRock, Inc. since 2009; Head of BlackRock Global Accounting and Product Services since 2009; Advisory Director of Family Resource Network (charitable foundation) since 2009. | 100 RICs consisting of 268 Portfolios | None |

[a] The address of each Director is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

[b] Each Independent Director holds office until his or her successor is duly elected and qualifies or until his or her earlier death, resignation, retirement or removal as provided by the Company's by-laws or charter or statute, or until December 31 of the year in which he or she turns 75. Directors who are "interested persons," as defined in the 1940 Act, serve until their successor is duly elected and qualifies or until their earlier death, resignation, retirement or removal as provided by the Company's by-laws or statute, or until December 31 of the year in which they turn 72. The Board may determine to extend the terms of Independent Directors on a case-by-case basis, as appropriate.

[c] Following the combination of Merrill Lynch Investment Managers, L.P. ("MLIM") and BlackRock, Inc. in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. In addition, effective January 1, 2019, three BlackRock Fund Complexes were realigned and consolidated into two BlackRock Fund Complexes. As a result, although the chart shows the year that each Independent Director joined the Board, certain Independent Directors first became members of the boards of other BlackRock-advised Funds, legacy MLIM funds or legacy BlackRock funds as follows: Susan J. Carter, 2016; Collette Chilton, 2015; Neil A. Cotty, 2016; Cynthia A. Montgomery, 1994; Joseph P. Platt, 1999; Mark Stalnecker, 2015; Kenneth L. Urish, 1999; Claire A. Walton, 2016.

[d] Mr. Fairbairn and Mr. Perlowski are both "interested persons," as defined in the 1940 Act, of the Company based on their positions with BlackRock, Inc. and its affiliates. Mr. Fairbairn and Mr. Perlowski are also board members of the BlackRock Fixed-Income Complex.

[e] Mr. Perlowski is also a trustee of the BlackRock Credit Strategies Fund and BlackRock Private Investments Fund.

## Officers Who Are Not Directors [a]

| Name<br>Year of Birth[b] | Position(s) Held<br>(Length of Service) | Principal Occupation(s) During Past 5 Years |
|---|---|---|
| **Jennifer McGovern**<br>1977 | Vice President<br>(Since 2014) | Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Americas Product Development and Governance for BlackRock's Global Product Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019. |
| **Trent Walker**<br>1974 | Chief Financial Officer<br>(Since 2021) | Managing Director of BlackRock, Inc. since September 2019; Executive Vice President of PIMCO from 2016 to 2019; Senior Vice President of PIMCO from 2008 to 2015; Treasurer from 2013 to 2019 and Assistant Treasurer from 2007 to 2017 of PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, 2 PIMCO-sponsored interval funds and 21 PIMCO-sponsored closed-end funds. |
| **Jay M. Fife**<br>1970 | Treasurer<br>(Since 2007) | Managing Director of BlackRock, Inc. since 2007. |
| **Charles Park**<br>1967 | Chief Compliance Officer<br>(Since 2014) | Anti-Money Laundering Compliance Officer for certain BlackRock-advised Funds from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the BlackRock Multi-Asset Complex and the BlackRock Fixed-Income Complex since 2014; Principal of and Chief Compliance Officer for iShares® Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ("BFA") since 2006; Chief Compliance Officer for the BFA-advised iShares® exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012. |
| **Lisa Belle**<br>1968 | Anti-Money Laundering Compliance Officer<br>(Since 2019) | Managing Director of BlackRock, Inc. since 2019; Global Financial Crime Head for Asset and Wealth Management of JP Morgan from 2013 to 2019; Managing Director of RBS Securities from 2012 to 2013; Head of Financial Crimes for Barclays Wealth Americas from 2010 to 2012. |
| **Janey Ahn**<br>1975 | Secretary<br>(Since 2019) | Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2009 to 2017. |

[a] The address of each Officer is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

[b] Officers of the Company serve at the pleasure of the Board.

Further information about the Company's Directors and Officers is available in the Company's Statement of Additional Information, which can be obtained without charge by calling (800) 441-7762.

Effective December 31, 2022, Joseph P. Platt retired as a Director of the Company.

# Director and Officer Information

## BlackRock Variable Series Funds II, Inc.

### Independent Directors [a]

| Name<br>Year of Birth [b] | Position(s) Held<br>(Length of Service) [c] | Principal Occupation(s) During Past 5 Years | Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen | Public Company and Other Investment Company Directorships Held During Past 5 Years |
|---|---|---|---|---|
| **R. Glenn Hubbard**<br>1958 | Chair of the Board<br>(Since 2022)<br>Director<br>(Since 2019) | Dean, Columbia Business School from 2004 to 2019; Faculty member, Columbia Business School since 1988. | 70 RICs consisting of 102 Portfolios | ADP (data and information services) from 2004 to 2020; Metropolitan Life Insurance Company (insurance) |
| **W. Carl Kester**[d]<br>1951 | Vice Chair of the Board<br>(Since 2022)<br>Director<br>(Since 2019) | George Fisher Baker Jr. Professor of Business Administration, Harvard Business School since 2008; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Unit, from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program from 1999 to 2005; Member of the faculty of Harvard Business School since 1981. | 72 RICs consisting of 104 Portfolios | None |
| **Cynthia L. Egan**<br>1955 | Director<br>(Since 2019) | Advisor, U.S. Department of the Treasury from 2014 to 2015; President, Retirement Plan Services, for T. Rowe Price Group, Inc. from 2007 to 2012; executive positions within Fidelity Investments from 1989 to 2007. | 70 RICs consisting of 102 Portfolios | Unum (insurance); The Hanover Insurance Group (Board Chair); Huntsman Corporation (Lead Independent Director and non Executive Vice Chair of the Board) (chemical products) |
| **Frank J. Fabozzi** [d]<br>1948 | Director<br>(Since 2019) | Editor of The Journal of Portfolio Management since 1986; Professor of Finance, EDHEC Business School (France) from 2011 to 2022; Professor of Practice, Johns Hopkins University since 2021; Professor in the Practice of Finance, Yale University School of Management from 1994 to 2011 and currently a Teaching Fellow in Yale's Executive Programs; Visiting Professor, Rutgers University for the Spring 2019 semester; Visiting Professor, New York University for the 2019 academic year; Adjunct Professor of Finance, Carnegie Mellon University in fall 2020 semester. | 72 RICs consisting of 104 Portfolios | None |
| **Lorenzo A. Flores**<br>1964 | Director<br>(Since 2021) | Vice Chairman, Kioxia, Inc. since 2019; Chief Financial Officer, Xilinx, Inc. from 2016 to 2019; Corporate Controller, Xilinx, Inc. from 2008 to 2016. | 70 RICs consisting of 102 Portfolios | None |
| **Stayce D. Harris**<br>1959 | Director<br>(Since 2021) | Lieutenant General, Inspector General, Office of the Secretary of the United States Air Force from 2017 to 2019; Lieutenant General, Assistant Vice Chief of Staff and Director, Air Staff, United States Air Force from 2016 to 2017; Major General, Commander, 22nd Air Force, AFRC, Dobbins Air Reserve Base, Georgia from 2014 to 2016; Pilot, United Airlines from 1990 to 2020. | 70 RICs consisting of 102 Portfolios | The Boeing Company (airplane manufacturer) |
| **J. Phillip Holloman**<br>1955 | Director<br>(Since 2021) | President and Chief Operating Officer, Cintas Corporation from 2008 to 2018. | 70 RICs consisting of 102 Portfolios | PulteGroup, Inc. (home construction); Rockwell Automation Inc. (industrial automation) |
| **Catherine A. Lynch** [d]<br>1961 | Director<br>(Since 2019) | Chief Executive Officer, Chief Investment Officer and various other positions, National Railroad Retirement Investment Trust from 2003 to 2016; Associate Vice President for Treasury Management, The George Washington University from 1999 to 2003; Assistant Treasurer, Episcopal Church of America from 1995 to 1999. | 72 RICs consisting of 104 Portfolios | PennyMac Mortgage Investment Trust |

## Interested Directors [a][e]

| Name Year of Birth [b] | Position(s) Held (Length of Service) [c] | Principal Occupation(s) During Past 5 Years | Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen | Public Company and Other Investment Company Directorships Held During Past 5 Years |
|---|---|---|---|---|
| **Robert Fairbairn** 1965 | Director (Since 2015) | Vice Chairman of BlackRock, Inc. since 2019; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; Senior Managing Director of BlackRock, Inc. from 2010 to 2019; oversaw BlackRock's Strategic Partner Program and Strategic Product Management Group from 2012 to 2019; Member of the Board of Managers of BlackRock Investments, LLC from 2011 to 2018; Global Head of BlackRock's Retail and iShares® businesses from 2012 to 2016. | 98 RICs consisting of 266 Portfolios | None |
| **John M. Perlowski** [d] 1964 | Director (Since 2015); President and Chief Executive Officer (Since 2010) | Managing Director of BlackRock, Inc. since 2009; Head of BlackRock Global Accounting and Product Services since 2009; Advisory Director of Family Resource Network (charitable foundation) since 2009. | 100 RICs consisting of 268 Portfolios | None |

[a] The address of each Director is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

[b] Each Independent Director holds office until his or her successor is duly elected and qualifies or until his or her earlier death, resignation, retirement or removal as provided by the Company's by-laws or charter or statute, or until December 31 of the year in which he or she turns 75. Directors who are "interested persons," as defined in the Investment Company Act serve until their successor is duly elected and qualifies or until their earlier death, resignation, retirement or removal as provided by the Company's by-laws or statute, or until December 31 of the year in which they turn 72. The Board may determine to extend the terms of Independent Directors on a case-by-case basis, as appropriate.

[c] Following the combination of Merrill Lynch Investment Managers, L.P. ("MLIM") and BlackRock, Inc. in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. Certain Independent Directors first became members of the boards of other legacy MLIM or legacy BlackRock funds as follows: Frank J. Fabozzi, 1988; R. Glenn Hubbard, 2004; and W. Carl Kester, 1995. Certain other Independent Directors became members of the boards of the closed-end funds in the Fixed-Income Complex as follows: Cynthia L. Egan, 2016; and Catherine A. Lynch, 2016.

[d] Dr. Fabozzi, Dr. Kester, Ms. Lynch and Mr. Perlowski are also trustees of the BlackRock Credit Strategies Fund and BlackRock Private Investments Fund.

[e] Mr. Fairbairn and Mr. Perlowski are both "interested persons," as defined in the 1940 Act, of the Fund based on their positions with BlackRock, Inc. and its affiliates. Mr. Fairbairn and Mr. Perlowski are also board members of the BlackRock Multi-Asset Complex.

## Officers Who Are Not Directors [a]

| Name<br>Year of Birth[b] | Position(s) Held<br>(Length of Service) | Principal Occupation(s) During Past 5 Years |
|---|---|---|
| **Jennifer McGovern**<br>1977 | Vice President<br>(Since 2014) | Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Americas Product Development and Governance for BlackRock's Global Product Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019. |
| **Trent Walker**<br>1974 | Chief Financial Officer<br>(Since 2021) | Managing Director of BlackRock, Inc. since September 2019; Executive Vice President of PIMCO from 2016 to 2019; Senior Vice President of PIMCO from 2008 to 2015; Treasurer from 2013 to 2019 and Assistant Treasurer from 2007 to 2017 of PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, 2 PIMCO-sponsored interval funds and 21 PIMCO-sponsored closed-end funds. |
| **Jay M. Fife**<br>1970 | Treasurer<br>(Since 2007) | Managing Director of BlackRock, Inc. since 2007. |
| **Charles Park**<br>1967 | Chief Compliance Officer<br>(Since 2014) | Anti-Money Laundering Compliance Officer for certain BlackRock-advised Funds from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the BlackRock Multi-Asset Complex and the BlackRock Fixed-Income Complex since 2014; Principal of and Chief Compliance Officer for iShares® Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ("BFA") since 2006; Chief Compliance Officer for the BFA-advised iShares® exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012. |
| **Lisa Belle**<br>1968 | Anti-Money Laundering Compliance Officer<br>(Since 2019) | Managing Director of BlackRock, Inc. since 2019; Global Financial Crime Head for Asset and Wealth Management of JP Morgan from 2013 to 2019; Managing Director of RBS Securities from 2012 to 2013; Head of Financial Crimes for Barclays Wealth Americas from 2010 to 2012. |
| **Janey Ahn**<br>1975 | Secretary<br>(Since 2019) | Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2009 to 2017. |

[a] The address of each Officer is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

[b] Officers of the Company serve at the pleasure of the Board.

Further information about the Company's Directors and Officers is available in the Company's Statement of Additional Information, which can be obtained without charge by calling (800) 441-7762.

Effective May 31, 2022, Karen P. Robards retired as a Director of the Company.

# Additional Information

## General Information

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at **blackrock.com.** Any reference to BlackRock's website in this report is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

## Householding

The Funds will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Funds at (800) 441-7762.

## Availability of Quarterly Schedule of Investments

The Funds (except BlackRock Government Money Market V.I. Fund) file their complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to their reports on Form N-PORT. The Funds' Forms N-PORT are available on the SEC's website at **sec.gov**.

The BlackRock Government Money Market V.I. Fund files its complete schedule of portfolio holdings with the SEC each month on Form N-MFP. The Fund's reports on Form N-MFP are available on the SEC's website at **sec.gov**. The Fund makes portfolio holdings available to shareholders on its website at **blackrock.com**.

## Availability of Proxy Voting Policies, Procedures and Voting Records

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities and information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available without charge, upon request (1) by calling (800) 441-7762; (2) on the BlackRock website at **blackrock.com/prospectus/insurance**; and (3) on the SEC's website at **sec.gov**.

## BlackRock's Mutual Fund Family

BlackRock offers a diverse lineup of open-end mutual funds crossing all investment styles and managed by experts in equity, fixed-income and tax-exempt investing. Visit **blackrock.com** for more information.

## Shareholder Privileges

## Account Information

Call us at (800) 441-7762 from 8:00 AM to 6:00 PM ET on any business day to get information about your account balances, recent transactions and share prices. You can also visit **blackrock.com** for more information.

## Automatic Investment Plans

Investor class shareholders who want to invest regularly can arrange to have $50 or more automatically deducted from their checking or savings account and invested in any of the BlackRock funds.

## Systematic Withdrawal Plans

Investor class shareholders can establish a systematic withdrawal plan and receive periodic payments of $50 or more from their BlackRock funds, as long as their account balance is at least $10,000.

## Retirement Plans

Shareholders may make investments in conjunction with Traditional, Rollover, Roth, Coverdell, Simple IRAs, SEP IRAs and 403(b) Plans.

## BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

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Wilmington, DE 19809

**Sub-Advisers**
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BlackRock Asset Management
North Asia Limited [b]
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BlackRock (Singapore) Limited [c]
079912 Singapore

**Accounting Agent**
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New York, NY 10179

**Transfer Agent**
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Wilmington, DE 19809

**Custodians**
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Brown Brothers Harriman & Co.[e]
Boston, MA 02109

**Independent Registered Public Accounting Firm**
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Boston, MA 02116

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New York, NY 10022

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New York, NY 10019

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New York, NY 10019

**Address of the Funds**
100 Bellevue Parkway
Wilmington, DE 19809

[a] For BlackRock High Yield V.I. Fund, BlackRock International V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund.

[b] For BlackRock Managed Volatility V.I. Fund.

[c] For BlackRock Global Allocation V.I. Fund, BlackRock Managed Volatility V.I. Fund and BlackRock Total Return V.I. Fund.

[d] For BlackRock 60/40 Target Allocation ETF V.I. Fund, BlackRock Advantage Large Cap Core V.I. Fund, BlackRock Advantage Large Cap Value V.I. Fund, BlackRock Advantage SMID Cap V.I. Fund, BlackRock Basic Value V.I. Fund, BlackRock Capital Appreciation V.I. Fund, BlackRock Equity Dividend V.I. Fund, BlackRock Government Money Market V.I. Fund, BlackRock High Yield V.I. Fund, BlackRock International Index V.I. Fund, BlackRock Large Cap Focus Growth V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Small Cap Index V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund.

[e] For BlackRock Global Allocation V.I. Fund and BlackRock International V.I. Fund.

[f] For BlackRock 60/40 Target Allocation ETF V.I. Fund, BlackRock Advantage Large Cap Core V.I. Fund, BlackRock Advantage Large Cap Value V.I. Fund, BlackRock Advantage SMID Cap V.I. Fund, BlackRock Basic Value V.I. Fund, BlackRock Capital Appreciation V.I. Fund, BlackRock Equity Dividend V.I. Fund, BlackRock Global Allocation V.I. Fund, BlackRock Government Money Market V.I. Fund, BlackRock International V.I. Fund, BlackRock International Index V.I. Fund, BlackRock Large Cap Focus Growth V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock S&P 500 Index V.I. Fund and BlackRock Small Cap Index V.I. Fund.

[g] For BlackRock High Yield V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund.

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