BlackRock

JUNE 30, 2022

2022 Semi-Annual Report (Unaudited)

BlackRock Variable Series Funds, Inc.

- BlackRock S&P 500 Index V.I. Fund

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The Markets in Review

Dear Shareholder,

The 12-month reporting period as of June 30, 2022 saw the emergence of significant challenges that disrupted the economic recovery and strong financial markets. The U.S. economy shrank in the first quarter of 2022, ending the run of robust growth that followed the reopening of global economies and the development of COVID-19 vaccines. Rapid changes in consumer spending led to supply constraints and elevated inflation, which reached a 40-year high. Moreover, while the foremost effect of Russia's invasion of Ukraine has been a severe humanitarian crisis, the ongoing war continued to present challenges for both investors and policymakers.

Equity prices fell, as persistently high inflation drove investors' expectations for higher interest rates, particularly weighing on relatively high-valuation growth stocks and economically sensitive small-capitalization stocks. While both large- and small-capitalization U.S. stocks fell, declines for small-capitalization U.S. stocks were particularly steep. Both emerging market stocks and international equities from developed markets fell significantly, pressured by rising interest rates and a strengthening U.S. dollar.

The 10-year U.S. Treasury yield (which is inversely related to bond prices) rose notably during the reporting period as increasing inflation drove investors' expectations for higher interest rates. The corporate bond market also faced inflationary headwinds, and increasing uncertainty led to higher corporate bond spreads (the difference in yield between U.S. Treasuries and similarly-dated corporate bonds).

The U.S. Federal Reserve (the "Fed"), acknowledging that inflation is growing faster than expected, raised interest rates three times while indicating that additional large rate hikes were likely. Furthermore, the Fed wound down its bond-buying programs and began to reduce its balance sheet. Continued high inflation and the Fed's statements led many analysts to anticipate that interest rates have significant room to rise before peaking.

Furthermore, the horrific war in Ukraine has significantly clouded the outlook for the global economy, leading to major volatility in energy and metals markets. Sanctions on Russia, Europe's top energy supplier, and general wartime disruption have magnified supply problems for key commodities. We believe elevated energy prices will continue to exacerbate inflationary pressure while also constraining economic growth. Combating inflation without stifling a recovery, while buffering against ongoing supply and price shocks, will be an especially challenging environment for setting effective monetary policy. Despite the likelihood of more rate increases on the horizon, we believe the Fed will err on the side of protecting employment, even at the expense of higher inflation. However, markets have been primed to expect sharp tightening, which could weigh on valuations until central banks begin to tap the brakes.

In this environment, while we favor an overweight to equities in the long-term, the market's concerns over excessive rate hikes from central banks moderate our outlook. Furthermore, the energy shock and a deteriorating economic backdrop in China and Europe are likely to challenge corporate earnings, so we are underweight equities overall in the near-term. We take the opposite view on credit, where higher spreads provide near-term opportunities, while the likelihood of a higher inflation regime leads us to take an underweight stance on credit in the long-term. We believe that investment-grade corporates, U.K. gilts, local-currency emerging market debt, and inflation-protected bonds (particularly in Europe) offer strong opportunities in a six- to twelve-month horizon.

Overall, our view is that investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit blackrock.com for further insight about investing in today's markets.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

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President, BlackRock Advisors, LLC

Total Returns as of June 30, 2022

	6-Month	*12-Month*
U.S. large cap equities (S&P 500® Index)	(19.96)%	(10.62)%
U.S. small cap equities (Russell 2000® Index)	(23.43)	(25.20)
International equities (MSCI Europe, Australasia, Far East Index)	(19.57)	(17.77)
Emerging market equities (MSCI Emerging Markets Index)	(17.63)	(25.28)
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	0.15	0.18
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	(11.34)	(10.94)
U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index)	(10.35)	(10.29)
Tax-exempt municipal bonds (Bloomberg Municipal Bond Index)	(8.98)	(8.57)
U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index)	(14.19)	(12.82)

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

Investment Objective

BlackRock S&P 500 Index V.I. Fund's (the "Fund") investment objective is to seek investment results that, before expenses, correspond to the aggregate price and yield performance of the Standard and Poor's ("S&P") 500® Index.

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended June 30, 2022, the Fund's Class I, Class II and Class III Shares returned (20.00)%, (20.09)% and (20.11)%, respectively. The benchmark S&P 500® Index returned (19.96)% for the same period.

Returns for the Fund's respective share classes differ from the benchmark index based on individual share-class expenses.

Describe the market environment.

Geopolitical tension after the Russian invasion of Ukraine in February 2022 fueled existing concerns over rising inflation, interest rate hikes, and rallying commodity prices. On the other hand, economic data in the United States remained strong with robust employment numbers and corporate earnings results. This provided comfort to investors but added to U.S. policy makers challenges. Investors were concerned that the Fed may dampen growth in an effort to get inflation under control.

Commodity prices spiked in the first quarter 2022 and pushed expectations for a higher inflation rate. The Fed hiked the interest rate by 25 basis points and signaled hikes at all six-remaining meetings for the year in efforts to tackle the highest inflation rate in four decades.

Concerns about high inflation, growth outlook and recession fears increased in the United States during the second quarter. While the unemployment rate remained low and wage growth strong, consumer sentiment went down as consumers struggled with higher prices and borrowing costs. The increased expectation of an interest rate hike weighed down on U.S. equity market valuations.

As the Fed continued to grapple with inflation, their messaging evolved over the second quarter 2022. Initially, Chairman Jerome Powel adopted a more hawkish tone stating that they would not hesitate to raise interest rates beyond neutral to achieve its inflation target and would be willing to accept an increase in unemployment rate. But as risks to growth increased over the quarter and recession fears intensified, the number and magnitude of future rate hikes beyond July 2022 remained unclear.

Describe recent portfolio activity.

During the six-month period, as changes were made to the composition of the S&P 500® Index, the Fund purchased and sold securities to maintain its objective of replicating the risks and return of the benchmark index.

Describe portfolio positioning at period end.

The Fund remains positioned to match the risk characteristics of its benchmark index, irrespective of the market's future direction.

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

Performance

	6-Month Total Returns[a]	Average Annual Total Returns[a] 1 Year	5 Years	10 Years
Class I [b][c]	(20.00)%	(10.72)%	11.13%	12.68%
Class II [b][c]	(20.09)	(10.88)	10.96	12.50
Class III [b][c]	(20.11)	(10.95)	10.85	12.40[d]
S&P 500® Index[e]	(19.96)	(10.62)	11.31	12.96

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

[b] Average annual total returns are based on changes in net asset value ("NAV") for the periods shown, and assume reinvestment of all distributions at NAV on the ex-dividend date. Insurance-related fees and expenses are not reflected in these returns.

[c] Under normal circumstances, the Fund invests at least 80% of its assets in the common stocks represented in the S&P 500® Index and in derivative instruments linked to the S&P 500® Index.

[d] The returns for Class III Shares prior to February 14, 2018, the recommencement of operations of Class III Shares, are based upon the performance of the Fund's Class I Shares, as adjusted to reflect the distribution (12b-1) fees applicable to Class III Shares.

[e] An unmanaged index that covers 500 leading companies and captures approximately 80% coverage of available market capitalization.

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

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

Expense Example

	Actual			Hypothetical 5% Return			
	Beginning Account Value (01/01/22)	*Ending Account Value (06/30/22)*	*Expenses Paid During the Period[a]*	*Beginning Account Value (01/01/22)*	*Ending Account Value (06/30/22)*	*Expenses Paid During the Period[a]*	*Annualized Expense Ratio*
Class I	$ 1,000.00	$ 800.00	$ 0.62	$ 1,000.00	$ 1,024.10	$ 0.70	0.14%
Class II	1,000.00	799.10	1.29	1,000.00	1,023.36	1.45	0.29
Class III	1,000.00	798.90	1.74	1,000.00	1,022.86	1.96	0.39

[a] For each class of the Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the six month period shown).

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

Portfolio Information

SECTOR ALLOCATION

Sector[a]	*Percent of Net Assets*
Information Technology	26.8%
Health Care	15.1
Financials	10.8
Consumer Discretionary	10.4
Communication Services	8.8
Industrials	7.8
Consumer Staples	6.9
Energy	4.3
Utilities	3.1
Real Estate	2.9
Materials	2.6
Short-Term Securities	1.3
Liabilities in Excess of Other Assets	(0.8)[b]

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

[b] Represents less than 1% of the Fund's net assets.

Disclosure of Expenses

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

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

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

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

Derivative Financial Instruments

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

Security	Shares	Value
Common Stocks		
Aerospace & Defense — 1.7%		
Boeing Co. (The)[(a)]	33,633	$ 4,598,304
General Dynamics Corp.	13,933	3,082,676
Howmet Aerospace, Inc.	23,093	726,275
Huntington Ingalls Industries, Inc.	2,485	541,283
L3Harris Technologies, Inc.	11,664	2,819,189
Lockheed Martin Corp.	14,323	6,158,317
Northrop Grumman Corp.	8,839	4,230,080
Raytheon Technologies Corp.	89,940	8,644,133
Textron, Inc.	12,966	791,834
TransDigm Group, Inc.[(a)]	3,130	1,679,777
		33,271,868
Air Freight & Logistics — 0.7%		
CH Robinson Worldwide, Inc.[(b)]	7,650	775,481
Expeditors International of Washington, Inc.	10,238	997,795
FedEx Corp.	14,420	3,269,158
United Parcel Service, Inc., Class B	44,416	8,107,697
		13,150,131
Airlines — 0.2%[(a)]		
Alaska Air Group, Inc.	7,577	303,459
American Airlines Group, Inc.[(b)]	39,280	498,071
Delta Air Lines, Inc.	38,632	1,119,169
Southwest Airlines Co.	35,859	1,295,227
United Airlines Holdings, Inc.	19,515	691,221
		3,907,147
Auto Components — 0.1%		
Aptiv plc[(a)]	16,385	1,459,412
BorgWarner, Inc.	14,242	475,255
		1,934,667
Automobiles — 2.0%		
Ford Motor Co.	237,453	2,642,852
General Motors Co.[(a)]	88,175	2,800,438
Tesla, Inc.[(a)]	50,749	34,175,391
		39,618,681
Banks — 3.7%		
Bank of America Corp.	428,414	13,336,528
Citigroup, Inc.	117,439	5,401,020
Citizens Financial Group, Inc.	29,663	1,058,673
Comerica, Inc.	7,911	580,509
Fifth Third Bancorp	41,299	1,387,646
First Republic Bank	10,912	1,573,510
Huntington Bancshares, Inc.	86,010	1,034,700
JPMorgan Chase & Co.	177,620	20,001,788
KeyCorp[(b)]	56,346	970,842
M&T Bank Corp.	10,848	1,729,063
PNC Financial Services Group, Inc. (The)	25,012	3,946,143
Regions Financial Corp.	56,611	1,061,456
Signature Bank	3,768	675,263
SVB Financial Group[(a)]	3,556	1,404,585
Truist Financial Corp.	80,451	3,815,791
US Bancorp	81,746	3,761,951
Wells Fargo & Co.	229,224	8,978,704
Zions Bancorp NA	8,970	456,573
		71,174,745
Beverages — 1.9%		
Brown-Forman Corp., Class B	11,029	773,795
Coca-Cola Co. (The)	235,948	14,843,489
Constellation Brands, Inc., Class A	9,843	2,294,010
Keurig Dr Pepper, Inc.	44,610	1,578,748
Molson Coors Beverage Co., Class B	11,355	618,961
Monster Beverage Corp.[(a)]	22,742	2,108,183
Beverages (continued)		
PepsiCo, Inc.	83,619	$ 13,935,942
		36,153,128
Biotechnology — 2.2%		
AbbVie, Inc.	106,867	16,367,750
Amgen, Inc.	32,306	7,860,050
Biogen, Inc.[(a)]	8,758	1,786,106
Gilead Sciences, Inc.	75,595	4,672,527
Incyte Corp.[(a)]	11,447	869,629
Moderna, Inc.[(a)]	20,928	2,989,565
Regeneron Pharmaceuticals, Inc.[(a)]	6,533	3,861,852
Vertex Pharmaceuticals, Inc.[(a)]	15,467	4,358,446
		42,765,925
Building Products — 0.4%		
Allegion plc	5,430	531,597
AO Smith Corp.	7,864	430,004
Carrier Global Corp.	51,560	1,838,630
Fortune Brands Home & Security, Inc.	8,068	483,112
Johnson Controls International plc[(b)]	42,033	2,012,540
Masco Corp.	14,269	722,011
Trane Technologies plc	14,137	1,835,972
		7,853,866
Capital Markets — 2.9%		
Ameriprise Financial, Inc.	6,671	1,585,563
Bank of New York Mellon Corp. (The)	44,722	1,865,355
BlackRock, Inc.[(c)]	8,594	5,234,090
Cboe Global Markets, Inc.	6,456	730,755
Charles Schwab Corp. (The)	91,207	5,762,458
CME Group, Inc.	21,650	4,431,755
FactSet Research Systems, Inc.	2,278	876,050
Franklin Resources, Inc.[(b)]	17,022	396,783
Goldman Sachs Group, Inc. (The)	20,770	6,169,105
Intercontinental Exchange, Inc.	33,815	3,179,963
Invesco Ltd.	20,660	333,246
MarketAxess Holdings, Inc.	2,292	586,775
Moody's Corp.	9,769	2,656,875
Morgan Stanley	84,631	6,437,034
MSCI, Inc.	4,923	2,029,014
Nasdaq, Inc.	6,971	1,063,356
Northern Trust Corp.	12,551	1,210,921
Raymond James Financial, Inc.	11,756	1,051,104
S&P Global, Inc.	20,991	7,075,226
State Street Corp.	21,937	1,352,416
T. Rowe Price Group, Inc.	13,813	1,569,295
		55,597,139
Chemicals — 1.8%		
Air Products & Chemicals, Inc.[(b)]	13,340	3,208,003
Albemarle Corp.	7,082	1,479,996
Celanese Corp.	6,550	770,346
CF Industries Holdings, Inc.	12,615	1,081,484
Corteva, Inc.	43,816	2,372,198
Dow, Inc.	44,033	2,272,543
DuPont de Nemours, Inc.	30,892	1,716,977
Eastman Chemical Co.	7,775	697,962
Ecolab, Inc.	15,092	2,320,546
FMC Corp.	7,673	821,088
International Flavors & Fragrances, Inc.	15,433	1,838,379
Linde plc	30,436	8,751,263
LyondellBasell Industries NV, Class A	15,652	1,368,924
Mosaic Co. (The)	21,892	1,033,959
PPG Industries, Inc.	14,284	1,633,233
Sherwin-Williams Co. (The)	14,525	3,252,293
		34,619,194

Security	Shares	Value
Commercial Services & Supplies — 0.5%		
Cintas Corp.	5,260	$ 1,964,768
Copart, Inc.[(a)]	12,865	1,397,911
Republic Services, Inc.	12,708	1,663,096
Rollins, Inc.[(b)]	13,320	465,134
Waste Management, Inc..	23,153	3,541,946
		9,032,855
Communications Equipment — 0.8%		
Arista Networks, Inc.[(a)]	13,519	1,267,271
Cisco Systems, Inc.	251,226	10,712,277
F5, Inc.[(a)]	3,677	562,728
Juniper Networks, Inc.	19,776	563,616
Motorola Solutions, Inc.	10,117	2,120,523
		15,226,415
Construction & Engineering — 0.1%		
Quanta Services, Inc.	8,682	1,088,202
Construction Materials — 0.1%		
Martin Marietta Materials, Inc.	3,776	1,129,930
Vulcan Materials Co.	8,033	1,141,489
		2,271,419
Consumer Finance — 0.5%		
American Express Co.	36,889	5,113,553
Capital One Financial Corp..	23,770	2,476,596
Discover Financial Services	16,992	1,607,103
Synchrony Financial	30,328	837,660
		10,034,912
Containers & Packaging — 0.3%		
Amcor plc	89,504	1,112,535
Avery Dennison Corp..	5,012	811,292
Ball Corp.	19,549	1,344,385
International Paper Co.	22,414	937,578
Packaging Corp. of America	5,750	790,625
Sealed Air Corp.	8,835	509,956
WestRock Co.	15,410	613,934
		6,120,305
Distributors — 0.1%		
Genuine Parts Co.	8,558	1,138,214
LKQ Corp.	15,660	768,750
Pool Corp.	2,427	852,435
		2,759,399
Diversified Financial Services — 1.5%		
Berkshire Hathaway, Inc., Class B[(a)]	109,411	29,871,391
Diversified Telecommunication Services — 1.2%		
AT&T, Inc..	432,946	9,074,548
Lumen Technologies, Inc.[(b)]	56,367	614,964
Verizon Communications, Inc.	253,977	12,889,333
		22,578,845
Electric Utilities — 2.0%		
Alliant Energy Corp.	15,168	888,996
American Electric Power Co., Inc..	31,057	2,979,609
Constellation Energy Corp.	19,765	1,131,744
Duke Energy Corp.	46,560	4,991,698
Edison International	23,053	1,457,872
Entergy Corp.[(b)]	12,166	1,370,378
Evergy, Inc..	13,952	910,368
Eversource Energy	20,812	1,757,990
Exelon Corp.	59,033	2,675,376
FirstEnergy Corp.	34,875	1,338,851
NextEra Energy, Inc.	118,805	9,202,635
NRG Energy, Inc..	14,350	547,739
Pinnacle West Capital Corp.	6,973	509,866
Electric Utilities (continued)		
PPL Corp.	44,504	$ 1,207,393
Southern Co. (The)	64,257	4,582,167
Xcel Energy, Inc.	32,938	2,330,693
		37,883,375
Electrical Equipment — 0.5%		
AMETEK, Inc.	13,802	1,516,702
Eaton Corp. plc	24,129	3,040,012
Emerson Electric Co.	35,958	2,860,099
Generac Holdings, Inc.[(a)]	3,860	812,839
Rockwell Automation, Inc.	7,067	1,408,524
		9,638,176
Electronic Equipment, Instruments & Components — 0.6%		
Amphenol Corp., Class A	36,097	2,323,925
CDW Corp..	8,186	1,289,786
Corning, Inc.[(b)]	45,971	1,448,546
Keysight Technologies, Inc.[(a)]	10,990	1,514,971
TE Connectivity Ltd.	19,596	2,217,287
Teledyne Technologies, Inc.[(a)]	2,833	1,062,687
Trimble, Inc.[(a)]	15,195	884,805
Zebra Technologies Corp., Class A[(a)]	3,129	919,770
		11,661,777
Energy Equipment & Services — 0.3%		
Baker Hughes Co.	56,566	1,633,060
Halliburton Co.	54,343	1,704,197
Schlumberger NV	85,480	3,056,765
		6,394,022
Entertainment — 1.3%		
Activision Blizzard, Inc.	47,285	3,681,610
Electronic Arts, Inc.	17,007	2,068,902
Live Nation Entertainment, Inc.[(a)]	8,358	690,204
Netflix, Inc.[(a)]	26,757	4,678,997
Take-Two Interactive Software, Inc.[(a)]	9,606	1,177,023
Walt Disney Co. (The)[(a)]	110,156	10,398,726
Warner Bros Discovery, Inc.[(a)]	133,277	1,788,577
		24,484,039
Equity Real Estate Investment Trusts (REITs) — 2.8%		
Alexandria Real Estate Equities, Inc..	8,856	1,284,386
American Tower Corp.	28,103	7,182,846
AvalonBay Communities, Inc.	8,460	1,643,355
Boston Properties, Inc.	8,649	769,588
Camden Property Trust	6,442	866,320
Crown Castle International Corp.	26,163	4,405,326
Digital Realty Trust, Inc.	17,078	2,217,237
Duke Realty Corp.	22,953	1,261,267
Equinix, Inc.	5,505	3,616,895
Equity Residential	20,657	1,491,848
Essex Property Trust, Inc.	3,950	1,032,964
Extra Space Storage, Inc.	8,147	1,385,968
Federal Realty OP LP	4,305	412,161
Healthpeak Properties, Inc.	31,865	825,622
Host Hotels & Resorts, Inc.	43,034	674,773
Iron Mountain, Inc.	17,451	849,689
Kimco Realty Corp.	37,374	738,884
Mid-America Apartment Communities, Inc.	7,052	1,231,773
Prologis, Inc..	44,598	5,246,955
Public Storage	9,218	2,882,192
Realty Income Corp..	36,382	2,483,435
Regency Centers Corp.	9,328	553,244
SBA Communications Corp.	6,556	2,098,248
Simon Property Group, Inc.	19,893	1,888,243
UDR, Inc.	18,104	833,508
Ventas, Inc.	24,254	1,247,383

Security	Shares	Value
Equity Real Estate Investment Trusts (REITs) (continued)		
VICI Properties, Inc.	58,238	$ 1,734,910
Vornado Realty Trust	9,232	263,943
Welltower, Inc.	27,454	2,260,837
Weyerhaeuser Co.	45,238	1,498,283
		54,882,083
Food & Staples Retailing — 1.5%		
Costco Wholesale Corp.	26,804	12,846,621
Kroger Co. (The)	39,675	1,877,818
Sysco Corp.	30,585	2,590,855
Walgreens Boots Alliance, Inc.	43,183	1,636,636
Walmart, Inc.	84,903	10,322,507
		29,274,437
Food Products — 1.1%		
Archer-Daniels-Midland Co.	34,030	2,640,728
Campbell Soup Co.	12,184	585,441
Conagra Brands, Inc.	29,021	993,679
General Mills, Inc.	36,579	2,759,886
Hershey Co. (The)	8,762	1,885,232
Hormel Foods Corp.	17,079	808,861
JM Smucker Co. (The)	6,594	844,098
Kellogg Co.	15,378	1,097,067
Kraft Heinz Co. (The)	42,983	1,639,372
Lamb Weston Holdings, Inc.	8,790	628,133
McCormick & Co., Inc. (Non-Voting)	15,133	1,259,822
Mondelez International, Inc., Class A	83,672	5,195,194
Tyson Foods, Inc., Class A	17,631	1,517,324
		21,854,837
Gas Utilities — 0.0%		
Atmos Energy Corp.	8,407	942,425
Health Care Equipment & Supplies — 2.7%		
Abbott Laboratories	105,890	11,504,949
ABIOMED, Inc.[(a)]	2,755	681,890
Align Technology, Inc.[(a)]	4,425	1,047,265
Baxter International, Inc.	30,451	1,955,868
Becton Dickinson and Co.	17,163	4,231,194
Boston Scientific Corp.[(a)]	86,187	3,212,189
Cooper Cos., Inc. (The)	3,024	946,875
Dentsply Sirona, Inc.	13,302	475,280
Dexcom, Inc.[(a)]	23,737	1,769,119
Edwards Lifesciences Corp.[(a)]	37,559	3,571,485
Hologic, Inc.[(a)]	15,095	1,046,084
IDEXX Laboratories, Inc.[(a)]	5,133	1,800,297
Intuitive Surgical, Inc.[(a)]	21,708	4,357,013
Medtronic plc	81,034	7,272,801
ResMed, Inc.	8,852	1,855,645
STERIS plc[(b)]	6,090	1,255,453
Stryker Corp.	20,354	4,049,021
Teleflex, Inc.	2,870	705,590
Zimmer Biomet Holdings, Inc.	12,674	1,331,530
		53,069,548
Health Care Providers & Services — 3.5%		
AmerisourceBergen Corp.	9,121	1,290,439
Cardinal Health, Inc.	16,541	864,598
Centene Corp.[(a)]	35,371	2,992,740
Cigna Corp.	19,187	5,056,158
CVS Health Corp.	79,103	7,329,684
DaVita, Inc.[(a)]	3,714	296,972
Elevance Health, Inc.	14,580	7,036,016
HCA Healthcare, Inc.	13,760	2,312,506
Henry Schein, Inc.[(a)]	8,395	644,232
Humana, Inc.	7,650	3,580,736
Laboratory Corp. of America Holdings	5,636	1,320,853

Security	Shares	Value
Health Care Providers & Services (continued)		
McKesson Corp.	8,791	$ 2,867,712
Molina Healthcare, Inc.[(a)]	3,580	1,001,004
Quest Diagnostics, Inc.	7,098	943,892
UnitedHealth Group, Inc.	56,764	29,155,693
Universal Health Services, Inc., Class B	4,060	408,883
		67,102,118
Hotels, Restaurants & Leisure — 1.8%		
Booking Holdings, Inc.[(a)]	2,457	4,297,268
Caesars Entertainment, Inc.[(a)]	12,657	484,763
Carnival Corp.[(a)]	49,845	431,159
Chipotle Mexican Grill, Inc.[(a)]	1,696	2,217,113
Darden Restaurants, Inc.	7,661	866,612
Domino's Pizza, Inc.	2,171	846,060
Expedia Group, Inc.[(a)]	9,179	870,445
Hilton Worldwide Holdings, Inc.	16,902	1,883,559
Las Vegas Sands Corp.[(a)(b)]	20,703	695,414
Marriott International, Inc., Class A	16,627	2,261,438
McDonald's Corp.	44,725	11,041,708
MGM Resorts International	21,386	619,125
Norwegian Cruise Line Holdings Ltd.[(a)]	25,367	282,081
Penn National Gaming, Inc.[(a)]	9,804	298,238
Royal Caribbean Cruises Ltd.[(a)]	13,106	457,531
Starbucks Corp.	69,326	5,295,813
Wynn Resorts Ltd.[(a)]	6,333	360,854
Yum! Brands, Inc.	17,246	1,957,594
		35,166,775
Household Durables — 0.3%		
DR Horton, Inc.	19,434	1,286,336
Garmin Ltd.	9,298	913,529
Lennar Corp., Class A	15,822	1,116,559
Mohawk Industries, Inc.[(a)]	3,112	386,168
Newell Brands, Inc.	22,256	423,754
NVR, Inc.[(a)]	186	744,770
PulteGroup, Inc.[(b)]	14,371	569,523
Whirlpool Corp.[(b)]	3,399	526,403
		5,967,042
Household Products — 1.5%		
Church & Dwight Co., Inc.	14,585	1,351,446
Clorox Co. (The)	7,449	1,050,160
Colgate-Palmolive Co.	50,731	4,065,582
Kimberly-Clark Corp.	20,298	2,743,275
Procter & Gamble Co. (The)	145,099	20,863,785
		30,074,248
Independent Power and Renewable Electricity Producers — 0.0%		
AES Corp. (The)	40,389	848,573
Industrial Conglomerates — 0.8%		
3M Co.	34,419	4,454,163
General Electric Co.	66,564	4,238,130
Honeywell International, Inc.	41,168	7,155,410
		15,847,703
Insurance — 2.2%		
Aflac, Inc.	36,159	2,000,677
Allstate Corp. (The)	16,630	2,107,520
American International Group, Inc.	47,908	2,449,536
Aon plc, Class A	12,844	3,463,770
Arthur J Gallagher & Co.	12,704	2,071,260
Assurant, Inc.	3,271	565,392
Brown & Brown, Inc.	14,267	832,337
Chubb Ltd.	25,624	5,037,166
Cincinnati Financial Corp.	9,077	1,079,981
Everest Re Group Ltd.	2,373	665,104

Security	Shares	Value
Insurance (continued)		
Globe Life, Inc.	5,321	$ 518,638
Hartford Financial Services Group, Inc. (The)	19,888	1,301,272
Lincoln National Corp.	9,775	457,177
Loews Corp.	11,931	707,031
Marsh & McLennan Cos., Inc.	30,429	4,724,102
MetLife, Inc.	41,802	2,624,748
Principal Financial Group, Inc.	14,234	950,689
Progressive Corp. (The)[b]	35,371	4,112,586
Prudential Financial, Inc.	22,679	2,169,927
Travelers Cos., Inc. (The)	14,537	2,458,643
Willis Towers Watson plc	6,742	1,330,803
WR Berkley Corp.	12,625	861,783
		42,490,142
Interactive Media & Services — 5.2%[a]		
Alphabet, Inc., Class A	18,189	39,638,560
Alphabet, Inc., Class C	16,677	36,480,104
Match Group, Inc.	17,225	1,200,410
Meta Platforms, Inc., Class A	138,702	22,365,697
Twitter, Inc.	46,130	1,724,801
		101,409,572
Internet & Direct Marketing Retail — 3.0%		
Amazon.com, Inc.[a]	529,162	56,202,296
eBay, Inc.	33,857	1,410,821
Etsy, Inc.[a][b]	7,814	572,063
		58,185,180
IT Services — 4.4%		
Accenture plc, Class A	38,305	10,635,383
Akamai Technologies, Inc.[a]	9,792	894,303
Automatic Data Processing, Inc.	25,315	5,317,163
Broadridge Financial Solutions, Inc.	7,113	1,013,958
Cognizant Technology Solutions Corp., Class A	31,658	2,136,598
DXC Technology Co.[a]	15,021	455,286
EPAM Systems, Inc.[a]	3,418	1,007,558
Fidelity National Information Services, Inc.	36,937	3,386,015
Fiserv, Inc.[a]	35,182	3,130,143
FleetCor Technologies, Inc.[a]	4,677	982,684
Gartner, Inc.[a]	4,871	1,177,954
Global Payments, Inc.	16,987	1,879,442
International Business Machines Corp.	54,394	7,679,889
Jack Henry & Associates, Inc.	4,389	790,108
Mastercard, Inc., Class A	51,935	16,384,454
Paychex, Inc.	19,351	2,203,498
PayPal Holdings, Inc.[a]	70,213	4,903,676
VeriSign, Inc.[a]	5,702	954,116
Visa, Inc., Class A[b]	99,526	19,595,674
		84,527,902
Leisure Products — 0.0%		
Hasbro, Inc.[b]	7,927	649,063
Life Sciences Tools & Services — 1.9%		
Agilent Technologies, Inc.	18,251	2,167,671
Bio-Rad Laboratories, Inc., Class A[a]	1,309	647,955
Bio-Techne Corp.	2,378	824,310
Charles River Laboratories International, Inc.[a]	3,035	649,399
Danaher Corp.	39,134	9,921,252
Illumina, Inc.[a]	9,499	1,751,236
IQVIA Holdings, Inc.[a]	11,514	2,498,423
Mettler-Toledo International, Inc.[a]	1,374	1,578,410
PerkinElmer, Inc.	7,629	1,084,996
Thermo Fisher Scientific, Inc.	23,674	12,861,611
Waters Corp.[a]	3,620	1,198,147
Life Sciences Tools & Services (continued)		
West Pharmaceutical Services, Inc.	4,469	$ 1,351,291
		36,534,701
Machinery — 1.5%		
Caterpillar, Inc.	32,256	5,766,082
Cummins, Inc.	8,574	1,659,326
Deere & Co.	16,903	5,061,941
Dover Corp.	8,678	1,052,815
Fortive Corp.	21,679	1,178,904
IDEX Corp.	4,554	827,143
Illinois Tool Works, Inc.	17,190	3,132,877
Ingersoll Rand, Inc.	24,800	1,043,584
Nordson Corp.	3,236	655,096
Otis Worldwide Corp.	25,725	1,817,986
PACCAR, Inc.	21,026	1,731,281
Parker-Hannifin Corp.	7,777	1,913,531
Pentair plc	10,279	470,470
Snap-on, Inc.[b]	3,228	636,013
Stanley Black & Decker, Inc.	9,130	957,372
Westinghouse Air Brake Technologies Corp.	11,036	905,835
Xylem, Inc.	10,916	853,413
		29,663,669
Media — 0.9%		
Charter Communications, Inc., Class A[a]	7,004	3,281,584
Comcast Corp., Class A	270,361	10,608,966
DISH Network Corp., Class A[a]	15,324	274,759
Fox Corp., Class A	18,911	608,178
Fox Corp., Class B	8,798	261,300
Interpublic Group of Cos., Inc. (The)	23,741	653,590
News Corp., Class A	24,046	374,637
News Corp., Class B	7,277	115,631
Omnicom Group, Inc.	12,527	796,843
Paramount Global, Class B[b]	37,275	919,947
		17,895,435
Metals & Mining — 0.4%		
Freeport-McMoRan, Inc.	87,645	2,564,493
Newmont Corp.	48,118	2,871,201
Nucor Corp.	16,090	1,679,957
		7,115,651
Multiline Retail — 0.5%		
Dollar General Corp.	13,836	3,395,908
Dollar Tree, Inc.[a]	13,618	2,122,365
Target Corp.	27,965	3,949,497
		9,467,770
Multi-Utilities — 1.0%		
Ameren Corp.	15,616	1,411,062
CenterPoint Energy, Inc.	38,265	1,131,879
CMS Energy Corp.	17,632	1,190,160
Consolidated Edison, Inc.	21,310	2,026,581
Dominion Energy, Inc.	49,062	3,915,638
DTE Energy Co.	11,717	1,485,130
NiSource, Inc.	23,929	705,666
Public Service Enterprise Group, Inc.	30,460	1,927,509
Sempra Energy	19,008	2,856,332
WEC Energy Group, Inc.	19,076	1,919,808
		18,569,765
Oil, Gas & Consumable Fuels — 4.0%		
APA Corp.	20,455	713,880
Chevron Corp.	118,824	17,203,339
ConocoPhillips	78,222	7,025,118
Coterra Energy, Inc.[b]	49,033	1,264,561
Devon Energy Corp.	37,120	2,045,683

Security	Shares	Value
Oil, Gas & Consumable Fuels (continued)		
Diamondback Energy, Inc.	10,090	$ 1,222,404
EOG Resources, Inc.	35,421	3,911,895
Exxon Mobil Corp.	254,757	21,817,389
Hess Corp.	16,687	1,767,821
Kinder Morgan, Inc.	116,998	1,960,886
Marathon Oil Corp.	42,798	962,099
Marathon Petroleum Corp.	32,717	2,689,665
Occidental Petroleum Corp.	53,667	3,159,913
ONEOK, Inc.	26,876	1,491,618
Phillips 66	29,095	2,385,499
Pioneer Natural Resources Co.	13,668	3,049,057
Valero Energy Corp.	24,597	2,614,169
Williams Cos., Inc. (The)[(b)]	73,228	2,285,446
		77,570,442
Personal Products — 0.2%		
Estee Lauder Cos., Inc. (The), Class A	13,990	3,562,833
Pharmaceuticals — 4.8%		
Bristol-Myers Squibb Co.	128,757	9,914,289
Catalent, Inc.[(a)]	10,842	1,163,238
Eli Lilly & Co.	47,693	15,463,502
Johnson & Johnson	159,136	28,248,231
Merck & Co., Inc.	152,931	13,942,719
Organon & Co.	15,339	517,691
Pfizer, Inc.	339,323	17,790,705
Viatris, Inc.	72,888	763,137
Zoetis, Inc.	28,514	4,901,272
		92,704,784
Professional Services — 0.3%		
Equifax, Inc.	7,353	1,343,981
Jacobs Engineering Group, Inc.	7,630	970,002
Leidos Holdings, Inc.	8,265	832,368
Nielsen Holdings plc	21,810	506,428
Robert Half International, Inc.	6,683	500,490
Verisk Analytics, Inc.	9,549	1,652,837
		5,806,106
Real Estate Management & Development — 0.1%		
CBRE Group, Inc., Class A[(a)]	19,767	1,455,049
Road & Rail — 0.9%		
CSX Corp.	131,490	3,821,099
JB Hunt Transport Services, Inc.	5,086	800,893
Norfolk Southern Corp.	14,429	3,279,567
Old Dominion Freight Line, Inc.	5,567	1,426,711
Union Pacific Corp.	37,980	8,100,374
		17,428,644
Semiconductors & Semiconductor Equipment — 5.2%		
Advanced Micro Devices, Inc.[(a)]	98,001	7,494,136
Analog Devices, Inc.	31,661	4,625,356
Applied Materials, Inc.	53,518	4,869,068
Broadcom, Inc.	24,691	11,995,135
Enphase Energy, Inc.[(a)]	8,127	1,586,716
Intel Corp.	247,285	9,250,932
KLA Corp.	9,066	2,892,779
Lam Research Corp.	8,404	3,581,365
Microchip Technology, Inc.	33,509	1,946,203
Micron Technology, Inc.	67,487	3,730,681
Monolithic Power Systems, Inc.	2,611	1,002,728
NVIDIA Corp.	151,432	22,955,577
NXP Semiconductors NV	15,879	2,350,568
ON Semiconductor Corp.[(a)]	26,277	1,321,996
Qorvo, Inc.[(a)]	6,654	627,605
QUALCOMM, Inc.	67,733	8,652,213
Semiconductors & Semiconductor Equipment (continued)		
Skyworks Solutions, Inc.	9,750	$ 903,240
SolarEdge Technologies, Inc.[(a)]	3,350	916,828
Teradyne, Inc.	9,688	867,560
Texas Instruments, Inc.	55,660	8,552,159
		100,122,845
Software — 8.9%		
Adobe, Inc.[(a)]	28,575	10,460,165
ANSYS, Inc.[(a)]	5,318	1,272,544
Autodesk, Inc.[(a)]	13,215	2,272,451
Cadence Design Systems, Inc.[(a)]	16,703	2,505,951
Ceridian HCM Holding, Inc.[(a)]	8,556	402,817
Citrix Systems, Inc.	7,550	733,634
Fortinet, Inc.[(a)]	40,290	2,279,608
Intuit, Inc.	17,066	6,577,919
Microsoft Corp.	452,300	116,164,209
NortonLifeLock, Inc.	35,298	775,144
Oracle Corp.	94,956	6,634,576
Paycom Software, Inc.[(a)]	2,923	818,791
PTC, Inc.[(a)]	6,372	677,598
Roper Technologies, Inc.	6,386	2,520,235
Salesforce, Inc.[(a)]	60,084	9,916,263
ServiceNow, Inc.[(a)]	12,123	5,764,729
Synopsys, Inc.[(a)]	9,247	2,808,314
Tyler Technologies, Inc.[(a)]	2,471	821,558
		173,406,506
Specialty Retail — 2.1%		
Advance Auto Parts, Inc.	3,763	651,338
AutoZone, Inc.[(a)]	1,200	2,578,944
Bath & Body Works, Inc.	14,423	388,267
Best Buy Co., Inc.	12,245	798,251
CarMax, Inc.[(a)]	9,787	885,528
Home Depot, Inc. (The)	62,494	17,140,229
Lowe's Cos., Inc.	39,982	6,983,656
O'Reilly Automotive, Inc.[(a)]	3,975	2,511,246
Ross Stores, Inc.[(b)]	21,438	1,505,591
TJX Cos., Inc. (The)	71,025	3,966,746
Tractor Supply Co.	6,766	1,311,589
Ulta Beauty, Inc.[(a)]	3,158	1,217,346
		39,938,731
Technology Hardware, Storage & Peripherals — 6.9%		
Apple, Inc.	929,870	$ 127,131,827
Hewlett Packard Enterprise Co.	79,370	1,052,446
HP, Inc.[(b)]	63,703	2,088,184
NetApp, Inc.	13,220	862,473
Seagate Technology Holdings plc[(b)]	12,137	867,067
Western Digital Corp.[(a)]	18,943	849,215
		132,851,212
Textiles, Apparel & Luxury Goods — 0.5%		
NIKE, Inc., Class B	76,729	7,841,704
PVH Corp.	4,169	237,216
Ralph Lauren Corp.	2,785	249,675
Tapestry, Inc.	15,453	471,625
VF Corp.[(b)]	19,545	863,303
		9,663,523
Tobacco — 0.7%		
Altria Group, Inc.	109,879	4,589,646
Philip Morris International, Inc.	93,744	9,256,282
		13,845,928
Trading Companies & Distributors — 0.2%		
Fastenal Co.	34,810	1,737,715
United Rentals, Inc.[(a)]	4,331	1,052,043

Security	Shares	Value
Trading Companies & Distributors (continued)		
WW Grainger, Inc.	2,608	$ 1,185,154
		3,974,912
Water Utilities — 0.1%		
American Water Works Co., Inc.	10,858	1,615,345
Wireless Telecommunication Services — 0.2%		
T-Mobile US, Inc.[a]	35,631	4,793,795
Total Common Stocks — 99.5% (Cost: $815,624,613)		1,929,370,917
Total Long-Term Investments — 99.5% (Cost: $815,624,613)		1,929,370,917

Security	Shares	Value
Short-Term Securities		
Money Market Funds[c][d]		
BlackRock Liquidity Funds, T-Fund, Institutional Class, 1.33%	8,445,718	$ 8,445,718
SL Liquidity Series, LLC, Money Market Series, 1.73%[e]	16,521,518	16,518,214
Total Short-Term Securities — 1.3% (Cost: $24,964,351)		24,963,932
Total Investments — 100.8% (Cost: $840,588,964)		1,954,334,849
Liabilities in Excess of Other Assets — (0.8)%		(15,496,443)
Net Assets — 100.0%		$ 1,938,838,406

(a) Non-income producing security.
(b) All or a portion of this security is on loan.
(c) Affiliate of the Fund.
(d) Annualized 7-day yield as of period end.
(e) All or a portion of this security was purchased with the cash collateral from loaned securities.

Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the six months ended June 30, 2022 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated Issuer	*Value at 12/31/21*	*Purchases at Cost*	*Proceeds from Sale*	*Net Realized Gain (Loss)*	*Change in Unrealized Appreciation (Depreciation)*	*Value at 06/30/22*	*Shares Held at 06/30/22*	*Income*	*Capital Gain Distributions from Underlying Funds*
BlackRock Liquidity Funds, T-Fund, Institutional Class[a]	$ 5,530,497	$ 2,915,221	$ —	$ —	$ —	$ 8,445,718	8,445,718	$ 9,353	$ —
SL Liquidity Series, LLC, Money Market Series[a]	18,138,902	—	(1,619,164)	(1,105)	(419)	16,518,214	16,521,518	20,088[b]	—
BlackRock, Inc.	8,102,706	—	(186,473)	134,574	(2,816,717)	5,234,090	8,594	85,029	—
				$ 133,469	$ (2,817,136)	$ 30,198,022		$ 114,470	$ —

(a) Represents net amount purchased (sold).
(b) All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

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

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Description	*Number of Contracts*	*Expiration Date*	*Notional Amount (000)*	*Value/ Unrealized Appreciation (Depreciation)*
Long Contracts				
S&P 500 E-Mini Index	53	09/16/22	$ 10,042	$ (363,655)

Derivative Financial Instruments Categorized by Risk Exposure

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

	Commodity Contracts	*Credit Contracts*	*Equity Contracts*	*Foreign Currency Exchange Contracts*	*Interest Rate Contracts*	*Other Contracts*	*Total*
Liabilities — Derivative Financial Instruments							
Futures contracts							
Unrealized depreciation on futures contracts [(a)]	$ —	$ —	$ 363,655	$ —	$ —	$ —	$ 363,655

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

For the period ended June 30, 2022, the effect of derivative financial instruments in the Statement of Operations was as follows:

	Commodity Contracts	*Credit Contracts*	*Equity Contracts*	*Foreign Currency Exchange Contracts*	*Interest Rate Contracts*	*Other Contracts*	*Total*
Net Realized Gain (Loss) from							
Futures contracts	$ —	$ —	$ (1,858,299)	$ —	$ —	$ —	$ (1,858,299)
Net Change in Unrealized Appreciation (Depreciation) on							
Futures contracts	$ —	$ —	$ (441,860)	$ —	$ —	$ —	$ (441,860)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts	
Average notional value of contracts — long	$ 9,438,569

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

Fair Value Hierarchy as of Period End

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

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

	Level 1	*Level 2*	*Level 3*	*Total*
Assets				
Investments				
Long-Term Investments	$ 1,929,370,917	$ —	$ —	$ 1,929,370,917
Short-Term Securities				
Money Market Funds	8,445,718	—	—	8,445,718
	$ 1,937,816,635	$ —	$ —	$ 1,937,816,635
Investments valued at NAV [(a)]				16,518,214
				$ 1,954,334,849
Derivative Financial Instruments [(b)]				
Liabilities				
Equity contracts	$ (363,655)	$ —	$ —	$ (363,655)

(a) Certain investments of the Fund were fair valued using NAV per share as no quoted market value is available and therefore have been excluded from the fair value hierarchy.
(b) Derivative financial instruments are futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

See notes to financial statements.

Statement of Assets and Liabilities (unaudited)

June 30, 2022

	BlackRock S&P 500 Index V.I. Fund
ASSETS	
Investments, at value — unaffiliated [(a)(b)]	$ 1,924,136,827
Investments, at value — affiliated [(c)]	30,198,022
Cash	322,156
Cash pledged:	
Futures contracts	563,000
Receivables:	
Securities lending income — affiliated	3,249
Capital shares sold	234,155
Dividends — affiliated	4,195
Dividends — unaffiliated	1,523,769
Prepaid expenses	24,628
Total assets	1,957,010,001
LIABILITIES	
Collateral on securities loaned	16,623,322
Payables:	
Accounting services fees	118,013
Capital shares redeemed	501,549
Distribution fees	39,673
Investment advisory fees	114,814
Printing and postage fees	110,548
Professional fees	120,126
Transfer agent fees	366,577
Variation margin on futures contracts	84,157
Other accrued expenses	92,816
Total liabilities	18,171,595
NET ASSETS	$ 1,938,838,406
NET ASSETS CONSIST OF:	
Paid-in capital	$ 765,918,802
Accumulated earnings	1,172,919,604
NET ASSETS	$ 1,938,838,406
[(a)] Investments, at cost — unaffiliated	$ 812,998,643
[(b)] Securities loaned, at value	$ 16,064,056
[(c)] Investments, at cost — affiliated	$ 27,590,321

See notes to financial statements.

Statement of Assets and Liabilities (unaudited) (continued)

June 30, 2022

	BlackRock S&P 500 Index V.I. Fund
NET ASSET VALUE	
Class I	
Net assets	$ 1,718,186,394
Shares outstanding	66,607,713
Net asset value	$ 25.80
Shares authorized	300 million
Par value	$ 0.10
Class II	
Net assets	$ 9,171,858
Shares outstanding	360,186
Net asset value	$ 25.46
Shares authorized	100 million
Par value	$ 0.10
Class III	
Net assets	$ 211,480,154
Shares outstanding	8,302,701
Net asset value	$ 25.47
Shares authorized	100 million
Par value	$ 0.10

See notes to financial statements.

Statement of Operations (unaudited)

Six Months Ended June 30, 2022

	BlackRock S&P 500 Index V.I. Fund
INVESTMENT INCOME	
Dividends — affiliated	$ 94,382
Dividends — unaffiliated	16,829,847
Securities lending income — affiliated — net	20,088
Foreign taxes withheld	(4,071)
Total investment income	16,940,246
EXPENSES	
Investment advisory	774,351
Transfer agent — class specific	547,206
Distribution — class specific	310,145
Accounting services	81,063
Custodian	21,092
Transfer agent	12,738
Directors and Officer	7,403
Miscellaneous	72,557
Total expenses	1,826,555
Less:	
Fees waived and/or reimbursed by the Manager	(1,559)
Transfer agent fees reimbursed by the Manager — class specific	(8,041)
Total expenses after fees waived and/or reimbursed	1,816,955
Net investment income	15,123,291
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) from:	
Investments — affiliated	133,469
Investments — unaffiliated	62,193,399
Futures contracts	(1,858,299)
	60,468,569
Net change in unrealized appreciation (depreciation) on:	
Investments — affiliated	(2,817,136)
Investments — unaffiliated	(566,152,485)
Futures contracts	(441,860)
	(569,411,481)
Net realized and unrealized loss	(508,942,912)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (493,819,621)

See notes to financial statements.

Statements of Changes in Net Assets
June 30, 2022

	BlackRock S&P 500 Index V.I. Fund	
	Six Months Ended 06/30/22 (unaudited)	Year Ended 12/31/21
INCREASE (DECREASE) IN NET ASSETS		
OPERATIONS		
Net investment income	$ 15,123,291	$ 29,207,350
Net realized gain	60,468,569	145,915,667
Net change in unrealized appreciation (depreciation)	(569,411,481)	407,050,268
Net increase (decrease) in net assets resulting from operations	(493,819,621)	582,173,285
DISTRIBUTIONS TO SHAREHOLDERS [(a)]		
Class I	—	(175,702,697)
Class II	—	(900,439)
Class III	—	(22,431,071)
Decrease in net assets resulting from distributions to shareholders	—	(199,034,207)
CAPITAL SHARE TRANSACTIONS		
Net decrease in net assets derived from capital share transactions	(78,406,368)	(8,980,259)
NET ASSETS		
Total increase (decrease) in net assets	(572,225,989)	374,158,819
Beginning of period	2,511,064,395	2,136,905,576
End of period	$ 1,938,838,406	$ 2,511,064,395

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

See notes to financial statements.

Financial Highlights

(For a share outstanding throughout each period)

	BlackRock S&P 500 Index V.I. Fund					
	Class I					
	Six Months Ended 06/30/22 (unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017
Net asset value, beginning of period	$ 32.25	$ 27.28	$ 24.94	$ 20.50	$ 22.82	$ 19.90
Net investment income [(a)]	0.20	0.40	0.43	0.45	0.44	0.37
Net realized and unrealized gain (loss)	(6.65)	7.28	4.05	5.94	(1.51)	3.91
Net increase (decrease) from investment operations	(6.45)	7.68	4.48	6.39	(1.07)	4.28
Distributions [(b)]						
From net investment income	—	(0.41)	(0.46)	(0.54)	(0.25)	(0.39)
From net realized gain	—	(2.30)	(1.68)	(1.41)	(1.00)	(0.97)
Total distributions	—	(2.71)	(2.14)	(1.95)	(1.25)	(1.36)
Net asset value, end of period	$ 25.80	$ 32.25	$ 27.28	$ 24.94	$ 20.50	$ 22.82
Total Return [(c)]						
Based on net asset value	(20.00)%[(d)]	28.53%	18.24%	31.34%	(4.61)%	21.50%
Ratios to Average Net Assets [(e)]						
Total expenses	0.14%[(f)]	0.14%	0.16%	0.15%	0.19%[(g)]	0.46%
Total expenses after fees waived and/or reimbursed	0.14%[(f)]	0.14%	0.15%	0.14%	0.16%[(g)]	0.30%
Net investment income	1.40%[(f)]	1.28%	1.73%	1.90%	1.88%	1.68%
Supplemental Data						
Net assets, end of period (000)	$ 1,718,186	$ 2,218,337	$ 1,857,885	$ 1,709,703	$ 1,412,400	$ 216,251
Portfolio turnover rate	1%	3%	4%	3%	5%	3%

(a) Based on average shares outstanding.
(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(c) Where applicable, excludes insurance-related fees and expenses and assumes the reinvestment of distributions.
(d) Aggregate total return.
(e) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.
(f) Annualized.
(g) Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.18% and 0.15%, respectively.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock S&P 500 Index V.I. Fund					
	Class II					
	Six Months Ended 06/30/22 (unaudited)	Year Ended December 31, 2021	2020	2019	2018	2017
Net asset value, beginning of period	$ 31.86	$ 26.98	$ 24.70	$ 20.32	$ 22.63	$ 19.75
Net investment income [(a)]	0.18	0.35	0.39	0.41	0.38	0.34
Net realized and unrealized gain (loss)	(6.58)	7.20	3.99	5.89	(1.47)	3.87
Net increase (decrease) from investment operations	(6.40)	7.55	4.38	6.30	(1.09)	4.21
Distributions [(b)]						
From net investment income	—	(0.37)	(0.42)	(0.51)	(0.22)	(0.36)
From net realized gain	—	(2.30)	(1.68)	(1.41)	(1.00)	(0.97)
Total distributions	—	(2.67)	(2.10)	(1.92)	(1.22)	(1.33)
Net asset value, end of period	$ 25.46	$ 31.86	$ 26.98	$ 24.70	$ 20.32	$ 22.63
Total Return [(c)]						
Based on net asset value	(20.09)%[(d)]	28.34%	18.03%	31.17%	(4.74)%	21.31%
Ratios to Average Net Assets [(e)]						
Total expenses	0.29%[(f)]	0.29%	0.31%	0.31%	0.40%[(g)]	0.60%
Total expenses after fees waived and/or reimbursed	0.29%[(f)]	0.29%	0.30%	0.30%	0.33%[(g)]	0.45%
Net investment income	1.25%[(f)]	1.13%	1.60%	1.74%	1.64%	1.54%
Supplemental Data						
Net assets, end of period (000)	$ 9,172	$ 11,633	$ 9,215	$ 7,979	$ 4,485	$ 3,340
Portfolio turnover rate	1%	3%	4%	3%	5%	3%

(a) Based on average shares outstanding.
(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(c) Where applicable, excludes insurance-related fees and expenses and assumes the reinvestment of distributions.
(d) Aggregate total return.
(e) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.
(f) Annualized.
(g) Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.39% and 0.33%, respectively.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock S&P 500 Index V.I. Fund				
	Class III				
	Six Months Ended 06/30/22 (unaudited)	Year Ended December 31, 2021	2020	2019	Period from 02/14/18 [(a)] to 12/31/18
Net asset value, beginning of period	$ 31.88	$ 26.99	$ 24.70	$ 20.32	$ 22.88
Net investment income [(b)]	0.16	0.31	0.36	0.39	0.34
Net realized and unrealized gain (loss)	(6.57)	7.21	4.00	5.87	(1.69)
Net increase (decrease) from investment operations	(6.41)	7.52	4.36	6.26	(1.35)
Distributions [(c)]					
From net investment income	—	(0.33)	(0.39)	(0.47)	(0.21)
From net realized gain	—	(2.30)	(1.68)	(1.41)	(1.00)
Total distributions	—	(2.63)	(2.07)	(1.88)	(1.21)
Net asset value, end of period	$ 25.47	$ 31.88	$ 26.99	$ 24.70	$ 20.32
Total Return [(d)]					
Based on net asset value	(20.11)%[(e)]	28.23%	17.92%	30.97%	(5.82)%[(e)]
Ratios to Average Net Assets [(f)]					
Total expenses	0.39%[(g)]	0.39%	0.41%	0.44%	0.38%[(g)(h)]
Total expenses after fees waived and/or reimbursed	0.39%[(g)]	0.39%	0.40%	0.40%	0.36%[(g)(h)]
Net investment income	1.14%[(g)]	1.03%	1.49%	1.65%	1.64%[(g)]
Supplemental Data					
Net assets, end of period (000)	$ 211,480	$ 281,094	$ 269,805	$ 298,712	$ 319,453
Portfolio turnover rate	1%	3%	4%	3%	5%[(i)]

(a) Recommencement of operations.
(b) Based on average shares outstanding.
(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(d) Where applicable, excludes insurance-related fees and expenses and assumes the reinvestment of distributions.
(e) Aggregate total return.
(f) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.
(g) Annualized.
(h) Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.37% and 0.35%, respectively.
(i) Portfolio turnover rate is representative of the portfolio for the entire year.

See notes to financial statements.

1. ORGANIZATION

BlackRock Variable Series Funds, Inc. (the "Company") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Company is organized as a Maryland corporation that is comprised of 15 separate funds. The funds offer shares to insurance companies for their separate accounts to fund benefits under certain variable annuity and variable life insurance contracts. The financial statements presented are for BlackRock S&P 500 Index V.I. Fund (the "Fund"). The Fund is classified as diversified. The Fund offers multiple classes of shares. Class I, Class II and Class III Shares have equal voting, dividend, liquidation and other rights, except that only shares of the respective classes are entitled to vote on matters concerning only that class. In addition, Class II and Class III Shares bear certain expenses related to the distribution of such shares.

The Fund, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the "Manager") or its affiliates, is included in a complex of open-end equity, multi-asset, index and money market funds referred to as the BlackRock Multi-Asset Complex.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Transactions and Income Recognition: For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend dates. Non-cash dividends, if any, are recorded on the ex-dividend dates at fair value. Dividends from foreign securities where the ex-dividend dates may have passed are subsequently recorded when the Fund is informed of the ex-dividend dates. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, a portion of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Foreign Taxes: The Fund may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Fund invests. These foreign taxes, if any, are paid by the Fund and are reflected in its Statement of Operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividends are presented as "Foreign taxes withheld", and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of June 30, 2022, if any, are disclosed in the Statement of Assets and Liabilities.

The Fund files withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. The Fund may record a reclaim receivable based on collectability, which includes factors such as the jurisdiction's applicable laws, payment history and market convention. The Statement of Operations includes tax reclaims recorded as well as professional and other fees, if any, associated with recovery of foreign withholding taxes.

Segregation and Collateralization: In cases where the Fund enters into certain investments (e.g., futures contracts) that would be treated as "senior securities" for 1940 Act purposes, the Fund may segregate or designate on its books and records cash or liquid assets having a market value at least equal to the amount of its future obligations under such investments. Doing so allows the investments to be excluded from treatment as a "senior security." Furthermore, if required by an exchange or counterparty agreement, the Fund may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

Distributions: Distributions paid by the Fund are recorded on the ex-dividend dates. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP.

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

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

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

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

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

- Equity investments traded on a recognized securities exchange are valued at that day's official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").
- The Fund values its investment in SL Liquidity Series, LLC, Money Market Series (the "Money Market Series") at fair value, which is ordinarily based upon its pro rata ownership in the underlying fund's net assets.
- Futures contracts are valued based on that day's last reported settlement or trade price on the exchange where the contract is traded.

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

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

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

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

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

As of June 30, 2022, certain investments of the Fund were fair valued using NAV per share as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

4. SECURITIES AND OTHER INVESTMENTS

Securities Lending: The Fund may lend its securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund collateral consisting of cash, an irrevocable letter of credit issued by a bank, or securities issued or guaranteed by the U.S. Government. The initial collateral received by the Fund is required to have a value of at least 102% of the current value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter at a value equal to at least 100% of the current market value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Fund and any additional required collateral is delivered to the Fund, or excess collateral returned by the Fund, on the next business day. During the term of the loan, the Fund is entitled to all distributions made on or in respect of the loaned securities, but does not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested by the securities lending agent, BlackRock Investment Management, LLC ("BIM"), if any, is disclosed in the Schedule of Investments. Any non-cash collateral received cannot be sold, re-invested or pledged by the Fund, except in the event of borrower default. The securities on loan, if any, are disclosed in the Fund's Schedule of Investments. The market value of any securities on loan and the value of any related collateral are shown separately in the Statement of Assets and Liabilities as a component of investments at value – unaffiliated and collateral on securities loaned, respectively.

Securities lending transactions are entered into by the Fund under Master Securities Lending Agreements (each, an “MSLA”), which provide the right, in the event of default (including bankruptcy or insolvency), for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. When the value of the collateral is greater than that of the market value of the securities loaned, the lender is left with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty’s bankruptcy or insolvency. Under the MSLA, absent an event of default, the borrower can resell or re-pledge the loaned securities, and the Fund can reinvest cash collateral received in connection with loaned securities. Upon an event of default, the parties’ obligations to return the securities or collateral to the other party are extinguished, and the parties can resell or re-pledge the loaned securities or the collateral received in connection with the loaned securities in order to satisfy the defaulting party’s net payment obligation for all transactions under the MSLA. The defaulting party remains liable for any deficiency.

As of period end, the following table is a summary of the Fund's securities on loan by counterparty which are subject to offset under an MSLA:

Counterparty	*Securities Loaned at Value*	*Cash Collateral Received* [(a)]	*Non-Cash Collateral Received, at Fair Value*	*Net Amount*
Barclays Capital, Inc.	$ 872,471	$ (872,471)	$ —	$ —
Citigroup Global Markets, Inc.	4,947,938	(4,947,938)	—	—
J.P. Morgan Securities LLC	9,856,050	(9,856,050)	—	—
State Street Bank & Trust Co.	308,339	(308,339)	—	—
Toronto Dominion Bank	79,258	(79,258)	—	—
	$ 16,064,056	$ (16,064,056)	$ —	$ —

[(a)] Collateral received, if any, in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by the Fund is disclosed in the Fund's Statement of Assets and Liabilities.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Fund benefits from a borrower default indemnity provided by BIM. BIM’s indemnity allows for full replacement of the securities loaned to the extent the collateral received does not cover the value on the securities loaned in the event of borrower default. The Fund could incur a loss if the value of an investment purchased with cash collateral falls below the market value of loaned securities or if the value of an investment purchased with cash collateral falls below the value of the original cash collateral received. Such losses are borne entirely by the Fund.

5. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

Futures contracts are exchange-traded agreements between the Fund and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and on a specified date. Depending on the terms of a contract, it is settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash amount on the settlement date. Upon entering into a futures contract, the Fund is required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract’s size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Amounts pledged, which are considered restricted, are included in cash pledged for futures contracts in the Statement of Assets and Liabilities.

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

6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

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

For such services, the Fund pays the Manager a monthly fee at an annual rate equal to 0.07% of the average daily value of the Fund’s net assets.

Notes to Financial Statements (unaudited) (continued)

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

Share Class	*Distribution Fees*
Class II	0.15%
Class III	0.25

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

For the six months ended June 30, 2022, the following table shows the class specific distribution fees borne directly by each share class of the Fund:

Share Class	*Distribution Fees*
Class II	$ 7,996
Class III	302,149
	$ 310,145

Transfer Agent: On behalf of the Fund, the Manager entered into agreements with insurance companies and other financial intermediaries ("Service Organizations"), some of which may be affiliates. Pursuant to these agreements, the Service Organizations provide the Fund with administrative, networking, recordkeeping, sub-transfer agency and shareholder services to underlying investor accounts. For these services, the Service Organizations receive an annual fee per shareholder account, which will vary depending on share class and/or net assets of Fund shareholders serviced by the Service Organizations which is shown as transfer agent – class specific. For the six months ended June 30, 2022, the Fund did not pay any amounts to affiliates in return for these services.

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

For the six months ended June 30, 2022, the following table shows the class specific transfer agent fees borne directly by each share class of the Fund:

	Class I	Class II	Class III	Total
Transfer agent fees - class specific	$ 483,518	$ 2,761	$ 60,927	$ 547,206

Expense Limitations, Waivers and Reimbursements: The Manager contractually agreed to waive its investment advisory fees by the amount of investment advisory fees the Fund pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver") through June 30, 2023. The contractual agreement may be terminated upon 90 days' notice by a majority of the directors who are not "interested persons" of the Company, as defined in the 1940 Act ("Independent Directors"), or by a vote of a majority of the outstanding voting securities of the Fund. The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitation described below will be reduced by the amount of the affiliated money market fund waiver. This amount is included in fees waived and/or reimbursed by the Manager in the Statement of Operations. For the six months ended June 30, 2022, the amount waived was $1,559.

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

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

Class I	0.05%
Class II	0.05
Class III	0.05

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

Fund Name/Share Class	*Transfer Agent Fees Reimbursed - Class Specific*
BlackRock S&P 500 Index V.I. Fund	
Class I	$ 6,368
Class II	116
Class III	1,557
	$ 8,041

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

	Class I	Class II	Class III
Expense Limitations	0.15%	0.30%	0.40%

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

Securities Lending: The U.S. Securities and Exchange Commission ("SEC") has issued an exemptive order which permits BIM, an affiliate of the Manager, to serve as securities lending agent for the Fund, subject to applicable conditions. As securities lending agent, BIM bears all operational costs directly related to securities lending. The Fund is responsible for expenses in connection with the investment of cash collateral received for securities on loan (the "collateral investment expenses"). The cash collateral is invested in a private investment company, Money Market Series, managed by the Manager or its affiliates. However, BIM has agreed to cap the collateral investment expenses of the Money Market Series to an annual rate of 0.04%. The investment adviser to the Money Market Series will not charge any advisory fees with respect to shares purchased by the Fund. The Money Market Series may, under certain circumstances, impose a liquidity fee of up to 2% of the value withdrawn or temporarily restrict withdrawals for up to 10 business days during a 90 day period, in the event that the private investment company's weekly liquid assets fall below certain thresholds. The Money Market Series seeks current income consistent with maintaining liquidity and preserving capital. Although the Money Market Series is not registered under the 1940 Act, its investments may follow the parameters of investments by a money market fund that is subject to Rule 2a-7 under the 1940 Act.

Securities lending income is equal to the total of income earned from the reinvestment of cash collateral, net of fees and other payments to and from borrowers of securities, and less the collateral investment expenses. The Fund retains a portion of securities lending income and remits a remaining portion to BIM as compensation for its services as securities lending agent.

Pursuant to the current securities lending agreement, the Fund retains 81% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

In addition, commencing the business day following the date that the aggregate securities lending income earned across the BlackRock Multi-Asset Complex in a calendar year exceeds a specified threshold, the Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year securities lending income in an amount equal to 81% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

The share of securities lending income earned by the Fund is shown as securities lending income — affiliated — net in the Statement of Operations. For the six months ended June 30, 2022, the Fund paid BIM $4,623 for securities lending agent services.

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

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

During the period ended June 30, 2022, the Fund did not participate in the Interfund Lending Program.

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

Other Transactions: The Fund may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment adviser, common officers, or common directors. For the six months ended June 30, 2022, the purchase and sale transactions and any net realized gains (losses) with affiliated funds in compliance with Rule 17*a*-7 under the 1940 Act were as follows:

Purchases	$ 9,589,860
Sales	5,610,846
Net Realized Gain	2,051,324

7. PURCHASES AND SALES

For the six months ended June 30, 2022, purchases and sales of investments, excluding short-term investments, were $22,092,409 and $94,096,374, respectively.

8. INCOME TAX INFORMATION

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

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

Management has analyzed tax laws and regulations and their application to the Fund as of June 30, 2022, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Fund's financial statements.

As of June 30, 2022, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

Fund Name	*Tax Cost*	*Gross Unrealized Appreciation*	*Gross Unrealized Depreciation*	*Net Unrealized Appreciation (Depreciation)*
BlackRock S&P 500 Index V.I. Fund	$ 868,840,620	$ 1,134,954,165	$ (49,823,591)	$ 1,085,130,574

9. BANK BORROWINGS

The Company, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is a party to a 364-day, $2.50 billion credit agreement with a group of lenders. Under this agreement, the Fund may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Fund, can borrow up to an aggregate commitment amount of $1.75 billion at any time outstanding, subject to asset coverage and other limitations as specified in the agreement. The credit agreement has the following terms: a fee of 0.10% per annum on unused commitment amounts and interest at a rate equal to the higher of (a) Overnight Bank Funding Rate ("OBFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum, (b) the Fed Funds rate (but, in any event, not less than 0.00%) in effect from time to time plus 0.80% per annum on amounts borrowed or (c) the sum of (x) Daily Simple Secured Overnight Financing Rate ("SOFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.10% and (y) 0.80% per annum. The agreement expires in April 2023 unless extended or renewed. These fees were allocated among such funds based upon portions of the aggregate commitment available to them and relative net assets of Participating Funds. During the six months ended June 30, 2022, the Fund did not borrow under the credit agreement.

10. PRINCIPAL RISKS

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

The Manager uses a "passive" or index approach to try to achieve the Fund's investment objective following the securities included in its underlying index during upturns as well as downturns. The Manager does not take steps to reduce market exposure or to lessen the effects of a declining market. Divergence from the underlying index and the composition of the portfolio is monitored by the Manager.

The Fund may be exposed to additional risks when reinvesting cash collateral in money market funds that do not seek to maintain a stable NAV per share of $1.00, which may be subject to redemption gates or liquidity fees under certain circumstances.

Market Risk: An outbreak of respiratory disease caused by a novel coronavirus has developed into a global pandemic and has resulted in closing borders, quarantines, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this pandemic, and other global health crises that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. This pandemic may result in substantial market volatility and may adversely impact the prices and liquidity of a fund's investments. Although vaccines have been developed and approved for use by various governments, the duration of this pandemic and its effects cannot be determined with certainty.

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

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

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

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

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

The Fund invests a significant portion of its assets in securities within a single or limited number of market sectors. When a Fund concentrates its investments in this manner, it assumes the risk that economic, regulatory, political and social conditions affecting such sectors may have a significant impact on the Fund and could affect the income from, or the value or liquidity of, the Fund’s portfolio. Investment percentages in specific sectors are presented in the Schedule of Investments.

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

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

11. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

	Six Months Ended 06/30/22		Year Ended 12/31/21	
Fund Name/Share Class	*Shares*	*Amount*	*Shares*	*Amount*
BlackRock S&P 500 Index V.I. Fund				
Class I				
Shares sold	922,661	$ 27,133,233	1,410,973	$ 43,517,604
Shares issued in reinvestment of distributions	—	—	5,571,052	175,702,697
Shares redeemed	(3,103,539)	(90,148,023)	(6,304,444)	(194,352,788)
	(2,180,878)	$ (63,014,790)	677,581	$ 24,867,513
Class II				
Shares sold	35,832	$ 1,052,401	21,440	$ 673,154
Shares issued in reinvestment of distributions	—	—	28,899	900,439
Shares redeemed	(40,803)	(1,157,099)	(26,760)	(823,114)
	(4,971)	$ (104,698)	23,579	$ 750,479
Class III				
Shares sold	523,422	$ 15,012,589	645,372	$ 19,982,254
Shares issued in reinvestment of distributions	—	—	719,558	22,429,920
Shares redeemed	(1,037,177)	(30,299,469)	(2,543,321)	(77,010,425)
	(513,755)	$ (15,286,880)	(1,178,391)	$ (34,598,251)
	(2,699,604)	$ (78,406,368)	(477,231)	$ (8,980,259)

As of June 30, 2022, BlackRock Financial Management, Inc., an affiliate of the Fund, owned 437 Class III Shares of the Fund.

12. SUBSEQUENT EVENTS

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

Glossary of Terms Used in this Report

Portfolio Abbreviation

MSCI	Morgan Stanley Capital International
S&P	Standard & Poor's

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreements

The Board of Directors (the "Board," the members of which are referred to as "Board Members") of BlackRock Variable Series Funds, Inc. (the "Corporation") met on April 20, 2022 (the "April Meeting") and May 11-12, 2022 (the "May Meeting") to consider the approval to continue the investment advisory agreement (the "Advisory Agreement") between the Corporation, on behalf of BlackRock Advantage Large Cap Core V.I. Fund ("Large Cap Core V.I. Fund"), BlackRock Advantage Large Cap Value V.I. Fund ("Large Cap Value V.I. Fund"), BlackRock Advantage SMID Cap V.I. Fund ("SMID Cap V.I. Fund"), BlackRock Basic Value V.I. Fund ("Basic Value V.I. Fund"), BlackRock Capital Appreciation V.I. Fund ("Capital Appreciation V.I. Fund"), BlackRock Equity Dividend V.I. Fund ("Equity Dividend V.I. Fund"), BlackRock Global Allocation V.I. Fund ("Global Allocation V.I. Fund"), BlackRock Government Money Market V.I. Fund ("Government Money Market V.I. Fund"), BlackRock International V.I. Fund ("International V.I. Fund"), BlackRock International Index V.I. Fund ("International Index V.I. Fund"), BlackRock 60/40 Target Allocation ETF V.I. Fund ("60/40 Target Allocation ETF V.I. Fund"), BlackRock Large Cap Focus Growth V.I. Fund ("Large Cap Focus Growth V.I. Fund"), BlackRock Managed Volatility V.I. Fund ("Managed Volatility V.I. Fund"), BlackRock Small Cap Index V.I. Fund ("Small Cap Index V.I. Fund") and BlackRock S&P 500 Index V.I. Fund ("S&P 500 Index V.I. Fund") (each, a "Fund," and collectively the "Funds"), and BlackRock Advisors, LLC (the "Manager"), each Fund's investment advisor. The Board also considered the approval to continue the sub-advisory agreement between the Manager and (a) BlackRock International Limited ("BIL") with respect to International V.I. Fund and Managed Volatility V.I. Fund (the "BIL Sub-Advisory Agreements"); (b) BlackRock Asset Management North Asia Limited ("BNA") with respect to Managed Volatility V.I. Fund (the "BNA Sub-Advisory Agreement"); and (c) BlackRock (Singapore) Limited ("BSL" and together with BIL and BNA, the "Sub-Advisors") with respect to Managed Volatility V.I. Fund and Global Allocation V.I. Fund (the "BSL Sub-Advisory Agreements" and together with the BIL Sub-Advisory Agreements and the BNA Sub-Advisory Agreement, the "Sub-Advisory Agreements"). The Manager and the Sub-Advisor are referred to herein as "BlackRock." The Advisory Agreement and the Sub-Advisory Agreements are referred to herein as the "Agreements."

The Approval Process

Consistent with the requirements of the Investment Company Act of 1940 (the "1940 Act"), the Board considers the approval of the continuation of the Agreements for each Fund on an annual basis. The Board members who are not "interested persons" of the Corporation, as defined in the 1940 Act, are considered independent Board members (the "Independent Board Members"). The Board's consideration entailed a year-long deliberative process during which the Board and its committees assessed BlackRock's various services to each Fund, including through the review of written materials and oral presentations, and the review of additional information provided in response to requests from the Independent Board Members. The Board had four quarterly meetings per year, each typically extending for two days, as well as additional ad hoc meetings and executive sessions throughout the year, as needed. The committees of the Board similarly met throughout the year. The Board also had an additional one-day meeting to consider specific information surrounding the renewal of the Agreements. In particular, the Board assessed, among other things, the nature, extent and quality of the services provided to each Fund by BlackRock, BlackRock's personnel and affiliates, including (as applicable): investment management services; accounting oversight; administrative and shareholder services; oversight of the each service providers; risk management and oversight; and legal, regulatory and compliance services. Throughout the year, including during the contract renewal process, the Independent Board Members were advised by independent legal counsel, and met with independent legal counsel in various executive sessions outside of the presence of BlackRock's management.

During the year, the Board, acting directly and through its committees, considered information that was relevant to its annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to each Fund and its shareholders. BlackRock also furnished additional information to the Board in response to specific questions from the Board. Among the matters the Board considered were: (a) investment performance for one-year, three-year, five-year, and/or since inception periods, as applicable, against peer funds, relevant benchmarks, and other performance metrics, as applicable, as well as BlackRock senior management's and portfolio managers' analyses of the reasons for any outperformance or underperformance relative to its peers, benchmarks, and other performance metrics, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by each Fund for services; (c) Fund operating expenses and how BlackRock allocates expenses to each Fund; (d) the resources devoted to risk oversight of, and compliance reports relating to, implementation of each Fund's investment objective, policies and restrictions, and meeting regulatory requirements; (e) BlackRock's and each Fund's adherence to applicable compliance policies and procedures; (f) the nature, character and scope of non-investment management services provided by BlackRock and its affiliates and the estimated cost of such services, as available; (g) BlackRock's and other service providers' internal controls and risk and compliance oversight mechanisms; (h) BlackRock's implementation of the proxy voting policies approved by the Board; (i) the use of brokerage commissions and execution quality of portfolio transactions; (j) BlackRock's implementation of each Fund's valuation and liquidity procedures; (k) an analysis of management fees paid to BlackRock for products with similar investment mandates across the open-end fund, exchange-traded fund ("ETF"), closed-end fund, sub-advised mutual fund, separately managed account, collective investment trust, and institutional separate account product channels, as applicable, and the similarities and differences between these products and the services provided as compared to each Fund; (l) BlackRock's compensation methodology for its investment professionals and the incentives and accountability it creates, along with investment professionals' investments in the fund(s) they manage; and (m) periodic updates on BlackRock's business.

Prior to and in preparation for the April Meeting, the Board received and reviewed materials specifically relating to the renewal of the Agreements. The Independent Board Members continuously engaged in a process with their independent legal counsel and BlackRock to review the nature and scope of the information provided to the Board to better assist its deliberations. The materials provided in connection with the April Meeting included, among other things: (a) information independently compiled and prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), based on either a Lipper classification or Morningstar category, regarding each Fund's fees and expenses as compared with a peer group of funds as determined by Broadridge ("Expense Peers") and the investment performance of each Fund as compared with a peer group of funds ("Performance Peers"); (b) information on the composition of the Expense Peers and Performance Peers and a description of Broadridge's methodology; (c) information on the estimated profits realized by BlackRock and its affiliates pursuant to the Agreements and a discussion of fall-out benefits to BlackRock and its affiliates; (d) a general analysis provided by BlackRock concerning investment management fees received in connection with other types of investment products, such as institutional accounts, sub-advised mutual funds, ETFs, closed-end funds, open-end funds, and separately managed accounts under similar investment mandates, as well as the performance of such other products, as applicable; (e) a review of non-management fees; (f) the existence, impact and sharing of potential economies of scale, if any, with the Funds; (g) a summary of aggregate amounts paid by each Fund to BlackRock; (h) sales and redemption data regarding each Fund's shares; and (i) various additional information requested by the Board as appropriate regarding BlackRock's and the Funds' operations.

At the April Meeting, the Board reviewed materials relating to its consideration of the Agreements and the Independent Board Members presented BlackRock with questions and requests for additional information. BlackRock responded to these questions and requests with additional written information in advance of the May Meeting.

At the May Meeting, the Board concluded its assessment of, among other things: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of each Fund as compared to its Performance Peers and to other metrics, as applicable; (c) the advisory fee and the estimated cost of the services and estimated profits realized by BlackRock and its affiliates from their relationship with the Funds; (d) each Fund's fees and expenses compared to its Expense Peers; (e) the existence and sharing of potential economies of scale; (f) any fall-out benefits to BlackRock and its affiliates as a result of BlackRock's relationship with the Funds; and (g) other factors deemed relevant by the Board Members.

The Board also considered other matters it deemed important to the approval process, such as other payments made to BlackRock or its affiliates relating to securities lending and cash management, and BlackRock's services related to the valuation and pricing of Fund portfolio holdings. The Board noted the willingness of BlackRock's personnel to engage in open, candid discussions with the Board. The Board Members evaluated the information available to it on a fund-by-fund basis. The following paragraphs provide more information about some of the primary factors that were relevant to the Board's decision. The Board Members did not identify any particular information, or any single factor as determinative, and each Board Member may have attributed different weights to the various items and factors considered.

A. Nature, Extent and Quality of the Services Provided by BlackRock

The Board, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of each Fund. Throughout the year, the Board compared each Fund's performance to the performance of a comparable group of mutual funds, relevant benchmark, and performance metrics, as applicable. The Board met with BlackRock's senior management personnel responsible for investment activities, including the senior investment officers. The Board also reviewed the materials provided by each Fund's portfolio management team discussing each Fund's performance, investment strategies and outlook.

The Board considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and each Fund's portfolio management team; research capabilities; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. The Board also considered BlackRock's overall risk management program, including the continued efforts of BlackRock and its affiliates to address cybersecurity risks and the role of BlackRock's Risk & Quantitative Analysis Group. The Board engaged in a review of BlackRock's compensation structure with respect to each Fund's portfolio management team and BlackRock's ability to attract and retain high-quality talent and create performance incentives.

In addition to investment advisory services, the Board considered the nature and quality of the administrative and other non-investment advisory services provided to each Fund. BlackRock and its affiliates provide the Funds with certain administrative, shareholder and other services (in addition to any such services provided to the Funds by third-parties) and officers and other personnel as are necessary for the operations of the Funds. In particular, BlackRock and its affiliates provide the Funds with administrative services including, among others: (i) responsibility for disclosure documents, such as the prospectus, the summary prospectus (as applicable), the statement of additional information and periodic shareholder reports; (ii) oversight of daily accounting and pricing; (iii) responsibility for periodic filings with regulators; (iv) overseeing and coordinating the activities of third-party service providers, including, among others, each Fund's custodian, fund accountant, transfer agent, and auditor; (v) organizing Board meetings and preparing the materials for such Board meetings; (vi) providing legal and compliance support; (vii) furnishing analytical and other support to assist the Board in its consideration of strategic issues such as the merger, consolidation or repurposing of certain open-end funds; and (viii) performing or managing administrative functions necessary for the operation of the Funds, such as tax reporting, expense management, fulfilling regulatory filing requirements, overseeing each Fund's distribution partners, and shareholder call center and other services. The Board reviewed the structure and duties of BlackRock's fund administration, shareholder services, and legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations. The Board considered the operation of BlackRock's business continuity plans, including in light of the ongoing COVID-19 pandemic.

B. The Investment Performance of the Funds and BlackRock

The Board, including the Independent Board Members, reviewed and considered the performance history of each Fund throughout the year and at the April Meeting. In preparation for the April Meeting, the Board was provided with reports independently prepared by Broadridge, which included an analysis of each Fund's performance as of December 31, 2021, as compared to its Performance Peers. Broadridge ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable. In connection with its review, the Board received and reviewed information regarding the investment performance of each Fund as compared to its Performance Peers and, with respect to 60/40 Target Allocation ETF V.I. Fund, Large Cap Focus Growth V.I. Fund, Capital Appreciation V.I. Fund, Large Cap Core V.I. Fund, Large Cap Value V.I. Fund, Global Allocation V.I. Fund, Basic Value V.I. Fund, SMID Cap V.I. Fund, Equity Dividend V.I. Fund and International V.I. Fund, the respective Morningstar open-end fund category ("Morningstar Open-End Category"); with respect to Managed Volatility V.I. Fund, in light of the Fund's outcome-oriented investment objective, certain performance metrics ("Outcome-Oriented Performance Metrics"); with respect to International Index V.I. Fund, Small Cap Index V.I. Fund and S&P 500 Index V.I. Fund, the performance of each Fund as compared with its benchmark; and, with respect to Government Money Market V.I. Fund, a weighted average benchmark of similar funds, as defined by BlackRock ("Benchmark Weighted Average"). The Board and its Performance Oversight Committee regularly review and meet with Fund management to discuss the performance of each Fund throughout the year.

In evaluating performance, the Board focused particular attention on funds with less favorable performance records. The Board also noted that while it found the data provided by Broadridge generally useful, it recognized the limitations of such data, including in particular, that notable differences may exist between a fund and its Performance Peers (for example, the investment objectives and strategies). Further, the Board recognized that the performance data reflects a snapshot of a period as of a particular date and that selecting a different performance period could produce significantly different results. The Board also acknowledged that long-term performance could be impacted by even one period of significant outperformance or underperformance, and that a single investment theme could have the ability to disproportionately affect long-term performance.

The Board noted that for each of the one-, three- and five-year periods reported, each of the Large Cap Core V.I. Fund and Large Cap Value V.I. Fund ranked in the second quartile against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the pertinent Fund, and that BlackRock has explained its rationale for this belief to the Board.

The Board noted that for the one-, three-, and five-year periods reported, 60/40 Target Allocation ETF V.I. Fund ranked in the third, second and second quartiles, respectively, against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Open-End Category during the applicable period.

The Board noted that for the one-, three- and five-year periods reported, Capital Appreciation V.I. Fund ranked in the third, second and first quartiles, respectively, against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Open-End Category during the applicable period.

The Board noted that for the one-, three- and five-year periods reported, Large Cap Focus Growth V.I. Fund ranked in the third, second and second quartiles, respectively, against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Open-End Category during the applicable period.

The Board noted that for the one-, three- and five-year periods reported, Global Allocation V.I. Fund ranked in the fourth, first and first quartiles, respectively, against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Open-End Category during the applicable period.

The Board noted that for the one-, three- and five-year periods reported, International V.I. Fund ranked in the third, first and first quartiles, respectively, against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Open-End Category during the applicable period.

The Board noted that for the one-, three- and five-year periods reported, SMID Cap V.I. Fund ranked in the fourth, third and second quartiles, respectively against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Open-End Category during the applicable periods. The Board also noted that effective February 9, 2021, the Fund had undergone a change in its investment strategy and in that connection had changed its name from BlackRock Advantage U.S. Total Market V.I. Fund to BlackRock Advantage SMID Cap V.I. Fund.

The Board noted that for the one-, three- and five-year periods reported, Equity Dividend V.I. Fund ranked in the fourth, third and second quartiles, respectively, against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Open-End Category during the applicable periods.

The Board noted that for each of the one-, three- and five-year periods reported, Basic Value V.I. Fund ranked in the fourth quartile against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Open-End Category during the applicable periods. The Board was informed that, among other things, underperformance during the one-year period, was primarily driven by investment decisions in the healthcare sector. During the three- and five-year periods underperformance was generally driven by the Fund's value orientation. The Board and BlackRock discussed BlackRock's strategy for improving the Fund's investment performance. Discussions covered topics such as performance attribution, the Fund's investment personnel, and the resources appropriate to support the Fund's investment processes.

The Board reviewed Government Money Market V.I. Fund's performance within the context of the low yield environment. In addition to reviewing the Fund's performance and current yield, it also reviews the liquidity, duration, credit quality and other risk factors of the Fund's portfolio. The Board noted that for the one-and three-year periods reported, the Fund underperformed and outperformed, respectively, its Benchmark Weighted Average. The Board noted that BlackRock believes that the Benchmark Weighted Average is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Benchmark Weighted Average during the applicable period.

The Board noted that for the one-year period reported, Small Cap Index V.I. Fund's net performance was within the tolerance range of its benchmark. The Board noted that BlackRock believes that net performance relative to the benchmark is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board.

The Board noted that for the one-year period reported, S&P 500 Index V.I. Fund's net performance was within the tolerance range of its benchmark. The Board noted that BlackRock believes that net performance relative to the benchmark is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board.

The Board reviewed and considered Managed Volatility V.I. Fund's performance relative to the Fund's Outcome-Oriented Performance Metrics including a total return target. The Board noted that for each of the one-, three- and five-year periods reported, the Fund underperformed its total return target. The Board noted that BlackRock believes that the Outcome-Oriented Performance Metrics are an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its total return target during the applicable periods.

The Board noted that for the one-year period reported, International Index V.I. Fund's net performance was above the tolerance range of its benchmark. The Board noted that BlackRock believes that net performance relative to the benchmark is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's above tolerance performance relative to its benchmark over the period.

C. *Consideration of the Advisory/Management Fees and the Estimated Cost of the Services and Estimated Profits Realized by BlackRock and its Affiliates from their Relationship with the Funds*

The Board, including the Independent Board Members, reviewed each Fund's contractual management fee rate compared with those of its Expense Peers. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. The Board also compared each Fund's total expense ratio, as well as its actual management fee rate, to those of its Expense Peers. The total expense ratio represents a fund's total net operating expenses, including any 12b-1 or non-12b-1 service fees. The total expense ratio gives effect to any expense reimbursements or fee waivers, and the actual management fee rate gives effect to any management fee reimbursements or waivers. The Board considered the services provided and the fees charged by BlackRock and its affiliates to other types of clients with similar investment mandates, as applicable, including institutional accounts and sub-advised mutual funds (including mutual funds sponsored by third parties).

The Board received and reviewed statements relating to BlackRock's financial condition. The Board reviewed BlackRock's profitability methodology and was also provided with an estimated profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to each Fund. The Board reviewed BlackRock's estimated profitability with respect to each Fund and other funds the Board currently oversees for the year ended December 31, 2021 compared to available aggregate estimated profitability data provided for the prior two years. The Board reviewed BlackRock's estimated profitability with respect to certain other U.S. fund complexes managed by the Manager and/or its affiliates. The Board reviewed BlackRock's assumptions and methodology of allocating expenses in the estimated profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Board recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. The Board thus recognized that calculating and comparing profitability at the individual fund level is difficult.

The Board noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Board reviewed BlackRock's overall operating margin, in general, compared to that of certain other publicly traded asset management firms. The Board considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.

The Board considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Board. The Board further considered factors including but not limited to BlackRock's commitment of time, assumption of risk, and liability profile in servicing the Funds, including in contrast to what is required of BlackRock with respect to other products with similar investment mandates across the open-end fund, ETF, closed-end fund, sub-advised mutual fund, separately managed account, collective investment trust, and institutional separate account product channels, as applicable.

The Board noted that SMID Cap V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that Equity Dividend V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that Small Cap Index V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers. The Board also noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that S&P 500 Index V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers. The Board also noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Finally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that Basic Value V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the first and second quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that International Index V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the first and second quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

BlackRock has reviewed with the Board that the varying fee structure for fund of funds can limit the value of management fee comparisons. The Board noted that 60/40 Target Allocation ETF V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the first and second quartiles, respectively, relative to the Fund's Expense Peers. The Board further noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis.

The Board noted that Large Cap Focus Growth V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the first and second quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that Capital Appreciation V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the first and third quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that Large Cap Core V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the second and first quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that Managed Volatility V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the second and first quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Finally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that International V.I. Fund's contractual management fee rate ranked in the second quartile, and that the actual management fee rate and total expense ratio ranked in the third and fourth quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. After discussions between the Board, including the Independent Board Members, and BlackRock, the Board and BlackRock agreed to a lower contractual expense cap, on a class-by-class basis. The contractual expense cap reduction was implemented on June 1, 2022. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board noted that Global Allocation V.I. Fund's contractual management fee rate ranked in the third quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

The Board reviewed the expenses within the context of the low yield environment, and any consequent expense waivers and reimbursements necessary to maintain minimum levels of daily net investment income, as applicable. The Board noted that Government Money Market V.I. Fund's contractual management fee rate ranked in the fourth quartile, and that the actual management fee rate and total expense ratio ranked in the first and second quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis.

The Board noted that Large Cap Value V.I. Fund's contractual management fee rate ranked in the fourth quartile, and that the actual management fee rate and total expense ratio each ranked in the second quartile relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. Additionally, the Board noted that BlackRock had voluntarily agreed to waive a portion of the advisory fee payable by the Fund. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the

Fund's average daily net assets on a class-by-class basis. Finally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Fund on a class-by-class basis.

D. Economies of Scale

The Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of the Funds increase, including the existence of fee waivers and/or expense caps, as applicable, noting that any contractual fee waivers and contractual expense caps had been approved by the Board. In its consideration, the Board further considered the continuation and/or implementation of fee waivers and/or expense caps, as applicable. The Board also considered the extent to which the Funds benefit from such economies of scale in a variety of ways, and whether there should be changes in the advisory fee rate or breakpoint structure in order to enable the Funds to more fully participate in these economies of scale. The Board considered each Fund's asset levels and whether the current fee schedule was appropriate.

E. Other Factors Deemed Relevant by the Board Members

The Board, including the Independent Board Members, also took into account other ancillary or "fall-out" benefits that BlackRock or its affiliates may derive from BlackRock's respective relationships with the Funds, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and its risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the Funds, including for administrative, distribution, securities lending and cash management services. The Board also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Board also noted that, subject to applicable law, BlackRock may use and benefit from third-party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts.

In connection with its consideration of the Agreements, the Board also received information regarding BlackRock's brokerage and soft dollar practices. The Board received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Board noted the competitive nature of the open-end fund marketplace, and that shareholders are able to redeem their Fund shares if they believe that the pertinent Fund's fees and expenses are too high or if they are dissatisfied with the performance of the Fund.

Conclusion

At the May Meeting, as a result of the discussions that occurred during the April Meeting, and as a culmination of the Board's year-long deliberative process, the Board, including the Independent Board Members, unanimously approved the continuation of (i) the Advisory Agreement between the Manager and the Corporation, on behalf of each Fund, (ii) the BIL Sub-Advisory Agreements between the Manager and BIL with respect to International V.I. Fund and Managed Volatility V.I. Fund, (iii) the BNA Sub-Advisory Agreement between the Manager and BNA with respect to Managed Volatility V.I. Fund and (iv) BSL Sub-Advisory Agreements between the Manager and BSL with respect to Managed Volatility V.I. Fund and Global Allocation V.I. Fund, each for a one-year term ending June 30, 2023. Based upon its evaluation of all of the aforementioned factors in their totality, as well as other information, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and, in the best interest of each Fund and its shareholders. In arriving at its decision to approve the Agreements, the Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making this determination.

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreements

The Board of Directors (the "Board," the members of which are referred to as "Board Members") of BlackRock Variable Series Funds II, Inc. (the "Company") met on April 14, 2022 (the "April Meeting") and May 19-20, 2022 (the "May Meeting") to consider the approval to continue the investment advisory agreement (the "Advisory Agreement") between the Company, on behalf of BlackRock High Yield V.I. Fund (the "High Yield V.I. Fund"), BlackRock Total Return V.I. Fund (the "Total Return V.I. Fund") and BlackRock U.S. Government Bond V.I. Fund (the "U.S. Government Bond V.I. Fund" and collectively with the High Yield V.I. Fund and the Total Return V.I. Fund, the "Funds" and each, a "Fund"), and BlackRock Advisors, LLC (the "Manager"), each Fund's investment advisor. The Board also considered the approval to continue the sub-advisory agreements (the "Sub-Advisory Agreements") between (1) the Manager and BlackRock International Limited ("BIL"), with respect to each Fund and (2) the Manager and BlackRock (Singapore) Limited ("BRS" and together with BIL, the "Sub-Advisors"), with respect to Total Return V.I. Fund. The Manager and the Sub-Advisors are referred to herein as "BlackRock." The Advisory Agreement and the Sub-Advisory Agreements are referred to herein as the "Agreements."

The Approval Process

Consistent with the requirements of the Investment Company Act of 1940 (the "1940 Act"), the Board considers the approval of the continuation of the Agreements for each Fund on an annual basis. The Board members who are not "interested persons" of the Company, as defined in the 1940 Act, are considered independent Board members (the "Independent Board Members"). The Board's consideration entailed a year-long deliberative process during which the Board and its committees assessed BlackRock's various services to each Fund, including through the review of written materials and oral presentations, and the review of additional information provided in response to requests from the Independent Board Members. The Board had four quarterly meetings per year, each typically extending for two days, as well as additional ad hoc meetings and executive sessions throughout the year, as needed. The committees of the Board similarly met throughout the year. The Board also had an additional one-day meeting to consider specific information surrounding the renewal of the Agreements. In particular, the Board assessed, among other things, the nature, extent and quality of the services provided to each Fund by BlackRock, BlackRock's personnel and affiliates, including (as applicable): investment management services; accounting oversight; administrative and shareholder services; oversight of each Fund's service providers; risk management and oversight; and legal, regulatory and compliance services. Throughout the year, including during the contract renewal process, the Independent Board Members were advised by independent legal counsel, and met with independent legal counsel in various executive sessions outside of the presence of BlackRock's management.

During the year, the Board, acting directly and through its committees, considered information that was relevant to its annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to each Fund and its shareholders. BlackRock also furnished additional information to the Board in response to specific questions from the Board. Among the matters the Board considered were: (a) investment performance for one-year, three-year, five-year, and/or since inception periods, as applicable, against peer funds, relevant benchmarks, and other performance metrics, as applicable, as well as BlackRock senior management's and portfolio managers' analyses of the reasons for any outperformance or underperformance relative to its peers, benchmarks, and other performance metrics, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by each Fund for services; (c) Fund operating expenses and how BlackRock allocates expenses to each Fund; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of each Fund's investment objective, policies and restrictions, and meeting regulatory requirements; (e) BlackRock's and each Fund's adherence to applicable compliance policies and procedures; (f) the nature, character and scope of non-investment management services provided by BlackRock and its affiliates and the estimated cost of such services, as applicable; (g) BlackRock's and other service providers' internal controls and risk and compliance oversight mechanisms; (h) BlackRock's implementation of the proxy voting policies approved by the Board; (i) The use of brokerage commissions and execution quality of portfolio transactions; (j) BlackRock's implementation of each Fund's valuation and liquidity procedures; (k) an analysis of management fees paid to BlackRock for products with similar investment mandates across the open-end fund, exchange-traded fund ("ETF"), closed-end fund, sub-advised mutual fund, separately managed account, collective investment trust, and institutional separate account product channels, as applicable, and the similarities and differences between these products and the services provided as compared to each Fund; (l) BlackRock's compensation methodology for its investment professionals and the incentives and accountability it creates, along with investment professionals' investments in the fund(s) they manage; and (m) periodic updates on BlackRock's business.

Prior to and in preparation for the April Meeting, the Board received and reviewed materials specifically relating to the renewal of the Agreements. The Independent Board Members continuously engaged in a process with their independent legal counsel and BlackRock to review the nature and scope of the information provided to the Board to better assist its deliberations. The materials provided in connection with the April Meeting included, among other things: (a) information independently compiled and prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), based on either a Lipper classification or Morningstar category, regarding each Fund's fees and expenses as compared with a peer group of funds as determined by Broadridge ("Expense Peers") and the investment performance of each Fund as compared with a peer group of funds ("Performance Peers"); (b) information on the composition of the Expense Peers and Performance Peers and a description of Broadridge's methodology; (c) information on the estimated profits realized by BlackRock and its affiliates pursuant to the Agreements and a discussion of fall-out benefits to BlackRock and its affiliates; (d) a general analysis provided by BlackRock concerning investment management fees received in connection with other types of investment products, such as institutional accounts, sub-advised mutual funds, ETFs, closed-end funds, open-end funds, and separately managed accounts, under similar investment mandates, as well as the performance of such other products, as applicable; (e) a review of non-management fees; (f) the existence, impact and sharing of potential economies of scale, if any, with each Fund; (g) a summary of aggregate amounts paid by each Fund to BlackRock; (h) sales and redemption data regarding each Fund's shares; and (i) various additional information requested by the Board as appropriate regarding BlackRock's and each Fund's operations.

At the April Meeting, the Board reviewed materials relating to its consideration of the Agreements and the Independent Board Members presented BlackRock with questions and requests for additional information. BlackRock responded to these questions and requests with additional written information in advance of the May Meeting.

At the May Meeting, the Board concluded its assessment of, among other things: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of each Fund as compared to its Performance Peers and to other metrics, as applicable; (c) the advisory fee and the estimated cost of the services and estimated profits realized by BlackRock and its affiliates from their relationship with each Fund; (d) each Fund's fees and expenses compared to its Expense Peers; (e) the existence and sharing of potential economies of scale; (f) any fall-out benefits to BlackRock and its affiliates as a result of BlackRock's relationship with each Fund; and (g) other factors deemed relevant by the Board Members.

The Board also considered other matters it deemed important to the approval process, such as other payments made to BlackRock or its affiliates relating to securities lending and cash management, and BlackRock's services related to the valuation and pricing of Fund portfolio holdings. The Board noted the willingness of BlackRock's personnel to engage in open, candid discussions with the Board. The Board Members evaluated the information available to it on a fund-by-fund basis.

The following paragraphs provide more information about some of the primary factors that were relevant to the Board's decision. The Board Members did not identify any particular information, or any single factor as determinative, and each Board Member may have attributed different weights to the various items and factors considered.

A. Nature, Extent and Quality of the Services Provided by BlackRock

The Board, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services, and the resulting performance of each Fund. Throughout the year, the Board compared Fund performance to the performance of a comparable group of mutual funds, relevant benchmarks, and performance metrics, as applicable. The Board met with BlackRock's senior management personnel responsible for investment activities, including the senior investment officers. The Board also reviewed the materials provided by each Fund's portfolio management team discussing each Fund's performance, investment strategies and outlook.

The Board considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and each Fund's portfolio management team; research capabilities; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. The Board also considered BlackRock's overall risk management program, including the continued efforts of BlackRock and its affiliates to address cybersecurity risks and the role of BlackRock's Risk & Quantitative Analysis Group. The Board engaged in a review of BlackRock's compensation structure with respect to each Fund's portfolio management team and BlackRock's ability to attract and retain high-quality talent and create performance incentives.

In addition to investment advisory services, the Board considered the nature and quality of the administrative and other non-investment advisory services provided to each Fund. BlackRock and its affiliates provide each Fund with certain administrative, shareholder and other services (in addition to any such services provided to each Fund by third parties) and officers and other personnel as are necessary for the operations of each Fund. In particular, BlackRock and its affiliates provide each Fund with administrative services including, among others: (i) responsibility for disclosure documents, such as the prospectus, the summary prospectus (as applicable), the statement of additional information and periodic shareholder reports; (ii) oversight of daily accounting and pricing; (iii) responsibility for periodic filings with regulators; (iv) overseeing and coordinating the activities of third-party service providers including, among others, each Fund's custodian, fund accountant, transfer agent, and auditor; (v) organizing Board meetings and preparing the materials for such Board meetings; (vi) providing legal and compliance support; (vii) furnishing analytical and other support to assist the Board in its consideration of strategic issues such as the merger, consolidation or repurposing of certain open-end funds; and (viii) performing or managing administrative functions necessary for the operation of each Fund, such as tax reporting, expense management, fulfilling regulatory filing requirements, overseeing each Fund's distribution partners, and shareholder call center and other services. The Board reviewed the structure and duties of BlackRock's fund administration, shareholder services, and legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations. The Board considered the operation of BlackRock's business continuity plans, including in light of the ongoing COVID-19 pandemic.

B. The Investment Performance of each Fund and BlackRock

The Board, including the Independent Board Members, reviewed and considered the performance history of each Fund throughout the year and at the April Meeting. In preparation for the April Meeting, the Board was provided with reports independently prepared by Broadridge, which included an analysis of each Fund's performance as of December 31, 2021, as compared to its Performance Peers. Broadridge ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable. In connection with its review, the Board received and reviewed information regarding the investment performance of each Fund as compared to its Performance Peers and the respective Morningstar open-end fund category ("Morningstar Open-End Category"). The Board and its Performance Oversight Committee regularly review and meet with Fund management to discuss the performance of each Fund throughout the year.

In evaluating performance, the Board focused particular attention on funds with less favorable performance records. The Board also noted that while it found the data provided by Broadridge generally useful, it recognized the limitations of such data, including in particular, that notable differences may exist between a fund and its Performance Peers (for example, the investment objectives and strategies). Further, the Board recognized that the performance data reflects a snapshot of a period as of a particular date and that selecting a different performance period could produce significantly different results. The Board also acknowledged that long-term performance could be impacted by even one period of significant outperformance or underperformance, and that a single investment theme could have the ability to disproportionately affect long-term performance.

The Board noted that for the one-, three- and five-year periods reported, the High Yield V.I. Fund ranked in the second, first and first quartiles, respectively, against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the High Yield V.I. Fund, and that BlackRock has explained its rationale for this belief to the Board.

The Board noted that for the one-, three- and five-year periods reported, the Total Return V.I. Fund ranked in the fourth, second and third quartiles, respectively, against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the Total Return V.I. Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Total Return V.I. Fund's underperformance relative to its Morningstar Open-End Category during the applicable periods.

The Board noted that for each of the one-, three- and five-year periods reported, the U.S. Government Bond V.I. Fund ranked in the second quartile against its Morningstar Open-End Category. The Board noted that BlackRock believes that the Morningstar Open-End Category is an appropriate performance metric for the U.S. Government Bond V.I. Fund, and that BlackRock has explained its rationale for this belief to the Board.

C. Consideration of the Advisory/Management Fees and the Estimated Cost of the Services and Estimated Profits Realized by BlackRock and its Affiliates from their Relationship with each Fund

The Board, including the Independent Board Members, reviewed each Fund's contractual management fee rate compared with those of its Expense Peers. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. The Board also compared each Fund's total expense ratio, as well as its actual management fee rate, to those of its Expense Peers. The total expense ratio represents a fund's total net operating expenses, including any 12b-1 or non-12b-1 service fees. The total expense ratio gives effect to any expense reimbursements or fee waivers, and the actual management fee rate gives effect to any management fee reimbursements or waivers. The Board considered the services provided and the fees charged by BlackRock and its affiliates to other types of clients with similar investment mandates, as applicable, including institutional accounts and sub-advised mutual funds (including mutual funds sponsored by third parties).

The Board received and reviewed statements relating to BlackRock's financial condition. The Board reviewed BlackRock's profitability methodology and was also provided with an estimated profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to each Fund. The Board reviewed BlackRock's estimated profitability with respect to each Fund and other funds the Board currently oversees for the year ended December 31, 2021 compared to available aggregate estimated profitability data provided for the prior two years. The Board reviewed BlackRock's estimated profitability with respect to certain other U.S. fund complexes managed by the Manager and/or its affiliates. The Board reviewed BlackRock's assumptions and methodology of allocating expenses in the estimated profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Board recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. The Board thus recognized that calculating and comparing profitability at the individual fund level is difficult.

The Board noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Board reviewed BlackRock's overall operating margin, in general, compared to that of certain other publicly traded asset management firms. The Board considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.

The Board considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Board. The Board further considered factors including but not limited to BlackRock's commitment of time, assumption of risk, and liability profile in servicing each Fund, including in contrast to what is required of BlackRock with respect to other products with similar investment mandates across the open-end fund, ETF, closed-end fund, sub-advised mutual fund, separately managed account, collective investment trust, and institutional separate account product channels, as applicable.

The Board noted that the High Yield V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the first and second quartiles, respectively, relative to the High Yield V.I. Fund's Expense Peers. The Board also noted that the High Yield V.I. Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the aggregate assets of the High Yield V.I. Fund, combined with the assets of the Total Return V.I. Fund, increase above certain contractually specified levels. The Board noted that if the size of the High Yield V.I. Fund or the Total Return V.I. Fund were to decrease, the High Yield V.I. Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the High Yield V.I. Fund's total expenses as a percentage of the High Yield V.I. Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the High Yield V.I. Fund on a class-by-class basis.

The Board noted that the Total Return V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Total Return V.I. Fund's Expense Peers. The Board also noted that the Total Return V.I. Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the aggregate assets of the Total Return V.I. Fund, combined with the assets of the High Yield V.I. Fund, increase above certain contractually specified levels. The Board noted that if the size of the Total Return V.I. Fund or the High Yield V.I Fund were to decrease, the Total Return V.I. Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Total Return V.I. Fund's total expenses as a percentage of the Total Return V.I. Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Total Return V.I. Fund on a class-by-class basis.

The Board noted that the U.S. Government Bond V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the first and third quartiles, respectively, relative to the U.S. Government Bond V.I. Fund's Expense Peers. The Board also noted that the U.S. Government Bond V.I. Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the U.S. Government Bond V.I. Fund increases above certain contractually specified levels. The Board noted that if the size of the U.S. Government Bond V.I. Fund were to decrease, the U.S. Government Bond V.I. Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the U.S. Government Bond V.I. Fund's total expenses as a percentage of the U.S. Government Bond V.I. Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the U.S. Government Bond V.I. Fund on a class-by-class basis. In addition, the Board noted that BlackRock has voluntarily agreed to waive a portion of the advisory fee payable by the U.S. Government Bond V.I. Fund. An advisory fee waiver has been in effect since 2016, that amount of which may have varied from time to time. After discussion between the Board, including the Independent Board Members, and BlackRock, the Board and BlackRock agreed to a continuation of the current 26 basis point voluntary advisory fee waiver.

D. Economies of Scale

The Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of each Fund increase, including the existence of fee waivers and/or expense caps, as applicable, noting that any contractual fee waivers and contractual expense caps had been approved by the Board. In its consideration, the Board further considered the continuation and/or implementation of fee waivers and/or expense caps, as applicable. The Board also considered the extent to which each Fund benefits from such economies of scale in a variety of ways, and whether there should be changes in the advisory fee rate or breakpoint structure in order to enable each Fund to more fully participate in these economies of scale. The Board considered each Fund's asset levels and whether the current fee schedule was appropriate.

E. Other Factors Deemed Relevant by the Board Members

The Board, including the Independent Board Members, also took into account other ancillary or "fall-out" benefits that BlackRock or its affiliates may derive from BlackRock's respective relationships with each Fund, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and its risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to each Fund, including for administrative, distribution, securities lending and cash management services. The Board also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Board also noted that, subject to applicable law, BlackRock may use and benefit from third-party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts.

In connection with its consideration of the Agreements, the Board also received information regarding BlackRock's brokerage and soft dollar practices. The Board received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Board noted the competitive nature of the open-end fund marketplace, and that shareholders are able to redeem their Fund shares if they believe that each Fund's fees and expenses are too high or if they are dissatisfied with the performance of each Fund.

Conclusion

At the May Meeting, as a result of the discussions that occurred during the April Meeting, and as a culmination of the Board's year-long deliberative process, the Board, including the Independent Board Members, approved, by unanimous vote of those present, the continuation of the Advisory Agreement between the Manager and the Company, on behalf of each Fund, for a one-year term ending June 30, 2023, and the Sub-Advisory Agreements between (1) the Manager and BIL, with respect to each Fund, and (2) the Manager and BRS, with respect to the Total Return V.I. Fund, for a one-year term ending June 30, 2023. Based upon its evaluation of all of the aforementioned factors in their totality, as well as other information, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of each Fund and its shareholders. In arriving at its decision to approve the Agreements, the Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making this determination.

Additional Information

Regulation Regarding Derivatives

On October 28, 2020, the Securities and Exchange Commission (the "SEC") adopted regulations governing the use of derivatives by registered investment companies ("Rule 18f-4"). The Funds will be required to implement and comply with Rule 18f-4 by August 19, 2022. Once implemented, Rule 18f-4 will impose limits on the amount of derivatives a fund can enter into, eliminate the asset segregation framework currently used by funds to comply with Section 18 of the 1940 Act, treat derivatives as senior securities and require funds whose use of derivatives is more than a limited specified exposure amount to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

General Information

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

Householding

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

Availability of Quarterly Schedule of Investments

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

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

Availability of Proxy Voting Policies, Procedures and Voting Records

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

BlackRock's Mutual Fund Family

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

Shareholder Privileges

Account Information

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

Automatic Investment Plans

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

Systematic Withdrawal Plans

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

Retirement Plans

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

BlackRock Privacy Principles

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

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

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

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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BlackRock Asset Management
North Asia Limited [(b)]
Hong Kong

BlackRock (Singapore) Limited [(c)]
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Transfer Agent
BNY Mellon Investment Servicing (US) Inc.
Wilmington, DE 19809

Custodians
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Boston, MA 02109

Independent Registered Public Accounting Firm
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Boston, MA 02116

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New York, NY 10019

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New York, NY 10019

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

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

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

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

[(e)] For BlackRock Global Allocation V.I. Fund, BlackRock International V.I. Fund and BlackRock Large Cap Focus Growth V.I. Fund.

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

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

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VS-6/22-SAR

BlackRock.