T. Rowe Price®

SEMIANNUAL REPORT

June 30, 2021

T. ROWE PRICE

Limited-Term Bond Portfolio

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

INVEST WITH CONFIDENCE®

HIGHLIGHTS

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

Dear Investor

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

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

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

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

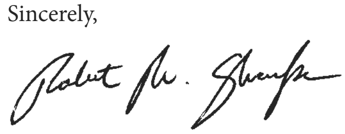
However, less favorably, inflation concerns led to some volatility in the equity market and caused a sharp rise in longer-term Treasury yields in the first quarter. (Bond prices and yields move in opposite directions.) While inflation measures were above the Fed's 2% long-term inflation target toward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

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

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

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

Sincerely,



Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

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

FUND COMMENTARY

How did the fund perform in the past six months?

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

PERFORMANCE COMPARISON

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

What factors influenced the fund's performance?

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

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

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

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

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

How is the fund positioned?

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

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

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

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

CREDIT QUALITY DIVERSIFICATION

	Percent of Net Assets 12/31/20	6/30/21
Quality Rating		
U.S. Government Agency Securities*	4%	3%
U.S. Treasury**	9	15
AAA	14	14
AA	7	6
A	21	20
BBB	40	38
BB and Below	5	4
Reserves	0	0
Total	**100%**	**100%**

*U.S. government agency securities include GNMA securities and conventional pass-throughs, collateralized mortgage obligations, and project loans. U.S. government agency securities, unlike Treasuries, are not issued directly by the U.S. government and are generally unrated but have credit support from the U.S. Treasury (in the case of Freddie Mac and Fannie Mae issues) or a direct government guarantee (in the case of Ginnie Mae issues). Unrated securities totaled 0.19% of the portfolio at the end of the reporting period.

**U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

Sources: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, Fitch will be used for securities that are not rated by Moody's or S&P. T. Rowe Price does not evaluate these ratings but simply assigns them to the appropriate credit quality category as determined by the rating agency.

What is portfolio management's outlook?

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

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

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

RISKS OF INVESTING IN FIXED INCOME SECURITIES

Funds that invest in fixed income securities are subject to price declines due to rising interest rates, with long-term securities generally most sensitive to rate fluctuations. Other risks include credit rating downgrades and defaults on scheduled interest and principal payments. Mortgage-backed securities are subject to prepayment risk, particularly if falling rates lead to heavy refinancing activity, and extension risk, which is an increase in interest rates that causes a fund's average maturity to lengthen unexpectedly due to a drop in mortgage prepayments. This would increase the fund's sensitivity to rising interest rates and its potential for price declines.

BENCHMARK INFORMATION

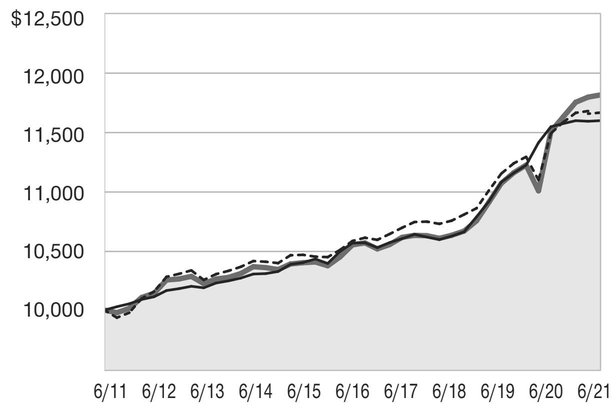
Note: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Note: Lipper, a Thomson Reuters Company, is the source for all Lipper content reflected in these materials. Copyright 2021 © Refinitiv. All rights reserved. Any copying, republication or redistribution of Lipper content is expressly prohibited without the prior written consent of Lipper. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

GROWTH OF $10,000

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

LIMITED-TERM BOND PORTFOLIO



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

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

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 6/30/21	1 Year	5 Years	10 Years
Limited-Term Bond Portfolio	2.67%	2.28%	1.68%
Limited-Term Bond Portfolio–II	2.42	2.03	1.43

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

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

FUND EXPENSE EXAMPLE

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

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

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

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

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

LIMITED-TERM BOND PORTFOLIO

	Beginning Account Value 1/1/21	Ending Account Value 6/30/21	Expenses Paid During Period* 1/1/21 to 6/30/21
Limited-Term Bond Portfolio			
Actual	$1,000.00	$1,005.20	$2.49
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.32	2.51
Limited-Term Bond Portfolio–II			
Actual	1,000.00	1,004.00	3.73
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.08	3.76

*Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Limited-Term Bond Portfolio was 0.50%, and the Limited-Term Bond Portfolio–II was 0.75%.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Limited-Term Bond Portfolio Class

	6 Months Ended 6/30/21	Year Ended 12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET ASSET VALUE						
Beginning of period	$ 5.00	$ 4.87	$ 4.78	$ 4.82	$ 4.84	$ 4.84
Investment activities						
Net investment income[1][2]	0.04	0.10	0.11	0.09	0.06	0.05
Net realized and unrealized gain/ loss	(0.01)	0.13	0.10	(0.03)	(0.01)	0.02
Total from investment activities	0.03	0.23	0.21	0.06	0.05	0.07
Distributions						
Net investment income	(0.04)	(0.10)	(0.12)	(0.10)	(0.07)	(0.07)
NET ASSET VALUE						
End of period	**$ 4.99**	**$ 5.00**	**$ 4.87**	**$ 4.78**	**$ 4.82**	**$ 4.84**
Ratios/Supplemental Data						
Total return[2][3]	**0.52%**	**4.71%**	**4.35%**	**1.18%**	**1.05%**	**1.37%**
Ratios to average net assets:[2]						
Gross expenses before waivers/ payments by Price Associates[4]	0.70%[5]	0.70%	0.70%	0.60%	0.70%	0.70%
Net expenses after waivers/ payments by Price Associates	0.50%[5]	0.50%	0.50%	0.60%	0.70%	0.70%
Net investment income	1.47%[5]	2.04%	2.37%	1.93%	1.29%	1.05%
Portfolio turnover rate	30.2%	70.4%	61.1%	52.6%	55.9%	58.0%
Net assets, end of period (in thousands)	$ 148,569	$ 139,173	$ 455,521	$ 434,175	$ 443,270	$ 390,964

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 6 for details of expense-related arrangements with Price Associates.
(3) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.
(4) See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(5) Annualized

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

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Limited-Term Bond Portfolio-II Class

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

(1) Per share amounts calculated using average shares outstanding method.
(2) See Note 6 for details of expense-related arrangements with Price Associates.
(3) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.
(4) See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.
(5) Annualized

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

PORTFOLIO OF INVESTMENTS‡

(Amounts in 000s)

	Par/Shares	$ Value
ASSET-BACKED SECURITIES 13.7%		
Car Loan 6.9%		
AmeriCredit Automobile Receivables Trust Series 2017-1, Class C 2.71%, 8/18/22	9	9
AmeriCredit Automobile Receivables Trust Series 2017-3, Class C 2.69%, 6/19/23	176	177
AmeriCredit Automobile Receivables Trust Series 2020-1, Class C 1.59%, 10/20/25	435	442
AmeriCredit Automobile Receivables Trust Series 2020-1, Class D 1.80%, 12/18/25	415	424
AmeriCredit Automobile Receivables Trust Series 2020-2, Class B 0.97%, 2/18/26	100	101
AmeriCredit Automobile Receivables Trust Series 2020-3, Class C 1.06%, 8/18/26	115	116
AmeriCredit Automobile Receivables Trust Series 2021-1, Class C 0.89%, 10/19/26	190	190
AmeriCredit Automobile Receivables Trust Series 2021-1, Class D 1.21%, 12/18/26	115	115
AmeriCredit Automobile Receivables Trust Series 2021-2, Class D 1.29%, 6/18/27	235	237
Ari Fleet Lease Trust Series 2020-A, Class B 2.06%, 11/15/28 (1)	475	484
Avis Budget Rental Car Funding AESOP Series 2017-1A, Class B 3.41%, 9/20/23 (1)	390	399
Avis Budget Rental Car Funding AESOP Series 2018-2A, Class C 4.95%, 3/20/25 (1)	260	281
Avis Budget Rental Car Funding AESOP Series 2019-1A, Class B 3.70%, 3/20/23 (1)	646	656
Avis Budget Rental Car Funding AESOP Series 2019-2A, Class A 3.35%, 9/22/25 (1)	475	509
Avis Budget Rental Car Funding AESOP Series 2019-2A, Class B 3.55%, 9/22/25 (1)	415	442
Avis Budget Rental Car Funding AESOP Series 2020-1A, Class A 2.33%, 8/20/26 (1)	340	354
Capital Auto Receivables Asset Trust Series 2017-1, Class C 2.70%, 9/20/22 (1)	119	119
Capital Auto Receivables Asset Trust Series 2018-2, Class C 3.69%, 12/20/23 (1)	174	174
CarMax Auto Owner Trust Series 2017-4, Class C 2.70%, 10/16/23	150	151

(Amounts in 000s)

	Par/Shares	$ Value
CarMax Auto Owner Trust Series 2020-4, Class D 1.75%, 4/15/27	145	147
Enterprise Fleet Financing Series 2018-2, Class A2 3.14%, 2/20/24 (1)	24	24
Enterprise Fleet Financing Series 2019-1, Class A2 2.98%, 10/20/24 (1)	127	128
Ford Credit Auto Owner Trust Series 2020-2, Class C 1.74%, 4/15/33 (1)	145	146
Ford Credit Floorplan Master Owner Trust Series 2020-1, Class C 1.42%, 9/15/25	220	223
GM Financial Consumer Automobile Receivables Trust Series 2020-2, Class A3 1.49%, 12/16/24	210	213
GM Financial Consumer Automobile Receivables Trust Series 2020-4, Class C 1.05%, 5/18/26	105	105
GMF Floorplan Owner Revolving Trust Series 2020-1, Class B 1.03%, 8/15/25 (1)	405	409
Hyundai Auto Receivables Trust Series 2019-A, Class B 2.94%, 5/15/25	460	477
Hyundai Auto Receivables Trust Series 2020-B, Class C 1.60%, 12/15/26	175	178
Navistar Financial Dealer Note Master Trust Series 2020-1, Class A, FRN 1M USD LIBOR + 0.95%, 1.042%, 7/25/25 (1)	220	222
Navistar Financial Dealer Note Master Trust Series 2020-1, Class B, FRN 1M USD LIBOR + 1.35%, 1.442%, 7/25/25 (1)	230	232
Nissan Auto Receivables Owner Trust Series 2020-A, Class A3 1.38%, 12/16/24	265	268
Santander Consumer Auto Receivables Trust Series 2020-BA, Class C 1.29%, 4/15/26 (1)	115	116
Santander Drive Auto Receivables Trust Series 2018-2, Class C 3.35%, 7/17/23	21	21
Santander Drive Auto Receivables Trust Series 2020-3, Class B 0.69%, 3/17/25	335	336
Santander Drive Auto Receivables Trust Series 2020-4, Class C 1.01%, 1/15/26	185	186
Santander Retail Auto Lease Trust Series 2019-C, Class D 2.88%, 6/20/24 (1)	525	540

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

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

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

	Par/Shares	$ Value
(Amounts in 000s)		
SLM Student Loan Trust Series 2010-1, Class A, FRN 1M USD LIBOR + 0.40%, 0.492%, 3/25/25	507	498
SMB Private Education Loan Trust Series 2014-A, Class A2A 3.05%, 5/15/26 (1)	26	26
SMB Private Education Loan Trust Series 2015-A, Class A2B, FRN 1M USD LIBOR + 1.00%, 1.073%, 6/15/27 (1)	54	54
SMB Private Education Loan Trust Series 2020-PTB, Class A2A 1.60%, 9/15/54 (1)	180	181
		2,201
Total Asset-Backed Securities (Cost $22,690)		**22,950**
CORPORATE BONDS 48.5%		
FINANCIAL INSTITUTIONS 17.5%		
Banking 12.3%		
Banco Bilbao Vizcaya Argentaria, 0.875%, 9/18/23	400	401
Banco Santander, VR, 0.701%, 6/30/24 (2)	400	401
Bank of America, 2.503%, 10/21/22	175	176
Bank of America, FRN, 3M USD LIBOR + 1.16%, 1.348%, 1/20/23	400	402
Bank of America, VR, 0.81%, 10/24/24 (2)	135	135
Bank of America, VR, 0.976%, 4/22/25 (2)	255	256
Bank of Ireland Group, 4.50%, 11/25/23 (1)	470	508
Banque Federative du Credit Mutuel, 0.65%, 2/27/24 (1)	235	234
Banque Federative du Credit Mutuel, 2.125%, 11/21/22 (1)	320	327
Barclays, VR, 4.338%, 5/16/24 (2)	200	213
BDO Unibank, 2.95%, 3/6/23	1,200	1,242
BPCE, 5.70%, 10/22/23 (1)	400	443
BPCE, FRN, 3M USD LIBOR + 1.22%, 1.37%, 5/22/22 (1)	400	404
Capital One Financial, 3.20%, 1/30/23	195	203
Capital One Financial, 3.50%, 6/15/23	140	148
Capital One Financial, 3.90%, 1/29/24	145	156
Citigroup, 2.90%, 12/8/21	400	404
Citigroup, VR, 0.981%, 5/1/25 (2)	200	200
Citigroup, VR, 2.312%, 11/4/22 (2)	330	332
Citigroup, VR, 3.106%, 4/8/26 (2)	240	257
Cooperatieve Rabobank, 3.95%, 11/9/22	540	565
Credicorp, 2.75%, 6/17/25 (1)	200	204
Credit Agricole, FRN, 3M USD LIBOR + 1.02%, 1.196%, 4/24/23 (1)	470	476
Credit Suisse, 1.00%, 5/5/23	635	641
Credit Suisse Group, VR, 2.997%, 12/14/23 (1)(2)	250	258
Danske Bank, 1.226%, 6/22/24 (1)	200	201
Danske Bank, 5.00%, 1/12/22 (1)	385	394
Danske Bank, VR, 3.001%, 9/20/22 (1)(2)	550	552
Deutsche Bank, 4.25%, 10/14/21	525	531

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

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

(Amounts in 000s)

	Par/Shares	$ Value
Capital Goods 1.4%		
Amphenol, 2.05%, 3/1/25	220	228
Boral Finance, 3.00%, 11/1/22 (1)	40	41
Carrier Global, 2.242%, 2/15/25	455	474
CNH Industrial Capital, 3.875%, 10/15/21	275	278
General Electric, 3.45%, 5/15/24	135	144
Martin Marietta Materials, 0.65%, 7/15/23	195	195
Republic Services, 2.50%, 8/15/24	200	210
Roper Technologies, 2.35%, 9/15/24	90	94
Roper Technologies, 3.65%, 9/15/23	75	80
Yongda Investment, 2.25%, 6/16/25	600	603
		2,347
Communications 2.7%		
CC Holdings, 3.849%, 4/15/23	485	514
Charter Communications Operating, 4.464%, 7/23/22	880	911
Charter Communications Operating, 4.908%, 7/23/25	530	601
Cox Communications, 3.15%, 8/15/24 (1)	140	149
Crown Castle International, 1.05%, 7/15/26	255	249
Crown Castle Towers, 3.72%, 7/15/23 (1)	155	159
NTT Finance, 0.373%, 3/3/23 (1)	275	275
NTT Finance, 0.583%, 3/1/24 (1)	200	199
SBA Tower Trust, 1.631%, 11/15/26 (1)	115	115
SBA Tower Trust, 1.884%, 1/15/26 (1)	85	86
SBA Tower Trust, 2.836%, 1/15/25 (1)	255	269
SBA Tower Trust, 3.448%, 3/15/23 (1)	250	261
T-Mobile USA, 2.25%, 2/15/26	195	196
T-Mobile USA, 3.50%, 4/15/25	175	189
Verizon Communications, 1.45%, 3/20/26	270	272
WPP Finance 2010, 3.625%, 9/7/22	75	78
		4,523
Consumer Cyclical 5.0%		
7-Eleven, 0.625%, 2/10/23 (1)	85	85
7-Eleven, 0.80%, 2/10/24 (1)	135	135
7-Eleven, FRN, 3M USD LIBOR + 0.45%, 0.612%, 8/10/22 (1)	75	75
AutoZone, 3.625%, 4/15/25	120	131
Daimler Finance North America, 1.75%, 3/10/23 (1)	435	444
Expedia Group, 3.60%, 12/15/23	305	323
Ford Motor Credit, 3.813%, 10/12/21	320	322
Ford Motor Credit, 5.875%, 8/2/21	200	201
General Motors, 4.875%, 10/2/23	180	196
General Motors, 5.40%, 10/2/23	450	495
General Motors Financial, 2.90%, 2/26/25	485	513
Harley-Davidson Financial Services, 2.55%, 6/9/22 (1)	95	96
Harley-Davidson Financial Services, 4.05%, 2/4/22 (1)	330	336
Hyundai Capital America, 0.80%, 1/8/24 (1)	160	159
Hyundai Capital America, 0.875%, 6/14/24 (1)	80	80
Hyundai Capital America, 2.375%, 2/10/23 (1)	470	482
Hyundai Capital America, 2.85%, 11/1/22 (1)	131	135
Hyundai Capital America, 3.00%, 6/20/22 (1)	270	276
Hyundai Capital America, 3.95%, 2/1/22 (1)	335	341
Marriott International, 2.30%, 1/15/22	20	20
Marriott International, 3.125%, 2/15/23	80	82
Marriott International, 3.60%, 4/15/24	160	171
Nissan Motor, 3.043%, 9/15/23 (1)	265	276
Nissan Motor Acceptance, 2.60%, 9/28/22 (1)	415	424
Nissan Motor Acceptance, 2.65%, 7/13/22 (1)	45	46
Nissan Motor Acceptance, 3.65%, 9/21/21 (1)	120	121
Nordstrom, 2.30%, 4/8/24 (1)	35	35
O'Reilly Automotive, 3.80%, 9/1/22	115	119
QVC, 4.375%, 3/15/23	295	310
Ralph Lauren, 1.70%, 6/15/22	50	51
Ross Stores, 0.875%, 4/15/26	115	113
Ross Stores, 4.60%, 4/15/25	550	620
Volkswagen Group of America Finance, 2.50%, 9/24/21 (1)	200	201
Volkswagen Group of America Finance, 2.70%, 9/26/22 (1)	415	426
Volkswagen Group of America Finance, 2.90%, 5/13/22 (1)	215	220
Volkswagen Group of America Finance, 3.125%, 5/12/23 (1)	200	209
		8,269
Consumer Non-Cyclical 7.3%		
AbbVie, 2.60%, 11/21/24	715	754
AbbVie, 3.20%, 11/6/22	45	46
AbbVie, 3.25%, 10/1/22	240	247
AbbVie, 3.45%, 3/15/22	260	264
AmerisourceBergen, 0.737%, 3/15/23	440	440
AstraZeneca, 0.30%, 5/26/23	335	334
Astrazeneca Finance, 0.70%, 5/28/24	230	230
Astrazeneca Finance, 1.20%, 5/28/26	320	319
BAT International Finance, 1.668%, 3/25/26	225	225
Baxalta, 3.60%, 6/23/22	190	195
Bayer U.S. Finance II, 3.875%, 12/15/23 (1)	250	268
Becton Dickinson & Company, 2.894%, 6/6/22	576	589
Becton Dickinson & Company, 3.363%, 6/6/24	310	331
Bristol-Myers Squibb, 3.25%, 2/20/23	48	50
Bunge Finance, 3.00%, 9/25/22	790	811
Bunge Finance, 4.35%, 3/15/24	30	33
Cardinal Health, 2.616%, 6/15/22	38	39
Cardinal Health, 3.079%, 6/15/24	180	191
Cardinal Health, 3.20%, 3/15/23	185	193
Cardinal Health, 3.50%, 11/15/24	215	232
China Mengniu Dairy, 1.875%, 6/17/25	650	657
Cigna, 3.00%, 7/15/23	180	188
Cigna, 3.75%, 7/15/23	104	111
CK Hutchison International II, 2.75%, 3/29/23	950	984
Coca-Cola Europacific Partners, 0.80%, 5/3/24 (1)	480	478
CommonSpirit Health, 1.547%, 10/1/25	170	171
EMD Finance, 2.95%, 3/19/22 (1)	110	112
Hasbro, 2.60%, 11/19/22	225	231

(Amounts in 000s)	Par/Shares	$ Value
Hasbro, 3.00%, 11/19/24	310	330
Imperial Brands Finance, 3.50%, 2/11/23 (1)	600	620
Imperial Brands Finance, 3.75%, 7/21/22 (1)	860	881
PeaceHealth Obligated Group, Series 2020, 1.375%, 11/15/25	50	50
Perrigo Finance Unlimited, 3.90%, 12/15/24	905	973
Royalty Pharma, 0.75%, 9/2/23 (1)	215	215
Shire Acquisitions Investments Ireland, 2.875%, 9/23/23	425	445
		12,237
Energy 6.3%		
Aker BP, 3.00%, 1/15/25 (1)	360	378
BP Capital Markets America, 2.937%, 4/6/23	170	177
Canadian Natural Resources, 2.05%, 7/15/25	335	344
Cenovus Energy, 3.00%, 8/15/22	470	479
Cenovus Energy, 3.80%, 9/15/23	130	137
Cenovus Energy, 3.95%, 4/15/22	115	117
Cheniere Corpus Christi Holdings, 5.875%, 3/31/25	325	373
Cheniere Corpus Christi Holdings, 7.00%, 6/30/24	465	532
Diamondback Energy, 2.875%, 12/1/24	695	734
Diamondback Energy, 4.75%, 5/31/25	205	231
Enbridge, 2.50%, 1/15/25	230	241
Energy Transfer, 2.90%, 5/15/25	65	68
Energy Transfer, 3.45%, 1/15/23	30	31
Energy Transfer, 4.25%, 3/15/23	310	325
Energy Transfer, 4.25%, 4/1/24	15	16
Energy Transfer, 5.875%, 1/15/24	610	676
Energy Transfer, Series 5Y, 4.20%, 9/15/23	65	69
Eni, Series X-R, 4.00%, 9/12/23 (1)	270	288
EOG Resources, 2.625%, 3/15/23	74	76
EQT, 3.00%, 10/1/22	555	566
Gray Oak Pipeline, 2.00%, 9/15/23 (1)	50	51
Gray Oak Pipeline, 2.60%, 10/15/25 (1)	105	108
Kinder Morgan Energy Partners, 3.95%, 9/1/22	30	31
MPLX, FRN, 3M USD LIBOR + 1.10%, 1.223%, 9/9/22	215	215
Occidental Petroleum, 2.60%, 8/13/21	240	241
Pioneer Natural Resources, 0.55%, 5/15/23	140	140
Pioneer Natural Resources, 0.75%, 1/15/24	155	155
Plains All American Pipeline, 2.85%, 1/31/23	305	313
Sabine Pass Liquefaction, 5.625%, 4/15/23	320	344
Sabine Pass Liquefaction, 6.25%, 3/15/22	600	616
Schlumberger Finance Canada, 1.40%, 9/17/25	80	81
Schlumberger Holdings, 3.75%, 5/1/24 (1)	340	366
Schlumberger Holdings, 4.00%, 12/21/25 (1)	95	105
Suncor Energy, 2.80%, 5/15/23	155	161
Valero Energy, 1.20%, 3/15/24	195	196
Valero Energy, 2.70%, 4/15/23	355	368
Valero Energy, 3.65%, 3/15/25	55	60

(Amounts in 000s)	Par/Shares	$ Value
Western Midstream Operating, 4.00%, 7/1/22	465	472
Williams, 3.35%, 8/15/22	55	56
Williams, 3.70%, 1/15/23	570	594
Williams, 4.30%, 3/4/24	75	82
		10,613
Technology 2.9%		
Avnet, 4.875%, 12/1/22	75	79
Equifax, FRN, 3M USD LIBOR + 0.87%, 1.026%, 8/15/21	170	170
Fidelity National Information Services, 0.375%, 3/1/23	275	275
Fidelity National Information Services, 0.60%, 3/1/24	130	130
Fortinet, 1.00%, 3/15/26	160	158
Global Payments, 2.65%, 2/15/25	195	205
IHS Markit, 3.625%, 5/1/24	150	161
Microchip Technology, 0.972%, 2/15/24 (1)	300	300
Microchip Technology, 0.983%, 9/1/24 (1)	220	219
Microchip Technology, 2.67%, 9/1/23	250	260
Micron Technology, 2.497%, 4/24/23	635	656
Micron Technology, 4.64%, 2/6/24	165	181
NXP, 2.70%, 5/1/25 (1)	45	47
NXP, 3.875%, 9/1/22 (1)	440	457
NXP, 4.625%, 6/1/23 (1)	430	462
Oracle, 2.40%, 9/15/23	305	316
Panasonic, 2.536%, 7/19/22 (1)	275	281
RELX Capital, 3.50%, 3/16/23	160	168
Skyworks Solutions, 0.90%, 6/1/23	70	70
Western Union, 2.85%, 1/10/25	295	312
		4,907
Transportation 0.7%		
American Airlines PTT, Series 2017-2, Class B, 3.70%, 10/15/25	387	373
Heathrow Funding, 4.875%, 7/15/21 (1)	340	340
Sydney Airport Finance, 3.90%, 3/22/23 (1)	250	263
United Airlines PTT, Series 2019-2, Class B, 3.50%, 5/1/28	233	231
		1,207
Total Industrial		45,566
UTILITY 3.8%		
Electric 3.8%		
AES, 3.30%, 7/15/25 (1)	190	203
Edison International, 2.95%, 3/15/23	110	113
Edison International, 3.125%, 11/15/22	170	175
Enel Finance International, 2.65%, 9/10/24 (1)	200	210
Enel Finance International, 2.875%, 5/25/22 (1)	690	705
Enel Finance International, 4.25%, 9/14/23 (1)	335	361
FirstEnergy, Series A, 3.35%, 7/15/22	235	238
NextEra Energy Capital Holdings, FRN, 3M USD LIBOR + 0.55%, 0.685%, 8/28/21	360	360
NRG Energy, 3.75%, 6/15/24 (1)	155	165
Pacific Gas & Electric, 1.75%, 6/16/22	880	880
Pacific Gas & Electric, 3.50%, 6/15/25	220	230

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

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

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

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

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

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

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

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

	Par/Shares	$ Value
(Amounts in 000s)		
MHC Trust Series 2021-MHC2, Class B, ARM 1M USD LIBOR + 1.10%, 1.173%, 5/15/23 (1)	150	150
Morgan Stanley Bank of America Merrill Lynch Trust Series 2016-C30, Class A1 1.389%, 9/15/49	5	5
Morgan Stanley Capital I Trust Series 2014-150E, Class A 3.912%, 9/9/32 (1)	340	365
Morgan Stanley Capital I Trust Series 2019-MEAD, Class D, ARM 3.283%, 11/10/36 (1)	710	707
Morgan Stanley Capital I Trust Series 2019-NUGS, Class D, ARM 1M USD LIBOR + 1.80%, 3.30%, 12/15/36 (1)	130	131
ONE Mortgage Trust Series 2021-PARK, Class B, ARM 1M USD LIBOR + 0.95%, 1.023%, 3/15/36 (1)	315	315
ONE Mortgage Trust Series 2021-PARK, Class C, ARM 1M USD LIBOR + 1.10%, 1.173%, 3/15/36 (1)	170	170
SLIDE Series 2018-FUN, Class D, ARM 1M USD LIBOR + 1.85%, 2.173%, 6/15/31 (1)	537	532
Wells Fargo Commercial Mortgage Trust Series 2015-NXS2, Class A2 3.02%, 7/15/58	181	184
WFRBS Commercial Mortgage Trust Series 2014-C23, Class A5 3.917%, 10/15/57	435	474
WFRBS Commercial Mortgage Trust Series 2014-LC14, Class A5 4.045%, 3/15/47	440	473
		10,218
Residential Mortgage 0.1%		
MetLife Securitization Trust Series 2017-1A, Class A, ARM 3.00%, 4/25/55 (1)	194	198
		198
Total Non-U.S. Government Mortgage-Backed Securities (Cost $25,960)		**26,033**
U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES 3.3%		
U.S. Government Agency Obligations 2.8%		
Federal Home Loan Mortgage		
3.50%, 3/1/46	134	145
5.00%, 12/1/23 - 7/1/25	24	25
5.50%, 4/1/23 - 10/1/38	10	11
6.00%, 10/1/21 - 1/1/38	98	114

	Par/Shares	$ Value
(Amounts in 000s)		
7.00%, 3/1/39	83	96
7.50%, 6/1/38	86	99
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.591%, 2.216%, 9/1/35	3	3
12M USD LIBOR + 1.625%, 1.875%, 6/1/38	17	18
12M USD LIBOR + 1.625%, 1.921%, 4/1/37	9	9
12M USD LIBOR + 1.625%, 2.115%, 7/1/38	16	16
12M USD LIBOR + 1.726%, 1.976%, 7/1/35	3	3
12M USD LIBOR + 1.733%, 2.027%, 10/1/36	9	9
12M USD LIBOR + 1.735%, 2.11%, 2/1/37	3	4
12M USD LIBOR + 1.749%, 2.087%, 5/1/38	7	7
12M USD LIBOR + 1.75%, 2.125%, 2/1/35	6	7
12M USD LIBOR + 1.775%, 2.025%, 5/1/37	4	4
12M USD LIBOR + 1.839%, 2.214%, 1/1/37	3	3
12M USD LIBOR + 2.03%, 2.449%, 11/1/36	2	2
12M USD LIBOR + 2.082%, 2.457%, 2/1/38	12	13
1Y CMT + 2.245%, 2.37%, 1/1/36	8	9
1Y CMT + 2.25%, 2.464%, 10/1/36	2	2
Federal Home Loan Mortgage, CMO, 2.00%, 2/15/40	117	119
Federal Home Loan Mortgage, UMBS		
2.00%, 1/1/36	250	258
3.00%, 11/1/34	238	253
4.00%, 12/1/49	54	58
4.50%, 5/1/50	54	59
Federal National Mortgage Assn., ARM		
12M USD LIBOR + 1.34%, 1.715%, 12/1/35	2	2
12M USD LIBOR + 1.568%, 1.999%, 7/1/35	2	1
12M USD LIBOR + 1.59%, 2.043%, 12/1/35	6	6
12M USD LIBOR + 1.602%, 2.391%, 7/1/36	8	8
12M USD LIBOR + 1.655%, 1.973%, 8/1/37	3	3
12M USD LIBOR + 1.77%, 2.145%, 12/1/35	1	1
12M USD LIBOR + 1.78%, 2.155%, 1/1/34	6	6
12M USD LIBOR + 1.788%, 2.163%, 5/1/38	4	4
12M USD LIBOR + 1.83%, 2.69%, 4/1/38 - 8/1/38	28	29
12M USD LIBOR + 1.881%, 3.452%, 5/1/38	8	8
12M USD LIBOR + 1.892%, 2.307%, 12/1/35	2	2
12M USD LIBOR + 2.04%, 2.415%, 12/1/36	1	1
Federal National Mortgage Assn., CMO, 4.00%, 6/25/44	109	110
Federal National Mortgage Assn., UMBS		
2.50%, 11/1/50	61	63
3.00%, 1/1/27	146	154
3.50%, 3/1/28 - 1/1/48	121	129
4.00%, 11/1/49 - 12/1/49	129	137
4.50%, 8/1/24 - 1/1/50	822	893
5.00%, 3/1/23 - 6/1/35	264	300
5.50%, 3/1/22 - 5/1/40	326	375
6.00%, 1/1/22 - 4/1/40	601	711
6.50%, 7/1/32 - 12/1/32	72	84
UMBS, TBA		
1.50%, 7/1/36 (3)	115	116
3.00%, 7/1/51 (3)	80	84
4.00%, 7/1/51 (3)	165	176
		4,749

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

(Amounts in 000s, except for contracts)

Options Purchased 0.0%

OTC Options Purchased 0.0%

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

‡	Par/Shares and Notional Amount are denominated in U.S. dollars unless otherwise noted.
*	Exercise Spread
(1)	Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to $69,502 and represents 41.5% of net assets.
(2)	Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread is provided if the rate is currently floating.
(3)	See Note 4. To-Be-Announced purchase commitment. Total value of such securities at period-end amounts to $618 and represents 0.4% of net assets.
(4)	At June 30, 2021, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
(5)	Commercial paper exempt from registration under Section 4(2) of the Securities Act of 1933 and may be resold in transactions exempt from registration only to dealers in that program or other "accredited investors". Total value of such securities at period-end amounts to $1,284 and represents 0.8% of net assets.
(6)	Seven-day yield
(7)	Affiliated Companies
(8)	Non-income producing
1M USD LIBOR	One month USD LIBOR (London interbank offered rate)
3M USD LIBOR	Three month USD LIBOR (London interbank offered rate)
12M USD LIBOR	Twelve month USD LIBOR (London interbank offered rate)
1Y CMT	One year U.S. Treasury note constant maturity
ARM	Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula based on the rates of the underlying loans.
CLO	Collateralized Loan Obligation
CMO	Collateralized Mortgage Obligation
FRN	Floating Rate Note
GO	General Obligation
OTC	Over-the-counter
PTT	Pass-Through Trust
SOFR30A	30-day Average SOFR (Secured Overnight Financing Rate)
STEP	Stepped coupon bond for which the coupon rate of interest adjusts on specified date(s); rate shown is effective rate at period-end.
TBA	To-Be-Announced
UMBS	Uniform Mortgage-Backed Securities
VR	Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

(Amounts in 000s, except for contracts)

OPTIONS WRITTEN (0.0)%

OTC Options Written (0.0)%

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

(Amounts in 000s)

SWAPS (0.0)%

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

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

FUTURES CONTRACTS

($000s)

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

AFFILIATED COMPANIES

($000s)

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

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

Supplementary Investment Schedule

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

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

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

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

^ The cost basis of investments in affiliated companies was $2,383.

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

STATEMENT OF ASSETS AND LIABILITIES

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

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

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

Unaudited

STATEMENT OF OPERATIONS

($000s)

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

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

($000s)

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

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

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

New Accounting Guidance In March 2020, the FASB issued Accounting Standards Update (ASU), ASU 2020–04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The guidance is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management expects that the adoption of the guidance will not have a material impact on the fund's financial statements.

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

NOTE 2 - VALUATION

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

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

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

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

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

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

Valuation Techniques Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

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

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

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

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

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

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

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2021, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes, such as seeking to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust portfolio duration and credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based. The fund at all times maintains sufficient cash reserves, liquid assets, or other SEC-permitted asset types to cover its settlement obligations under open derivative contracts.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral. The following table summarizes the fair value of the fund's derivative instruments held as of June 30, 2021, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

($000s)	Location on Statement of Assets and Liabilities	Fair Value*
Assets		
Interest rate derivatives	Futures	$ 6
Credit derivatives	Bilateral Swaps and Premiums, Securities^	37
Total		$ 43
Liabilities		
Interest rate derivatives	Futures	$ 49
Credit derivatives	Bilateral Swaps and Premiums, Options Written	88
Total		$ 137

* The fair value presented includes cumulative gain (loss) open futures contracts; however, the value reflected on the accompanying Statement of Assets and Liabilities is only the unsettled variation margin receivable (payable) at that date.
^ Options purchased are reported as securities and are reflected in the accompanying Portfolio of Investments.

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

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

Counterparty Risk and Collateral The fund invests in derivatives in various markets, which expose it to differing levels of counterparty risk. Counterparty risk on exchange-traded and centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps, is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Derivatives, such as bilateral swaps, forward currency exchange contracts, and OTC options, that are transacted and settle directly with a counterparty (bilateral derivatives) may expose the fund to greater counterparty risk. To mitigate this risk, the fund has entered into master netting arrangements (MNAs) with certain counterparties that permit net settlement under specified conditions and, for certain counterparties, also require the exchange of collateral to cover mark-to-market exposure. MNAs may be in the form of International Swaps and Derivatives Association master agreements (ISDAs) or foreign exchange letter agreements (FX letters).

MNAs provide the ability to offset amounts the fund owes a counterparty against amounts the counterparty owes the fund (net settlement). Both ISDAs and FX letters generally allow termination of transactions and net settlement upon the occurrence of contractually specified events, such as failure to pay or bankruptcy. In addition, ISDAs specify other events, the occurrence of which would allow one of the parties to terminate. For example, a downgrade in credit rating of a counterparty below a specified rating would allow the fund to terminate, while a decline in the fund's net assets of more than a specified percentage would allow the counterparty to terminate. Upon termination, all transactions with that counterparty would be liquidated and a net termination amount settled. ISDAs include collateral agreements whereas FX letters do not. Collateral requirements are determined daily based on the net aggregate unrealized gain or loss on all bilateral derivatives with a counterparty, subject to minimum transfer amounts that typically range from $100,000 to $250,000. Any additional collateral required due to changes in security values is typically transferred the next business day.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. For bilateral derivatives, collateral posted or received by the fund is held in a segregated account at the fund's custodian. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were traded, and OTC and bilateral derivatives may be unwound with counterparties or transactions assigned to other counterparties to allow the fund to exit the transaction. This ability is subject to the liquidity of underlying positions. As of June 30, 2021, no collateral was pledged by either the fund or counterparties for bilateral derivatives. As of June 30, 2021, securities valued at $88,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

Futures Contracts The fund is subject to interest rate risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risk. The fund may enter into futures contracts to manage exposure to interest rate and yield curve movements, security prices, foreign currencies, credit quality, and mortgage prepayments; as an efficient means of adjusting exposure to all or part of a target market; to enhance income; as a cash management tool; or to adjust portfolio duration and credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed-upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund's initial investment. During the six months ended June 30, 2021, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 14% and 22% of net assets.

Options The fund is subject to credit risk in the normal course of pursuing its investment objectives and uses options to help manage such risk. The fund may use options to manage exposure to security prices, interest rates, foreign currencies, and credit quality; as an efficient means of adjusting exposure to all or a part of a target market; to enhance income; as a cash management tool; or to adjust credit exposure. Options are included in net assets at fair value, options purchased are included in Investments in Securities, and Options written are separately reflected as a liability on the accompanying Statement of Assets and Liabilities. Premiums on unexercised, expired options are recorded as realized gains or losses; premiums on exercised options are recorded as an adjustment to the proceeds from the sale or cost of the purchase. The difference between the premium and the amount received or paid in a closing transaction is also treated as realized gain or loss. In return for a premium paid, options on swaps give the holder the right, but not the obligation, to enter a specified swap contract on predefined terms. The exercise price of an option on a credit default swap is stated in terms of a specified spread that represents the cost of credit protection on the reference asset, including both the upfront premium to open the position and future periodic payments. The exercise price of an interest rate swap is stated in terms of a fixed interest rate; generally, there is no upfront payment to open the position. Risks related to the use of options include possible illiquidity of the options markets; trading restrictions imposed by an exchange or counterparty; movements in the underlying asset values and credit ratings; and, for options written, potential losses in excess of the fund's initial investment. During the six months ended June 30, 2021, the volume of the fund's activity in options, based on underlying notional amounts, was generally between 0% and 5% of net assets.

Swaps The fund is subject to credit risk in the normal course of pursuing its investment objectives and uses swap contracts to help manage such risk. The fund may use swaps in an effort to manage both long and short exposure to changes in interest rates, inflation rates, and credit quality; to adjust overall exposure to certain markets; to enhance total return or protect the value of portfolio securities; to serve as a cash management tool; or to adjust portfolio duration and credit exposure. Swap agreements can be settled either directly with the counterparty (bilateral swap) or through a central clearinghouse (centrally cleared swap). Fluctuations in the fair value of a contract are reflected in unrealized gain or loss and are reclassified to realized gain or loss upon contract termination or cash settlement. Net periodic receipts or payments required by a contract increase or decrease, respectively, the value of the contract until the contractual payment date, at which time such amounts are reclassified from unrealized to realized gain or loss. For bilateral swaps, cash payments are made or received by the fund on a periodic basis in accordance with contract terms; unrealized gain on contracts and premiums paid are reflected as assets and unrealized loss on contracts and premiums received are reflected as liabilities on the accompanying Statement of Assets and Liabilities. For bilateral swaps, premiums paid or received are amortized over the life of the swap and are recognized as realized gain or loss in the Statement of Operations. For centrally cleared swaps, payments are made or received by the fund each day to settle the daily fluctuation in the value of the contract (variation margin). Accordingly, the value of a centrally cleared swap included in net assets is the unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities.

Credit default swaps are agreements where one party (the protection buyer) agrees to make periodic payments to another party (the protection seller) in exchange for protection against specified credit events, such as certain defaults and bankruptcies related to an underlying credit instrument, or issuer or index of such instruments. Upon occurrence of a specified credit event, the protection seller is required to pay the buyer the difference between the notional amount of the swap and the value of the underlying credit, either in the form of a net cash settlement or by paying the gross notional amount and accepting delivery of the relevant underlying credit. For credit default swaps where the underlying credit is an index, a specified credit event may affect all or individual underlying securities included in the index and will be settled based upon the relative weighting of the affected underlying security(ies) within the index. Generally, the payment risk for the seller of protection is inversely related to the current market price or credit rating of the underlying credit or the market value of the contract relative to the notional amount, which are indicators of the markets' valuation of credit quality. As of June 30, 2021, the notional amount of protection sold by the fund totaled $5,050,000 (3.0% of net assets), which reflects the maximum potential amount the fund could be required to pay under such contracts. Risks related to the use of credit default swaps include the possible inability of the fund to accurately assess the current and future creditworthiness of underlying issuers, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

During the six months ended June 30, 2021, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 5% and 6% of net assets.

NOTE 4 - OTHER INVESTMENT TRANSACTIONS

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

Restricted Securities The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

Collateralized Loan Obligations The fund invests in collateralized loan obligations (CLOs) which are entities backed by a diversified pool of syndicated bank loans. The cash flows of the CLO can be split into multiple segments, called "tranches" or "classes", which will vary in risk profile and yield. The riskiest segments, which are the subordinate or "equity" tranches, bear the greatest risk of loss from defaults in the underlying assets of the CLO and serve to protect the other, more senior, tranches. Senior tranches will typically have higher credit ratings and lower yields than the securities underlying the CLO. Despite the protection from the more junior tranches, senior tranches can experience substantial losses.

TBA Purchase, Sale Commitments and Forward Settling Mortgage Obligations The fund enters into to-be-announced (TBA) purchase or sale commitments (collectively, TBA transactions), pursuant to which it agrees to purchase or sell, respectively, mortgage-backed securities for a fixed unit price, with payment and delivery at a scheduled future date beyond the customary settlement period for such securities. With TBA transactions, the particular securities to be received or delivered by the fund are not identified at the trade date; however, the securities must meet specified terms, including rate and mortgage term, and be within industry-accepted "good delivery" standards. The fund may enter into TBA transactions with the intention of taking possession of or relinquishing the underlying securities, may elect to extend the settlement by "rolling" the transaction, and/or may use TBA transactions to gain or reduce interim exposure to underlying securities. Until settlement, the fund maintains liquid assets sufficient to settle its commitment to purchase a TBA or, in the case of a sale commitment, the fund maintains an entitlement to the security to be sold.

To mitigate counterparty risk, the fund has entered into Master Securities Forward Transaction Agreements (MSFTA) with counterparties that provide for collateral and the right to offset amounts due to or from those counterparties under specified conditions. Subject to minimum transfer amounts, collateral requirements are determined and transfers made based on the net aggregate unrealized gain or loss on all TBA commitments and other forward settling mortgage obligations with a particular counterparty (collectively, MSFTA Transactions). At any time, the fund's risk of loss from a particular counterparty related to its MSFTA Transactions is the aggregate unrealized gain on appreciated MSFTA Transactions in excess of unrealized loss on depreciated MSFTA Transactions and collateral received, if any, from such counterparty. As of June 30, 2021, no collateral was pledged by the fund or counterparties for MSFTA Transactions.

Mortgage-Backed Securities The fund invests in mortgage-backed securities (MBS or pass-through certificates) that represent an interest in a pool of specific underlying mortgage loans and entitle the fund to the periodic payments of principal and interest from those mortgages. MBS may be issued by government agencies or corporations, or private issuers. Most MBS issued by government agencies are guaranteed; however, the degree of protection differs based on the issuer. MBS are sensitive to changes in economic conditions that affect the rate of prepayments and defaults on the underlying mortgages; accordingly, the value, income, and related cash flows from MBS may be more volatile than other debt instruments.

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

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

NOTE 5 - FEDERAL INCOME TAXES

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

At June 30, 2021, the cost of investments for federal income tax purposes was $167,117,000. Net unrealized gain aggregated $2,358,000 at period-end, of which $2,580,000 related to appreciated investments and $222,000 related to depreciated investments.

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.70% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2022 to waive a portion of its management fee in order to limit the fund's management fee to 0.50% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price Associates by the fund. The total management fees waived were $161,000 and allocated ratably in the amounts of $143,000 and $18,000 for the Limited-Term Bond Portfolio Class and Limited-Term Bond Portfolio-II Class, respectively, for the six months ended June 30, 2021.

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

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

NOTE 7 - OTHER MATTERS

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

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

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

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

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

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

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

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

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

Services Provided by the Advisor

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

Investment Performance of the Fund

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

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

Costs, Benefits, Profits, and Economies of Scale

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

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract from any economies of scale realized by the Advisor. Under the Advisory Contract, the fund pays the Advisor a single fee, or all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Advisor to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Advisor has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's management fee rate to 0.50% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Advisor by the fund. The Advisor has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the investors in these funds, and has historically sought to set the initial all-inclusive fee rate at levels below the expense ratios of comparable funds to take into account the potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

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

Fees and Expenses

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

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

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

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

Approval of the Advisory Contract

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

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.

T.RowePrice®

100 East Pratt Street
Baltimore, MD 21202

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

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