



PORTFOLIO UPDATE

# Blue Chip Growth Portfolio

As of December 31, 2021



**Portfolio Manager:**  
Paul Greene

**Managed Portfolio Since:**  
2021

**Joined Firm:**  
2006

Effective 1 October 2021, Paul Greene assumed sole portfolio management responsibility for the Portfolio.

## INVESTMENT OBJECTIVE

The fund seeks to provide long-term capital growth. Income is a secondary objective.

## PORTFOLIO INFORMATION

|   |                              |
|---|------------------------------|
| Symbol  | N/A                          |
| CUSIP   | 77954T506                    |
| Inception Date of Portfolio                             | December 29, 2000            |
| Benchmark   | S&P 500 Index                |
| Expense Information (as of the most recent Prospectus)* | 0.85% (Gross)<br>0.75% (Net) |
| Fiscal Year End   | December 31                  |
| 12B-1 Fee   | -                            |

\* The Portfolio operates under a contractual expense limitation that expires on April 30, 2022.

## PERFORMANCE

(NAV, total return)

|   | One Month | Three Months | One Year | Annualized  |            |           |               |
|---|-----------|--------------|----------|-------------|------------|-----------|---------------|
|   |           |              |          | Three Years | Five Years | Ten Years | Fifteen Years |
| Blue Chip Growth Portfolio  | -0.12%    | 4.11%        | 17.62%   | 27.06%      | 23.28%     | 19.23%    | 13.08%        |
| Lipper Variable Annuity Underlying Large-Cap Growth Funds Average | 0.64      | 6.95         | 20.76    | 30.77       | 23.71      | 18.79     | 12.77         |
| S&P 500 Index   | 4.48      | 11.03        | 28.71    | 26.07       | 18.47      | 16.55     | 10.66         |
| Russell 1000 Growth Index   | 2.11      | 11.64        | 27.60    | 34.08       | 25.32      | 19.79     | 13.72         |

**Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit [troweprice.com](http://troweprice.com). Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit [troweprice.com](http://troweprice.com). Read it carefully. The Portfolio's total return figures reflect the reinvestment of dividends and capital gains, if any. Figures shown do not reflect fees at the insurance product or contract level; if these fees were included, returns would be lower.**

The Portfolio is subject to the volatility inherent in common stock investing, and its share price may fluctuate more than a Portfolio investing in income-oriented stocks. For Sourcing Information, please see Additional Disclosures.

## MARKET COMMENTARY

Major U.S. stock indexes rose in December, and some indexes reached new highs in the final days of the year. As measured by various Russell indexes, mid-cap shares generally held up better than their larger and smaller peers. Russell indexes also indicated that value stocks outperformed growth stocks across all market capitalizations. Within the S&P 500 Index, most sectors posted gains. Consumer staples, real estate, utilities, and health care outperformed while consumer discretionary underperformed with slight losses. Communication services and energy stocks also lagged, albeit with modest gains.

Shares were volatile amid uncertainty about the omicron variant of the coronavirus that was discovered in November and concern over rising interest rates. While initial data suggested that those infected by omicron experienced symptoms that were milder than those of other variants, investors were concerned as various countries implemented social restrictions that could weigh on their economies while attempting to slow the rapid spread of omicron. Investors were also cautious because of the Federal Reserve's mid-month decision to accelerate the tapering of its monthly asset purchases starting in January—a possible prelude to increases in short-term interest rates, which could commence at some point in 2022. The general tone of economic data arguably improved over the month and may have contributed to the equity market's gains.

After back-to-back years of strong performance across most equity sectors, global markets face more uncertain prospects in 2022. Higher inflation, a shift toward monetary tightening, and new coronavirus variants all pose potential challenges for economic growth and earnings. Many believe that as governments and central banks withdraw the massive stimulus applied during the pandemic, economic growth inevitably will slow sharply. But slower growth doesn't necessarily mean low growth. A number of tailwinds should sustain the recovery in 2022, including strong consumer and corporate balance sheets.

**RISK RETURN CHARACTERISTICS**

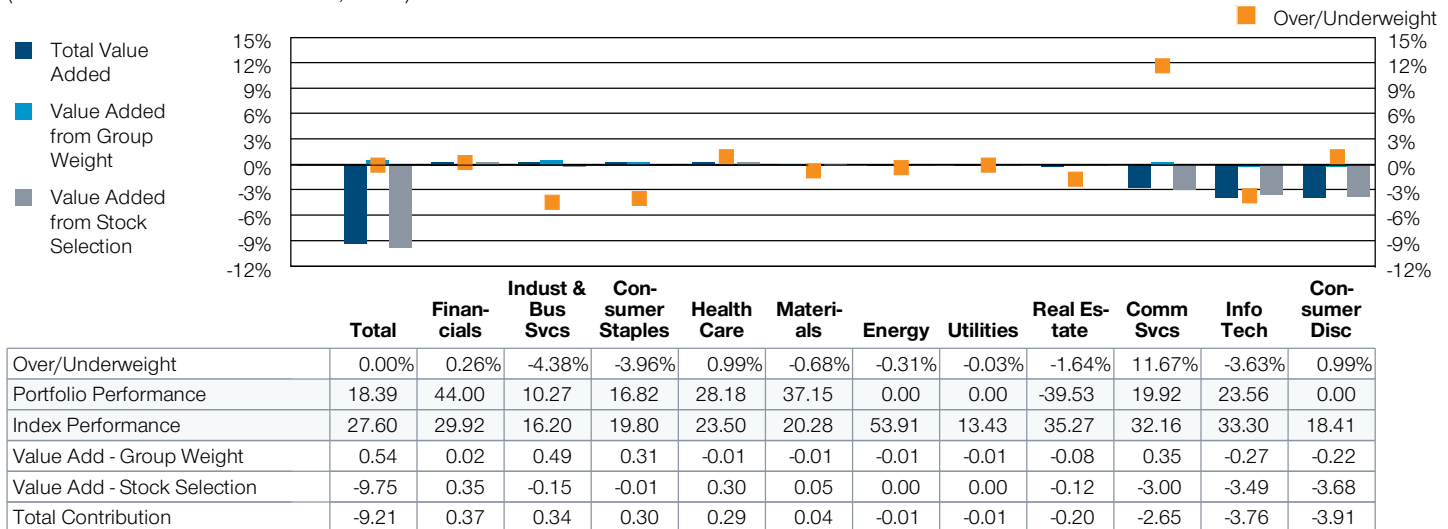
(Five Years ended December 31, 2021)

|                            | Active Share*<br>(as of<br>12/31/21) | Annualized<br>Std.<br>Deviation | Alpha | Beta | R-Squared | Information<br>Ratio | Sharpe<br>Ratio | Tracking<br>Error |
|----------------------------|--------------------------------------|---------------------------------|-------|------|-----------|----------------------|-----------------|-------------------|
| Blue Chip Growth Portfolio | 59.3%                                | 16.42%                          | 4.52% | 0.99 | 0.84      | 0.73                 | 1.34            | 6.61%             |
| S&P 500 Index              | -                                    | 15.26                           | 0.00  | 1.00 | 1.00      | 0.00                 | 1.13            | 0.00              |
| Blue Chip Growth Portfolio | -                                    | 16.42                           | -0.92 | 0.97 | 0.94      | -0.49                | 1.34            | 4.19              |
| Russell 1000 Growth Index  | -                                    | 16.43                           | 0.00  | 1.00 | 1.00      | 0.00                 | 1.46            | 0.00              |

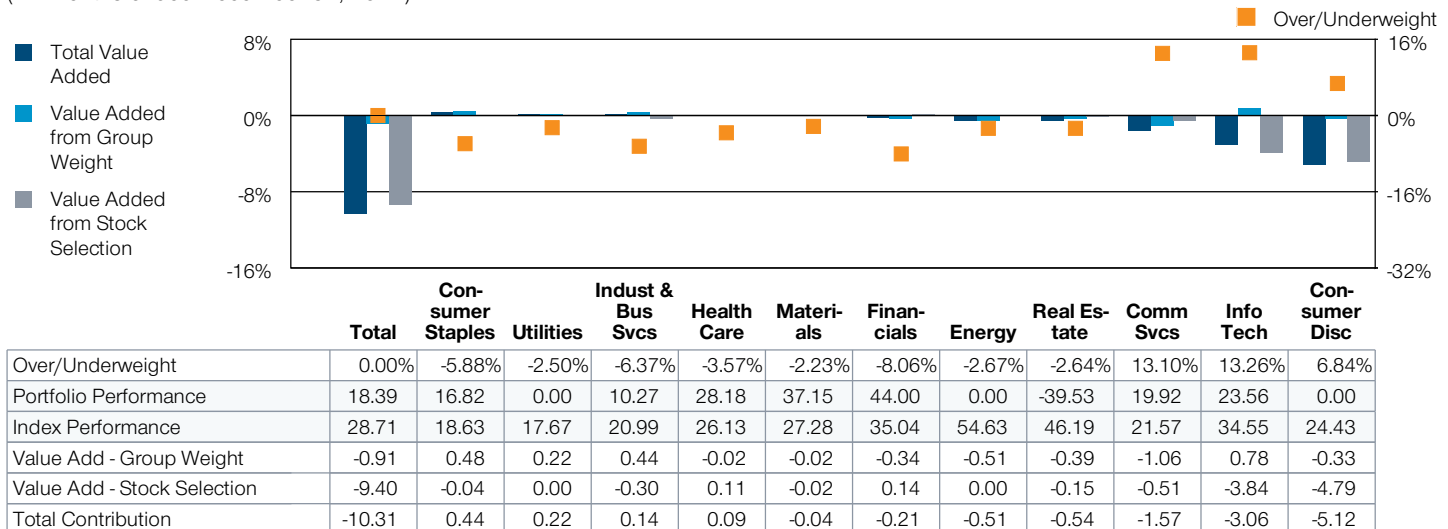
\* Active Share is a snapshot in time as of the indicated date.

**Past performance is not a reliable indicator of future performance.** Figures are calculated using monthly data and are net of fees.**SECTOR ATTRIBUTION DATA VS. RUSSELL 1000 GROWTH INDEX**

(12 months ended December 31, 2021)

**SECTOR ATTRIBUTION DATA VS. S&P 500 INDEX**

(12 months ended December 31, 2021)



**Past performance is not a reliable indicator of future performance.** All numbers are percentages. Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets. Non-equity positions are excluded from structure shown. Returns will not match official T. Rowe Price performance because FactSet uses different exchange rate sources and does not capture intra-day trading. Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown with gross dividends reinvested. Sources: Financial data and analytics provider FactSet. Copyright 2022 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all updates to GICS for prospective reporting. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD. For Sourcing Information, please see Additional Disclosures.

**TOP 10 ISSUERS**

Comprising 57.3% of total net assets.

|                | <b>Industry</b>                            | <b>% of Portfolio</b> |
|----------------|--|-----------------------|
| Microsoft      | Software                                   | 11.1%                 |
| Alphabet       | Interactive Media & Services               | 10.2                  |
| Amazon.com     | Internet & Direct Marketing Retail         | 9.8                   |
| Apple          | Technology Hardware, Storage & Peripherals | 7.7                   |
| Meta Platforms | Interactive Media & Services               | 6.6                   |
| NVIDIA         | Semicons & Semicon Equip                   | 3.3                   |
| Visa           | IT Services                                | 2.3                   |
| ServiceNow     | Software                                   | 2.3                   |
| Tesla          | Automobiles                                | 2.1                   |
| Intuit         | Software                                   | 2.0                   |

Issuers are as of the date indicated and are subject to change.

**PORTFOLIO CHARACTERISTICS**

|  | <b>Blue Chip Growth Portfolio</b> | <b>S&amp;P 500 Index</b> | <b>Russell 1000 Growth Index</b> |
|--|-----------------------------------|--------------------------|----------------------------------|
| Number of Issuers                                | 93                                | 500                      | 499                              |
| Investment Weighted Median Market Cap (mm)       | \$735,275                         | \$221,568                | \$274,730                        |
| Price to Earnings (12 Months Forward)*° †        | 36.0X                             | 26.7X                    | 34.2X                            |
| Price to Book°                                   | 16.6X                             | 8.1X                     | 16.6X                            |
| Projected Earnings Growth Rate (3 - 5 Years)*° † | 21.0%                             | 15.7%                    | 16.5%                            |
| Return on Equity (Last 12 Months excl. charges)° | 30.8%                             | 29.0%                    | 39.8%                            |
| Top 20 Issuers as Percent of Total               | 72.1%                             | 39.0%                    | 58.9%                            |
| Total Assets (all share classes)                 | 2,556,055,458                     | -                        | -                                |
| Percent of Portfolio in Cash                     | 0.6%                              | -                        | -                                |

°Investment Weighted Median.

\*I/B/E/S © 2022 Refinitiv. All rights reserved.

†Based on the VIP's underlying holdings and is not a projection of future portfolio performance.

**SECTOR DIVERSIFICATION**

|                            | <b>Info Tech</b> | <b>Comm Svcs</b> | <b>Cons Disc</b> | <b>Health Care</b> | <b>Financials</b> | <b>Indust &amp; Bus Svcs</b> |             | <b>Materials</b> | <b>Real Estate</b> | <b>Utilities</b> | <b>Energy</b> | <b>Cons Stpls</b> |
|----------------------------|------------------|------------------|------------------|--------------------|-------------------|------------------------------|-------------|------------------|--------------------|------------------|---------------|-------------------|
| Blue Chip Growth Portfolio | 42.6%            | 23.3%            | 19.4%            | 9.7%               | 2.6%              | 1.4%                         | 0.3%        | 0.1%             | 0.0%               | 0.0%             | 0.0%          | 0.0%              |
| Russell 1000 Growth Index  | 46.1             | 11.6             | 18.4             | 8.7                | 2.4               | 5.8                          | 1.0         | 1.8              | 0.0                | 0.3              | 4.0           |                   |
| <b>Over/Underweight</b>    | <b>-3.5</b>      | <b>11.7</b>      | <b>1.0</b>       | <b>1.0</b>         | <b>0.3</b>        | <b>-4.4</b>                  | <b>-0.7</b> | <b>-1.6</b>      | <b>0.0</b>         | <b>-0.3</b>      | <b>-4.0</b>   |                   |
| S&P 500 Index              | 29.2             | 10.2             | 12.5             | 13.3               | 10.7              | 7.8                          | 2.6         | 2.8              | 2.5                | 2.7              | 5.9           |                   |
| <b>Over/Underweight</b>    | <b>13.4</b>      | <b>13.1</b>      | <b>6.8</b>       | <b>-3.6</b>        | <b>-8.1</b>       | <b>-6.4</b>                  | <b>-2.2</b> | <b>-2.6</b>      | <b>-2.5</b>        | <b>-2.7</b>      | <b>-5.9</b>   |                   |

For Sourcing Information, please see Additional Disclosures.

## Definitions

Active Share is a holdings based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

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Unless otherwise noted, index returns are shown with gross dividends reinvested.

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Unless indicated otherwise the source of all data is T. Rowe Price.

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2016-US-20768 202201-1967541