

# Semiannual Report

June 30, 2021

## VP Balanced Fund

Class I (AVBIX)

Class II (AVBTX)



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# Fund Characteristics

**JUNE 30, 2021**

<b>Types of Investments in Portfolio</b>	<b>% of net assets</b>
Common Stocks	59.1%
U.S. Treasury Securities	16.8%
Corporate Bonds	9.9%
U.S. Government Agency Mortgage-Backed Securities	5.9%
Collateralized Mortgage Obligations	2.7%
Asset-Backed Securities	1.9%
Collateralized Loan Obligations	1.7%
Municipal Securities	0.6%
Exchange-Traded Funds	0.4%
U.S. Government Agency Securities	0.2%
Commercial Mortgage-Backed Securities	0.1%
Bank Loan Obligations	0.1%
Sovereign Governments and Agencies	—*
Temporary Cash Investments	3.4%
Other Assets and Liabilities	(2.8)%

\*Category is less than 0.05% of total net assets.

<b>Top Five Common Stocks Industries*</b>	<b>% of net assets</b>
Software	6.1%
Semiconductors and Semiconductor Equipment	5.3%
Technology Hardware, Storage and Peripherals	4.1%
IT Services	3.9%
Health Care Providers and Services	3.5%

\*Exposure indicated excludes Exchange-Traded Funds. The Schedule of Investments provides additional information on the fund's portfolio holdings.

## Shareholder Fee Example

Fund shareholders may incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and redemption/exchange fees; and (2) ongoing costs, including management fees; distribution and service (12b-1) fees; and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in your fund and to compare these costs with the ongoing cost of investing in other mutual funds.

The example is based on an investment of \$1,000 made at the beginning of the period and held for the entire period from January 1, 2021 to June 30, 2021.

### Actual Expenses

The table provides information about actual account values and actual expenses for each class. You may use the information, together with the amount you invested, to estimate the expenses that you paid over the period. First, identify the share class you own. Then 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 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 table also provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio of each class of your fund and an assumed rate of return of 5% per year before expenses, which is not the actual return of a fund's share class. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) or redemption/exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 1/1/21	Ending Account Value 6/30/21	Expenses Paid During Period <sup>(1)</sup> 1/1/21 - 6/30/21	Annualized Expense Ratio <sup>(1)</sup>
<b>Actual</b>				
Class I	\$1,000	\$1,084.30	\$4.39	0.85%
Class II	\$1,000	\$1,082.90	\$5.68	1.10%
<b>Hypothetical</b>				
Class I	\$1,000	\$1,020.58	\$4.26	0.85%
Class II	\$1,000	\$1,019.34	\$5.51	1.10%

- (1) Expenses are equal to the class's annualized expense ratio listed in the table above, multiplied by the average account value over the period, multiplied by 181, the number of days in the most recent fiscal half-year, divided by 365, to reflect the one-half year period. Annualized expense ratio reflects actual expenses, including any applicable fee waivers or expense reimbursements and excluding any acquired fund fees and expenses.

# Schedule of Investments

JUNE 30, 2021 (UNAUDITED)

	Shares/ Principal Amount	Value
<b>COMMON STOCKS — 59.1%</b>		
<b>Aerospace and Defense — 1.3%</b>		
Boeing Co. (The) <sup>(1)</sup>	2,898 \$	694,245
Huntington Ingalls Industries, Inc.	4,782	1,007,807
Northrop Grumman Corp.	5,315	1,931,630
Textron, Inc.	14,842	1,020,684
		4,654,366
<b>Air Freight and Logistics — 0.8%</b>		
FedEx Corp.	9,372	2,795,949
<b>Auto Components — 0.4%</b>		
Magna International, Inc.	15,517	1,437,495
<b>Automobiles — 1.7%</b>		
Ford Motor Co. <sup>(1)</sup>	178,379	2,650,712
General Motors Co. <sup>(1)</sup>	17,788	1,052,516
Tesla, Inc. <sup>(1)</sup>	4,014	2,728,316
		6,431,544
<b>Banks — 1.9%</b>		
Bank of America Corp.	66,129	2,726,499
Citigroup, Inc.	12,552	888,054
JPMorgan Chase & Co.	8,499	1,321,934
Wells Fargo & Co.	49,106	2,224,011
		7,160,498
<b>Biotechnology — 2.3%</b>		
AbbVie, Inc.	23,422	2,638,254
Exelixis, Inc. <sup>(1)</sup>	51,479	937,947
Incyte Corp. <sup>(1)</sup>	9,937	836,000
Moderna, Inc. <sup>(1)</sup>	9,465	2,224,086
Vertex Pharmaceuticals, Inc. <sup>(1)</sup>	8,732	1,760,633
		8,396,920
<b>Building Products — 1.0%</b>		
AO Smith Corp.	12,928	931,592
Masco Corp.	14,051	827,744
Owens Corning	19,192	1,878,897
		3,638,233
<b>Capital Markets — 1.4%</b>		
Cboe Global Markets, Inc.	8,187	974,662
Charles Schwab Corp. (The)	15,926	1,159,572
Goldman Sachs Group, Inc. (The)	2,248	853,184
Morgan Stanley	24,122	2,211,746
		5,199,164
<b>Chemicals — 1.0%</b>		
Chemours Co. (The)	28,718	999,386
Eastman Chemical Co.	11,336	1,323,478
Sherwin-Williams Co. (The)	4,591	1,250,818
		3,573,682
<b>Commercial Services and Supplies — 0.3%</b>		
Waste Management, Inc.	8,551	1,198,081

	Shares/ Principal Amount	Value
<b>Communications Equipment — 0.5%</b>		
Cisco Systems, Inc.	27,034	\$ 1,432,802
Motorola Solutions, Inc.	2,120	459,722
		1,892,524
<b>Construction and Engineering — 0.6%</b>		
EMCOR Group, Inc.	6,599	812,931
MasTec, Inc. <sup>(1)</sup>	14,606	1,549,696
		2,362,627
<b>Consumer Finance — 0.5%</b>		
Synchrony Financial	34,418	1,669,961
<b>Containers and Packaging — 0.3%</b>		
WestRock Co.	19,930	1,060,675
<b>Distributors — 0.2%</b>		
LKQ Corp. <sup>(1)</sup>	13,167	648,080
<b>Diversified Financial Services — 0.7%</b>		
Berkshire Hathaway, Inc., Class B <sup>(1)</sup>	9,722	2,701,938
<b>Diversified Telecommunication Services — 0.3%</b>		
Lumen Technologies, Inc.	71,906	977,203
<b>Electrical Equipment — 1.1%</b>		
Eaton Corp. plc	13,211	1,957,606
nVent Electric plc	29,161	910,990
Regal Beloit Corp.	7,600	1,014,676
		3,883,272
<b>Electronic Equipment, Instruments and Components — 0.3%</b>		
SYNNEX Corp.	10,229	1,245,483
<b>Entertainment — 0.8%</b>		
Electronic Arts, Inc.	7,315	1,052,117
Take-Two Interactive Software, Inc. <sup>(1)</sup>	5,164	914,131
Walt Disney Co. (The) <sup>(1)</sup>	5,508	968,141
		2,934,389
<b>Equity Real Estate Investment Trusts (REITs) — 1.0%</b>		
Iron Mountain, Inc.	1,895	80,197
Prologis, Inc.	19,606	2,343,505
Simon Property Group, Inc.	9,213	1,202,112
		3,625,814
<b>Food and Staples Retailing — 0.3%</b>		
Walmart, Inc.	7,528	1,061,599
<b>Food Products — 0.7%</b>		
Tyson Foods, Inc., Class A	36,011	2,656,171
<b>Health Care Equipment and Supplies — 0.7%</b>		
Danaher Corp.	8,999	2,414,972
<b>Health Care Providers and Services — 3.5%</b>		
AMN Healthcare Services, Inc. <sup>(1)</sup>	15,009	1,455,573
CVS Health Corp.	13,953	1,164,238
HCA Healthcare, Inc.	14,476	2,992,768
Humana, Inc.	4,191	1,855,440
Laboratory Corp. of America Holdings <sup>(1)</sup>	134	36,964
McKesson Corp.	9,384	1,794,596
Molina Healthcare, Inc. <sup>(1)</sup>	5,302	1,341,724
UnitedHealth Group, Inc.	5,791	2,318,948
		12,960,251

	Shares/ Principal Amount	Value
<b>Health Care Technology — 0.2%</b>		
Cerner Corp.	10,587	\$ 827,480
<b>Hotels, Restaurants and Leisure — 0.2%</b>		
Yum! Brands, Inc.	6,943	798,653
<b>Household Durables — 0.5%</b>		
Mohawk Industries, Inc. <sup>(1)</sup>	8,879	1,706,455
<b>Industrial Conglomerates — 0.5%</b>		
3M Co.	10,012	1,988,684
<b>Interactive Media and Services — 3.4%</b>		
Alphabet, Inc., Class A <sup>(1)</sup>	3,031	7,401,066
Facebook, Inc., Class A <sup>(1)</sup>	15,148	5,267,111
		12,668,177
<b>Internet and Direct Marketing Retail — 1.9%</b>		
Amazon.com, Inc. <sup>(1)</sup>	2,053	7,062,648
<b>IT Services — 3.9%</b>		
Accenture plc, Class A	15,693	4,626,140
Akamai Technologies, Inc. <sup>(1)</sup>	19,158	2,233,823
Amdocs Ltd.	19,370	1,498,463
Cognizant Technology Solutions Corp., Class A	13,342	924,067
International Business Machines Corp.	14,887	2,182,285
PayPal Holdings, Inc. <sup>(1)</sup>	9,880	2,879,822
		14,344,600
<b>Leisure Products — 0.2%</b>		
Polaris, Inc.	4,065	556,742
<b>Machinery — 0.5%</b>		
AGCO Corp.	6,042	787,756
Timken Co. (The)	14,721	1,186,365
		1,974,121
<b>Media — 2.2%</b>		
Altice USA, Inc., Class A <sup>(1)</sup>	57,989	1,979,744
AMC Networks, Inc., Class A <sup>(1)</sup>	7,895	527,386
Charter Communications, Inc., Class A <sup>(1)</sup>	3,152	2,274,010
Comcast Corp., Class A	58,982	3,363,154
		8,144,294
<b>Multiline Retail — 0.8%</b>		
Target Corp.	12,685	3,066,472
<b>Oil, Gas and Consumable Fuels — 0.7%</b>		
Chevron Corp.	23,948	2,508,314
<b>Paper and Forest Products — 0.1%</b>		
Louisiana-Pacific Corp.	6,432	387,785
<b>Pharmaceuticals — 1.5%</b>		
Bristol-Myers Squibb Co.	43,087	2,879,073
Johnson & Johnson	5,411	891,408
Pfizer, Inc.	44,246	1,732,674
		5,503,155
<b>Professional Services — 0.2%</b>		
Robert Half International, Inc.	6,131	545,475
<b>Road and Rail — 0.4%</b>		
Landstar System, Inc.	2,427	383,514
Ryder System, Inc.	16,312	1,212,471
		1,595,985



	Shares/ Principal Amount	Value
<b>Semiconductors and Semiconductor Equipment — 5.3%</b>		
Applied Materials, Inc.	20,377	\$ 2,901,685
Broadcom, Inc.	6,076	2,897,280
Intel Corp.	35,306	1,982,079
Micron Technology, Inc. <sup>(1)</sup>	25,004	2,124,840
NVIDIA Corp.	1,501	1,200,950
NXP Semiconductors NV	12,285	2,527,270
Qorvo, Inc. <sup>(1)</sup>	9,172	1,794,502
QUALCOMM, Inc.	16,411	2,345,624
STMicroelectronics NV, (New York)	18,407	669,647
Synaptics, Inc. <sup>(1)</sup>	6,847	1,065,256
		19,509,133
<b>Software — 6.1%</b>		
Adobe, Inc. <sup>(1)</sup>	386	226,057
Autodesk, Inc. <sup>(1)</sup>	3,169	925,031
Dropbox, Inc., Class A <sup>(1)</sup>	39,364	1,193,123
Fortinet, Inc. <sup>(1)</sup>	5,653	1,346,488
HubSpot, Inc. <sup>(1)</sup>	1,507	878,159
Microsoft Corp.	47,295	12,812,215
Oracle Corp. (New York)	32,976	2,566,852
Palo Alto Networks, Inc. <sup>(1)</sup>	2,213	821,134
salesforce.com, Inc. <sup>(1)</sup>	7,679	1,875,749
		22,644,808
<b>Specialty Retail — 2.7%</b>		
AutoNation, Inc. <sup>(1)</sup>	6,771	641,958
Best Buy Co., Inc.	17,096	1,965,698
Home Depot, Inc. (The)	9,389	2,994,058
L Brands, Inc.	8,794	633,696
Lithia Motors, Inc., Class A	2,324	798,619
Lowe's Cos., Inc.	10,611	2,058,216
RH <sup>(1)</sup>	841	571,039
Williams-Sonoma, Inc.	2,640	421,476
		10,084,760
<b>Technology Hardware, Storage and Peripherals — 4.1%</b>		
Apple, Inc.	77,226	10,576,873
HP, Inc.	34,440	1,039,744
Logitech International SA	6,934	838,459
NetApp, Inc.	11,100	908,202
Seagate Technology Holdings plc	20,324	1,787,089
		15,150,367
<b>Textiles, Apparel and Luxury Goods — 0.1%</b>		
Crocs, Inc. <sup>(1)</sup>	4,419	514,902
<b>TOTAL COMMON STOCKS</b>		
(Cost \$166,652,521)		<b>218,163,901</b>
<b>U.S. TREASURY SECURITIES — 16.8%</b>		
U.S. Treasury Bonds, 5.00%, 5/15/37	\$ 100,000	145,773
U.S. Treasury Bonds, 3.50%, 2/15/39	500,000	625,605
U.S. Treasury Bonds, 4.625%, 2/15/40	600,000	861,469
U.S. Treasury Bonds, 1.875%, 2/15/41	1,900,000	1,860,516
U.S. Treasury Bonds, 2.25%, 5/15/41	400,000	416,313
U.S. Treasury Bonds, 3.125%, 11/15/41	100,000	119,242
U.S. Treasury Bonds, 3.00%, 5/15/42	1,700,000	1,990,594

	Shares/ Principal Amount	Value
U.S. Treasury Bonds, 2.75%, 11/15/42	\$ 550,000	\$ 619,545
U.S. Treasury Bonds, 2.875%, 5/15/43	300,000	345,117
U.S. Treasury Bonds, 3.625%, 2/15/44	100,000	129,285
U.S. Treasury Bonds, 2.50%, 2/15/45	1,400,000	1,515,172
U.S. Treasury Bonds, 3.00%, 5/15/45	200,000	235,922
U.S. Treasury Bonds, 3.00%, 11/15/45	200,000	236,523
U.S. Treasury Bonds, 2.50%, 2/15/46	100,000	108,359
U.S. Treasury Bonds, 2.25%, 8/15/46	400,000	413,719
U.S. Treasury Bonds, 2.75%, 8/15/47	100,000	113,781
U.S. Treasury Bonds, 3.375%, 11/15/48	1,160,000	1,481,538
U.S. Treasury Bonds, 2.25%, 8/15/49	400,000	414,500
U.S. Treasury Bonds, 2.375%, 11/15/49	550,000	585,836
U.S. Treasury Bonds, 2.00%, 2/15/50	200,000	196,547
U.S. Treasury Bonds, 1.875%, 2/15/51	100,000	95,469
U.S. Treasury Bonds, 2.375%, 5/15/51	1,500,000	1,601,836
U.S. Treasury Inflation Indexed Notes, 0.125%, 10/15/25	1,337,999	1,456,592
U.S. Treasury Inflation Indexed Notes, 0.25%, 7/15/29	835,216	929,858
U.S. Treasury Inflation Indexed Notes, 0.125%, 7/15/30	2,708,134	2,989,971
U.S. Treasury Inflation Indexed Notes, 0.125%, 1/15/31	1,641,408	1,807,934
U.S. Treasury Notes, 0.125%, 2/28/23	700,000	699,207
U.S. Treasury Notes, 0.50%, 3/15/23	4,600,000	4,623,988
U.S. Treasury Notes, 0.25%, 4/15/23	100,000	100,068
U.S. Treasury Notes, 0.125%, 5/31/23	700,000	698,551
U.S. Treasury Notes, 1.375%, 9/30/23	1,300,000	1,331,586
U.S. Treasury Notes, 0.25%, 11/15/23	2,000,000	1,997,031
U.S. Treasury Notes, 2.875%, 11/30/23	3,400,000	3,608,648
U.S. Treasury Notes, 0.125%, 12/15/23	2,500,000	2,487,305
U.S. Treasury Notes, 0.125%, 1/15/24	1,000,000	994,102
U.S. Treasury Notes, 2.375%, 2/29/24	400,000	421,156
U.S. Treasury Notes, 0.25%, 3/15/24	4,500,000	4,482,773
U.S. Treasury Notes, 0.375%, 4/15/24	1,000,000	998,906
U.S. Treasury Notes, 1.125%, 2/28/25	2,200,000	2,240,648
U.S. Treasury Notes, 0.25%, 5/31/25	200,000	196,680
U.S. Treasury Notes, 0.25%, 8/31/25	2,200,000	2,156,258
U.S. Treasury Notes, 2.625%, 12/31/25	900,000	973,125
U.S. Treasury Notes, 0.375%, 1/31/26	300,000	294,035
U.S. Treasury Notes, 0.50%, 2/28/26	500,000	492,510
U.S. Treasury Notes, 1.375%, 8/31/26	1,300,000	1,331,129
U.S. Treasury Notes, 1.625%, 10/31/26 <sup>(2)</sup>	1,300,000	1,346,770
U.S. Treasury Notes, 1.75%, 12/31/26	700,000	729,750
U.S. Treasury Notes, 1.50%, 1/31/27	100,000	102,824
U.S. Treasury Notes, 1.125%, 2/28/27	1,900,000	1,914,027
U.S. Treasury Notes, 0.625%, 3/31/27	1,300,000	1,272,172
U.S. Treasury Notes, 0.50%, 4/30/27	1,500,000	1,455,176
U.S. Treasury Notes, 0.50%, 6/30/27	200,000	193,484
U.S. Treasury Notes, 0.50%, 8/31/27	800,000	771,625
U.S. Treasury Notes, 0.625%, 12/31/27	1,600,000	1,547,188
U.S. Treasury Notes, 1.25%, 4/30/28	900,000	902,953
U.S. Treasury Notes, 1.125%, 2/15/31	200,000	194,188
U.S. Treasury Notes, 1.625%, 5/15/31	300,000	304,641
<b>TOTAL U.S. TREASURY SECURITIES</b>		
(Cost \$60,745,437)		<b>62,159,520</b>

	Shares/ Principal Amount	Value
<b>CORPORATE BONDS — 9.9%</b>		
<b>Aerospace and Defense — 0.2%</b>		
Boeing Co. (The), 2.20%, 2/4/26	\$ 150,000	\$ 151,458
Boeing Co. (The), 5.81%, 5/1/50	80,000	107,907
Lockheed Martin Corp., 3.80%, 3/1/45	20,000	23,325
Raytheon Technologies Corp., 4.125%, 11/16/28	210,000	241,783
Teledyne Technologies, Inc., 2.25%, 4/1/28	100,000	101,891
		626,364
<b>Airlines — 0.1%</b>		
Delta Air Lines, Inc. / SkyMiles IP Ltd., 4.50%, 10/20/25 <sup>(3)</sup>	204,000	219,319
Southwest Airlines Co., 5.125%, 6/15/27	166,000	195,403
		414,722
<b>Automobiles — 0.2%</b>		
General Motors Co., 5.15%, 4/1/38	100,000	122,253
General Motors Financial Co., Inc., 2.75%, 6/20/25	274,000	288,630
General Motors Financial Co., Inc., 2.70%, 8/20/27	156,000	162,286
General Motors Financial Co., Inc., 2.70%, 6/10/31	81,000	81,464
Toyota Motor Credit Corp., MTN, 1.90%, 4/6/28	140,000	142,727
		797,360
<b>Banks — 1.2%</b>		
Banco Santander SA, 2.96%, 3/25/31	200,000	206,219
Bank of America Corp., MTN, 4.18%, 11/25/27	90,000	100,887
Bank of America Corp., MTN, VRN, 2.09%, 6/14/29	225,000	227,040
Bank of America Corp., MTN, VRN, 2.68%, 6/19/41	375,000	364,495
Bank of America Corp., VRN, 3.42%, 12/20/28	255,000	277,908
Barclays plc, 5.20%, 5/12/26	200,000	228,953
BNP Paribas SA, VRN, 4.375%, 3/1/33 <sup>(3)</sup>	200,000	221,250
Citigroup, Inc., VRN, 1.46%, 6/9/27	210,000	209,344
Citigroup, Inc., VRN, 3.52%, 10/27/28	346,000	379,121
Citigroup, Inc., VRN, 2.57%, 6/3/31	225,000	231,532
FNB Corp., 2.20%, 2/24/23	140,000	142,269
HSBC Holdings plc, VRN, 1.59%, 5/24/27	200,000	200,536
HSBC Holdings plc, VRN, 2.80%, 5/24/32	80,000	82,160
JPMorgan Chase & Co., VRN, 1.58%, 4/22/27	105,000	105,593
JPMorgan Chase & Co., VRN, 2.18%, 6/1/28	180,000	184,445
JPMorgan Chase & Co., VRN, 2.07%, 6/1/29	150,000	151,325
JPMorgan Chase & Co., VRN, 3.16%, 4/22/42	255,000	265,730
PNC Bank N.A., 4.05%, 7/26/28	250,000	289,578
SVB Financial Group, 2.10%, 5/15/28	170,000	172,598
Truist Financial Corp., MTN, VRN, 1.89%, 6/7/29	70,000	70,280
Wells Fargo & Co., MTN, VRN, 2.39%, 6/2/28	140,000	145,290
Wells Fargo & Co., VRN, 2.19%, 4/30/26	19,000	19,734
Wells Fargo & Co., VRN, 3.07%, 4/30/41	210,000	215,805
		4,492,092
<b>Beverages — 0.1%</b>		
Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide, Inc., 4.90%, 2/1/46	155,000	196,535
Anheuser-Busch InBev Worldwide, Inc., 4.75%, 1/23/29	240,000	286,151
		482,686
<b>Biotechnology — 0.2%</b>		
AbbVie, Inc., 3.20%, 11/21/29	145,000	157,598
AbbVie, Inc., 4.55%, 3/15/35	10,000	12,156

	Shares/ Principal Amount	Value
AbbVie, Inc., 4.40%, 11/6/42	\$ 80,000	\$ 97,270
Gilead Sciences, Inc., 3.65%, 3/1/26	250,000	275,747
Gilead Sciences, Inc., 1.20%, 10/1/27	40,000	39,021
		581,792
<b>Building Products<sup>†</sup></b>		
Lennox International, Inc., 1.70%, 8/1/27	50,000	50,036
<b>Capital Markets — 0.8%</b>		
Ares Capital Corp., 2.875%, 6/15/28	132,000	134,189
Bain Capital Specialty Finance, Inc., 2.95%, 3/10/26	200,000	204,950
Blackstone Secured Lending Fund, 2.75%, 9/16/26 <sup>(3)</sup>	140,000	141,973
Blue Owl Finance LLC, 3.125%, 6/10/31 <sup>(3)</sup>	150,000	149,184
CI Financial Corp., 4.10%, 6/15/51	170,000	178,007
FS KKR Capital Corp., 3.40%, 1/15/26	250,000	258,639
FS KKR Capital Corp., 2.625%, 1/15/27	60,000	59,394
Goldman Sachs Group, Inc. (The), VRN, 1.43%, 3/9/27	470,000	468,877
Goldman Sachs Group, Inc. (The), VRN, 3.21%, 4/22/42	80,000	83,803
Golub Capital BDC, Inc., 2.50%, 8/24/26	145,000	145,913
Macquarie Group Ltd., VRN, 1.63%, 9/23/27 <sup>(3)</sup>	60,000	59,619
Morgan Stanley, VRN, 1.59%, 5/4/27	410,000	413,080
Morgan Stanley, VRN, 3.22%, 4/22/42	46,000	48,815
Owl Rock Capital Corp., 3.40%, 7/15/26	110,000	114,752
Owl Rock Technology Finance Corp., 4.75%, 12/15/25 <sup>(3)</sup>	111,000	122,169
Owl Rock Technology Finance Corp., 3.75%, 6/17/26 <sup>(3)</sup>	70,000	73,676
Owl Rock Technology Finance Corp., 2.50%, 1/15/27	180,000	177,935
Prospect Capital Corp., 3.71%, 1/22/26	145,000	149,095
		2,984,070
<b>Chemicals — 0.1%</b>		
Dow Chemical Co. (The), 3.60%, 11/15/50	140,000	151,547
International Flavors & Fragrances, Inc., 1.83%, 10/15/27 <sup>(3)</sup>	59,000	58,888
		210,435
<b>Commercial Services and Supplies — 0.2%</b>		
Republic Services, Inc., 2.30%, 3/1/30	115,000	116,920
Sodexo, Inc., 2.72%, 4/16/31 <sup>(3)</sup>	310,000	316,555
Waste Connections, Inc., 2.60%, 2/1/30	100,000	103,444
Waste Management, Inc., 2.50%, 11/15/50	50,000	46,971
		583,890
<b>Construction and Engineering<sup>†</sup></b>		
Quanta Services, Inc., 2.90%, 10/1/30	61,000	63,332
<b>Construction Materials<sup>†</sup></b>		
Eagle Materials, Inc., 2.50%, 7/1/31 <sup>(4)</sup>	76,000	75,392
<b>Consumer Finance — 0.1%</b>		
Avolon Holdings Funding Ltd., 4.25%, 4/15/26 <sup>(3)</sup>	150,000	162,679
Avolon Holdings Funding Ltd., 4.375%, 5/1/26 <sup>(3)</sup>	150,000	163,211
		325,890
<b>Containers and Packaging — 0.1%</b>		
Amcor Flexibles North America, Inc., 2.69%, 5/25/31	110,000	112,428
Berry Global, Inc., 1.57%, 1/15/26 <sup>(3)</sup>	160,000	160,256
WRKCo, Inc., 3.00%, 9/15/24	72,000	76,307
		348,991
<b>Diversified Consumer Services — 0.1%</b>		
Duke University, 3.30%, 10/1/46	110,000	122,179
Novant Health, Inc., 3.17%, 11/1/51	85,000	89,430

	Shares/ Principal Amount	Value
Pepperdine University, 3.30%, 12/1/59	\$ 105,000	\$ 105,779
		317,388
<b>Diversified Financial Services — 0.2%</b>		
Block Financial LLC, 2.50%, 7/15/28	120,000	120,678
Deutsche Bank AG, VRN, 3.04%, 5/28/32	300,000	305,705
GE Capital Funding LLC, 4.40%, 5/15/30	200,000	233,232
		659,615
<b>Diversified Telecommunication Services — 0.4%</b>		
AT&T, Inc., 2.55%, 12/1/33 <sup>(3)</sup>	192,000	190,409
AT&T, Inc., 3.55%, 9/15/55 <sup>(3)</sup>	344,000	345,654
Telefonica Emisiones SA, 4.90%, 3/6/48	320,000	384,219
Verizon Communications, Inc., 4.33%, 9/21/28	103,000	119,917
Verizon Communications, Inc., 1.75%, 1/20/31	235,000	225,377
Verizon Communications, Inc., 2.65%, 11/20/40	201,000	193,788
Verizon Communications, Inc., 2.99%, 10/30/56	80,000	75,332
		1,534,696
<b>Electric Utilities — 0.7%</b>		
AEP Texas, Inc., 2.10%, 7/1/30	130,000	127,622
Baltimore Gas and Electric Co., 2.25%, 6/15/31	81,000	81,877
Berkshire Hathaway Energy Co., 3.50%, 2/1/25	190,000	205,340
Berkshire Hathaway Energy Co., 3.80%, 7/15/48	40,000	45,919
Commonwealth Edison Co., 3.20%, 11/15/49	115,000	122,282
DTE Electric Co., 2.25%, 3/1/30	110,000	113,043
Duke Energy Carolinas LLC, 2.55%, 4/15/31	54,000	56,116
Duke Energy Corp., 2.55%, 6/15/31	150,000	152,114
Duke Energy Florida LLC, 1.75%, 6/15/30	120,000	117,699
Duke Energy Florida LLC, 3.85%, 11/15/42	30,000	34,745
Duke Energy Progress LLC, 4.15%, 12/1/44	115,000	139,427
Entergy Arkansas LLC, 2.65%, 6/15/51	60,000	57,036
Exelon Corp., 4.45%, 4/15/46	60,000	72,967
Florida Power & Light Co., 4.125%, 2/1/42	69,000	84,588
Indiana Michigan Power Co., 3.25%, 5/1/51	57,000	59,858
MidAmerican Energy Co., 4.40%, 10/15/44	110,000	136,400
NextEra Energy Capital Holdings, Inc., 3.55%, 5/1/27	50,000	55,293
Northern States Power Co., 3.20%, 4/1/52	90,000	96,310
Pacific Gas and Electric Co., 4.20%, 6/1/41	55,000	54,314
PacifiCorp, 3.30%, 3/15/51	100,000	106,333
Public Service Co. of Colorado, 1.875%, 6/15/31	108,000	107,548
Southern Co. Gas Capital Corp., 1.75%, 1/15/31	120,000	113,731
Southern Co. Gas Capital Corp., 3.95%, 10/1/46	25,000	27,888
Virginia Electric and Power Co., 2.45%, 12/15/50	146,000	134,821
Xcel Energy, Inc., 3.40%, 6/1/30	120,000	131,744
		2,435,015
<b>Electronic Equipment, Instruments and Components<sup>†</sup></b>		
Vontier Corp., 1.80%, 4/1/26 <sup>(3)</sup>	65,000	64,721
<b>Energy Equipment and Services<sup>†</sup></b>		
Baker Hughes a GE Co. LLC / Baker Hughes Co-Obligor, Inc., 3.14%, 11/7/29	42,000	45,276
<b>Entertainment<sup>†</sup></b>		
Netflix, Inc., 4.875%, 4/15/28	99,000	115,214
<b>Equity Real Estate Investment Trusts (REITs) — 0.9%</b>		
Agree LP, 2.00%, 6/15/28	200,000	198,572

	Shares/ Principal Amount	Value
American Homes 4 Rent LP, 2.375%, 7/15/31 <sup>(4)</sup>	\$ 40,000	\$ 39,563
American Homes 4 Rent LP, 3.375%, 7/15/51 <sup>(4)</sup>	30,000	30,009
Corporate Office Properties LP, 2.75%, 4/15/31	57,000	57,504
Crown Castle International Corp., 3.80%, 2/15/28	196,000	217,930
EPR Properties, 4.75%, 12/15/26	94,000	102,021
EPR Properties, 4.95%, 4/15/28	243,000	262,692
Federal Realty Investment Trust, 3.625%, 8/1/46	150,000	155,800
GLP Capital LP / GLP Financing II, Inc., 5.375%, 4/15/26	120,000	138,425
Host Hotels & Resorts LP, 4.00%, 6/15/25	155,000	167,888
Hudson Pacific Properties LP, 3.25%, 1/15/30	133,000	140,518
Lexington Realty Trust, 2.70%, 9/15/30	175,000	178,155
National Health Investors, Inc., 3.00%, 2/1/31	305,000	295,586
Omega Healthcare Investors, Inc., 3.375%, 2/1/31	245,000	252,136
Spirit Realty LP, 3.20%, 1/15/27	51,000	54,340
Spirit Realty LP, 4.00%, 7/15/29	237,000	263,453
Spirit Realty LP, 3.20%, 2/15/31	40,000	41,779
STORE Capital Corp., 4.50%, 3/15/28	255,000	288,616
Sun Communities Operating LP, 2.70%, 7/15/31	72,000	72,150
Vornado Realty LP, 3.40%, 6/1/31	160,000	165,603
Welltower, Inc., 2.80%, 6/1/31	220,000	227,547
		3,350,287
<b>Food and Staples Retailing — 0.1%</b>		
Kroger Co. (The), 3.875%, 10/15/46	100,000	110,460
Sysco Corp., 5.95%, 4/1/30	153,000	196,426
Walmart, Inc., 4.05%, 6/29/48	110,000	138,382
		445,268
<b>Food Products — 0.1%</b>		
Mondelez International, Inc., 2.75%, 4/13/30	152,000	160,254
<b>Health Care Equipment and Supplies<sup>†</sup></b>		
Zimmer Biomet Holdings, Inc., 3.55%, 3/20/30	65,000	71,204
<b>Health Care Providers and Services — 0.4%</b>		
Centene Corp., 2.45%, 7/15/28 <sup>(4)</sup>	90,000	91,328
Centene Corp., 3.375%, 2/15/30	136,000	142,348
Cigna Corp., 2.40%, 3/15/30	130,000	132,745
CVS Health Corp., 4.30%, 3/25/28	130,000	149,465
CVS Health Corp., 1.75%, 8/21/30	100,000	96,526
CVS Health Corp., 4.78%, 3/25/38	30,000	36,962
DaVita, Inc., 4.625%, 6/1/30 <sup>(3)</sup>	150,000	154,420
Duke University Health System, Inc., 3.92%, 6/1/47	30,000	36,203
HCA, Inc., 2.375%, 7/15/31	240,000	237,483
HCA, Inc., 3.50%, 7/15/51	120,000	120,167
Kaiser Foundation Hospitals, 3.00%, 6/1/51	105,000	108,686
Universal Health Services, Inc., 2.65%, 10/15/30 <sup>(3)</sup>	150,000	151,017
		1,457,350
<b>Hotels, Restaurants and Leisure — 0.1%</b>		
Marriott International, Inc., 2.85%, 4/15/31	80,000	81,317
Marriott International, Inc., 3.50%, 10/15/32	180,000	191,450
		272,767
<b>Household Durables<sup>†</sup></b>		
D.R. Horton, Inc., 5.75%, 8/15/23	35,000	38,405
D.R. Horton, Inc., 2.50%, 10/15/24	90,000	94,383
		132,788

	Shares/ Principal Amount	Value
<b>Industrial Conglomerates<sup>†</sup></b>		
General Electric Co., 4.35%, 5/1/50	\$ 90,000	\$ 109,005
<b>Insurance — 0.5%</b>		
American International Group, Inc., 6.25%, 5/1/36	105,000	145,990
American International Group, Inc., 4.50%, 7/16/44	120,000	145,861
Athene Global Funding, 2.67%, 6/7/31 <sup>(3)</sup>	300,000	304,251
Athene Holding Ltd., 3.95%, 5/25/51	122,000	131,107
Brighthouse Financial Global Funding, 2.00%, 6/28/28 <sup>(3)</sup>	215,000	215,358
Equitable Financial Life Global Funding, 1.80%, 3/8/28 <sup>(3)</sup>	100,000	99,559
Global Atlantic Fin Co., 3.125%, 6/15/31 <sup>(3)</sup>	82,000	82,664
Nippon Life Insurance Co., VRN, 2.75%, 1/21/51 <sup>(3)</sup>	200,000	196,250
Sammons Financial Group, Inc., 3.35%, 4/16/31 <sup>(3)</sup>	192,000	197,819
SBL Holdings, Inc., 5.00%, 2/18/31 <sup>(3)</sup>	105,000	113,247
Security Benefit Global Funding, 1.25%, 5/17/24 <sup>(3)</sup>	190,000	190,393
		1,822,499
<b>Internet and Direct Marketing Retail — 0.1%</b>		
Amazon.com, Inc., 2.10%, 5/12/31	200,000	203,494
Amazon.com, Inc., 2.875%, 5/12/41	165,000	170,448
		373,942
<b>IT Services<sup>†</sup></b>		
International Business Machines Corp., 2.85%, 5/15/40	114,000	116,123
<b>Life Sciences Tools and Services — 0.1%</b>		
Agilent Technologies, Inc., 2.30%, 3/12/31	256,000	256,226
Illumina, Inc., 2.55%, 3/23/31	193,000	196,107
		452,333
<b>Machinery<sup>†</sup></b>		
Cummins, Inc., 2.60%, 9/1/50	90,000	86,209
<b>Media — 0.4%</b>		
Charter Communications Operating LLC / Charter Communications Operating Capital, 4.91%, 7/23/25	124,000	140,561
Charter Communications Operating LLC / Charter Communications Operating Capital, 3.50%, 6/1/41	133,000	134,119
Charter Communications Operating LLC / Charter Communications Operating Capital, 5.125%, 7/1/49	210,000	250,548
Comcast Corp., 3.40%, 4/1/30	264,000	291,674
Comcast Corp., 3.75%, 4/1/40	40,000	45,162
Cox Communications, Inc., 2.60%, 6/15/31 <sup>(3)</sup>	93,000	94,498
Omnicom Group, Inc., 2.60%, 8/1/31	80,000	81,390
Time Warner Cable LLC, 4.50%, 9/15/42	205,000	228,500
ViacomCBS, Inc., 4.375%, 3/15/43	90,000	104,388
		1,370,840
<b>Metals and Mining — 0.1%</b>		
Newcrest Finance Pty Ltd., 4.20%, 5/13/50 <sup>(3)</sup>	50,000	57,419
Steel Dynamics, Inc., 3.45%, 4/15/30	70,000	76,342
Teck Resources Ltd., 3.90%, 7/15/30	50,000	53,948
Teck Resources Ltd., 6.25%, 7/15/41	120,000	157,087
		344,796
<b>Multi-Utilities — 0.2%</b>		
Ameren Corp., 3.50%, 1/15/31	150,000	164,432
CenterPoint Energy, Inc., 4.25%, 11/1/28	126,000	145,019
CenterPoint Energy, Inc., 2.65%, 6/1/31	58,000	59,149
Dominion Energy, Inc., 4.90%, 8/1/41	90,000	114,004

	Shares/ Principal Amount	Value
NiSource, Inc., 5.65%, 2/1/45	\$ 105,000	\$ 145,187
Sempra Energy, 3.25%, 6/15/27	30,000	32,576
WEC Energy Group, Inc., 1.375%, 10/15/27	170,000	166,225
		826,592
<b>Oil, Gas and Consumable Fuels — 0.6%</b>		
Aker BP ASA, 3.75%, 1/15/30 <sup>(3)</sup>	150,000	162,025
BP Capital Markets America, Inc., 3.06%, 6/17/41	90,000	90,880
Chevron Corp., 2.00%, 5/11/27	70,000	72,297
Diamondback Energy, Inc., 3.50%, 12/1/29	150,000	160,714
Energy Transfer LP, 3.60%, 2/1/23	30,000	31,137
Energy Transfer LP, 4.25%, 3/15/23	110,000	115,466
Energy Transfer LP, 3.75%, 5/15/30	120,000	130,469
Energy Transfer LP, 4.90%, 3/15/35	95,000	110,161
Enterprise Products Operating LLC, 4.85%, 3/15/44	150,000	183,706
Equinor ASA, 3.25%, 11/18/49	70,000	74,581
Exxon Mobil Corp., 1.57%, 4/15/23	120,000	122,699
Flex Intermediate Holdco LLC, 3.36%, 6/30/31 <sup>(3)</sup>	150,000	152,149
Kinder Morgan Energy Partners LP, 6.50%, 9/1/39	85,000	118,723
MPLX LP, 4.50%, 4/15/38	38,000	43,660
Petroleos Mexicanos, 3.50%, 1/30/23	80,000	81,779
Plains All American Pipeline LP / PAA Finance Corp., 3.80%, 9/15/30	130,000	139,288
Sabine Pass Liquefaction LLC, 5.625%, 3/1/25	230,000	263,065
Suncor Energy, Inc., 3.75%, 3/4/51	100,000	108,371
Transcontinental Gas Pipe Line Co. LLC, 3.25%, 5/15/30	80,000	86,691
		2,247,861
<b>Paper and Forest Products<sup>†</sup></b>		
Georgia-Pacific LLC, 2.10%, 4/30/27 <sup>(3)</sup>	130,000	134,225
<b>Pharmaceuticals — 0.1%</b>		
Astrazeneca Finance LLC, 1.75%, 5/28/28	35,000	35,023
Astrazeneca Finance LLC, 2.25%, 5/28/31	50,000	50,827
Bristol-Myers Squibb Co., 2.55%, 11/13/50	113,000	108,327
Royalty Pharma plc, 2.20%, 9/2/30 <sup>(3)</sup>	75,000	73,626
Viatis, Inc., 2.70%, 6/22/30 <sup>(3)</sup>	124,000	125,487
Viatis, Inc., 4.00%, 6/22/50 <sup>(3)</sup>	43,000	45,553
		438,843
<b>Real Estate Management and Development — 0.1%</b>		
Essential Properties LP, 2.95%, 7/15/31	160,000	160,207
Realogy Group LLC / Realogy Co-Issuer Corp., 5.75%, 1/15/29 <sup>(3)</sup>	80,000	83,743
		243,950
<b>Road and Rail — 0.3%</b>		
Ashtead Capital, Inc., 4.125%, 8/15/25 <sup>(3)</sup>	200,000	205,125
Burlington Northern Santa Fe LLC, 4.15%, 4/1/45	105,000	127,944
Burlington Northern Santa Fe LLC, 3.30%, 9/15/51	70,000	76,607
CSX Corp., 3.25%, 6/1/27	120,000	131,757
DAE Funding LLC, 3.375%, 3/20/28 <sup>(3)</sup>	215,000	220,464
Norfolk Southern Corp., 2.30%, 5/15/31	53,000	53,644
Union Pacific Corp., 2.40%, 2/5/30	80,000	82,760
Union Pacific Corp., 2.375%, 5/20/31	57,000	58,284
Union Pacific Corp., MTN, 3.55%, 8/15/39	160,000	178,204
		1,134,789



	Shares/ Principal Amount	Value
<b>Semiconductors and Semiconductor Equipment — 0.1%</b>		
Broadcom Corp. / Broadcom Cayman Finance Ltd., 3.875%, 1/15/27	\$ 130,000	\$ 143,723
Microchip Technology, Inc., 4.25%, 9/1/25	269,000	282,494
		426,217
<b>Software — 0.1%</b>		
Oracle Corp., 3.60%, 4/1/40	220,000	232,411
salesforce.com, Inc., 1.50%, 7/15/28 <sup>(4)</sup>	140,000	139,820
salesforce.com, Inc., 2.70%, 7/15/41 <sup>(4)</sup>	105,000	105,833
		478,064
<b>Specialty Retail — 0.2%</b>		
Home Depot, Inc. (The), 2.50%, 4/15/27	140,000	149,278
Home Depot, Inc. (The), 2.375%, 3/15/51	270,000	250,253
Lowe's Cos., Inc., 1.30%, 4/15/28	130,000	126,949
Lowe's Cos., Inc., 2.625%, 4/1/31	130,000	134,475
		660,955
<b>Technology Hardware, Storage and Peripherals — 0.3%</b>		
Apple, Inc., 2.65%, 2/8/51	300,000	293,896
Dell International LLC / EMC Corp., 4.90%, 10/1/26	185,000	213,712
EMC Corp., 3.375%, 6/1/23	285,000	296,689
HP, Inc., 2.65%, 6/17/31 <sup>(3)</sup>	100,000	100,040
Western Digital Corp., 4.75%, 2/15/26	130,000	144,625
		1,048,962
<b>Thriffs and Mortgage Finance†</b>		
PennyMac Financial Services, Inc., 4.25%, 2/15/29 <sup>(3)</sup>	51,000	49,206
<b>Trading Companies and Distributors — 0.1%</b>		
Aircastle Ltd., 5.25%, 8/11/25 <sup>(3)</sup>	128,000	143,863
<b>Transportation Infrastructure†</b>		
GXO Logistics, Inc., 2.65%, 7/15/31 <sup>(3)(4)</sup>	75,000	74,491
<b>Water Utilities — 0.1%</b>		
Essential Utilities, Inc., 2.70%, 4/15/30	150,000	155,906
<b>Wireless Telecommunication Services — 0.2%</b>		
T-Mobile USA, Inc., 4.75%, 2/1/28	192,000	205,920
T-Mobile USA, Inc., 3.50%, 4/15/31	191,000	197,838
Vodafone Group plc, 4.375%, 2/19/43	115,000	134,532
Vodafone Group plc, VRN, 4.125%, 6/4/81	315,000	314,921
		853,211
<b>TOTAL CORPORATE BONDS</b>		
(Cost \$35,600,489)		<b>36,691,777</b>
<b>U.S. GOVERNMENT AGENCY MORTGAGE-BACKED SECURITIES — 5.9%</b>		
<b>Adjustable-Rate U.S. Government Agency Mortgage-Backed Securities — 0.1%</b>		
FHLMC, VRN, 2.26%, (12-month LIBOR plus 1.87%), 7/1/36	4,642	4,922
FHLMC, VRN, 2.34%, (1-year H15T1Y plus 2.14%), 10/1/36	12,303	13,172
FHLMC, VRN, 2.43%, (1-year H15T1Y plus 2.26%), 4/1/37	15,255	16,257
FHLMC, VRN, 2.17%, (12-month LIBOR plus 1.78%), 2/1/38	6,286	6,676
FHLMC, VRN, 2.23%, (12-month LIBOR plus 1.87%), 6/1/38	3,603	3,763
FHLMC, VRN, 2.30%, (12-month LIBOR plus 1.78%), 9/1/40	2,887	3,007
FHLMC, VRN, 2.15%, (12-month LIBOR plus 1.88%), 5/1/41	2,279	2,379
FHLMC, VRN, 2.85%, (12-month LIBOR plus 1.86%), 7/1/41	7,056	7,503
FHLMC, VRN, 2.02%, (12-month LIBOR plus 1.64%), 2/1/43	1,990	2,043
FHLMC, VRN, 1.87%, (12-month LIBOR plus 1.62%), 6/1/43	54	54
FHLMC, VRN, 2.46%, (12-month LIBOR plus 1.65%), 6/1/43	1,623	1,631

	Shares/ Principal Amount	Value
FHLMC, VRN, 2.87%, (12-month LIBOR plus 1.63%), 1/1/44	\$ 15,144	\$ 15,805
FHLMC, VRN, 2.59%, (12-month LIBOR plus 1.60%), 6/1/45	28,411	29,741
FHLMC, VRN, 2.24%, (12-month LIBOR plus 1.63%), 8/1/46	74,536	77,604
FHLMC, VRN, 3.05%, (12-month LIBOR plus 1.64%), 9/1/47	57,921	60,396
FNMA, VRN, 1.82%, (6-month LIBOR plus 1.57%), 6/1/35	8,639	9,013
FNMA, VRN, 1.82%, (6-month LIBOR plus 1.57%), 6/1/35	9,702	10,121
FNMA, VRN, 2.36%, (1-year H15T1Y plus 2.16%), 3/1/38	12,595	13,436
FNMA, VRN, 2.07%, (12-month LIBOR plus 1.69%), 1/1/40	1,485	1,546
FNMA, VRN, 2.29%, (12-month LIBOR plus 1.86%), 3/1/40	2,277	2,420
FNMA, VRN, 2.32%, (12-month LIBOR plus 1.77%), 10/1/40	3,943	4,168
FNMA, VRN, 2.06%, (12-month LIBOR plus 1.58%), 3/1/43	1,333	1,368
FNMA, VRN, 3.18%, (12-month LIBOR plus 1.61%), 3/1/47	36,210	37,886
		324,911
<b>Fixed-Rate U.S. Government Agency Mortgage-Backed Securities — 5.8%</b>		
FHLMC, 6.50%, 1/1/28	1,172	1,315
FHLMC, 6.50%, 6/1/29	1,942	2,177
FHLMC, 8.00%, 7/1/30	1,241	1,488
FHLMC, 5.50%, 12/1/33	36,737	41,821
FHLMC, 5.50%, 1/1/38	4,958	5,764
FHLMC, 6.00%, 8/1/38	6,853	7,793
FHLMC, 3.50%, 12/1/47	115,700	122,841
FNMA, 6.50%, 1/1/29	3,198	3,629
FNMA, 7.50%, 7/1/29	3,885	3,930
FNMA, 7.50%, 9/1/30	1,708	1,989
FNMA, 6.50%, 1/1/32	2,222	2,491
FNMA, 5.50%, 6/1/33	11,193	12,912
FNMA, 5.50%, 8/1/33	28,204	32,581
FNMA, 5.50%, 1/1/34	15,293	17,554
FNMA, 3.50%, 3/1/34	23,617	25,435
FNMA, 5.50%, 1/1/37	34,970	40,549
FNMA, 5.50%, 2/1/37	8,202	9,525
FNMA, 6.00%, 7/1/37	49,106	58,134
FNMA, 6.50%, 8/1/37	6,227	7,133
FNMA, 3.50%, 1/1/41	141,782	153,222
FNMA, 4.00%, 1/1/41	258,867	288,310
FNMA, 4.00%, 5/1/41	46,232	50,497
FNMA, 4.50%, 9/1/41	15,893	17,552
FNMA, 4.00%, 1/1/42	91,667	100,353
FNMA, 3.50%, 5/1/42	197,019	213,558
FNMA, 3.50%, 6/1/42	42,876	46,531
FNMA, 6.50%, 8/1/47	2,285	2,475
FNMA, 6.50%, 9/1/47	4,603	4,967
FNMA, 6.50%, 9/1/47	222	240
FNMA, 6.50%, 9/1/47	2,434	2,625
FNMA, 3.50%, 3/1/48	457,196	483,514
FNMA, 4.00%, 6/1/48	191,077	204,078
FNMA, 4.50%, 7/1/48	655,005	708,771
FNMA, 4.00%, 8/1/48	496,156	529,509
FNMA, 3.50%, 4/1/49	343,511	361,663
FNMA, 3.50%, 5/1/49	126,312	132,969
FNMA, 4.00%, 6/1/49	979,659	1,043,398

	Shares/ Principal Amount	Value
FNMA, 3.50%, 9/1/49	\$ 308,539	\$ 324,841
FNMA, 3.00%, 12/1/49	1,693,162	1,769,816
FNMA, 3.00%, 3/1/50	294,088	307,315
FNMA, 3.00%, 3/1/50	825,373	868,201
FNMA, 3.00%, 6/1/50	173,814	181,500
FNMA, 3.00%, 6/1/50	186,889	195,289
FNMA, 3.00%, 6/1/50	1,906,598	1,988,613
FNMA, 3.00%, 6/1/50	176,397	186,121
FNMA, 3.00%, 8/1/50	671,783	700,173
FNMA, 2.50%, 10/1/50	1,336,107	1,383,646
FNMA, 2.50%, 6/1/51	299,466	310,121
FNMA, 3.00%, 6/1/51	79,750	84,296
GNMA, 2.50%, TBA	3,835,000	3,968,926
GNMA, 3.00%, TBA	1,000,000	1,043,457
GNMA, 7.00%, 4/20/26	4,087	4,509
GNMA, 7.50%, 8/15/26	2,908	3,240
GNMA, 7.00%, 2/15/28	812	815
GNMA, 7.50%, 2/15/28	103	103
GNMA, 6.50%, 5/15/28	214	238
GNMA, 6.50%, 5/15/28	710	792
GNMA, 7.00%, 5/15/31	10,270	12,037
GNMA, 5.50%, 11/15/32	19,991	22,961
GNMA, 4.50%, 1/15/40	14,968	16,903
GNMA, 4.50%, 5/20/41	46,277	51,208
GNMA, 4.50%, 6/15/41	30,526	35,018
GNMA, 3.50%, 3/15/46	251,946	270,832
GNMA, 2.50%, 8/20/46	54,558	56,907
GNMA, 3.00%, 4/20/50	1,147,135	1,201,711
UMBS, 3.00%, TBA	1,650,000	1,720,028
		21,452,910
<b>TOTAL U.S. GOVERNMENT AGENCY MORTGAGE-BACKED SECURITIES</b> (Cost \$21,618,499)		<b>21,777,821</b>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS — 2.7%</b>		
<b>Private Sponsor Collateralized Mortgage Obligations — 1.5%</b>		
ABN Amro Mortgage Corp., Series 2003-4, Class A4, 5.50%, 3/25/33	1,094	1,122
Adjustable Rate Mortgage Trust, Series 2004-4, Class 4A1, VRN, 2.66%, 3/25/35	18,246	18,569
Agate Bay Mortgage Loan Trust, Series 2016-3, Class A3, VRN, 3.50%, 8/25/46 <sup>(3)</sup>	27,768	28,291
Banc of America Mortgage Trust, Series 2004-E, Class 2A6 SEQ, VRN, 2.76%, 6/25/34	12,620	12,902
Bellemeade Re Ltd., Series 2019-3A, Class B1, VRN, 2.59%, (1-month LIBOR plus 2.50%), 7/25/29 <sup>(3)</sup>	130,000	130,238
Bellemeade Re Ltd., Series 2018-2A, Class B1, VRN, 2.74%, (1-month LIBOR plus 2.65%), 8/25/28 <sup>(3)</sup>	500,765	500,793
Bellemeade Re Ltd., Series 2019-3A, Class M1C, VRN, 2.04%, (1-month LIBOR plus 1.95%), 7/25/29 <sup>(3)</sup>	120,000	120,196
Bellemeade Re Ltd., Series 2020-2A, Class M1C, VRN, 4.09%, (1-month LIBOR plus 4.00%), 8/26/30 <sup>(3)</sup>	170,000	173,513
Citigroup Mortgage Loan Trust, Inc., Series 2004-UST1, Class A5, VRN, 2.02%, 8/25/34	11,860	12,148

	Shares/ Principal Amount	Value
COLT Funding LLC, Series 2021-3R, Class A2, VRN, 1.26%, 12/25/64 <sup>(3)</sup>	\$ 486,611	\$ 486,944
Countrywide Home Loan Mortgage Pass-Through Trust, Series 2005-17, Class 1A11, 5.50%, 9/25/35	427	414
Credit Suisse Mortgage Trust, Series 2020-NQM1, Class A2 SEQ, 1.41%, 5/25/65 <sup>(3)</sup>	254,535	256,398
Credit Suisse Mortgage Trust, Series 2021-NQM2, Class A2 SEQ, VRN, 1.38%, 2/25/66 <sup>(3)</sup>	185,415	185,636
Credit Suisse Mortgage Trust, Series 2021-NQM3, Class A3 SEQ, VRN, 1.63%, 4/25/66 <sup>(3)</sup>	145,621	145,530
Credit Suisse Mortgage Trust, Series 2021-NQM4, Class A3, SEQ, VRN, 1.56%, 5/25/66 <sup>(3)</sup>	134,000	133,997
Credit Suisse Mortgage Trust, Series 2021-RPL3, Class A1 SEQ, VRN, 2.00%, 1/25/60 <sup>(3)</sup>	183,424	186,225
First Horizon Alternative Mortgage Securities Trust, Series 2004-AA4, Class A1, VRN, 2.37%, 10/25/34	4,083	4,227
GCAT Trust, Series 2021-NQM1, Class A3 SEQ, VRN, 1.15%, 1/25/66 <sup>(3)</sup>	213,266	212,623
GSR Mortgage Loan Trust, Series 2004-7, Class 3A1, VRN, 2.34%, 6/25/34	6,676	6,693
GSR Mortgage Loan Trust, Series 2004-AR5, Class 3A3, VRN, 2.55%, 5/25/34	8,057	7,921
GSR Mortgage Loan Trust, Series 2005-AR1, Class 3A1, VRN, 2.87%, 1/25/35	12,287	12,580
Home RE Ltd., Series 2020-1, Class M1B, VRN, 3.34%, (1-month LIBOR plus 3.25%), 10/25/30 <sup>(3)</sup>	325,000	328,615
Home RE Ltd., Series 2021-1 Class M1B, VRN, 1.64%, (1-month LIBOR plus 1.55%), 7/25/33 <sup>(3)</sup>	140,000	139,712
JPMorgan Mortgage Trust, Series 2013-1, Class 2A2 SEQ, VRN, 2.50%, 3/25/43 <sup>(3)</sup>	9,379	9,499
JPMorgan Mortgage Trust, Series 2017-1, Class A2, VRN, 3.50%, 1/25/47 <sup>(3)</sup>	53,239	54,121
JPMorgan Mortgage Trust, Series 2020-3, Class A15, VRN, 3.50%, 8/25/50 <sup>(3)</sup>	141,309	144,149
MASTR Adjustable Rate Mortgages Trust, Series 2004-13, Class 3A7, VRN, 2.88%, 11/21/34	37,526	37,939
Merrill Lynch Mortgage Investors Trust, Series 2005-3, Class 2A, VRN, 2.17%, 11/25/35	20,836	20,830
Merrill Lynch Mortgage Investors Trust, Series 2005-A2, Class A1, VRN, 2.81%, 2/25/35	15,360	15,503
New Residential Mortgage Loan Trust, Series 2017-1A, Class A1, VRN, 4.00%, 2/25/57 <sup>(3)</sup>	181,426	193,503
Newrez Warehouse Securitization Trust, Series 2021-1, Class A, VRN, 0.84%, (1-month LIBOR plus 0.75%), 5/25/55 <sup>(3)</sup>	250,000	250,624
Oaktown Re V Ltd., Series 2020-2A, Class M1A, VRN, 2.49%, (1-month LIBOR plus 2.40%), 10/25/30 <sup>(3)</sup>	89,441	89,856
PRMI Securitization Trust, Series 2021-1, Class A5, VRN, 2.50%, 4/25/51 <sup>(3)</sup>	344,769	343,484
PSMC Trust, Series 2021-1, Class A11 SEQ, VRN, 2.50%, 3/25/51 <sup>(3)</sup>	267,475	274,718
PSMC Trust, Series 2021-2, Class A3 SEQ, VRN, 2.50%, 5/25/51 <sup>(3)</sup>	150,000	153,984
Sequoia Mortgage Trust, Series 2021-5, Class A4 SEQ, VRN, 2.50%, 7/25/51 <sup>(3)</sup>	180,000	183,713
Sofi Mortgage Trust, Series 2016-1A, Class 1A4 SEQ, VRN, 3.00%, 11/25/46 <sup>(3)</sup>	11,196	11,442

	Shares/ Principal Amount	Value
Starwood Mortgage Residential Trust, Series 2020-2, Class B1E, VRN, 3.00%, 4/25/60 <sup>(3)</sup>	\$ 156,000	\$ 156,076
Structured Adjustable Rate Mortgage Loan Trust, Series 2004-8, Class 2A1, VRN, 2.45%, 7/25/34	21,552	22,187
Verus Securitization Trust, Series 2021-R2, Class A2, VRN, 1.12%, 2/25/64 <sup>(3)</sup>	188,527	189,376
Verus Securitization Trust, Series 2021-R2, Class A3, VRN, 1.23%, 2/25/64 <sup>(3)</sup>	226,232	227,249
		5,483,540
<b>U.S. Government Agency Collateralized Mortgage Obligations — 1.2%</b>		
FHLMC, Series 2014-DN3, Class M3, VRN, 4.09%, (1-month LIBOR plus 4.00%), 8/25/24	55,776	56,949
FHLMC, Series 2014-DN4, Class M3, VRN, 4.64%, (1-month LIBOR plus 4.55%), 10/25/24	26,531	27,031
FHLMC, Series 2014-HQ1, Class M3, VRN, 4.19%, (1-month LIBOR plus 4.10%), 8/25/24	84,987	85,999
FHLMC, Series 2014-HQ3, Class M3, VRN, 4.84%, (1-month LIBOR plus 4.75%), 10/25/24	455,257	459,018
FHLMC, Series 2015-DNA3, Class M3F, VRN, 3.79%, (1-month LIBOR plus 3.70%), 4/25/28	94,660	97,115
FHLMC, Series 2015-HQ2, Class M3, VRN, 3.34%, (1-month LIBOR plus 3.25%), 5/25/25	35,080	35,625
FHLMC, Series 2016-DNA1, Class M3, VRN, 5.64%, (1-month LIBOR plus 5.55%), 7/25/28	311,288	326,575
FHLMC, Series 2016-DNA2, Class M3, VRN, 4.74%, (1-month LIBOR plus 4.65%), 10/25/28	157,051	164,209
FHLMC, Series 2016-DNA3, Class M3, VRN, 5.09%, (1-month LIBOR plus 5.00%), 12/25/28	234,751	245,652
FHLMC, Series 2016-HQA4, Class M3, VRN, 3.99%, (1-month LIBOR plus 3.90%), 4/25/29	174,893	182,346
FHLMC, Series 2017-DNA1, Class M2, VRN, 3.34%, (1-month LIBOR plus 3.25%), 7/25/29	282,545	293,003
FHLMC, Series 2017-DNA2, Class M2, VRN, 3.54%, (1-month LIBOR plus 3.45%), 10/25/29	70,000	73,210
FHLMC, Series 2018-HQA2, Class M2, VRN, 2.39%, (1-month LIBOR plus 2.30%), 10/25/48 <sup>(3)</sup>	50,000	50,510
FHLMC, Series 2019-DNA2, Class M2, VRN, 2.54%, (1-month LIBOR plus 2.45%), 3/25/49 <sup>(3)</sup>	89,177	90,657
FHLMC, Series 2020-DNA3, Class M2, VRN, 3.09%, (1-month LIBOR plus 3.00%), 6/25/50 <sup>(3)</sup>	131,802	132,651
FHLMC, Series 2020-DNA5, Class M2, VRN, 2.82%, (SOFR plus 2.80%), 10/25/50 <sup>(3)</sup>	250,000	253,968
FHLMC, Series 2020-HQA3, Class M2, VRN, 3.69%, (1-month LIBOR plus 3.60%), 7/25/50 <sup>(3)</sup>	79,489	80,533
FHLMC, Series 5123, Class HI, IO, 5.00%, 1/25/42	275,000	42,109
FNMA, Series 2013-C01, Class M2, VRN, 5.34%, (1-month LIBOR plus 5.25%), 10/25/23	272,314	285,074
FNMA, Series 2014-C02, Class 2M2, VRN, 2.69%, (1-month LIBOR plus 2.60%), 5/25/24	61,200	61,860
FNMA, Series 2014-C03, Class 2M2, VRN, 2.99%, (1-month LIBOR plus 2.90%), 7/25/24	90,980	91,970
FNMA, Series 2014-C04, Class 1M2, VRN, 4.99%, (1-month LIBOR plus 4.90%), 11/25/24	88,275	91,383
FNMA, Series 2014-C04, Class 2M2, VRN, 5.09%, (1-month LIBOR plus 5.00%), 11/25/24	36,150	37,135
FNMA, Series 2015-C03, Class 2M2, VRN, 5.09%, (1-month LIBOR plus 5.00%), 7/25/25	113,313	114,900

	Shares/ Principal Amount	Value
FNMA, Series 2015-C04, Class 1M2, VRN, 5.79%, (1-month LIBOR plus 5.70%), 4/25/28	\$ 154,229	\$ 163,625
FNMA, Series 2015-C04, Class 2M2, VRN, 5.64%, (1-month LIBOR plus 5.55%), 4/25/28	355,660	376,979
FNMA, Series 2016-C01, Class 2M2, VRN, 7.04%, (1-month LIBOR plus 6.95%), 8/25/28	209,175	222,028
FNMA, Series 2016-C04, Class 1M2, VRN, 4.34%, (1-month LIBOR plus 4.25%), 1/25/29	160,630	167,823
FNMA, Series 2016-C06, Class 1M2, VRN, 4.34%, (1-month LIBOR plus 4.25%), 4/25/29	87,479	91,028
		4,400,965
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b> (Cost \$9,803,272)		<b>9,884,505</b>
<b>ASSET-BACKED SECURITIES — 1.9%</b>		
Blackbird Capital Aircraft, Series 2021-1A, Class A SEQ, 2.44%, 7/15/46 <sup>(3)(4)</sup>	300,000	299,947
BRE Grand Islander Timeshare Issuer LLC, Series 2017-1A, Class A SEQ, 2.94%, 5/25/29 <sup>(3)</sup>	71,692	73,505
BRE Grand Islander Timeshare Issuer LLC, Series 2019-A, Class A SEQ, 3.28%, 9/26/33 <sup>(3)</sup>	291,390	305,939
CLI Funding VI LLC, Series 2020-1A, Class A SEQ, 2.08%, 9/18/45 <sup>(3)</sup>	183,000	184,837
Diamond Resorts Owner Trust, Series 2021-1A, Class A SEQ, 1.51%, 11/21/33 <sup>(3)</sup>	373,601	375,592
FirstKey Homes Trust, Series 2021-SER1, Class D, 2.19%, 8/17/28 <sup>(3)(4)</sup>	300,000	299,994
FirstKey Homes Trust, Series 2021-SER1, Class E1, 2.39%, 8/17/28 <sup>(3)(4)</sup>	400,000	399,991
FirstKey Homes Trust, Series 2020-SFR2, Class D, 1.97%, 10/19/37 <sup>(3)</sup>	400,000	398,985
Goodgreen Trust, Series 2018-1A, Class A, VRN, 3.93%, 10/15/53 <sup>(3)</sup>	109,387	116,322
Goodgreen Trust, Series 2020-1A, Class A SEQ, 2.63%, 4/15/55 <sup>(3)</sup>	273,134	282,107
Goodgreen Trust, Series 2021-1A, Class A SEQ, 2.66%, 10/15/56 <sup>(3)</sup>	195,370	197,303
Hilton Grand Vacations Trust, Series 2018-AA, Class B, 3.70%, 2/25/32 <sup>(3)</sup>	196,080	205,356
Mosaic Solar Loan Trust, Series 2021-1A, Class B, 2.05%, 12/20/46 <sup>(3)</sup>	277,527	278,339
Progress Residential Trust, Series 2018-SFR3, Class A SEQ, 3.88%, 10/17/35 <sup>(3)</sup>	349,401	353,341
Progress Residential Trust, Series 2018-SFR3, Class B, 4.08%, 10/17/35 <sup>(3)</sup>	625,000	630,602
Progress Residential Trust, Series 2021-SFR2, Class D, 2.20%, 4/19/38 <sup>(3)</sup>	225,000	225,002
Progress Residential Trust, Series 2021-SFR3, Class B, 1.89%, 5/17/26 <sup>(3)</sup>	400,000	402,106
Progress Residential Trust, Series 2021-SFR3, Class C, 2.09%, 5/17/26 <sup>(3)</sup>	200,000	201,143
Sierra Timeshare Receivables Funding LLC, Series 2018-2A, Class A SEQ, 3.50%, 6/20/35 <sup>(3)</sup>	77,064	79,711
Sierra Timeshare Receivables Funding LLC, Series 2018-2A, Class B, 3.65%, 6/20/35 <sup>(3)</sup>	83,486	85,735
Sierra Timeshare Receivables Funding LLC, Series 2021-1A, Class C, 1.79%, 11/20/37 <sup>(3)</sup>	172,156	173,044

	Shares/ Principal Amount	Value
TAL Advantage VII LLC, Series 2020-1A, Class A SEQ, 2.05%, 9/20/45 <sup>(3)</sup>	\$ 184,250	\$ 186,091
Towd Point Mortgage Trust, Series 2018-2, Class A1, VRN, 3.25%, 3/25/58 <sup>(3)</sup>	267,494	277,479
VSE VOI Mortgage LLC, Series 2016-A, Class A SEQ, 2.54%, 7/20/33 <sup>(3)</sup>	167,506	167,941
VSE VOI Mortgage LLC, Series 2018-A, Class B, 3.72%, 2/20/36 <sup>(3)</sup>	80,909	84,734
Wendy's Funding LLC, Series 2021-1A, Class A2I SEQ, 2.37%, 6/15/51 <sup>(3)</sup>	300,000	303,935
Wingstop Funding LLC, Series 2020-1A, Class A2 SEQ, 2.84%, 12/5/50 <sup>(3)</sup>	389,025	405,439
<b>TOTAL ASSET-BACKED SECURITIES</b> (Cost \$6,912,414)		<b>6,994,520</b>
<b>COLLATERALIZED LOAN OBLIGATIONS — 1.7%</b>		
Anchorage Credit Opportunities CLO Ltd., Series 2019-1A, Class A1, VRN, 2.14%, (3-month LIBOR plus 1.95%), 1/20/32 <sup>(3)</sup>	275,000	275,684
Ares LV CLO Ltd., Series 2020-55A, Class BR, VRN, 1.85%, (3-month LIBOR plus 1.70%), 7/15/34 <sup>(3)(4)</sup>	375,000	375,000
Bean Creek CLO Ltd., Series 2015-1A, Class AR, VRN, 1.21%, (3-month LIBOR plus 1.02%), 4/20/31 <sup>(3)</sup>	200,000	200,037
Carlyle Global Market Strategies CLO Ltd., Series 2013-1A, Class BRR, VRN, 2.31%, (3-month LIBOR plus 2.20%), 8/14/30 <sup>(3)(4)</sup>	225,000	225,000
CBAM Ltd., Series 2017-3A, Class CR, VRN, 2.60%, (3-month LIBOR plus 2.45%), 7/17/34 <sup>(3)(4)</sup>	275,000	275,000
Cerberus Loan Funding XXXIII LP, Series 2021-3A, Class A, VRN, 1.71%, (3-month LIBOR plus 1.56%), 7/23/33 <sup>(3)(4)</sup>	275,000	275,003
Elmwood CLO II Ltd., Series 2019-2A, Class DR, VRN, 3.19%, (3-month LIBOR plus 3.00%), 4/20/34 <sup>(3)</sup>	175,000	176,191
Elmwood CLO V Ltd., Series 2020-2A, Class BR, VRN, 1.80%, (3-month LIBOR plus 1.65%), 10/20/34 <sup>(3)(4)</sup>	150,000	150,000
Goldentree Loan Management US CLO Ltd., Series 2017-1A, Class CR2, VRN, 2.00%, (3-month LIBOR plus 1.80%), 4/20/34 <sup>(3)</sup>	275,000	271,371
KKR CLO Ltd., Series 2022A, Class A, VRN, 1.34%, (3-month LIBOR plus 1.15%), 7/20/31 <sup>(3)</sup>	175,000	175,121
Madison Park Funding XXII Ltd., Series 2016-22A, Class A1R, VRN, 1.44%, (3-month LIBOR plus 1.26%), 1/15/33 <sup>(3)</sup>	125,000	125,279
Magnetite CLO Ltd., Series 2021-31 A, Class B, VRN, 1.80%, (3-month LIBOR plus 1.65%), 7/15/34 <sup>(3)(4)</sup>	200,000	200,000
Oak Hill Credit Partners X-R Ltd., Series 2014-10RA, Class CR, VRN, 2.19%, (3-month LIBOR plus 2.00%), 4/20/34 <sup>(3)</sup>	325,000	325,812
Octagon Investment Partners 42 Ltd., Series 2019-3A, Class BR, VRN, 1.80%, (3-month LIBOR plus 1.65%), 7/15/34 <sup>(3)(4)</sup>	400,000	400,000
Octagon Investment Partners 51 Ltd., Series 2021-1A, Class C, VRN, 2.08%, (3-month LIBOR plus 1.95%), 7/20/34 <sup>(3)</sup>	100,000	99,849
Octagon Investment Partners 51 Ltd., Series 2021-1A, Class D, VRN, 3.18%, (3-month LIBOR plus 3.05%), 7/20/34 <sup>(3)</sup>	100,000	100,816
Parallel Ltd., Series 2020-1A, Class A1, VRN, 2.01%, (3-month LIBOR plus 1.83%), 7/20/31 <sup>(3)</sup>	375,000	375,561
Park Avenue Institutional Advisers CLO Ltd., Series 2018-1A, Class BR, VRN, 2.29%, (3-month LIBOR plus 2.10%), 10/20/31 <sup>(3)</sup>	275,000	274,322
Rockford Tower CLO Ltd., Series 2021-2A, Class B, VRN, 1.90%, (3-month LIBOR plus 1.75%), 7/20/34 <sup>(3)(4)</sup>	400,000	400,000
Rockford Tower CLO Ltd., Series 2017-1A, Class CR2, VRN, 2.28%, (3-month LIBOR plus 2.10%), 4/20/34 <sup>(3)</sup>	325,000	326,624

	Shares/ Principal Amount	Value
Rockford Tower CLO Ltd., Series 2017-3A, Class A, VRN, 1.38%, (3-month LIBOR plus 1.19%), 10/20/30 <sup>(3)</sup>	\$ 300,000	\$ 300,335
Symphony CLO XXII Ltd., Series 2020-22A, Class A1A, VRN, 1.48%, (3-month LIBOR plus 1.29%), 4/18/33 <sup>(3)</sup>	200,000	200,236
Symphony CLO XXV Ltd., Series 2021-25A, Class C, VRN, 2.24%, (3-month LIBOR plus 2.05%), 4/19/34 <sup>(3)</sup>	325,000	323,890
Voya CLO Ltd., Series 2013-2A, Class A1R, VRN, 1.15%, (3-month LIBOR plus 0.97%), 4/25/31 <sup>(3)</sup>	250,000	250,309
Voya CLO Ltd., Series 2016-4A, Class B2R, VRN, 1.63%, (3-month LIBOR plus 1.55%), 7/20/29 <sup>(3)</sup>	350,000	350,000
<b>TOTAL COLLATERALIZED LOAN OBLIGATIONS</b> (Cost \$6,442,996)		<b>6,451,440</b>
<b>MUNICIPAL SECURITIES — 0.6%</b>		
Bay Area Toll Authority Rev., 6.92%, 4/1/40	70,000	105,336
California State University Rev., 2.98%, 11/1/51	200,000	205,163
Dallas Area Rapid Transit Rev., 6.00%, 12/1/44	25,000	38,005
Foothill-Eastern Transportation Corridor Agency Rev., 4.09%, 1/15/49	85,000	90,179
Grand Parkway Transportation Corp. Rev., 3.24%, 10/1/52	70,000	71,629
Houston GO, 3.96%, 3/1/47	25,000	30,027
Los Angeles Department of Airports Rev., 6.58%, 5/15/39	25,000	33,598
Metropolitan Transportation Authority Rev., 6.81%, 11/15/40	15,000	22,056
Metropolitan Water Reclamation District of Greater Chicago GO, 5.72%, 12/1/38	200,000	281,738
Michigan Strategic Fund Rev., (Flint Water Advocacy Fund), 3.23%, 9/1/47 <sup>(4)</sup>	200,000	203,171
Missouri Highway & Transportation Commission Rev., 5.45%, 5/1/33	20,000	25,661
New Jersey Turnpike Authority Rev., 7.41%, 1/1/40	65,000	106,849
New Jersey Turnpike Authority Rev., 7.10%, 1/1/41	85,000	136,160
New York City Water & Sewer System Rev., 5.95%, 6/15/42	45,000	68,918
Ohio Turnpike & Infrastructure Commission Rev., 3.22%, 2/15/48	100,000	102,841
Ohio Water Development Authority Water Pollution Control Loan Fund Rev., 4.88%, 12/1/34	30,000	35,912
Port Authority of New York & New Jersey Rev., 4.93%, 10/1/51	40,000	55,532
Regents of the University of California Medical Center Pooled Rev., 3.26%, 5/15/60	100,000	106,470
Rutgers The State University of New Jersey Rev., 5.67%, 5/1/40	45,000	61,483
Sacramento Municipal Utility District Rev., 6.16%, 5/15/36	25,000	34,917
Santa Clara Valley Transportation Authority Rev., 5.88%, 4/1/32	30,000	37,668
State of California GO, 4.60%, 4/1/38	120,000	140,380
State of California GO, 7.55%, 4/1/39	70,000	119,491
State of California GO, 7.30%, 10/1/39	15,000	24,032
State of California GO, 7.60%, 11/1/40	20,000	34,972
<b>TOTAL MUNICIPAL SECURITIES</b> (Cost \$1,926,592)		<b>2,172,188</b>
<b>EXCHANGE-TRADED FUNDS — 0.4%</b>		
SPDR Bloomberg Barclays Short Term High Yield Bond ETF (Cost \$1,387,375)	51,100	<b>1,409,338</b>
<b>U.S. GOVERNMENT AGENCY SECURITIES — 0.2%</b>		
FNMA, 0.75%, 10/8/27	\$ 600,000	585,507
FNMA, 6.625%, 11/15/30	100,000	144,790
<b>TOTAL U.S. GOVERNMENT AGENCY SECURITIES</b> (Cost \$719,811)		<b>730,297</b>



	Shares/ Principal Amount	Value
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES — 0.1%</b>		
BXMT, Ltd., Series 2020-FL2, Class C, VRN, 1.77%, (1-month LIBOR plus 1.65%), 2/15/38 <sup>(3)</sup> (Cost \$386,238)	\$ 386,000	\$ 386,130
<b>BANK LOAN OBLIGATIONS — 0.1%</b>		
<b>Pharmaceuticals — 0.1%</b>		
Horizon Therapeutics USA Inc., 2021 Term Loan B, 2.50%, (1-month LIBOR plus 2.00%), 3/15/28 (Cost \$184,224)	184,000	183,080
<b>SOVEREIGN GOVERNMENTS AND AGENCIES<sup>†</sup></b>		
<b>Peru<sup>†</sup></b>		
Peruvian Government International Bond, 5.625%, 11/18/50	30,000	41,382
<b>Poland<sup>†</sup></b>		
Republic of Poland Government International Bond, 3.00%, 3/17/23	10,000	10,453
<b>Uruguay<sup>†</sup></b>		
Uruguay Government International Bond, 4.125%, 11/20/45	20,000	23,710
<b>TOTAL SOVEREIGN GOVERNMENTS AND AGENCIES</b> (Cost \$61,219)		<b>75,545</b>
<b>TEMPORARY CASH INVESTMENTS — 3.4%</b>		
State Street Institutional U.S. Government Money Market Fund, Premier Class (Cost \$12,647,862)	12,647,862	12,647,862
<b>TOTAL INVESTMENT SECURITIES — 102.8%</b> (Cost \$325,088,949)		<b>379,727,924</b>
<b>OTHER ASSETS AND LIABILITIES — (2.8)%</b>		<b>(10,431,745)</b>
<b>TOTAL NET ASSETS — 100.0%</b>		<b>\$ 369,296,179</b>

#### FUTURES CONTRACTS PURCHASED

Reference Entity	Contracts	Expiration Date	Notional Amount	Unrealized Appreciation (Depreciation) <sup>^</sup>
S&P 500 E-Mini	9	September 2021	\$ 1,929,870	\$ 10,005
U.S. Treasury Long Bonds	12	September 2021	1,929,000	15,662
U.S. Treasury Ultra Bonds	1	September 2021	192,688	3,144
			<u>\$ 4,051,558</u>	<u>\$ 28,811</u>

<sup>^</sup>Amount represents value and unrealized appreciation (depreciation).

#### FUTURES CONTRACTS SOLD

Reference Entity	Contracts	Expiration Date	Notional Amount	Unrealized Appreciation (Depreciation) <sup>^</sup>
U.S. Treasury 10-Year Ultra Notes	6	September 2021	\$ 883,219	\$ (4,074)

<sup>^</sup>Amount represents value and unrealized appreciation (depreciation).

# CENTRALLY CLEARED CREDIT DEFAULT SWAP AGREEMENTS

Reference Entity	Type	Fixed Rate Received (Paid) Quarterly	Termination Date	Notional Amount	Premiums Paid (Received)	Unrealized Appreciation (Depreciation)	Value^
Markit CDX North America High Yield Index Series 36	Buy	(5.00)%	6/20/26	\$3,300,000	\$ (314,024)	\$ (25,280)	\$ (339,304)

^The value for credit default swap agreements serves as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability or profit at the period end. Increasing values in absolute terms when compared to the notional amount of the credit default swap agreement represent a deterioration of the referenced entity's credit soundness and an increased likelihood or risk of a credit event occurring as defined in the agreement.

# CENTRALLY CLEARED TOTAL RETURN SWAP AGREEMENTS

Floating Rate Index	Pay/Receive Floating Rate Index at Termination	Fixed Rate	Termination Date	Notional Amount	Premiums Paid (Received)	Unrealized Appreciation (Depreciation)	Value
CPURNSA	Receive	1.78%	8/5/24	\$1,000,000	\$ (508)	\$ 43,814	\$ 43,306
CPURNSA	Receive	2.34%	2/5/26	\$1,500,000	509	40,671	41,180
CPURNSA	Receive	2.33%	2/8/26	\$1,500,000	509	40,799	41,308
CPURNSA	Receive	2.30%	2/24/26	\$1,500,000	510	41,822	42,332
CPURNSA	Receive	2.40%	2/9/31	\$ 750,000	508	16,011	16,519
					\$ 1,528	\$ 183,117	\$ 184,645

# NOTES TO SCHEDULE OF INVESTMENTS

CDX	-	Credit Derivatives Indexes
CPURNSA	-	U.S. Consumer Price Index Urban Consumers Not Seasonally Adjusted Index
FHLMC	-	Federal Home Loan Mortgage Corporation
FNMA	-	Federal National Mortgage Association
GNMA	-	Government National Mortgage Association
GO	-	General Obligation
H15T1Y	-	Constant Maturity U.S. Treasury Note Yield Curve Rate Index
IO	-	Interest Only
LIBOR	-	London Interbank Offered Rate
MTN	-	Medium Term Note
SEQ	-	Sequential Payer
SOFR	-	Secured Overnight Financing Rate
TBA	-	To-Be-Announced. Security was purchased on a forward commitment basis with an approximate principal amount and maturity date. Actual principal amount and maturity date will be determined upon settlement.
UMBS	-	Uniform Mortgage-Backed Securities
VRN	-	Variable Rate Note. The rate adjusts periodically based upon the terms set forth in the security's offering documents. The rate shown is effective at the period end and the reference rate and spread, if any, is indicated. The security's effective maturity date may be shorter than the final maturity date shown.

† Category is less than 0.05% of total net assets.

- (1) Non-income producing.
- (2) Security, or a portion thereof, has been pledged at the custodian bank or with a broker for collateral requirements on forward commitments, futures contracts and/or swap agreements. At the period end, the aggregate value of securities pledged was \$450,446.
- (3) Security was purchased pursuant to Rule 144A or Section 4(2) under the Securities Act of 1933 and may be sold in transactions exempt from registration, normally to qualified institutional investors. The aggregate value of these securities at the period end was \$25,627,369, which represented 6.9% of total net assets.
- (4) When-issued security. The issue price and yield are fixed on the date of the commitment, but payment and delivery are scheduled for a future date.

See Notes to Financial Statements.

# Statement of Assets and Liabilities

**JUNE 30, 2021 (UNAUDITED)**

## **Assets**

Investment securities, at value (cost of \$325,088,949)	\$ 379,727,924
Cash	1,128
Deposits with broker for futures contracts	110,000
Receivable for investments sold	5,507,307
Receivable for capital shares sold	66,945
Receivable for variation margin on futures contracts	5,936
Receivable for variation margin on swap agreements	4,461
Dividends and interest receivable	609,552
	<u>386,033,253</u>

## **Liabilities**

Payable for investments purchased	16,432,288
Payable for capital shares redeemed	10,446
Payable for variation margin on futures contracts	7,969
Payable for variation margin on swap agreements	603
Accrued management fees	255,021
Distribution fees payable	30,747
	<u>16,737,074</u>

<b>Net Assets</b>	<b>\$ 369,296,179</b>
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## **Net Assets Consist of:**

Capital (par value and paid-in surplus)	\$ 285,231,097
Distributable earnings	84,065,082
	<u>\$ 369,296,179</u>

	<b>Net Assets</b>	<b>Shares Outstanding</b>	<b>Net Asset Value Per Share</b>
Class I, \$0.01 Par Value	\$218,870,390	24,381,181	\$8.98
Class II, \$0.01 Par Value	\$150,425,789	16,756,591	\$8.98

See Notes to Financial Statements.

# Statement of Operations

FOR THE SIX MONTHS ENDED JUNE 30, 2021 (UNAUDITED)

## Investment Income (Loss)

### Income:

Dividends (net of foreign taxes withheld of \$1,715)	\$	1,520,283
Interest		1,217,804
		<u>2,738,087</u>

### Expenses:

Management fees	1,568,592
Distribution fees - Class II	180,064
Directors' fees and expenses	4,475
Other expenses	90
	<u>1,753,221</u>
Fees waived <sup>(1)</sup>	<u>(70,900)</u>
	<u>1,682,321</u>

<b>Net investment income (loss)</b>	<u>1,055,766</u>
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## Realized and Unrealized Gain (Loss)

### Net realized gain (loss) on:

Investment transactions	30,036,481
Futures contract transactions	203,726
Swap agreement transactions	(32,095)
	<u>30,208,112</u>

### Change in net unrealized appreciation (depreciation) on:

Investments	(2,702,283)
Futures contracts	14,152
Swap agreements	151,952
	<u>(2,536,179)</u>

<b>Net realized and unrealized gain (loss)</b>	<u>27,671,933</u>
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<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<u><u>\$ 28,727,699</u></u>
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(1) Amount consists of \$42,089 and \$28,811 for Class I and Class II, respectively.

See Notes to Financial Statements.

# Statement of Changes in Net Assets

SIX MONTHS ENDED JUNE 30, 2021 (UNAUDITED) AND YEAR ENDED DECEMBER 31, 2020

Increase (Decrease) in Net Assets	June 30, 2021	December 31, 2020
<b>Operations</b>		
Net investment income (loss)	\$ 1,055,766	\$ 2,795,736
Net realized gain (loss)	30,208,112	17,174,829
Change in net unrealized appreciation (depreciation)	(2,536,179)	16,651,319
Net increase (decrease) in net assets resulting from operations	28,727,699	36,621,884
<b>Distributions to Shareholders</b>		
From earnings:		
Class I	(10,905,822)	(8,182,728)
Class II	(7,236,130)	(5,078,102)
Decrease in net assets from distributions	(18,141,952)	(13,260,830)
<b>Capital Share Transactions</b>		
Net increase (decrease) in net assets from capital share transactions (Note 5)	17,764,935	30,652,420
<b>Net increase (decrease) in net assets</b>	<b>28,350,682</b>	<b>54,013,474</b>
<b>Net Assets</b>		
Beginning of period	340,945,497	286,932,023
End of period	\$ 369,296,179	\$ 340,945,497

See Notes to Financial Statements.

# Notes to Financial Statements

JUNE 30, 2021 (UNAUDITED)

## 1. Organization

American Century Variable Portfolios, Inc. (the corporation) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company and is organized as a Maryland corporation. VP Balanced Fund (the fund) is one fund in a series issued by the corporation. The fund's investment objective is to seek long-term capital growth and current income by investing approximately 60% of its assets in equity securities and the remainder in bonds and other fixed-income securities. The fund offers Class I and Class II.

## 2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the fund in preparation of its financial statements. The fund is an investment company and follows accounting and reporting guidance in accordance with accounting principles generally accepted in the United States of America. This may require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from these estimates. Management evaluated the impact of events or transactions occurring through the date the financial statements were issued that would merit recognition or disclosure.

**Investment Valuations** — The fund determines the fair value of its investments and computes its net asset value (NAV) per share at the close of regular trading (usually 4 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open. The Board of Directors has adopted valuation policies and procedures to guide the investment advisor in the fund's investment valuation process and to provide methodologies for the oversight of the fund's pricing function.

Equity securities that are listed or traded on a domestic securities exchange are valued at the last reported sales price or at the official closing price as provided by the exchange. Equity securities traded on foreign securities exchanges are generally valued at the closing price of such securities on the exchange where primarily traded or at the close of the NYSE, if that is earlier. If no last sales price is reported, or if local convention or regulation so provides, the mean of the latest bid and asked prices may be used. Securities traded over-the-counter are valued at the mean of the latest bid and asked prices, the last sales price, or the official closing price.

Fixed income securities are valued at the evaluated mean as provided by independent pricing services or at the mean of the most recent bid and asked prices as provided by investment dealers. Corporate bonds, U.S. Treasury and Government Agency securities, convertible bonds, bank loan obligations, municipal securities, and sovereign governments and agencies are valued using market models that consider trade data, quotations from dealers and active market makers, relevant yield curve and spread data, creditworthiness, trade data or market information on comparable securities, and other relevant security specific information. Mortgage-related and asset-backed securities are valued based on models that consider trade data, prepayment and default projections, benchmark yield and spread data and estimated cash flows of each tranche of the issuer. Collateralized loan obligations are valued based on discounted cash flow models that consider trade and economic data, prepayment assumptions and default projections.

Hybrid securities are valued at the evaluated mean as provided by independent pricing services or at the mean of the most recent bid and asked prices as provided by investment dealers. Preferred stocks and convertible preferred stocks with perpetual maturities are valued using market models that consider trade data, quotations from dealers and active market makers, relevant yield curve and spread data, creditworthiness, trade data or market information on comparable securities, and other relevant security specific information.

Open-end management investment companies are valued at the reported NAV per share. Exchange-traded futures contracts are valued at the settlement price as provided by the appropriate exchange. Swap agreements are valued at an evaluated mean as provided by independent pricing services or independent brokers.

If the fund determines that the market price for an investment is not readily available or the valuation methods mentioned above do not reflect an investment's fair value, such investment is valued as determined in good faith by the Board of Directors or its delegate, in accordance with policies and procedures adopted by the Board of Directors. In its determination of fair value, the fund may review several factors including, but not limited to, market information regarding the specific investment or comparable investments and correlation with other investment types, futures indices or general market indicators. Circumstances that may cause the fund to use these procedures to value an investment include, but are not limited to: an investment has been declared in default or is distressed; trading in a security has been suspended during the trading day or a security is not actively trading on its principal exchange; prices received from a regular pricing source are deemed unreliable; or there is a foreign market holiday and no trading occurred.

The fund monitors for significant events occurring after the close of an investment's primary exchange but before the fund's NAV per share is determined. Significant events may include, but are not limited to: corporate announcements and transactions; governmental action and political unrest that could impact a specific investment or an investment sector; or armed conflicts, natural disasters and similar events that could affect investments in a specific country or region. The fund also monitors for significant fluctuations between domestic and foreign markets, as evidenced by the U.S. market or such other indicators that the Board of Directors, or its delegate, deems appropriate. The fund may apply a model-derived factor to the closing price of equity securities traded on foreign securities exchanges. The factor is based on observable market data as provided by an independent pricing service.

**Security Transactions** — Security transactions are accounted for as of the trade date. Net realized gains and losses are determined on the identified cost basis, which is also used for federal income tax purposes.

**Investment Income** — Dividend income less foreign taxes withheld, if any, is recorded as of the ex-dividend date. Distributions received on securities that represent a return of capital or long-term capital gain are recorded as a reduction of cost of investments and/or as a realized gain. The fund may estimate the components of distributions received that may be considered nontaxable distributions or long-term capital gain distributions for income tax purposes. Interest income is recorded on the accrual basis and includes paydown gain (loss) and accretion of discounts and amortization of premiums. Inflation adjustments related to inflation-linked debt securities are reflected as interest income.

**Forward Commitments** — The fund may engage in securities transactions on a forward commitment basis. In these transactions, the securities' prices and yields are fixed on the date of the commitment. The fund may sell a to-be-announced (TBA) security and at the same time make a commitment to purchase the same security at a future date at a specified price. Conversely, the fund may purchase a TBA security and at the same time make a commitment to sell the same security at a future date at a specified price. These types of transactions are known as "TBA roll" transactions and are accounted for as purchases and sales. The fund will segregate cash, cash equivalents or other appropriate liquid securities on its records in amounts sufficient to meet the purchase price.

**Income Tax Status** — It is the fund's policy to distribute substantially all net investment income and net realized gains to shareholders and to otherwise qualify as a regulated investment company under provisions of the Internal Revenue Code. Accordingly, no provision has been made for income taxes. The fund files U.S. federal, state, local and non-U.S. tax returns as applicable. The fund's tax returns are subject to examination by the relevant taxing authority until expiration of the applicable statute of limitations, which is generally three years from the date of filing but can be longer in certain jurisdictions. At this time, management believes there are no uncertain tax positions which, based on their technical merit, would not be sustained upon examination and for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

**Multiple Class** — All shares of the fund represent an equal pro rata interest in the net assets of the class to which such shares belong, and have identical voting, dividend, liquidation and other rights and the same terms and conditions, except for class specific expenses and exclusive rights to vote on matters affecting only individual classes. Income, non-class specific expenses, and realized and unrealized capital gains and losses of the fund are allocated to each class of shares based on their relative net assets.

**Segregated Assets** — In accordance with the 1940 Act, the fund segregates assets on its books and records to cover certain types of investment securities and other financial instruments. American Century Investment Management, Inc. (ACIM) (the investment advisor) monitors, on a daily basis, the securities segregated to

ensure the fund designates a sufficient amount of liquid assets, marked-to-market daily. The fund may also receive assets or be required to pledge assets at the custodian bank or with a broker for collateral requirements.

**Distributions to Shareholders** — Distributions from net investment income, if any, are generally declared and paid quarterly. Distributions from net realized gains, if any, are generally declared and paid annually.

**Indemnifications** — Under the corporation's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the fund. In addition, in the normal course of business, the fund enters into contracts that provide general indemnifications. The maximum exposure under these arrangements is unknown as this would involve future claims that may be made against a fund. The risk of material loss from such claims is considered by management to be remote.

### 3. Fees and Transactions with Related Parties

Certain officers and directors of the corporation are also officers and/or directors of American Century Companies, Inc. (ACC). The corporation's investment advisor, ACIM, the corporation's distributor, American Century Investment Services, Inc. (ACIS), and the corporation's transfer agent, American Century Services, LLC, are wholly owned, directly or indirectly, by ACC.

**Management Fees** — The corporation has entered into a management agreement with ACIM, under which ACIM provides the fund with investment advisory and management services in exchange for a single, unified management fee (the fee) per class. The agreement provides that ACIM will pay all expenses of managing and operating the fund, except brokerage expenses, taxes, interest, fees and expenses of the independent directors (including legal counsel fees), extraordinary expenses, and expenses incurred in connection with the provision of shareholder services and distribution services under a plan adopted pursuant to Rule 12b-1 under the 1940 Act. The fee is computed and accrued daily based on each class's daily net assets and paid monthly in arrears. The rate of the fee is determined by applying a fee rate calculation formula. This formula takes into account the fund's assets as well as certain assets, if any, of other clients of the investment advisor outside the American Century Investments family of funds (such as subadvised funds and separate accounts) that use very similar investment teams and strategies (strategy assets). The management fee schedule ranges from 0.80% to 0.90% for each class. From January 1, 2021 through July 31, 2021, the investment advisor agreed to waive 0.04% of the fund's management fee. Effective August 1, 2021, the investment advisor agreed to increase the amount of the waiver from 0.04% to 0.07% of the fund's management fee. The investment advisor expects this waiver to continue until July 31, 2022 and cannot terminate it prior to such date without the approval of the Board of Directors. The effective annual management fee for each class for the period ended June 30, 2021 was 0.89% before waiver and 0.85% after waiver.

**Distribution Fees** — The Board of Directors has adopted the Master Distribution Plan (the plan) for Class II, pursuant to Rule 12b-1 of the 1940 Act. The plan provides that Class II will pay ACIS an annual distribution fee equal to 0.25%. The fee is computed and accrued daily based on the Class II daily net assets and paid monthly in arrears. The distribution fee provides compensation for expenses incurred in connection with distributing shares of Class II including, but not limited to, payments to brokers, dealers, and financial institutions that have entered into sales agreements with respect to shares of the fund. Fees incurred under the plan during the period ended June 30, 2021 are detailed in the Statement of Operations.

**Directors' Fees and Expenses** — The Board of Directors is responsible for overseeing the investment advisor's management and operations of the fund. The directors receive detailed information about the fund and its investment advisor regularly throughout the year, and meet at least quarterly with management of the investment advisor to review reports about fund operations. The fund's officers do not receive compensation from the fund.

**Interfund Transactions** — The fund may enter into security transactions with other American Century Investments funds and other client accounts of the investment advisor, in accordance with the 1940 Act rules and procedures adopted by the Board of Directors. The rules and procedures require, among other things, that these transactions be effected at the independent current market price of the security. During the period, the interfund purchases and sales were \$1,191,615 and \$1,437,333, respectively. The effect of interfund transactions on the Statement of Operations was \$227,570 in net realized gain (loss) on investment transactions.



#### 4. Investment Transactions

Purchases of investment securities, excluding short-term investments, for the period ended June 30, 2021 totaled \$335,300,387, of which \$90,785,930 represented U.S. Treasury and Government Agency obligations.

Sales of investment securities, excluding short-term investments, for the period ended June 30, 2021 totaled \$345,932,730, of which \$95,771,936 represented U.S. Treasury and Government Agency obligations.

#### 5. Capital Share Transactions

Transactions in shares of the fund were as follows:

	Six months ended June 30, 2021		Year ended December 31, 2020	
	Shares	Amount	Shares	Amount
<b>Class I/Shares Authorized</b>	<u>150,000,000</u>		<u>150,000,000</u>	
Sold	1,432,681	\$ 12,733,755	3,608,958	\$ 29,012,147
Issued in reinvestment of distributions	1,267,115	10,905,822	1,159,946	8,182,728
Redeemed	(1,388,741)	(12,336,085)	(3,394,452)	(27,050,942)
	<u>1,311,055</u>	<u>11,303,492</u>	<u>1,374,452</u>	<u>10,143,933</u>
<b>Class II/Shares Authorized</b>	<u>75,000,000</u>		<u>75,000,000</u>	
Sold	851,189	7,536,465	3,454,204	27,693,286
Issued in reinvestment of distributions	841,136	7,236,130	723,855	5,078,102
Redeemed	(935,195)	(8,311,152)	(1,549,473)	(12,262,901)
	<u>757,130</u>	<u>6,461,443</u>	<u>2,628,586</u>	<u>20,508,487</u>
Net increase (decrease)	<u>2,068,185</u>	<u>\$ 17,764,935</u>	<u>4,003,038</u>	<u>\$ 30,652,420</u>

#### 6. Fair Value Measurements

The fund's investments valuation process is based on several considerations and may use multiple inputs to determine the fair value of the investments held by the fund. In conformity with accounting principles generally accepted in the United States of America, the inputs used to determine a valuation are classified into three broad levels.

- Level 1 valuation inputs consist of unadjusted quoted prices in an active market for identical investments.
- Level 2 valuation inputs consist of direct or indirect observable market data (including quoted prices for comparable investments, evaluations of subsequent market events, interest rates, prepayment speeds, credit risk, etc.). These inputs also consist of quoted prices for identical investments initially expressed in local currencies that are adjusted through translation into U.S. dollars.
- Level 3 valuation inputs consist of unobservable data (including a fund's own assumptions).

The level classification is based on the lowest level input that is significant to the fair valuation measurement. The valuation inputs are not necessarily an indication of the risks associated with investing in these securities or other financial instruments.

The following is a summary of the level classifications as of period end. The Schedule of Investments provides additional information on the fund's portfolio holdings.

	Level 1	Level 2	Level 3
<b>Assets</b>			
<b>Investment Securities</b>			
Common Stocks	\$ 218,163,901	—	—
U.S. Treasury Securities	—	\$ 62,159,520	—
Corporate Bonds	—	36,691,777	—
U.S. Government Agency Mortgage-Backed Securities	—	21,777,821	—
Collateralized Mortgage Obligations	—	9,884,505	—
Asset-Backed Securities	—	6,994,520	—
Collateralized Loan Obligations	—	6,451,440	—
Municipal Securities	—	2,172,188	—
Exchange-Traded Funds	1,409,338	—	—
U.S. Government Agency Securities	—	730,297	—
Commercial Mortgage-Backed Securities	—	386,130	—
Bank Loan Obligations	—	183,080	—
Sovereign Governments and Agencies	—	75,545	—
Temporary Cash Investments	12,647,862	—	—
	<u>\$ 232,221,101</u>	<u>\$ 147,506,823</u>	<u>—</u>
<b>Other Financial Instruments</b>			
Futures Contracts	\$ 28,811	—	—
Swap Agreements	—	\$ 184,645	—
	<u>\$ 28,811</u>	<u>\$ 184,645</u>	<u>—</u>
<b>Liabilities</b>			
<b>Other Financial Instruments</b>			
Futures Contracts	\$ 4,074	—	—
Swap Agreements	—	\$ 339,304	—
	<u>\$ 4,074</u>	<u>\$ 339,304</u>	<u>—</u>

## 7. Derivative Instruments

**Credit Risk** — The fund is subject to credit risk in the normal course of pursuing its investment objectives. The value of a bond generally declines as the credit quality of its issuer declines. Credit default swap agreements enable a fund to buy/sell protection against a credit event of a specific issuer or index. A fund may attempt to enhance returns by selling protection or attempt to mitigate credit risk by buying protection. The buyer/seller of credit protection against a security or basket of securities may pay/receive an up-front or periodic payment to compensate for/against potential default events. Changes in value, including the periodic amounts of interest to be paid or received on swap agreements, are recorded as unrealized appreciation (depreciation) on swap agreements. Upon entering into a centrally cleared swap, a fund is required to deposit cash or securities (initial margin) with a financial intermediary in an amount equal to a certain percentage of the notional amount. Subsequent payments (variation margin) are made or received daily, in cash, by a fund. The variation margin is equal to the daily change in the value and is a component of unrealized gains and losses. Realized gain or loss is recorded upon receipt or payment of a periodic settlement or termination of swap agreements. Net realized and unrealized gains or losses occurring during the holding period of swap agreements are a component of net realized gain (loss) on swap agreement transactions and change in net unrealized appreciation (depreciation) on swap agreements, respectively. The risks of entering into swap agreements include the possible lack of liquidity, failure of the counterparty to meet its obligations, and that there may be unfavorable changes in the underlying investments or instruments. The fund's average notional amount held during the period was \$2,950,000.

**Equity Price Risk** — The fund is subject to equity price risk in the normal course of pursuing its investment objectives. A fund may enter into futures contracts based on an equity index in order to manage its exposure to changes in market conditions. A fund may purchase futures contracts to gain exposure to increases in market value or sell futures contracts to protect against a decline in market value. Upon entering into a futures

contract, a fund is required to deposit either cash or securities in an amount equal to a certain percentage of the contract value (initial margin). Subsequent payments (variation margin) are made or received daily, in cash, by a fund. The variation margin is equal to the daily change in the contract value and is recorded as unrealized gains and losses. A fund recognizes a realized gain or loss when the contract is closed or expires. Net realized and unrealized gains or losses occurring during the holding period of futures contracts are a component of net realized gain (loss) on futures contract transactions and change in net unrealized appreciation (depreciation) on futures contracts, respectively. One of the risks of entering into futures contracts is the possibility that the change in value of the contract may not correlate with the changes in value of the underlying securities. The fund's average notional exposure to equity price risk derivative instruments held during the period was \$1,210,840 futures contracts purchased.

**Interest Rate Risk** — The fund is subject to interest rate risk in the normal course of pursuing its investment objectives. The value of bonds generally declines as interest rates rise. A fund may enter into futures contracts based on a bond index or a specific underlying security. A fund may purchase futures contracts to gain exposure to increases in market value or sell futures contracts to protect against a decline in market value. Upon entering into a futures contract, a fund will segregate cash, cash equivalents or other appropriate liquid securities on its records in amounts sufficient to meet requirements. Subsequent payments (variation margin) are made or received daily, in cash, by a fund. The variation margin is equal to the daily change in the contract value and is recorded as unrealized gains and losses. A fund recognizes a realized gain or loss when the futures contract is closed or expires. Net realized and unrealized gains or losses occurring during the holding period of futures contracts are a component of net realized gain (loss) on futures contract transactions and change in net unrealized appreciation (depreciation) on futures contracts, respectively. One of the risks of entering into futures contracts is the possibility that the change in value of the contract may not correlate with the changes in value of the underlying securities. The fund's average notional exposure to interest rate risk derivative instruments held during the period was \$11,616,138 futures contracts purchased and \$3,345,500 futures contracts sold.

**Other Contracts** — A fund may enter into total return swap agreements in order to attempt to obtain or preserve a particular return or spread at a lower cost than obtaining a return or spread through purchases and/or sales of instruments in other markets or gain exposure to certain markets in the most economical way possible. A fund will segregate cash, cash equivalents or other appropriate liquid securities on its records in amounts sufficient to meet requirements. Changes in value, including the periodic amounts of interest to be paid or received on swap agreements, are recorded as unrealized appreciation (depreciation) on swap agreements. Upon entering into a centrally cleared swap, a fund is required to deposit cash or securities (initial margin) with a financial intermediary in an amount equal to a certain percentage of the notional amount. Subsequent payments (variation margin) are made or received daily, in cash, by a fund. The variation margin is equal to the daily change in the value and is a component of unrealized gains and losses. Realized gain or loss is recorded upon receipt or payment of a periodic settlement or termination of swap agreements. Net realized and unrealized gains or losses occurring during the holding period of swap agreements are a component of net realized gain (loss) on swap agreement transactions and change in net unrealized appreciation (depreciation) on swap agreements, respectively. The risks of entering into swap agreements include the possible lack of liquidity, failure of the counterparty to meet its obligations, and that there may be unfavorable changes in the underlying investments or instruments, including inflationary risk. The fund's average notional amount held during the period was \$5,375,000.

Value of Derivative Instruments as of June 30, 2021

Type of Risk Exposure	Asset Derivatives		Liability Derivatives	
	Location on Statement of Assets and Liabilities	Value	Location on Statement of Assets and Liabilities	Value
Credit Risk	Receivable for variation margin on swap agreements*	—	Payable for variation margin on swap agreements*	\$ 603
Equity Price Risk	Receivable for variation margin on futures contracts*	—	Payable for variation margin on futures contracts*	7,969
Interest Rate Risk	Receivable for variation margin on futures contracts*	\$ 5,936	Payable for variation margin on futures contracts*	—
Other Contracts	Receivable for variation margin on swap agreements*	4,461	Payable for variation margin on swap agreements*	—
		<u>\$ 10,397</u>		<u>\$ 8,572</u>

\*Included in the unrealized appreciation (depreciation) on futures contracts or centrally cleared swap agreements, as applicable, as reported in the Schedule of Investments.

Effect of Derivative Instruments on the Statement of Operations for the Six Months Ended June 30, 2021

Type of Risk Exposure	Net Realized Gain (Loss)		Change in Net Unrealized Appreciation (Depreciation)	
	Location on Statement of Operations	Value	Location on Statement of Operations	Value
Credit Risk	Net realized gain (loss) on swap agreement transactions	\$ (31,951)	Change in net unrealized appreciation (depreciation) on swap agreements	\$ (25,280)
Equity Price Risk	Net realized gain (loss) on futures contract transactions	215,146	Change in net unrealized appreciation (depreciation) on futures contracts	(3,123)
Interest Rate Risk	Net realized gain (loss) on futures contract transactions	(11,420)	Change in net unrealized appreciation (depreciation) on futures contracts	17,275
Other Contracts	Net realized gain (loss) on swap agreement transactions	(144)	Change in net unrealized appreciation (depreciation) on swap agreements	177,232
		<u>\$ 171,631</u>		<u>\$ 166,104</u>

## 8. Risk Factors

The value of the fund's shares will go up and down, sometimes rapidly or unpredictably, based on the performance of the securities owned by the fund and other factors generally affecting the securities market. Market risks, including political, regulatory, economic and social developments, can affect the value of the fund's investments. Natural disasters, public health emergencies, terrorism and other unforeseeable events may lead to increased market volatility and may have adverse long-term effects on world economies and markets generally.

The fund may invest in instruments that have variable or floating coupon rates based on the London Interbank Offered Rate (LIBOR). LIBOR is a benchmark interest rate intended to be representative of the rate at which certain major international banks lend to one another over short-terms. However, LIBOR is expected to be phased out and the transition process may lead to increased volatility or illiquidity in markets for instruments that rely on LIBOR. This could result in a change to the value of such instruments.

The fund's investment process may result in high portfolio turnover, which could mean high transaction costs, affecting both performance and capital gains tax liabilities to investors.

## 9. Federal Tax Information

The book-basis character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. These differences reflect the differing character of certain income items and net realized gains and losses for financial statement and tax purposes, and may result in reclassification among certain capital accounts on the financial statements.

As of period end, the components of investments for federal income tax purposes were as follows:

Federal tax cost of investments	\$ 325,566,503
Gross tax appreciation of investments	\$ 57,317,924
Gross tax depreciation of investments	(3,156,503)
Net tax appreciation (depreciation) of investments	<u>\$ 54,161,421</u>

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable primarily to the tax deferral of losses on wash sales.

# Financial Highlights

For a Share Outstanding Throughout the Years Ended December 31 (except as noted)

Per-Share Data		Ratios and Supplemental Data												
Income From Investment Operations:					Distributions From:			Ratio to Average Net Assets of:						
Net Asset Value, Beginning of Period	Net Investment Income (Loss) <sup>(1)</sup>	Net Realized and Unrealized Gain (Loss)	Total From Investment Operations	Net Investment Income	Net Realized Gains	Total Distributions	Net Asset Value, End of Period	Total Return <sup>(2)</sup>	Operating Expenses (before expense waiver)	Operating Expenses (before expense waiver)	Net Investment Income (Loss)	Investment Income (before expense waiver)	Portfolio Turnover Rate	Net Assets, End of Period (in thousands)
Class I														
2021 <sup>(3)</sup>	\$8.73	0.03	0.69	0.72	(0.04)	(0.43)	(0.47)	\$8.98	8.43%	0.85% <sup>(4)</sup>	0.69% <sup>(4)</sup>	0.65% <sup>(4)</sup>	94%	\$218,870
2020	\$8.18	0.08	0.84	0.92	(0.09)	(0.28)	(0.37)	\$8.73	12.53%	0.85%	1.03%	0.99%	189%	\$201,325
2019	\$7.09	0.11	1.27	1.38	(0.12)	(0.17)	(0.29)	\$8.18	19.85%	0.79%	1.48%	1.37%	115%	\$177,510
2018	\$7.53	0.12	(0.40)	(0.28)	(0.11)	(0.05)	(0.16)	\$7.09	(3.83)%	0.76%	1.55%	1.41%	120%	\$142,595
2017	\$6.97	0.11	0.84	0.95	(0.11)	(0.28)	(0.39)	\$7.53	13.91%	0.80%	1.52%	1.41%	114%	\$136,993
2016	\$6.93	0.10	0.36	0.46	(0.11)	(0.31)	(0.42)	\$6.97	6.99%	0.82%	1.53%	1.45%	101%	\$119,724
Class II														
2021 <sup>(3)</sup>	\$8.73	0.02	0.69	0.71	(0.03)	(0.43)	(0.46)	\$8.98	8.29%	1.10% <sup>(4)</sup>	0.44% <sup>(4)</sup>	0.40% <sup>(4)</sup>	94%	\$150,426
2020	\$8.18	0.06	0.85	0.91	(0.08)	(0.28)	(0.36)	\$8.73	12.27%	1.10%	0.78%	0.74%	189%	\$139,620
2019	\$7.10	0.09	1.26	1.35	(0.10)	(0.17)	(0.27)	\$8.18	19.39%	1.04%	1.23%	1.12%	115%	\$109,422
2018	\$7.53	0.10	(0.39)	(0.29)	(0.09)	(0.05)	(0.14)	\$7.10	(3.93)%	1.01%	1.30%	1.16%	120%	\$74,928
2017	\$6.97	0.09	0.85	0.94	(0.10)	(0.28)	(0.38)	\$7.53	13.63%	1.05%	1.27%	1.16%	114%	\$54,363
2016 <sup>(5)</sup>	\$6.72	0.05	0.26	0.31	(0.06)	—	(0.06)	\$6.97	4.67%	1.06% <sup>(4)</sup>	1.13% <sup>(4)</sup>	1.04% <sup>(4)</sup>	101% <sup>(6)</sup>	\$19,677

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**Notes to Financial Highlights**

- (1) Computed using average shares outstanding throughout the period.
- (2) Total returns are calculated based on the net asset value of the last business day. Total returns for periods less than one year are not annualized. The total returns presented do not include the fees and charges assessed with investments in variable insurance products, those charges are disclosed in the separate account prospectus. The inclusion of such fees and charges would lower total return.
- (3) Six months ended June 30, 2021 (unaudited).
- (4) Annualized.
- (5) May 2, 2016 (commencement of sale) through December 31, 2016.
- (6) Portfolio turnover is calculated at the fund level. Percentage indicated was calculated for the year ended December 31, 2016.

See Notes to Financial Statements.

## Approval of Management Agreement

At a meeting held on June 30, 2021, the Fund's Board of Directors (the "Board") unanimously approved the renewal of the management agreement pursuant to which American Century Investment Management, Inc. (the "Advisor") acts as the investment advisor for the Fund. Under Section 15(c) of the Investment Company Act, contracts for investment advisory services are required to be reviewed, evaluated, and approved by a majority of a fund's directors (the "Directors"), including a majority of the independent Directors, each year.

Prior to its consideration of the renewal of the management agreement, the Directors requested and reviewed extensive data and information compiled by the Advisor and certain independent providers of evaluation data concerning the Fund and the services provided to the Fund by the Advisor. This review was in addition to the oversight and evaluation undertaken by the Board and its committees on a continual basis and the information received was supplemental to the extensive information that the Board and its committees receive and consider throughout the year.

In connection with its consideration of the renewal of the management agreement, the Board's review and evaluation of the services provided by the Advisor and its affiliates included, but was not limited to, the following:

- the nature, extent, and quality of investment management, shareholder services, and other services provided and to be provided to the Fund including without limitation portfolio management and trading services, shareholder and intermediary services, compliance and legal services, fund accounting and financial reporting, and fund share distribution;
- the wide range of other programs and services provided and to be provided to the Fund and its shareholders on a routine and non-routine basis;
- the Fund's investment performance, including data comparing the Fund's performance to appropriate benchmarks and/or a peer group of other mutual funds with similar investment objectives and strategies;
- the cost of owning the Fund compared to the cost of owning similar funds;
- the compliance policies, procedures, and regulatory experience of the Advisor and the Fund's service providers;
- the Advisor's strategic plans, COVID-19 pandemic response, vendor management practices, and social justice initiatives;
- the Advisor's business continuity plans and cyber security practices;
- financial data showing the cost of services provided to the Fund, the profitability of the Fund to the Advisor, and the overall profitability of the Advisor;
- possible economies of scale associated with the Advisor's management of the Fund and other accounts;
- services provided and charges to the Advisor's other investment management clients;
- acquired fund fees and expenses;
- payments and practices in connection with financial intermediaries holding shares of the Fund and the services provided by intermediaries in connection therewith; and
- possible collateral benefits to the Advisor from the management of the Fund.

The Board held two meetings to consider the renewal.. The independent Directors also met in private session three times to review and discuss the information provided in response to their request. The independent Directors held active discussions with the Advisor regarding the renewal of the management agreement, requesting supplemental information, and reviewing information provided by the Advisor in response thereto. The independent Directors had the benefit of the advice of their independent counsel throughout the process.

## Factors Considered

The Directors considered all of the information provided by the Advisor, the independent data providers, and independent counsel in connection with the approval. They determined that the information was sufficient for them to evaluate the management agreement for the Fund. In connection with their review, the Directors did not identify any single factor as being all-important or controlling, and each Director may have attributed different levels of importance to different factors. In deciding to renew the management agreement, the Board based its decision on a number of factors, including without limitation the following:

**Nature, Extent and Quality of Services — Generally.** Under the management agreement, the Advisor is responsible for providing or arranging for all services necessary for the operation of the Fund. The Board noted that the Advisor provides or arranges at its own expense a wide variety of services which include the following:

- constructing and designing the Fund
- portfolio research and security selection
- initial capitalization/funding
- securities trading
- Fund administration
- custody of Fund assets
- daily valuation of the Fund's portfolio
- liquidity monitoring and management
- risk management, including cyber security
- shareholder servicing and transfer agency, including shareholder confirmations, recordkeeping, and communications
- legal services (except the independent Directors' counsel)
- regulatory and portfolio compliance
- financial reporting
- marketing and distribution (except amounts paid by the Fund under Rule 12b-1 plans)

The Board noted that many of these services have expanded over time in terms of both quantity and complexity in response to shareholder demands, competition in the industry, changing distribution channels, and the changing regulatory environment.

**Investment Management Services.** The nature of the investment management services provided to the Fund is quite complex and allows Fund shareholders access to professional money management, instant diversification of their investments within an asset class, the opportunity to easily diversify among asset classes by investing in or exchanging among various American Century Investments funds, and liquidity. In evaluating investment performance, the Board expects the Advisor to manage the Fund in accordance with its investment objectives and approved strategies. Further, the Directors recognize that the Advisor has an obligation to monitor trading activities, and in particular to seek the best execution of fund trades, and to evaluate the use of and payment for research. In providing these services, the Advisor utilizes teams of investment professionals (portfolio managers, analysts, research assistants, and securities traders) who require extensive information technology, research, training, compliance, and other systems to conduct their business. The Board, directly and through its Fund Performance Review Committee, provides oversight of the investment performance process. It regularly reviews investment performance information for the Fund, together with comparative information for appropriate benchmarks and/or peer groups of similarly-managed funds, over different time horizons. The Directors also review investment performance information during the management agreement renewal process. If performance concerns are identified, the Fund receives special reviews until performance improves, during which the Board discusses with the Advisor the reasons for such results (e.g., market conditions, security selection) and any efforts being undertaken to improve performance. The Fund's performance was below its benchmark for the one-, three-, five-, and ten-year periods reviewed by the Board. The Board discussed the Fund's performance with the Advisor, including steps being taken to address underperformance, and was satisfied with the efforts being undertaken by the Advisor. The Board found the investment management services



provided by the Advisor to the Fund to be satisfactory and consistent with the management agreement.

**Shareholder and Other Services.** Under the management agreement, the Advisor provides the Fund with a comprehensive package of transfer agency, shareholder, and other services. The Board, directly and through its various committees, regularly reviews reports and evaluations of such services at its regular meetings. These reports include, but are not limited to, information regarding the operational efficiency and accuracy of the shareholder and transfer agency services provided, staffing levels, shareholder satisfaction, technology support (including cyber security), new products and services offered to Fund shareholders, securities trading activities, portfolio valuation services, auditing services, and legal and operational compliance activities. The Board found the services provided by the Advisor to the Fund under the management agreement to be competitive and of high quality.

**Costs of Services and Profitability.** The Advisor provides detailed information concerning its cost of providing various services to the Fund, its profitability in managing the Fund (pre- and post-distribution), its overall profitability, and its financial condition. The Directors have reviewed with the Advisor the methodology used to prepare this financial information. This information is considered in evaluating the Advisor's financial condition, its ability to continue to provide services under the management agreement, and the reasonableness of the current management fee. The Board concluded that the Advisor's profits were reasonable in light of the services provided to the Fund.

**Ethics.** The Board generally considers the Advisor's commitment to providing quality services to shareholders and to conducting its business ethically. They noted that the Advisor's practices generally meet or exceed industry best practices.

**Economies of Scale.** The Board also reviewed information provided by the Advisor regarding the possible existence of economies of scale in connection with the management of the Fund. The Board concluded that economies of scale are difficult to measure and predict with precision, especially on a fund-by-fund basis. The Board concluded that the Advisor is sharing economies of scale, to the extent they exist, through its competitive fee structure, offering competitive fees from fund inception, and through reinvestment in its business, infrastructure, investment capabilities and initiatives to provide shareholders additional content and services. The Board also noted that economies of scale are shared with the Fund and its shareholders through management fee breakpoints that serve to reduce the effective management fee as the assets of the Fund grow.

**Comparison to Other Funds' Fees.** The management agreement provides that the Fund pays the Advisor a single, all-inclusive (or unified) management fee for providing all services necessary for the management and operation of the Fund, other than brokerage expenses, expenses attributable to short sales, taxes, interest, extraordinary expenses, fees and expenses of the Fund's independent Directors (including their independent legal counsel), and expenses incurred in connection with the provision of shareholder services and distribution services under a plan adopted pursuant to Rule 12b-1 under the Investment Company Act. Under the unified fee structure, the Advisor is responsible for providing all investment advisory, custody, audit, administrative, compliance, recordkeeping, marketing and shareholder services, or arranging and supervising third parties to provide such services. By contrast, most other funds are charged a variety of fees, including an investment advisory fee, a transfer agency fee, an administrative fee, distribution charges, and other expenses. Other than their investment advisory fees and any applicable Rule 12b-1 distribution fees, all other components of the total fees charged by these other funds may be increased without shareholder approval. The Board believes the unified fee structure is a benefit to Fund shareholders because it clearly discloses to shareholders the cost of owning Fund shares, and, since the unified fee cannot be increased without a vote of Fund shareholders, it shifts to the Advisor the risk of increased costs of operating the Fund and provides a direct incentive to minimize administrative inefficiencies. Part of the Board's analysis of fee levels involves reviewing certain evaluative data compiled by an independent provider comparing the Fund's unified fee to the total expense ratios of its peers. The unified fee charged to shareholders of the Fund was above the median of the total expense ratios of the Fund's peer expense universe. In addition, the Board reviewed the Fund's position relative to the narrower set of its expense group peers. The Board and the Advisor agreed to a temporary reduction of the Fund's annual unified management fee of 0.07% (e.g., the Class I unified fee will be reduced from 0.89% to 0.82%) for at

least one year, beginning August 1, 2021. The Board concluded that the management fee paid by the Fund to the Advisor under the management agreement is reasonable in light of the services provided to the Fund.

**Comparison to Fees and Services Provided to Other Clients of the Advisor.** The Board also requested and received information from the Advisor concerning the nature of the services, fees, costs, and profitability of its advisory services to advisory clients other than the Fund. They observed that these varying types of client accounts require different services and involve different regulatory and entrepreneurial risks than the management of the Fund. The Board analyzed this information and concluded that the fees charged and services provided to the Fund were reasonable by comparison.

**Payments to Intermediaries.** The Directors also requested and received a description of payments made to intermediaries by the Fund and the Advisor and services provided in response thereto. These payments include various payments made by the Fund or the Advisor to different types of intermediaries and recordkeepers for distribution and service activities provided for the Fund. The Directors reviewed such information and received representations from the Advisor that all such payments by the Fund were made pursuant to the Fund's Rule 12b-1 Plan and that all such payments by the Advisor were made from the Advisor's resources and reasonable profits. The Board found such payments to be reasonable in scope and purpose.

**Collateral or "Fall-Out" Benefits Derived by the Advisor.** The Board considered the possible existence of collateral benefits the Advisor may receive as a result of its relationship with the Fund. They concluded that the Advisor's primary business is managing funds and it generally does not use fund or shareholder information to generate profits in other lines of business, and therefore does not derive any significant collateral benefits from them. To the extent there are potential collateral benefits, the Board has been advised and has taken this into consideration in its review of the management contract with the Fund. The Board noted that additional assets from other clients may offer the Advisor some benefit from increased leverage with service providers and counterparties. Additionally, the Advisor may receive proprietary research from broker-dealers that execute fund portfolio transactions, which the Board concluded is likely to benefit other clients of the Advisor, as well as Fund shareholders. The Board also determined that the Advisor is able to provide investment management services to certain clients other than the Fund, at least in part, due to its existing infrastructure built to serve the fund complex. The Board concluded that appropriate allocation methodologies had been employed to assign resources and the cost of those resources to these other clients and, where expressly provided, these other client assets may be included with the assets of the Fund to determine breakpoints in the management fee schedule.

**Existing Relationship.** The Board also considered whether there was any reason for not continuing the existing arrangement with the Advisor. In this regard, the Board was mindful of the potential disruptions of the Fund's operations and various risks, uncertainties, and other effects that could occur as a result of a decision not to continue such relationship. In particular, the Board recognized that most shareholders have invested in the Fund on the strength of the Advisor's industry standing and reputation and in the expectation that the Advisor will have a continuing role in providing advisory services to the Fund.

**Conclusion of the Directors.** As a result of this process, the Board, including all of the independent Directors, taking into account all of the factors discussed above and the information provided by the Advisor and others in connection with its review and throughout the year, determined that the management fee is fair and reasonable in light of the services provided and that the investment management agreement between the Fund and the Advisor should be renewed.

## Liquidity Risk Management Program

The Fund has adopted a liquidity risk management program (the “program”). The Fund’s Board of Directors (the “Board”) has designated American Century Investment Management, Inc. (“ACIM”) as the administrator of the program. Personnel of ACIM or its affiliates conduct the day-to-day operation of the program pursuant to policies and procedures administered by those members of the ACIM’s Investment Oversight Committee who are members of the ACIM’s Investment Management and Global Analytics departments.

Under the program, ACIM manages the Fund’s liquidity risk, which is the risk that the Fund could not meet shareholder redemption requests without significant dilution of remaining shareholders’ interests in the Fund. This risk is managed by monitoring the degree of liquidity of the Fund’s investments, limiting the amount of the Fund’s illiquid investments, and utilizing various risk management tools and facilities available to the Fund for meeting shareholder redemptions, among other means. ACIM’s process of determining the degree of liquidity of the Fund’s investments is supported by one or more third-party liquidity assessment vendors.

The Board reviewed a report prepared by ACIM regarding the operation and effectiveness of the program for the period December 1, 2019 through December 31, 2020. No significant liquidity events impacting the Fund were noted in the report. In addition, ACIM provided its assessment that the program had been effective in managing the Fund’s liquidity risk.

## Additional Information

### **Proxy Voting Policies**

A description of the policies that the fund's investment advisor uses in exercising the voting rights associated with the securities purchased and/or held by the fund is available without charge, upon request, by calling 1-800-378-9878. It is also available on American Century Investments' website at [americancentury.com/proxy](http://americancentury.com/proxy) and on the Securities and Exchange Commission's website at [sec.gov](http://sec.gov). Information regarding how the investment advisor voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on [americancentury.com/proxy](http://americancentury.com/proxy). It is also available at [sec.gov](http://sec.gov).

### **Quarterly Portfolio Disclosure**

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. These portfolio holdings are available on the fund's website at [ipro.americancentury.com](http://ipro.americancentury.com) (for Investment Professionals) and, upon request, by calling 1-800-378-9878. The fund's Form N-PORT reports are available on the SEC's website at [sec.gov](http://sec.gov).

## Notes

## Notes





## Contact Us

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**American Century Variable Portfolios, Inc.**

**Investment Advisor:**

American Century Investment Management, Inc.  
Kansas City, Missouri

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