T.RowePrice®

SEMIANNUAL REPORT

June 30, 2023

T. ROWE PRICE

Limited-Term Bond Portfolio

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INVEST WITH CONFIDENCE®

Dear Investor

Most major global stock and bond indexes produced positive returns during the first half of your fund's fiscal year, the six-month period ended June 30, 2023. Despite turmoil in the banking sector and a protracted debt ceiling standoff, markets were resilient as growth remained positive in the major economies and corporate earnings results came in stronger than expected.

For the six-month period, the technology-oriented Nasdaq Composite Index gained more than 30%, the strongest result of the major benchmarks, as tech companies benefited from investor enthusiasm for artificial intelligence applications. Growth stocks outperformed value shares, and developed market stocks generally outpaced their emerging market counterparts. Currency movements were mixed over the period, although a weaker dollar versus major European currencies was beneficial for U.S. investors in European securities.

Within the S&P 500 Index, the information technology, communication services, and consumer discretionary sectors were all lifted by the tech rally and recorded significant gains. Conversely, the defensive utilities sector had the weakest returns in the growth-focused environment, and the energy sector also lost ground amid declining oil prices. The financials sector partly recovered from the failure of three large regional banks during the period but still finished with modest losses.

Cheaper oil contributed to slowing inflation, although core inflation readings—which exclude volatile food and energy prices—remained stubbornly high. In response, the Federal Reserve raised its short-term lending benchmark rate to a target range of 5.00% to 5.25% by early May, the highest level since 2007. The Fed held rates steady at its June meeting, but policymakers indicated that two more rate hikes could come by the end of the year.

In the fixed income market, returns were generally positive across most sectors as investors benefited from the higher interest rates that have become available over the past year. Investment-grade corporate bonds were supported by generally solid balance sheets and were among the strongest performers.

Global economies and markets showed surprising resilience in recent months, but, moving into the second half of 2023, we believe investors could face potential challenges. The impact of the Fed's rate hikes has yet to be fully felt in the economy, and while the regional banking turmoil appears to have been contained by the swift actions of regulators, it could weigh on credit conditions. Moreover, market consensus still seems to point to a coming recession, although hopes have emerged that such a downturn could be more modest.

We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

You may notice that this report no longer contains the commentary on your fund's performance and positioning that we previously included in the semiannual shareholder letters. The Securities and Exchange Commission (SEC) adopted new rules in January that will require fund reports to transition to a new format known as a Tailored Shareholder Report. This change will require a much more concise summary of performance rather than the level of detail we have provided historically while also aiming to be more visually engaging. As we prepare to make changes to the annual reports to meet the new report regulatory requirements by mid-2024, we felt the time was right to discontinue the optional six-month semiannual fund letter to focus on the changes to come.

While semiannual fund letters will no longer be produced, you may continue to access current fund information as well as insights and perspectives from our investment team on our personal investing website.

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

Sincerely,

Robert Sharps

CEO and President

CREDIT QUALITY DIVERSIFICATION

	Percent of Net Assets	
	12/31/22	6/30/23
Quality Rating		
U.S. Government Agency Securities*	3%	5%
U.S. Treasury**	19	21
AAA	14	12
AA	10	11
A	25	24
BBB	27	26
BB and Below	1	–
Reserves	1	1
Total	**100%**	**100%**

Sources: Credit ratings for the securities held in the fund are provided by Moody's, Standard & Poor's, and Fitch and are converted to the Standard & Poor's nomenclature. A rating of AAA represents the highest-rated securities, and a rating of D represents the lowest-rated securities. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps. The fund is not rated by any agency. Securities that have not been rated by any rating agency totaled 0.09% of the portfolio at the end of the reporting period.

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

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

FUND EXPENSE EXAMPLE

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

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

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

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

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

LIMITED-TERM BOND PORTFOLIO

	Beginning Account Value 1/1/23	Ending Account Value 6/30/23	Expenses Paid During Period* 1/1/23 to 6/30/23
Limited-Term Bond Portfolio			
Actual	$1,000.00	$1,013.00	$2.50
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.32	2.51
Limited-Term Bond Portfolio–II			
Actual	1,000.00	1,011.70	3.74
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.08	3.76

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

(Unaudited)

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Limited-Term Bond Portfolio Class

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
NET ASSET VALUE						
Beginning of period	$ 4.59	$ 4.91	$ 5.00	$ 4.87	$ 4.78	$ 4.82
Investment activities						
Net investment income[1][2]	0.07	0.09	0.07	0.10	0.11	0.09
Net realized and unrealized gain/ loss	(0.01)	(0.31)	(0.06)	0.13	0.10	(0.03)
Total from investment activities	0.06	(0.22)	0.01	0.23	0.21	0.06
Distributions						
Net investment income	(0.07)	(0.09)	(0.07)	(0.10)	(0.12)	(0.10)
Net realized gain	–	(0.01)	(0.03)	–	–	–
Total distributions	(0.07)	(0.10)	(0.10)	(0.10)	(0.12)	(0.10)
NET ASSET VALUE						
End of period	**$ 4.58**	**$ 4.59**	**$ 4.91**	**$ 5.00**	**$ 4.87**	**$ 4.78**

Ratios/Supplemental Data

Total return[2][3]	**1.30%**	**(4.52)%**	**0.13%**	**4.71%**	**4.35%**	**1.18%**
Ratios to average net assets:[2]						
Gross expenses before waivers/ payments by Price Associates[4]	0.70%[5]	0.70%	0.70%	0.70%	0.70%	0.60%
Net expenses after waivers/ payments by Price Associates	0.50%[5]	0.50%	0.50%	0.50%	0.50%	0.60%
Net investment income	3.04%[5]	1.93%	1.31%	2.04%	2.37%	1.93%
Portfolio turnover rate	29.5%	86.3%	64.3%	70.4%	61.1%	52.6%
Net assets, end of period (in thousands)	$ 160,348	$ 161,043	$ 171,166	$ 139,173	$ 455,521	$ 434,175

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

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

(Unaudited)

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Limited-Term Bond Portfolio-II Class

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
NET ASSET VALUE						
Beginning of period	$ 4.57	$ 4.89	$ 4.98	$ 4.85	$ 4.76	$ 4.80
Investment activities						
Net investment income[1][2]	0.06	0.08	0.05	0.08	0.10	0.08
Net realized and unrealized gain/loss	(0.01)	(0.31)	(0.06)	0.13	0.09	(0.04)
Total from investment activities	0.05	(0.23)	(0.01)	0.21	0.19	0.04
Distributions						
Net investment income	(0.06)	(0.08)	(0.05)	(0.08)	(0.10)	(0.08)
Net realized gain	–	(0.01)	(0.03)	–	–	–
Total distributions	(0.06)	(0.09)	(0.08)	(0.08)	(0.10)	(0.08)
NET ASSET VALUE						
End of period	**$ 4.56**	**$ 4.57**	**$ 4.89**	**$ 4.98**	**$ 4.85**	**$ 4.76**
Ratios/Supplemental Data						
Total return[2][3]	**1.17%**	**(4.78)%**	**(0.13)%**	**4.46%**	**4.10%**	**0.93%**
Ratios to average net assets:[2]						
Gross expenses before waivers/payments by Price Associates[4]	0.95%[5]	0.95%	0.95%	0.95%	0.95%	0.84%
Net expenses after waivers/payments by Price Associates	0.75%[5]	0.75%	0.75%	0.75%	0.75%	0.84%
Net investment income	2.78%[5]	1.69%	1.06%	1.68%	2.11%	1.72%
Portfolio turnover rate	29.5%	86.3%	64.3%	70.4%	61.1%	52.6%
Net assets, end of period (in thousands)	$ 16,526	$ 17,217	$ 18,786	$ 15,503	$ 16,613	$ 15,247

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

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

PORTFOLIO OF INVESTMENTS‡

(Amounts in 000s)

	Par/Shares	$ Value
ASSET-BACKED SECURITIES 13.0%		
Car Loan 7.1%		
AmeriCredit Automobile Receivables Trust Series 2020-1, Class C 1.59%, 10/20/25	395	388
AmeriCredit Automobile Receivables Trust Series 2020-1, Class D 1.80%, 12/18/25	415	397
AmeriCredit Automobile Receivables Trust Series 2020-2, Class B 0.97%, 2/18/26	52	52
AmeriCredit Automobile Receivables Trust Series 2020-3, Class C 1.06%, 8/18/26	115	108
AmeriCredit Automobile Receivables Trust Series 2021-1, Class C 0.89%, 10/19/26	190	176
AmeriCredit Automobile Receivables Trust Series 2021-1, Class D 1.21%, 12/18/26	115	105
AmeriCredit Automobile Receivables Trust Series 2021-2, Class D 1.29%, 6/18/27	235	211
AmeriCredit Automobile Receivables Trust Series 2022-1, Class D 3.23%, 2/18/28	420	385
Ari Fleet Lease Trust Series 2020-A, Class B 2.06%, 11/15/28 (1)	475	471
Avis Budget Rental Car Funding AESOP Series 2018-1A, Class D 5.25%, 9/20/24 (1)	158	157
Avis Budget Rental Car Funding AESOP Series 2018-2A, Class C 4.95%, 3/20/25 (1)	260	257
Avis Budget Rental Car Funding AESOP Series 2019-2A, Class A 3.35%, 9/22/25 (1)	475	461
Avis Budget Rental Car Funding AESOP Series 2019-2A, Class B 3.55%, 9/22/25 (1)	415	401
Avis Budget Rental Car Funding AESOP Series 2020-1A, Class A 2.33%, 8/20/26 (1)	340	316
Carmax Auto Owner Trust Series 2023-2, Class C 5.57%, 11/15/28	265	261
Carmax Auto Owner Trust Series 2023-2, Class D 6.55%, 10/15/29	175	173
CarMax Auto Owner Trust Series 2020-4, Class D 1.75%, 4/15/27	145	135
Carvana Auto Receivables Trust Series 2021-P4, Class B 1.98%, 2/10/28	190	164
Carvana Auto Receivables Trust Series 2022-N1, Class C 3.32%, 12/11/28 (1)	133	128
Enterprise Fleet Financing Series 2023-2, Class A2 5.56%, 4/22/30 (1)	360	358
Exeter Automobile Receivables Trust Series 2021-3A, Class D 1.55%, 6/15/27	155	142
Exeter Automobile Receivables Trust Series 2022-2A, Class C 3.85%, 7/17/28	305	294
Exeter Automobile Receivables Trust Series 2022-4A, Class D 5.98%, 12/15/28	140	137
Exeter Automobile Receivables Trust Series 2022-5A, Class C 6.51%, 12/15/27	450	449
Ford Credit Auto Lease Trust Series 2022-A, Class C 4.18%, 10/15/25	465	451
Ford Credit Auto Lease Trust Series 2023-A, Class C 5.54%, 12/15/26	100	98
Ford Credit Auto Owner Trust Series 2020-2, Class C 1.74%, 4/15/33 (1)	145	131
Ford Credit Auto Owner Trust Series 2023-A, Class B 5.07%, 1/15/29	410	403
Ford Credit Floorplan Master Owner Trust Series 2020-1, Class C 1.42%, 9/15/25	220	215
Ford Credit Floorplan Master Owner Trust Series 2023-1, Class C 5.75%, 5/15/28 (1)	115	113
Ford Credit Floorplan Master Owner Trust Series 2023-1, Class D 6.62%, 5/15/28 (1)	135	133
GM Financial Automobile Leasing Trust Series 2022-3, Class C 5.13%, 8/20/26	615	603
GM Financial Automobile Leasing Trust Series 2023-1, Class C 5.76%, 1/20/27	270	267
GM Financial Consumer Automobile Receivables Trust Series 2020-2, Class A3 1.49%, 12/16/24	18	18
GM Financial Consumer Automobile Receivables Trust Series 2020-4, Class C 1.05%, 5/18/26	105	99
GM Financial Consumer Automobile Receivables Trust Series 2023-1, Class B 5.03%, 9/18/28	40	39
Hyundai Auto Receivables Trust Series 2020-B, Class C 1.60%, 12/15/26	175	167
JPMorgan Chase Bank Series 2021-2, Class D 1.138%, 12/26/28 (1)	69	67

	Par/Shares	$ Value
(Amounts in 000s)		
Nissan Auto Receivables Owner Trust Series 2020-A, Class A3 1.38%, 12/16/24	36	36
Santander Bank Series 2021-1A, Class B 1.833%, 12/15/31 (1)	89	87
Santander Bank Auto Credit-Linked Notes Series 2022-B, Class C 5.916%, 8/16/32 (1)	148	147
Santander Consumer Auto Receivables Trust Series 2020-BA, Class C 1.29%, 4/15/26 (1)	115	112
Santander Drive Auto Receivables Trust Series 2020-4, Class C 1.01%, 1/15/26	27	27
Santander Drive Auto Receivables Trust Series 2021-4, Class D 1.67%, 10/15/27	255	235
Santander Drive Auto Receivables Trust Series 2022-1, Class C 2.56%, 4/17/28	415	396
Santander Drive Auto Receivables Trust Series 2022-2, Class C 3.76%, 7/16/29	365	347
Santander Drive Auto Receivables Trust Series 2022-5, Class C 4.74%, 10/16/28	330	320
Santander Retail Auto Lease Trust Series 2021-A, Class C 1.14%, 3/20/26 (1)	430	415
Santander Retail Auto Lease Trust Series 2021-B, Class D 1.41%, 11/20/25 (1)	185	177
Santander Retail Auto Lease Trust Series 2021-C, Class C 1.11%, 3/20/26 (1)	155	148
Santander Retail Auto Lease Trust Series 2022-B, Class B 3.85%, 3/22/27 (1)	75	72
World Omni Auto Receivables Trust Series 2019-C, Class C 2.40%, 6/15/26	460	455
World Omni Auto Receivables Trust Series 2020-A, Class C 1.64%, 8/17/26	295	286
World Omni Auto Receivables Trust Series 2022-A, Class C 2.55%, 9/15/28	155	142
World Omni Select Auto Trust Series 2020-A, Class B 0.84%, 6/15/26	128	126
World Omni Select Auto Trust Series 2020-A, Class C 1.25%, 10/15/26	160	152
		12,610
Other Asset-Backed Securities 5.3%		
Blackbird Capital Aircraft Lease Securitization Series 2016-1A, Class AA, STEP 2.487%, 12/16/41 (1)	70	67
BRE Grand Islander Timeshare Issuer Series 2019-A, Class A 3.28%, 9/26/33 (1)	92	86
Cedar Funding XIV Series 2021-14A, Class A, CLO, FRN 3M USD LIBOR + 1.10%, 6.36%, 7/15/33 (1)	290	286
CIFC Funding Series 2021-4A, Class A, CLO, FRN 3M USD LIBOR + 1.05%, 6.31%, 7/15/33 (1)	250	248
Dryden Series 2020-86A, Class A1R, CLO, FRN 3M USD LIBOR + 1.10%, 6.36%, 7/17/34 (1)	250	245
Elara HGV Timeshare Issuer Series 2016-A, Class A 2.73%, 4/25/28 (1)	128	127
Elara HGV Timeshare Issuer Series 2017-A, Class A 2.69%, 3/25/30 (1)	43	42
Elara HGV Timeshare Issuer Series 2019-A, Class A 2.61%, 1/25/34 (1)	221	205
FirstKey Homes Trust Series 2020-SFR1, Class D 2.241%, 8/17/37 (1)	500	453
Hardee's Funding Series 2018-1A, Class A2II 4.959%, 6/20/48 (1)	200	186
Hilton Grand Vacations Trust Series 2017-AA, Class A 2.66%, 12/26/28 (1)	31	31
Hilton Grand Vacations Trust Series 2017-AA, Class B 2.96%, 12/26/28 (1)	11	11
HPEFS Equipment Trust Series 2023-1A, Class C 5.91%, 4/20/28 (1)	100	98
KKR Series 29A, Class A, CLO, FRN 3M USD LIBOR + 1.20%, 6.46%, 1/15/32 (1)	250	248
Madison Park Funding XXIII Series 2017-23A, Class AR, CLO, FRN 3M USD LIBOR + 0.97%, 6.262%, 7/27/31 (1)	280	277
Madison Park Funding XXXIII Series 2019-33A, Class AR, CLO, FRN 3M TSFR + 1.29%, 6.276%, 10/15/32 (1)	485	477
Madison Park Funding XXXV Series 2019-35A, Class A1R, CLO, FRN 3M USD LIBOR + 0.99%, 6.24%, 4/20/32 (1)	455	448
Madison Park Funding XXXVII Series 2019-37A, Class AR, CLO, FRN 3M USD LIBOR + 1.07%, 6.33%, 7/15/33 (1)	465	460

	Par/Shares	$ Value
(Amounts in 000s)		
Magnetite XXV Series 2020-25A, Class A, CLO, FRN 3M USD LIBOR + 1.20%, 6.455%, 1/25/32 (1)	500	496
MMAF Equipment Finance Series 2022-B, Class A3 5.61%, 7/10/28 (1)	155	155
MVW Series 2020-1A, Class B 2.73%, 10/20/37 (1)	93	87
MVW Series 2023-1A, Class A 4.93%, 10/20/40 (1)	319	312
MVW Owner Trust Series 2017-1A, Class B 2.75%, 12/20/34 (1)	10	10
MVW Owner Trust Series 2017-1A, Class C 2.99%, 12/20/34 (1)	17	17
Neuberger Berman Loan Advisers Series 2017-26A, Class BR, CLO, FRN 3M USD LIBOR + 1.40%, 6.662%, 10/18/30 (1)	255	246
Neuberger Berman Loan Advisers Series 2019-32A, Class AR, CLO, FRN 3M USD LIBOR + 0.99%, 6.255%, 1/20/32 (1)	400	394
Neuberger Berman XVII Series 2014-17A, Class AR2, CLO, FRN 3M USD LIBOR + 1.03%, 6.303%, 4/22/29 (1)	438	435
OCP Series 2017-13A, Class A1AR, CLO, FRN 3M USD LIBOR + 0.96%, 6.22%, 7/15/30 (1)	250	247
OCP Series 2017-13A, Class A2R, CLO, FRN 3M USD LIBOR + 1.55%, 6.81%, 7/15/30 (1)	315	307
Octane Receivables Trust Series 2021-2A, Class A 1.21%, 9/20/28 (1)	70	68
Octane Receivables Trust Series 2022-1A, Class B 4.90%, 5/22/28 (1)	180	175
Octane Receivables Trust Series 2022-2A, Class A 5.11%, 2/22/28 (1)	210	207
Octane Receivables Trust Series 2023-1A, Class A 5.87%, 5/21/29 (1)	84	83
Palmer Square Series 2020-3A, Class A1AR, CLO, FRN 3M USD LIBOR + 1.08%, 6.401%, 11/15/31 (1)	480	476
Progress Residential Trust Series 2020-SFR2, Class A 2.078%, 6/17/37 (1)	395	366
Progress Residential Trust Series 2022-SFR6, Class A 4.451%, 7/20/39 (1)	230	218

	Par/Shares	$ Value
(Amounts in 000s)		
Sierra Timeshare Receivables Funding Series 2019-1A, Class A 3.20%, 1/20/36 (1)	53	51
Symphony Static I Series 2021-1A, Class B, CLO, FRN 3M USD LIBOR + 1.45%, 6.705%, 10/25/29 (1)	350	340
Symphony XXIII Series 2020-23A, Class AR, CLO, FRN 3M USD LIBOR + 1.02%, 6.28%, 1/15/34 (1)	450	443
Symphony XXVI Series 2021-26A, Class AR, CLO, FRN 3M USD LIBOR + 1.08%, 6.33%, 4/20/33 (1)	250	245
		9,373
Student Loan 0.6%		
Navient Private Education Refi Loan Trust Series 2019-D, Class A2A 3.01%, 12/15/59 (1)	88	81
Navient Private Education Refi Loan Trust Series 2019-GA, Class A 2.40%, 10/15/68 (1)	65	60
Navient Private Education Refi Loan Trust Series 2020-DA, Class A 1.69%, 5/15/69 (1)	44	39
Navient Private Education Refi Loan Trust Series 2020-FA, Class A 1.22%, 7/15/69 (1)	120	107
Navient Private Education Refi Loan Trust Series 2020-GA, Class A 1.17%, 9/16/69 (1)	56	49
Nelnet Student Loan Trust Series 2005-4, Class A4, FRN SOFR90A + 0.442%, 5.408%, 3/22/32	261	252
Nelnet Student Loan Trust Series 2020-1A, Class A, FRN 1M USD LIBOR + 0.74%, 5.89%, 3/26/68 (1)	134	131
Nelnet Student Loan Trust Series 2021-CA, Class AFX 1.32%, 4/20/62 (1)	269	239
SMB Private Education Loan Trust Series 2020-PTB, Class A2A 1.60%, 9/15/54 (1)	102	90
		1,048
Total Asset-Backed Securities (Cost $23,775)		**23,031**
CORPORATE BONDS 46.7%		
FINANCIAL INSTITUTIONS 19.4%		
Banking 12.3%		
American Express, 2.25%, 3/4/25	445	421
Banco Bilbao Vizcaya Argentaria, 0.875%, 9/18/23	400	396
Banco Santander, 3.496%, 3/24/25	200	192
Banco Santander, VR, 5.77%, 6/30/24 (2)	400	397
Bank of America, VR, 0.81%, 10/24/24 (2)	135	133
Bank of America, VR, 0.976%, 4/22/25 (2)	255	244

	Par/Shares	$ Value
(Amounts in 000s)		
Bank of America, VR, 1.734%, 7/22/27 (2)	190	170
Bank of America, VR, 1.843%, 2/4/25 (2)	215	209
Bank of America, VR, 3.384%, 4/2/26 (2)	265	254
Bank of America, VR, 3.841%, 4/25/25 (2)	190	186
Bank of America, VR, 5.08%, 1/20/27 (2)	200	197
Bank of Ireland Group, 4.50%, 11/25/23 (1)	870	861
Bank of Montreal, 3.70%, 6/7/25	350	337
Bank of Montreal, 5.30%, 6/5/26	220	219
Bank of Montreal, Series H, 4.25%, 9/14/24	390	383
Bank of New York Mellon, VR, 4.414%, 7/24/26 (2)	225	219
Bank of New York Mellon, VR, 4.947%, 4/26/27 (2)	255	252
Bank of New York Mellon, VR, 5.148%, 5/22/26 (2)	250	250
Banque Federative du Credit Mutuel, 0.65%, 2/27/24 (1)	235	227
Banque Federative du Credit Mutuel, 0.998%, 2/4/25 (1)	280	259
Banque Federative du Credit Mutuel, 4.935%, 1/26/26 (1)	200	196
Barclays, VR, 1.007%, 12/10/24 (2)	245	239
Barclays, VR, 5.304%, 8/9/26 (2)	200	195
Barclays, VR, 7.325%, 11/2/26 (2)	205	209
BPCE, 5.70%, 10/22/23 (1)	1,010	1,003
CaixaBank, VR, 6.208%, 1/18/29 (1)(2)	270	268
Capital One Financial, 3.90%, 1/29/24	145	142
Capital One Financial, 4.25%, 4/30/25	60	58
Capital One Financial, VR, 2.636%, 3/3/26 (2)	265	247
Capital One Financial, VR, 4.985%, 7/24/26 (2)	205	198
Capital One Financial, VR, 6.312%, 6/8/29 (2)	120	119
Citigroup, VR, 0.981%, 5/1/25 (2)	200	191
Citigroup, VR, 3.106%, 4/8/26 (2)	240	229
Citigroup, VR, 4.14%, 5/24/25 (2)	255	250
Credicorp, 2.75%, 6/17/25 (1)	200	189
Danske Bank, 5.375%, 1/12/24 (1)	350	348
Danske Bank, VR, 3.773%, 3/28/25 (1)(2)	200	196
Discover Bank, 4.20%, 8/8/23	250	249
Fifth Third Bank, 2.25%, 2/1/27	250	219
Fifth Third Bank, VR, 5.852%, 10/27/25 (2)	335	327
Goldman Sachs Group, 3.50%, 4/1/25	250	240
Goldman Sachs Group, VR, 0.925%, 10/21/24 (2)	325	319
Goldman Sachs Group, VR, 1.757%, 1/24/25 (2)	265	258
Goldman Sachs Group, VR, 4.482%, 8/23/28 (2)	210	203
HDFC Bank, 5.686%, 3/2/26	250	250
HSBC Holdings, 4.25%, 3/14/24	200	197
HSBC Holdings, VR, 1.162%, 11/22/24 (2)	200	196
HSBC Holdings, VR, 2.099%, 6/4/26 (2)	375	347
JPMorgan Chase, FRN, SOFR + 0.885%, 5.934%, 4/22/27	75	75
JPMorgan Chase, VR, 0.824%, 6/1/25 (2)	225	214
JPMorgan Chase, VR, 2.083%, 4/22/26 (2)	460	430
JPMorgan Chase, VR, 4.08%, 4/26/26 (2)	440	428

	Par/Shares	$ Value
(Amounts in 000s)		
Mitsubishi UFJ Financial Group, VR, 0.953%, 7/19/25 (2)	400	377
Morgan Stanley, FRN, SOFR + 0.455%, 5.519%, 1/25/24	125	125
Morgan Stanley, FRN, SOFR + 0.466%, 5.555%, 11/10/23	295	295
Morgan Stanley, VR, 1.164%, 10/21/25 (2)	195	182
Morgan Stanley, VR, 2.63%, 2/18/26 (2)	250	237
Morgan Stanley, VR, 3.62%, 4/17/25 (2)	220	215
Morgan Stanley, VR, 5.05%, 1/28/27 (2)	105	104
Morgan Stanley, VR, 6.138%, 10/16/26 (2)	250	252
Morgan Stanley Bank, 4.754%, 4/21/26	250	246
Northern Trust, 3.95%, 10/30/25	155	149
PNC Financial Services Group, VR, 4.758%, 1/26/27 (2)	265	259
PNC Financial Services Group, VR, 5.671%, 10/28/25 (2)	355	352
PNC Financial Services Group, VR, 5.812%, 6/12/26 (2)	100	99
Royal Bank of Canada, 4.95%, 4/25/25	445	438
Santander Holdings USA, VR, 2.49%, 1/6/28 (2)	190	164
Standard Chartered, VR, 1.822%, 11/23/25 (1)(2)	200	187
State Street, VR, 4.857%, 1/26/26 (2)	115	113
State Street, VR, 5.104%, 5/18/26 (2)	180	179
Synchrony Financial, 4.25%, 8/15/24	485	465
Toronto-Dominion Bank, 0.70%, 9/10/24	350	330
Toronto-Dominion Bank, 4.285%, 9/13/24	460	451
Truist Financial, FRN, SOFR + 0.40%, 5.49%, 6/9/25	165	160
U.S. Bancorp, VR, 4.548%, 7/22/28 (2)	505	483
U.S. Bancorp, VR, 5.727%, 10/21/26 (2)	145	145
UBS, 0.70%, 8/9/24 (1)	205	193
UBS Group, VR, 1.494%, 8/10/27 (1)(2)	200	171
UBS Group, VR, 4.488%, 5/12/26 (1)(2)	200	193
UBS Group, VR, 4.49%, 8/5/25 (1)(2)	235	229
Wells Fargo, VR, 2.188%, 4/30/26 (2)	205	192
Wells Fargo, VR, 3.526%, 3/24/28 (2)	170	159
Wells Fargo, VR, 3.908%, 4/25/26 (2)	280	271
Wells Fargo, VR, 4.54%, 8/15/26 (2)	275	269
		21,719
Brokerage Asset Managers Exchanges 0.5%		
Charles Schwab, 2.45%, 3/3/27	575	516
Charles Schwab, 3.20%, 3/2/27	135	124
LSEGA Financing, 0.65%, 4/6/24 (1)	320	306
Nasdaq, 5.65%, 6/28/25	45	45
		991
Finance Companies 1.7%		
AerCap Ireland Capital, 1.65%, 10/29/24	635	596
AerCap Ireland Capital, 4.50%, 9/15/23	78	77
AerCap Ireland Capital, 4.875%, 1/16/24	300	298
Avolon Holdings Funding, 2.125%, 2/21/26 (1)	200	177
Avolon Holdings Funding, 2.875%, 2/15/25 (1)	250	232
Avolon Holdings Funding, 3.95%, 7/1/24 (1)	75	73

	Par/Shares	$ Value
(Amounts in 000s)		
Avolon Holdings Funding, 5.125%, 10/1/23 (1)	325	324
Avolon Holdings Funding, 6.375%, 5/4/28 (1)	90	89
GATX, 3.25%, 9/15/26	342	316
GATX, 4.35%, 2/15/24	360	356
SMBC Aviation Capital Finance, 3.55%, 4/15/24 (1)	235	230
SMBC Aviation Capital Finance, 4.125%, 7/15/23 (1)	200	200
		2,968
Financial Other 0.2%		
LeasePlan, 2.875%, 10/24/24 (1)	400	381
		381
Insurance 3.9%		
American International Group, 2.50%, 6/30/25	220	207
Athene Global Funding, 1.716%, 1/7/25 (1)	435	403
Athene Global Funding, 2.514%, 3/8/24 (1)	535	521
Brighthouse Financial Global Funding, 1.00%, 4/12/24 (1)	200	192
CNO Global Funding, 1.65%, 1/6/25 (1)	240	223
CNO Global Funding, 1.75%, 10/7/26 (1)	355	313
Corebridge Financial, 3.50%, 4/4/25	205	195
Elevance Health, 5.35%, 10/15/25	85	85
Equitable Financial Life Global Funding, 0.80%, 8/12/24 (1)	255	241
Equitable Financial Life Global Funding, 1.10%, 11/12/24 (1)	360	337
Equitable Financial Life Global Funding, 1.40%, 7/7/25 (1)	35	32
First American Financial, 4.60%, 11/15/24	450	439
Health Care Service Corp A Mutual Legal Reserve, 1.50%, 6/1/25 (1)	325	298
Humana, 0.65%, 8/3/23	135	135
Humana, 1.35%, 2/3/27	90	78
Humana, 3.85%, 10/1/24	180	176
Humana, 4.50%, 4/1/25	145	142
Humana, 5.75%, 3/1/28	85	86
Jackson Financial, 1.125%, 11/22/23	270	265
Jackson National Life Global Funding, 1.75%, 1/12/25 (1)	290	269
Marsh & McLennan, 3.75%, 3/14/26	45	44
Metropolitan Life Global Funding I, 4.05%, 8/25/25 (1)	335	322
Northwestern Mutual Global Funding, 4.35%, 9/15/27 (1)	215	209
Principal Life Global Funding II, 0.75%, 4/12/24 (1)	165	159
Trinity Acquisition, 4.625%, 8/15/23	343	340
UnitedHealth Group, 3.70%, 5/15/27	280	270
UnitedHealth Group, 4.25%, 1/15/29	350	340
UnitedHealth Group, 5.15%, 10/15/25	245	246
UnitedHealth Group, 5.25%, 2/15/28	175	178
Willis North America, 3.60%, 5/15/24	90	87
		6,832
Real Estate Investment Trusts 0.8%		
Kimco Realty OP, 2.70%, 3/1/24	465	454

	Par/Shares	$ Value
(Amounts in 000s)		
Public Storage, FRN, SOFR + 0.47%, 5.519%, 4/23/24	115	115
Realty Income, 3.875%, 7/15/24	450	439
Realty Income, 5.05%, 1/13/26	65	64
WP Carey, 4.00%, 2/1/25	465	450
		1,522
Total Financial Institutions		34,413
INDUSTRIAL 24.4%		
Basic Industry 1.6%		
ArcelorMittal, 3.60%, 7/16/24	100	98
Celanese U.S. Holdings, 5.90%, 7/5/24	440	439
Celanese U.S. Holdings, 6.05%, 3/15/25	545	543
Celulosa Arauco y Constitucion, 4.50%, 8/1/24	200	197
Ecolab, 1.65%, 2/1/27	100	90
Ecolab, 5.25%, 1/15/28	290	294
LYB International Finance III, 1.25%, 10/1/25	177	159
Nucor, 2.00%, 6/1/25	80	75
Nucor, 3.95%, 5/23/25	125	121
Nutrien, 4.90%, 3/27/28	110	108
POSCO, 4.375%, 8/4/25	450	437
Sherwin-Williams, 4.25%, 8/8/25	110	108
Westlake, 0.875%, 8/15/24	205	193
		2,862
Capital Goods 0.9%		
Amcor Flexibles North America, 4.00%, 5/17/25	210	202
Amphenol, 2.05%, 3/1/25	220	208
Amphenol, 4.75%, 3/30/26	95	94
Carrier Global, 2.242%, 2/15/25	64	61
Martin Marietta Materials, 0.65%, 7/15/23	195	195
Parker-Hannifin, 3.65%, 6/15/24	400	392
Regal Rexnord, 6.05%, 2/15/26 (1)	170	170
Republic Services, 2.50%, 8/15/24	220	212
Republic Services, 4.875%, 4/1/29	80	80
		1,614
Communications 4.4%		
American Tower, 2.40%, 3/15/25	170	160
Charter Communications Operating, 4.908%, 7/23/25	955	936
Comcast, 5.25%, 11/7/25	105	106
Cox Communications, 3.15%, 8/15/24 (1)	450	436
Cox Communications, 3.50%, 8/15/27 (1)	100	93
Crown Castle, 1.05%, 7/15/26	255	223
Crown Castle, 2.90%, 3/15/27	220	201
Crown Castle, 3.15%, 7/15/23	345	345
Crown Castle, 5.00%, 1/11/28	85	83
Crown Castle Towers, 4.241%, 7/15/28 (1)	80	74
GTP Acquisition Partners I, 3.482%, 6/16/25 (1)	465	444
KT, 4.00%, 8/8/25 (1)	450	436
Meta Platforms, 4.60%, 5/15/28	185	183
NTT Finance, 4.142%, 7/26/24 (1)	200	196
NTT Finance, 4.239%, 7/25/25 (1)	200	194
Rogers Communications, 2.95%, 3/15/25 (1)	430	408

	Par/Shares	$ Value
(Amounts in 000s)		
Rogers Communications, 3.20%, 3/15/27 (1)	310	287
SBA Tower Trust, 1.631%, 11/15/26 (1)	115	99
SBA Tower Trust, 1.884%, 1/15/26 (1)	85	76
SBA Tower Trust, 2.836%, 1/15/25 (1)	325	306
SBA Tower Trust, 6.599%, 1/15/28 (1)	155	157
SBA Tower Trust, Series 2014-2A, Class C, STEP, 3.869%, 10/15/49 (1)	110	107
T-Mobile USA, 2.25%, 2/15/26	195	179
T-Mobile USA, 3.50%, 4/15/25	265	255
Take-Two Interactive Software, 3.30%, 3/28/24	9	9
Take-Two Interactive Software, 3.55%, 4/14/25	150	145
Take-Two Interactive Software, 5.00%, 3/28/26	265	262
Verizon Communications, 1.45%, 3/20/26	270	244
Verizon Communications, 2.625%, 8/15/26	395	367
Warnermedia Holdings, 3.755%, 3/15/27	700	653
Warnermedia Holdings, 6.412%, 3/15/26	125	125
		7,789
Consumer Cyclical 3.5%		
7-Eleven, 0.80%, 2/10/24 (1)	135	131
Advance Auto Parts, 5.90%, 3/9/26	60	59
Aptiv, 2.396%, 2/18/25	205	194
AutoZone, 3.625%, 4/15/25	120	116
Daimler Truck Finance North America, 1.625%, 12/13/24 (1)	260	245
Daimler Truck Finance North America, 5.15%, 1/16/26 (1)	150	149
Daimler Truck Finance North America, 5.20%, 1/17/25 (1)	150	149
General Motors Financial, 2.90%, 2/26/25	485	460
General Motors Financial, 5.40%, 4/6/26	135	133
Genuine Parts, 1.75%, 2/1/25	105	98
Hyatt Hotels, 1.30%, 10/1/23	140	139
Hyundai Capital America, 0.80%, 1/8/24 (1)	160	156
Hyundai Capital America, 0.875%, 6/14/24 (1)	80	76
Hyundai Capital America, 1.00%, 9/17/24 (1)	110	103
Hyundai Capital America, 5.50%, 3/30/26 (1)	120	119
Hyundai Capital America, 5.60%, 3/30/28 (1)	160	159
Hyundai Capital Services, 2.125%, 4/24/25 (1)	200	187
Lowe's, 3.35%, 4/1/27	80	76
Lowe's, 4.40%, 9/8/25	305	298
Lowe's, 4.80%, 4/1/26	175	173
Marriott International, 3.60%, 4/15/24	425	418
Marriott International, 3.75%, 3/15/25	55	53
Marriott International, 4.90%, 4/15/29	55	54
Marriott International, 5.75%, 5/1/25	55	55
Mercedes-Benz Finance North America, 4.80%, 3/30/26 (1)	190	188
Mercedes-Benz Finance North America, 4.95%, 3/30/25 (1)	150	149
Nissan Motor, 3.043%, 9/15/23 (1)	665	660

	Par/Shares	$ Value
(Amounts in 000s)		
Nordstrom, 2.30%, 4/8/24	35	34
Ross Stores, 0.875%, 4/15/26	155	137
Ross Stores, 4.60%, 4/15/25	670	657
Starbucks, 4.75%, 2/15/26	215	213
Stellantis Finance U.S., 1.711%, 1/29/27 (1)	200	175
Volkswagen Group of America Finance, 3.95%, 6/6/25 (1)	200	194
		6,207
Consumer Non-Cyclical 7.3%		
AbbVie, 2.60%, 11/21/24	715	686
AbbVie, 2.95%, 11/21/26	510	476
AbbVie, 3.20%, 5/14/26	45	43
Amgen, 5.25%, 3/2/25	95	95
Astrazeneca Finance, 1.20%, 5/28/26	320	289
BAT International Finance, 1.668%, 3/25/26	225	202
BAT International Finance, 4.448%, 3/16/28	460	434
Baxter International, 0.868%, 12/1/23	350	343
Bayer U.S. Finance II, 3.875%, 12/15/23 (1)	250	248
Becton Dickinson & Company, 3.363%, 6/6/24	336	329
Becton Dickinson & Company, 3.734%, 12/15/24	78	76
Becton Dickinson & Company, 4.693%, 2/13/28	375	370
Brunswick, 0.85%, 8/18/24	290	273
Cardinal Health, 3.079%, 6/15/24	180	175
Cardinal Health, 3.50%, 11/15/24	215	208
Coca-Cola Europacific Partners, 0.80%, 5/3/24 (1)	680	652
Constellation Brands, 3.60%, 5/9/24	225	220
CSL Finance, 3.85%, 4/27/27 (1)	90	86
CVS Health, 2.875%, 6/1/26	115	108
CVS Health, 3.00%, 8/15/26	105	98
CVS Health, 5.00%, 2/20/26	255	254
Diageo Capital, 5.20%, 10/24/25	200	200
HCA, 3.125%, 3/15/27 (1)	260	239
HCA, 5.375%, 2/1/25	165	163
Imperial Brands Finance, 3.125%, 7/26/24 (1)	480	463
Imperial Brands Finance, 4.25%, 7/21/25 (1)	200	191
JDE Peet's, 0.80%, 9/24/24 (1)	150	140
Kenvue, 5.35%, 3/22/26 (1)	115	116
Mars, 2.70%, 4/1/25 (1)	175	167
Mars, 4.55%, 4/20/28 (1)	355	349
Mondelez International, 2.625%, 3/17/27	190	175
Mondelez International Holdings Netherlands, 4.25%, 9/15/25 (1)	200	194
PeaceHealth Obligated Group, Series 2020, 1.375%, 11/15/25	50	45
Perrigo Finance Unlimited, 3.90%, 12/15/24	675	651
Pfizer Investment Enterprises, 4.45%, 5/19/26	910	897
Pfizer Investment Enterprises, 4.45%, 5/19/28	275	268
Philip Morris International, 4.875%, 2/13/26	230	228
Philip Morris International, 5.00%, 11/17/25	140	139
Philip Morris International, 5.125%, 11/15/24	270	269

	Par/Shares	$ Value
(Amounts in 000s)		
Revvity, 0.85%, 9/15/24	715	673
Royalty Pharma, 0.75%, 9/2/23	215	213
Shire Acquisitions Investments Ireland, 2.875%, 9/23/23	168	167
Utah Acquisition, 3.95%, 6/15/26	435	413
Viatris, 1.65%, 6/22/25	285	262
Viterra Finance, 4.90%, 4/21/27 (1)	280	269
Zoetis, 5.40%, 11/14/25	260	261
		12,817
Energy 3.0%		
Canadian Natural Resources, 2.05%, 7/15/25	335	312
Cheniere Corpus Christi Holdings, 5.875%, 3/31/25	395	393
DCP Midstream Operating, 5.375%, 7/15/25	485	480
Devon Energy, 8.25%, 8/1/23	130	130
Enbridge, 2.15%, 2/16/24	315	307
Enbridge, 2.50%, 1/15/25	265	252
Enbridge, 2.50%, 2/14/25	150	142
Energy Transfer, 2.90%, 5/15/25	65	62
Energy Transfer, 4.25%, 4/1/24	15	15
Energy Transfer, 4.90%, 2/1/24	175	174
Energy Transfer, 5.875%, 1/15/24	610	609
Energy Transfer, Series 5Y, 4.20%, 9/15/23	85	85
Eni, Series X-R, 4.00%, 9/12/23 (1)	470	467
Gray Oak Pipeline, 2.00%, 9/15/23 (1)	50	49
Gray Oak Pipeline, 2.60%, 10/15/25 (1)	105	96
Ovintiv, 5.65%, 5/15/25	215	213
Pioneer Natural Resources, 5.10%, 3/29/26	165	164
Sabine Pass Liquefaction, 5.625%, 3/1/25	320	318
Sabine Pass Liquefaction, 5.75%, 5/15/24	300	300
Schlumberger Finance Canada, 1.40%, 9/17/25	80	73
TransCanada PipeLines, 6.203%, 3/9/26	415	415
Williams, 4.30%, 3/4/24	75	74
Williams, 5.40%, 3/2/26	160	159
		5,289
Technology 2.3%		
Analog Devices, FRN, SOFR + 0.25%, 5.342%, 10/1/24	70	70
CDW, 5.50%, 12/1/24	75	74
Fidelity National Information Services, 0.60%, 3/1/24	130	125
Fidelity National Information Services, 4.50%, 7/15/25	135	132
Fortinet, 1.00%, 3/15/26	160	143
Intel, 4.875%, 2/10/26	180	179
Microchip Technology, 0.972%, 2/15/24	300	291
Microchip Technology, 0.983%, 9/1/24	220	208
Microchip Technology, 2.67%, 9/1/23	250	249
Micron Technology, 5.375%, 4/15/28	260	258
NXP, 2.70%, 5/1/25	205	194
NXP, 3.875%, 6/18/26	155	148
NXP, 4.40%, 6/1/27	35	34
NXP, 4.875%, 3/1/24	250	248
Oracle, 5.80%, 11/10/25	140	142
Qorvo, 1.75%, 12/15/24 (1)	125	116
Roper Technologies, 2.35%, 9/15/24	90	87

	Par/Shares	$ Value
(Amounts in 000s)		
Roper Technologies, 3.65%, 9/15/23	75	75
S&P Global, 2.45%, 3/1/27	510	470
Texas Instruments, 4.60%, 2/15/28	55	55
VMware, 0.60%, 8/15/23	165	164
Western Union, 2.85%, 1/10/25	525	500
Workday, 3.50%, 4/1/27	120	113
		4,075
Transportation 1.4%		
American Airlines PTT, Series 2017-2, Class B, 3.70%, 10/15/25	274	257
Canadian Pacific Railway, 1.35%, 12/2/24	315	295
Canadian Pacific Railway, 1.75%, 12/2/26	135	121
ERAC USA Finance, 4.60%, 5/1/28 (1)	345	335
HPHT Finance, 2.875%, 11/5/24	600	578
Penske Truck Leasing, 3.45%, 7/1/24 (1)	172	167
Penske Truck Leasing, 5.75%, 5/24/26 (1)	230	227
Triton Container International, 0.80%, 8/1/23 (1)	325	324
United Airlines PTT, Series 2019-2, Class B, 3.50%, 5/1/28	170	153
		2,457
Total Industrial		43,110
UTILITY 2.9%		
Electric 2.3%		
AES, 3.30%, 7/15/25 (1)	190	179
Alexander Funding Trust, 1.841%, 11/15/23 (1)	225	220
Constellation Energy Generation, 5.60%, 3/1/28	145	146
DTE Energy, STEP, 4.22%, 11/1/24	240	234
Enel Finance International, 1.375%, 7/12/26 (1)	265	233
Enel Finance International, 2.65%, 9/10/24 (1)	405	389
Enel Finance International, 6.80%, 10/14/25 (1)	200	203
NextEra Energy Capital Holdings, 1.875%, 1/15/27	310	276
NextEra Energy Capital Holdings, 4.45%, 6/20/25	230	226
NextEra Energy Capital Holdings, 6.051%, 3/1/25	115	116
NRG Energy, 3.75%, 6/15/24 (1)	155	150
Pacific Gas & Electric, 3.50%, 6/15/25	220	208
Vistra Operations, 3.55%, 7/15/24 (1)	1,150	1,111
Vistra Operations, 5.125%, 5/13/25 (1)	285	277
		3,968
Natural Gas 0.6%		
APA Infrastructure, 4.20%, 3/23/25 (1)	625	605
NiSource, 5.25%, 3/30/28	60	60
Sempra Energy, 3.30%, 4/1/25	175	168
Sempra Energy, 5.40%, 8/1/26	125	125
Southern California Gas, 2.95%, 4/15/27	185	172
		1,130
Total Utility		5,098
Total Corporate Bonds (Cost $85,582)		**82,621**

(Amounts in 000s)	Par/Shares	$ Value
FOREIGN GOVERNMENT OBLIGATIONS & MUNICIPALITIES 1.8%		
Government Sponsored 0.3%		
Federal Home Loan Banks, 5.00%, 2/28/25	630	628
		628
Owned No Guarantee 1.5%		
Bank Mandiri Persero, 5.50%, 4/4/26	260	260
DAE Funding, 1.55%, 8/1/24 (1)	200	190
Israel Electric, Series 6, 5.00%, 11/12/24	450	445
Korea Housing Finance, 4.625%, 2/24/28 (1)	440	434
Korea Hydro & Nuclear Power, 4.25%, 7/27/27 (1)	490	475
NBN, 1.45%, 5/5/26 (1)	405	364
QNB Finance, 2.625%, 5/12/25	450	428
		2,596
Total Foreign Government Obligations & Municipalities (Cost $3,292)		**3,224**
MUNICIPAL SECURITIES 0.1%		
California 0.1%		
Golden State Tobacco Securitization, Series A-1, 1.711%, 6/1/24	200	193
Total Municipal Securities (Cost $200)		**193**
NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 11.3%		
Collateralized Mortgage Obligations 6.1%		
Angel Oak Mortgage Trust Series 2020-3, Class A3, CMO, ARM 2.872%, 4/25/65 (1)	25	23
Angel Oak Mortgage Trust Series 2020-5, Class A2, CMO, ARM 1.579%, 5/25/65 (1)	34	31
Angel Oak Mortgage Trust Series 2021-1, Class A1, CMO, ARM 0.909%, 1/25/66 (1)	122	100
Angel Oak Mortgage Trust Series 2021-1, Class A2, CMO, ARM 1.115%, 1/25/66 (1)	35	28
Angel Oak Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.985%, 4/25/66 (1)	104	85
Angel Oak Mortgage Trust Series 2021-3, Class A1, CMO, ARM 1.068%, 5/25/66 (1)	83	68
Angel Oak Mortgage Trust Series 2021-6, Class A2, CMO, ARM 1.581%, 9/25/66 (1)	107	84
Angel Oak Mortgage Trust Series 2021-6, Class A3, CMO, ARM 1.714%, 9/25/66 (1)	100	78

(Amounts in 000s)	Par/Shares	$ Value
Bayview MSR Opportunity Master Fund Trust Series 2021-2, Class A5, CMO, ARM 2.50%, 6/25/51 (1)	195	166
Bayview MSR Opportunity Master Fund Trust Series 2021-5, Class A5, CMO, ARM 2.50%, 11/25/51 (1)	147	125
BINOM Securitization Trust Series 2021-INV1, Class A2, CMO, ARM 2.37%, 6/25/56 (1)	271	230
BINOM Securitization Trust Series 2021-INV1, Class A3, CMO, ARM 2.625%, 6/25/56 (1)	85	72
BRAVO Residential Funding Trust Series 2021-NQM3, Class A1, CMO, ARM 1.699%, 4/25/60 (1)	130	114
CIM Trust Series 2020-INV1, Class A2, CMO, ARM 2.50%, 4/25/50 (1)	78	63
CIM Trust Series 2021-INV1, Class A8, CMO, ARM 2.50%, 7/1/51 (1)	95	81
Citigroup Mortgage Loan Trust Series 2020-EXP2, Class A3, CMO, ARM 2.50%, 8/25/50 (1)	57	47
COLT Mortgage Loan Trust Series 2021-1, Class A2, CMO, ARM 1.167%, 6/25/66 (1)	105	84
Connecticut Avenue Securities Series 2017-C05, Class 1ED3, CMO, ARM 1M USD LIBOR + 1.20%, 6.35%, 1/25/30	10	10
Connecticut Avenue Securities Trust Series 2022-R01, Class 1M1, CMO, ARM SOFR30A + 1.00%, 6.067%, 12/25/41 (1)	227	224
Connecticut Avenue Securities Trust Series 2022-R03, Class 1M1, CMO, ARM SOFR30A + 2.10%, 7.167%, 3/25/42 (1)	193	193
Connecticut Avenue Securities Trust Series 2022-R04, Class 1M1, CMO, ARM SOFR30A + 2.00%, 7.067%, 3/25/42 (1)	123	124
Connecticut Avenue Securities Trust Series 2022-R06, Class 1M1, CMO, ARM SOFR30A + 2.75%, 7.817%, 5/25/42 (1)	213	217
Connecticut Avenue Securities Trust Series 2022-R07, Class 1M1, CMO, ARM SOFR30A + 2.95%, 8.017%, 6/25/42 (1)	222	228
Connecticut Avenue Securities Trust Series 2022-R08, Class 1M1, CMO, ARM SOFR30A + 2.55%, 7.617%, 7/25/42 (1)	91	92
Deephaven Residential Mortgage Trust Series 2021-1, Class A2, CMO, ARM 0.973%, 5/25/65 (1)	29	26
Deephaven Residential Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.899%, 4/25/66 (1)	52	44
Deephaven Residential Mortgage Trust Series 2021-2, Class A3, CMO, ARM 1.26%, 4/25/66 (1)	52	44

(Amounts in 000s)	Par/Shares	$ Value
Eagle Series 2021-2, Class M1A, CMO, ARM SOFR30A + 1.55%, 6.617%, 4/25/34 (1)	80	80
Ellington Financial Mortgage Trust Series 2019-2, Class A3, CMO, ARM 3.046%, 11/25/59 (1)	20	18
Ellington Financial Mortgage Trust Series 2021-1, Class A1, CMO, ARM 0.797%, 2/25/66 (1)	32	26
Ellington Financial Mortgage Trust Series 2021-1, Class A3, CMO, ARM 1.106%, 2/25/66 (1)	32	26
Ellington Financial Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.931%, 6/25/66 (1)	216	170
Ellington Financial Mortgage Trust Series 2021-2, Class A3, CMO, ARM 1.291%, 6/25/66 (1)	63	49
Flagstar Mortgage Trust Series 2020-1INV, Class A11, CMO, ARM 1M USD LIBOR + 0.85%, 5.988%, 3/25/50 (1)	137	127
Flagstar Mortgage Trust Series 2021-5INV, Class A5, CMO, ARM 2.50%, 7/25/51 (1)	195	167
Freddie Mac Whole Loan Securities Trust Series 2017-SC01, Class M1, CMO, ARM 3.645%, 12/25/46 (1)	59	56
Freddie Mac Whole Loan Securities Trust Series 2017-SC02, Class M1, CMO, ARM 3.865%, 5/25/47 (1)	31	29
Galton Funding Mortgage Trust Series 2018-1, Class A33, CMO, ARM 3.50%, 11/25/57 (1)	43	38
Galton Funding Mortgage Trust Series 2019-1, Class A21, CMO, ARM 4.50%, 2/25/59 (1)	14	14
Galton Funding Mortgage Trust Series 2019-1, Class A32, CMO, ARM 4.00%, 2/25/59 (1)	22	20
Galton Funding Mortgage Trust Series 2019-H1, Class M1, CMO, ARM 3.339%, 10/25/59 (1)	230	207
Galton Funding Mortgage Trust Series 2020-H1, Class M1, CMO, ARM 2.832%, 1/25/60 (1)	380	283
GS Mortgage-Backed Securities Trust Series 2014-EB1A, Class 2A1, CMO, ARM 3.952%, 7/25/44 (1)	4	4
GS Mortgage-Backed Securities Trust Series 2021-GR2, Class A6, CMO, ARM 2.50%, 2/25/52 (1)	211	180
GS Mortgage-Backed Securities Trust Series 2022-GR1, Class A5, CMO, ARM 2.50%, 6/25/52 (1)	432	367
Imperial Fund Mortgage Trust Series 2021-NQM2, Class A3, CMO, ARM 1.516%, 9/25/56 (1)	108	83
Imperial Fund Mortgage Trust Series 2022-NQM4, Class A1, CMO, STEP 4.767%, 6/25/67 (1)	351	335

(Amounts in 000s)	Par/Shares	$ Value
JPMorgan Mortgage Trust Series 2020-INV1, Class A15, CMO, ARM 3.50%, 8/25/50 (1)	99	86
MFA Trust Series 2021-INV1, Class A1, CMO, ARM 0.852%, 1/25/56 (1)	53	47
MFA Trust Series 2021-NQM2, Class A2, CMO, ARM 1.317%, 11/25/64 (1)	53	44
New Residential Mortgage Loan Trust Series 2021-INV1, Class A6, CMO, ARM 2.50%, 6/25/51 (1)	129	111
New Residential Mortgage Loan Trust Series 2021-INV2, Class A7, CMO, ARM 2.50%, 9/25/51 (1)	379	324
NLT Trust Series 2021-INV2, Class A3, CMO, ARM 1.52%, 8/25/56 (1)	97	76
OBX Trust Series 2019-EXP2, Class 2A2, CMO, ARM 1M USD LIBOR + 1.20%, 5.035%, 6/25/59 (1)	21	20
OBX Trust Series 2020-EXP1, Class 2A2, CMO, ARM 1M USD LIBOR + 0.95%, 6.10%, 2/25/60 (1)	33	31
OBX Trust Series 2020-EXP2, Class A8, CMO, ARM 3.00%, 5/25/60 (1)	101	86
OBX Trust Series 2020-EXP2, Class A9, CMO, ARM 3.00%, 5/25/60 (1)	26	22
OBX Trust Series 2020-INV1, Class A5, CMO, ARM 3.50%, 12/25/49 (1)	56	50
Oceanview Mortgage Trust Series 2022-1, Class A5, CMO, ARM 2.50%, 12/25/51 (1)	201	171
Sequoia Mortgage Trust Series 2018-CH2, Class A21, CMO, ARM 4.00%, 6/25/48 (1)	30	27
Sequoia Mortgage Trust Series 2018-CH3, Class A19, CMO, ARM 4.50%, 8/25/48 (1)	5	5
Sequoia Mortgage Trust Series 2018-CH4, Class A2, CMO, ARM 4.00%, 10/25/48 (1)	2	1
SG Residential Mortgage Trust Series 2020-2, Class A1, CMO, ARM 1.381%, 5/25/65 (1)	43	37
SG Residential Mortgage Trust Series 2022-1, Class A1, CMO, ARM 3.166%, 3/27/62 (1)	134	118
Starwood Mortgage Residential Trust Series 2019-INV1, Class A3, CMO, ARM 2.916%, 9/27/49 (1)	236	222
Starwood Mortgage Residential Trust Series 2021-2, Class A1, CMO, ARM 0.943%, 5/25/65 (1)	99	87

	Par/Shares	$ Value
(Amounts in 000s)		
Starwood Mortgage Residential Trust Series 2021-4, Class A1, CMO, ARM 1.162%, 8/25/56 (1)	259	214
Structured Agency Credit Risk Debt Notes Series 2021-DNA5, Class M2, CMO, ARM SOFR30A + 1.65%, 6.717%, 1/25/34 (1)	80	80
Structured Agency Credit Risk Debt Notes Series 2021-DNA7, Class M2, CMO, ARM SOFR30A + 1.80%, 6.867%, 11/25/41 (1)	90	87
Structured Agency Credit Risk Debt Notes Series 2022-DNA1, Class M1A, CMO, ARM SOFR30A + 1.00%, 6.067%, 1/25/42 (1)	157	154
Structured Agency Credit Risk Debt Notes Series 2022-DNA3, Class M1A, CMO, ARM SOFR30A + 2.00%, 7.067%, 4/25/42 (1)	243	244
Structured Agency Credit Risk Debt Notes Series 2022-DNA4, Class M1A, CMO, ARM SOFR30A + 2.20%, 7.267%, 5/25/42 (1)	282	284
Structured Agency Credit Risk Debt Notes Series 2022-DNA5, Class M1A, CMO, ARM SOFR30A + 2.95%, 8.017%, 6/25/42 (1)	267	272
Structured Agency Credit Risk Debt Notes Series 2022-DNA6, Class M1A, CMO, ARM SOFR30A + 2.15%, 7.217%, 9/25/42 (1)	86	86
Structured Agency Credit Risk Debt Notes Series 2022-HQA1, Class M1A, CMO, ARM SOFR30A + 2.10%, 7.167%, 3/25/42 (1)	293	294
Structured Agency Credit Risk Debt Notes Series 2022-HQA3, Class M1A, CMO, ARM SOFR30A + 2.30%, 7.367%, 8/25/42 (1)	134	135
Toorak Mortgage Series 2021-INV1, Class A2, CMO, ARM 1.409%, 7/25/56 (1)	62	52
Towd Point Mortgage Trust Series 2022-4, Class A1, CMO 3.75%, 9/25/62 (1)	411	376
UWM Mortgage Trust Series 2021-INV2, Class A4, CMO, ARM 2.50%, 9/25/51 (1)	66	57
UWM Mortgage Trust Series 2021-INV5, Class A4, CMO, ARM 2.50%, 1/25/52 (1)	411	350
Verus Securitization Trust Series 2019-4, Class A3, CMO, STEP 3.00%, 11/25/59 (1)	182	173
Verus Securitization Trust Series 2019-INV3, Class A3, CMO, ARM 3.10%, 11/25/59 (1)	159	152
Verus Securitization Trust Series 2020-1, Class A3, CMO, STEP 2.724%, 1/25/60 (1)	234	218
Verus Securitization Trust Series 2020-5, Class A3, CMO, STEP 1.733%, 5/25/65 (1)	29	26
Verus Securitization Trust Series 2021-1, Class A1, CMO, ARM 0.815%, 1/25/66 (1)	38	32
Verus Securitization Trust Series 2021-1, Class A2, CMO, ARM 1.052%, 1/25/66 (1)	51	43

	Par/Shares	$ Value
(Amounts in 000s)		
Verus Securitization Trust Series 2021-1, Class A3, CMO, ARM 1.155%, 1/25/66 (1)	37	31
Verus Securitization Trust Series 2021-2, Class A1, CMO, ARM 1.031%, 2/25/66 (1)	69	58
Verus Securitization Trust Series 2021-5, Class A3, CMO, ARM 1.373%, 9/25/66 (1)	93	72
Verus Securitization Trust Series 2021-7, Class A1, CMO, ARM 1.829%, 10/25/66 (1)	345	292
Verus Securitization Trust Series 2021-R1, Class A2, CMO, ARM 1.057%, 10/25/63 (1)	23	21
Verus Securitization Trust Series 2021-R2, Class A1, CMO, ARM 0.918%, 2/25/64 (1)	74	63
Verus Securitization Trust Series 2022-1, Class A3, CMO, ARM 3.288%, 1/25/67 (1)	302	257
Wells Fargo Mortgage Backed Securities Trust Series 2021-RR1, Class A3, CMO, ARM 2.50%, 12/25/50 (1)	242	208
		10,856
Commercial Mortgage-Backed Securities 4.9%		
BAMLL Commercial Mortgage Securities Trust Series 2021-JACX, Class C, ARM 1M USD LIBOR + 2.00%, 7.193%, 9/15/38 (1)	190	162
BCP Trust Series 2021-330N, Class A, ARM 1M USD LIBOR + 0.799%, 5.992%, 6/15/38 (1)	120	107
BFLD Series 2019-DPLO, Class B, ARM 1M TSFR + 1.454%, 6.601%, 10/15/34 (1)	510	503
BPR Trust Series 2021-TY, Class B, ARM 1M USD LIBOR + 1.15%, 6.343%, 9/15/38 (1)	200	186
BSREP Commercial Mortgage Trust Series 2021-DC, Class D, ARM 1M USD LIBOR + 1.90%, 7.094%, 8/15/38 (1)	175	148
BX Commercial Mortgage Trust Series 2019-XL, Class A, ARM 1M TSFR + 1.034%, 6.181%, 10/15/36 (1)	99	98
BX Commercial Mortgage Trust Series 2021-SOAR, Class D, ARM 1M USD LIBOR + 1.40%, 6.594%, 6/15/38 (1)	141	135
BX Commercial Mortgage Trust Series 2022-AHP, Class A, ARM 1M TSFR + 0.99%, 6.137%, 1/17/39 (1)	190	185
BX Commercial Mortgage Trust Series 2022-CSMO, Class B, ARM 1M TSFR + 3.141%, 8.288%, 6/15/27 (1)	260	259

(Amounts in 000s)	Par/Shares	$ Value
BX Trust Series 2021-ARIA, Class C, ARM 1M USD LIBOR + 1.646%, 6.839%, 10/15/36 (1)	145	139
Citigroup Commercial Mortgage Trust Series 2013-375P, Class A 3.251%, 5/10/35 (1)	482	447
Citigroup Commercial Mortgage Trust Series 2013-375P, Class B, ARM 3.635%, 5/10/35 (1)	205	186
Citigroup Commercial Mortgage Trust Series 2013-375P, Class C, ARM 3.635%, 5/10/35 (1)	150	131
Cold Storage Trust Series 2020-ICE5, Class B, ARM 1M USD LIBOR + 1.30%, 6.493%, 11/15/37 (1)	256	251
Commercial Mortgage Trust Series 2014-CR19, Class AM 4.08%, 8/10/47	210	202
Commercial Mortgage Trust Series 2014-CR19, Class D, ARM 4.853%, 8/10/47 (1)	250	212
Commercial Mortgage Trust Series 2014-UBS2, Class A5 3.961%, 3/10/47	280	276
Commercial Mortgage Trust Series 2014-UBS2, Class B 4.701%, 3/10/47	440	426
Commercial Mortgage Trust Series 2015-CR22, Class B, ARM 3.926%, 3/10/48	100	90
Commercial Mortgage Trust Series 2017-PANW, Class D, ARM 4.343%, 10/10/29 (1)	100	90
Credit Suisse Mortgage Trust Series 2020-NET, Class A 2.257%, 8/15/37 (1)	112	101
Extended Stay America Trust Series 2021-ESH, Class C, ARM 1M USD LIBOR + 1.70%, 6.894%, 7/15/38 (1)	188	183
Great Wolf Trust Series 2019-WOLF, Class A, ARM 1M TSFR + 1.148%, 6.295%, 12/15/36 (1)	325	321
Great Wolf Trust Series 2019-WOLF, Class C, ARM 1M TSFR + 1.747%, 6.894%, 12/15/36 (1)	390	383
GS Mortgage Securities Trust Series 2021-ROSS, Class B, ARM 1M USD LIBOR + 1.60%, 6.794%, 5/15/26 (1)	160	137
JPMorgan Chase Commercial Mortgage Securities Trust Series 2019-BKWD, Class C, ARM 1M USD LIBOR + 1.85%, 7.043%, 9/15/29 (1)	355	308

(Amounts in 000s)	Par/Shares	$ Value
JPMorgan Chase Commercial Mortgage Securities Trust Series 2020-609M, Class B, ARM 1M USD LIBOR + 1.77%, 6.964%, 10/15/33 (1)	255	223
JPMorgan Chase Commercial Mortgage Securities Trust Series 2020-609M, Class C, ARM 1M USD LIBOR + 2.17%, 7.364%, 10/15/33 (1)	210	177
KIND Trust Series 2021-KIND, Class C, ARM 1M TSFR + 1.864%, 7.011%, 8/15/38 (1)	243	228
KKR Industrial Portfolio Trust Series 2021-KDIP, Class C, ARM 1M TSFR + 1.114%, 6.261%, 12/15/37 (1)	188	181
KKR Industrial Portfolio Trust Series 2021-KDIP, Class D, ARM 1M TSFR + 1.364%, 6.511%, 12/15/37 (1)	75	72
LSTAR Commercial Mortgage Trust Series 2017-5, Class AS 4.021%, 3/10/50 (1)	145	129
Morgan Stanley Capital I Trust Series 2014-150E, Class A 3.912%, 9/9/32 (1)	340	274
Morgan Stanley Capital I Trust Series 2019-MEAD, Class D, ARM 3.283%, 11/10/36 (1)	710	623
Morgan Stanley Capital I Trust Series 2019-NUGS, Class D, ARM 1M USD LIBOR + 1.80%, 6.993%, 12/15/36 (1)	130	69
ONE Mortgage Trust Series 2021-PARK, Class B, ARM 1M TSFR + 1.064%, 6.211%, 3/15/36 (1)	315	292
ONE Mortgage Trust Series 2021-PARK, Class C, ARM 1M TSFR + 1.214%, 6.361%, 3/15/36 (1)	170	155
Wells Fargo Commercial Mortgage Trust Series 2015-NXS2, Class A2 3.02%, 7/15/58	55	53
WFRBS Commercial Mortgage Trust Series 2014-LC14, Class A5 4.045%, 3/15/47	440	434
		8,576
Residential Mortgage 0.3%		
Finance of America HECM Buyout Series 2022-HB2, Class A1A, ARM 4.00%, 8/1/32 (1)	379	364
MetLife Securitization Trust Series 2017-1A, Class A, CMO, ARM 3.00%, 4/25/55 (1)	120	110
Towd Point Mortgage Trust Series 2017-1, Class A1, CMO, ARM 2.75%, 10/25/56 (1)	30	29
Towd Point Mortgage Trust Series 2017-2, Class A1, CMO, ARM 2.75%, 4/25/57 (1)	17	16

	Par/Shares	$ Value
(Amounts in 000s)		
Towd Point Mortgage Trust		
Series 2018-1, Class A1, CMO, ARM		
3.00%, 1/25/58 (1)	62	60
		579
Total Non-U.S. Government Mortgage-Backed Securities (Cost $22,193)		**20,011**
U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES 4.5%		
U.S. Government Agency Obligations 2.9%		
Federal Home Loan Mortgage		
3.50%, 3/1/46	89	83
5.00%, 12/1/23 - 7/1/25	—	—
5.50%, 10/1/38	2	2
6.00%, 9/1/34 - 9/1/35	61	64
7.00%, 3/1/39	54	56
7.50%, 6/1/38	49	51
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.625%, 4.85%, 4/1/37	5	5
12M USD LIBOR + 1.625%, 5.259%, 6/1/38	11	10
12M USD LIBOR + 1.726%, 4.074%, 7/1/35	2	2
12M USD LIBOR + 1.733%, 4.294%, 10/1/36	5	5
12M USD LIBOR + 1.74%, 4.91%, 5/1/38	5	5
12M USD LIBOR + 1.75%, 4.127%, 2/1/35	1	1
12M USD LIBOR + 1.775%, 5.225%, 5/1/37	3	3
12M USD LIBOR + 1.827%, 4.201%, 2/1/37	2	2
12M USD LIBOR + 1.842%, 4.091%, 1/1/37	2	2
12M USD LIBOR + 2.03%, 4.276%, 11/1/36	2	2
12M USD LIBOR + 2.083%, 4.582%, 2/1/38	7	7
1Y CMT + 2.245%, 4.37%, 1/1/36	4	5
1Y CMT + 2.25%, 4.782%, 10/1/36	1	1
Federal Home Loan Mortgage, CMO,		
2.00%, 2/15/40	39	37
Federal Home Loan Mortgage, UMBS		
2.50%, 1/1/52 - 4/1/52	312	266
3.00%, 11/1/34	148	139
4.00%, 12/1/49	34	32
4.50%, 9/1/37 - 5/1/50	85	83
Federal National Mortgage Assn., ARM		
12M USD LIBOR + 1.34%, 3.59%, 12/1/35	2	2
12M USD LIBOR + 1.553%, 3.807%, 7/1/35	1	1
12M USD LIBOR + 1.584%, 3.834%, 12/1/35	5	5
12M USD LIBOR + 1.601%, 4.222%, 7/1/36	5	5
12M USD LIBOR + 1.655%, 3.905%, 8/1/37	1	1
12M USD LIBOR + 1.77%, 4.145%, 12/1/35	1	1
12M USD LIBOR + 1.78%, 4.03%, 1/1/34	5	5
12M USD LIBOR + 1.788%, 4.538%, 5/1/38	2	2
12M USD LIBOR + 1.83%, 5.082%, 4/1/38	12	12
12M USD LIBOR + 1.853%, 4.103%, 8/1/38	6	6
12M USD LIBOR + 1.892%, 4.142%, 12/1/35	2	1
12M USD LIBOR + 1.922%, 5.20%, 5/1/38	6	6
12M USD LIBOR + 2.04%, 4.29%, 12/1/36	1	1

	Par/Shares	$ Value
(Amounts in 000s)		
Federal National Mortgage Assn., UMBS		
2.00%, 10/1/50	107	88
2.50%, 1/1/52	194	164
3.00%, 1/1/27 - 6/1/52	424	379
3.50%, 3/1/28 - 1/1/52	123	114
4.00%, 11/1/49 - 9/1/52	651	612
4.50%, 12/1/40 - 8/1/52	1,075	1,041
5.00%, 9/1/23 - 10/1/52	265	264
5.50%, 9/1/23 - 5/1/40	199	204
6.00%, 3/1/34 - 4/1/40	373	387
6.50%, 7/1/32 - 12/1/32	45	47
UMBS, TBA (3)		
4.50%, 7/1/38	180	176
5.50%, 7/1/53	235	234
6.00%, 7/1/53	425	429
		5,050
U.S. Government Obligations 1.6%		
Government National Mortgage Assn.		
2.00%, 3/20/52	21	17
3.00%, 9/20/47	684	619
3.50%, 10/20/52	790	729
4.00%, 10/20/50 - 10/20/52	201	191
4.50%, 10/20/52	342	330
5.00%, 12/20/34 - 11/20/47	236	239
5.50%, 3/20/48 - 3/20/49	39	40
Government National Mortgage Assn., TBA (3)		
5.00%, 7/20/53	235	231
5.50%, 7/20/53	365	363
6.50%, 7/20/53	140	142
		2,901
Total U.S. Government & Agency Mortgage-Backed Securities (Cost $8,328)		**7,951**
U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 20.7%		
Treasuries 20.7%		
U.S. Treasury Notes, 2.75%, 5/15/25	10,380	9,970
U.S. Treasury Notes, 2.875%, 6/15/25	10,000	9,619
U.S. Treasury Notes, 3.875%, 3/31/25	3,655	3,583
U.S. Treasury Notes, 3.875%, 4/30/25	1,140	1,118
U.S. Treasury Notes, 4.00%, 12/15/25	1,525	1,501
U.S. Treasury Notes, 4.25%, 5/31/25 (4)(5)	6,405	6,325
U.S. Treasury Notes, 4.50%, 11/15/25	2,635	2,621
U.S. Treasury Notes, 4.625%, 6/30/25	1,765	1,757
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost $37,402)		**36,494**

	Par/Shares	$ Value
(Amounts in 000s)		
SHORT-TERM INVESTMENTS 1.6%		
Money Market Funds 1.6%		
T. Rowe Price Government Reserve Fund, 5.13% (6)(7)	2,898	2,898
Total Short-Term Investments (Cost $2,898)		**2,898**
SECURITIES LENDING COLLATERAL 3.2%		
INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH STATE STREET BANK AND TRUST COMPANY 3.2%		
Money Market Funds 3.2%		
T. Rowe Price Government Reserve Fund, 5.13% (6)(7)	5,623	5,623
Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company		**5,623**
Total Securities Lending Collateral (Cost $5,623)		**5,623**
Total Investments in Securities 102.9% of Net Assets (Cost $189,293)		**$ 182,046**

‡ Par/Shares and Notional Amount are denominated in U.S. dollars unless otherwise noted.
(1) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to $58,939 and represents 33.3% of net assets.
(2) Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread are provided if the rate is currently floating.
(3) See Note 4. To-Be-Announced purchase commitment. Total value of such securities at period-end amounts to $1,575 and represents 0.9% of net assets.
(4) See Note 4. All or a portion of this security is on loan at June 30, 2023.
(5) At June 30, 2023, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
(6) Seven-day yield
(7) Affiliated Companies
1M TSFR One month term SOFR (Secured overnight financing rate)
1M USD LIBOR One month USD LIBOR (London interbank offered rate)
3M TSFR Three month term SOFR (Secured overnight financing rate)
3M USD LIBOR Three month USD LIBOR (London interbank offered rate)
12M USD LIBOR Twelve month USD LIBOR (London interbank offered rate)
1Y CMT One year U.S. Treasury note constant maturity
ARM Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula based on the rates of the underlying loans.
CLO Collateralized Loan Obligation
CMO Collateralized Mortgage Obligation
FRN Floating Rate Note
PTT Pass-Through Trust
SOFR Secured overnight financing rate
SOFR30A 30-day Average SOFR (Secured overnight financing rate)
SOFR90A 90-day Average SOFR (Secured overnight financing rate)

STEP	Stepped coupon bond for which the coupon rate of interest adjusts on specified date(s); rate shown is effective rate at period-end.
TBA	To-Be-Announced
UMBS	Uniform Mortgage-Backed Securities
VR	Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

(Amounts in 000s)

SWAPS 0.0%

Description	Notional Amount	$ Value	Upfront Payments/ $ (Receipts)	Unrealized $ Gain/(Loss)
BILATERAL SWAPS 0.0%				
Credit Default Swaps, Protection Bought 0.0%				
Bank of America, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	417	(5)	(4)	(1)
Barclays Bank, Protection Bought (Relevant Credit: Omnicom Group), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	1,250	(15)	(12)	(3)
Citibank, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	596	(8)	(6)	(2)
Goldman Sachs, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	1,220	(15)	(11)	(4)
Morgan Stanley, Protection Bought (Relevant Credit: Markit CMBX.NA.AAA-S13, 50 Year Index), Pay 0.50% Monthly, Receive upon credit default, 12/16/72	4,298	65	120	(55)
Total Bilateral Credit Default Swaps, Protection Bought			**87**	**(65)**
Total Bilateral Swaps			**87**	**(65)**

FUTURES CONTRACTS

($000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Short, 30 U.S. Treasury Notes five year contracts	9/23	(3,213)	$ 61
Short, 20 U.S. Treasury Notes ten year contracts	9/23	(2,245)	38
Long, 172 U.S. Treasury Notes two year contracts	9/23	34,975	(497)
Short, 18 Ultra U.S. Treasury Notes ten year contracts	9/23	(2,132)	26
Net payments (receipts) of variation margin to date			**358**
Variation margin receivable (payable) on open futures contracts			**$ (14)**

AFFILIATED COMPANIES

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund, 5.13%	$ —	$ —	$ 53++
Totals	$ —#	$ —	$ 53+

Supplementary Investment Schedule

Affiliate	Value 12/31/22	Purchase Cost	Sales Cost	Value 06/30/23
T. Rowe Price Government Reserve Fund, 5.13%	$ 1,885	¤	¤	$ 8,521
Total				$ 8,521^

\# Capital gain distributions from underlying Price funds represented $0 of the net realized gain (loss).
++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 4.
\+ Investment income comprised $53 of dividend income and $0 of interest income.
¤ Purchase and sale information not shown for cash management funds.
^ The cost basis of investments in affiliated companies was $8,521.

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

STATEMENT OF ASSETS AND LIABILITIES

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

Assets		
Investments in securities, at value (cost $189,293)	$	182,046
Interest receivable		1,152
Receivable for investment securities sold		434
Cash		340
Receivable for shares sold		195
Bilateral swap premiums paid		120
Other assets		32
Total assets		184,319
Liabilities		
Obligation to return securities lending collateral		5,623
Payable for investment securities purchased		1,584
Investment management and administrative fees payable		112
Unrealized loss on bilateral swaps		65
Bilateral swap premiums received		33
Variation margin payable on futures contracts		14
Payable for shares redeemed		11
Other liabilities		3
Total liabilities		7,445
NET ASSETS	**$**	**176,874**
Net Assets Consist of:		
Total distributable earnings (loss)	$	(12,118)
Paid-in capital applicable to 38,617,247 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		188,992
NET ASSETS	**$**	**176,874**
NET ASSET VALUE PER SHARE		
Limited-Term Bond Portfolio Class (Net assets: $160,348; Shares outstanding: 34,994,553)	**$**	**4.58**
Limited-Term Bond Portfolio-II Class (Net assets: $16,526; Shares outstanding: 3,622,694)	**$**	**4.56**

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

(Unaudited)

STATEMENT OF OPERATIONS

($000s)

		6 Months Ended 6/30/23
Investment Income (Loss)		
Income		
Interest	$	3,060
Dividend		53
Securities lending		1
Total income		3,114
Expenses		
Investment management and administrative expense		618
Rule 12b-1 fees - Limited-Term Bond Portfolio-II Class		21
Waived / paid by Price Associates		(176)
Net expenses		463
Net investment income		2,651
Realized and Unrealized Gain / Loss		
Net realized gain (loss)		
Securities		(1,111)
Futures		(180)
Swaps		7
Net realized loss		(1,284)
Change in net unrealized gain / loss		
Securities		1,555
Futures		(415)
Swaps		(72)
Change in net unrealized gain / loss		1,068
Net realized and unrealized gain / loss		(216)
INCREASE IN NET ASSETS FROM OPERATIONS	**$**	**2,435**

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

(Unaudited)

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 6/30/23	Year Ended 12/31/22
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 2,651	$ 3,444
Net realized loss	(1,284)	(3,103)
Change in net unrealized gain / loss	1,068	(9,031)
Increase (decrease) in net assets from operations	2,435	(8,690)
Distributions to shareholders		
Net earnings		
Limited-Term Bond Portfolio Class	(2,428)	(3,413)
Limited-Term Bond Portfolio-II Class	(229)	(328)
Decrease in net assets from distributions	(2,657)	(3,741)
Capital share transactions*		
Shares sold		
Limited-Term Bond Portfolio Class	13,717	59,524
Limited-Term Bond Portfolio-II Class	2,181	7,474
Distributions reinvested		
Limited-Term Bond Portfolio Class	2,432	3,428
Limited-Term Bond Portfolio-II Class	229	329
Shares redeemed		
Limited-Term Bond Portfolio Class	(16,635)	(61,847)
Limited-Term Bond Portfolio-II Class	(3,088)	(8,169)
Increase (decrease) in net assets from capital share transactions	(1,164)	739
Net Assets		
Decrease during period	(1,386)	(11,692)
Beginning of period	178,260	189,952
End of period	**$ 176,874**	**$ 178,260**
*Share information (000s)		
Shares sold		
Limited-Term Bond Portfolio Class	2,970	12,646
Limited-Term Bond Portfolio-II Class	476	1,605
Distributions reinvested		
Limited-Term Bond Portfolio Class	528	735
Limited-Term Bond Portfolio-II Class	50	71
Shares redeemed		
Limited-Term Bond Portfolio Class	(3,605)	(13,157)
Limited-Term Bond Portfolio-II Class	(672)	(1,751)
Increase (decrease) in shares outstanding	(253)	149

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

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

New Accounting Guidance The FASB issued Accounting Standards Update (ASU), ASU 2020–04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered based reference rates, through December 31, 2022. In December 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to have a material impact on the fund's financial statements.

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

NOTE 2 - VALUATION

Fair Value The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

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

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

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

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

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

Valuation Techniques Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider factors such as, but not limited to, the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

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

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2023 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Fixed Income Securities[1]	$ —	$ 173,525	$ —	$ 173,525
Short-Term Investments	2,898	—	—	2,898
Securities Lending Collateral	5,623	—	—	5,623
Total Securities	8,521	173,525	—	182,046
Swaps	—	65	—	65
Futures Contracts*	125	—	—	125
Total	$ 8,646	$ 173,590	$ —	$ 182,236
Liabilities				
Swaps	$ —	$ 43	$ —	$ 43
Futures Contracts*	497	—	—	497
Total	$ 497	$ 43	$ —	$ 540

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

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

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2023, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes and may use them to establish both long and short positions within the fund's portfolio. Potential uses include to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust portfolio duration and credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral. The following table summarizes the fair value of the fund's derivative instruments held as of June 30, 2023, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

($000s)	Location on Statement of Assets and Liabilities	Fair Value*	
Assets			
Interest rate derivatives	Futures	$	125
Credit derivatives	Bilateral Swaps and Premiums		65
Total		$	190
Liabilities			
Interest rate derivatives	Futures	$	497
Credit derivatives	Bilateral Swaps and Premiums		43
Total		$	540

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

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended June 30, 2023, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

($000s)	Location of Gain (Loss) on Statement of Operations		
	Futures	Swaps	Total
Realized Gain (Loss)			
Interest rate derivatives	$ (180)	$ —	$ (180)
Credit derivatives	—	7	7
Total	$ (180)	$ 7	$ (173)
Change in Unrealized Gain (Loss)			
Interest rate derivatives	$ (415)	$ —	$ (415)
Credit derivatives	—	(72)	(72)
Total	$ (415)	$ (72)	$ (487)

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

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

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

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies, although other securities may be used depending on the terms outlined in the applicable MNA. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. For bilateral derivatives, collateral posted or received by the fund is held in a segregated account at the fund's custodian. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were cleared, and OTC and bilateral derivatives may be unwound with counterparties or transactions assigned to other counterparties to allow the fund to exit the transaction. This ability is subject to the liquidity of underlying positions. As of June 30, 2023, no collateral was pledged by either the fund or counterparties for bilateral derivatives. As of June 30, 2023, securities valued at $225,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

Futures Contracts The fund is subject to interest rate risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risk. The fund may enter into futures contracts to manage exposure to interest rate and yield curve movements, security prices, foreign currencies, credit quality, and mortgage prepayments; as an efficient means of adjusting exposure to all or part of a target market; to enhance income; as a cash management tool; or to adjust portfolio duration and credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed-upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund's initial investment. During the six months ended June 30, 2023, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 23% and 26% of net assets.

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

Credit default swaps are agreements where one party (the protection buyer) agrees to make periodic payments to another party (the protection seller) in exchange for protection against specified credit events, such as certain defaults and bankruptcies related to an underlying credit instrument, or issuer or index of such instruments. Upon occurrence of a specified credit event, the protection seller is required to pay the buyer the difference between the notional amount of the swap and the value of the underlying credit, either in the form of a net cash settlement or by paying the gross notional amount and accepting delivery of the relevant underlying credit. For credit default swaps where the underlying credit is an index, a specified credit event may affect all or individual underlying securities included in the index and will be settled based upon the relative weighting of the affected underlying security(ies) within the index. Risks related to the use of credit default swaps include the possible inability of the fund to accurately assess the current and future creditworthiness of underlying issuers, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

During the six months ended June 30, 2023, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 2% and 6% of net assets.

NOTE 4 - OTHER INVESTMENT TRANSACTIONS

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

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

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

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

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

To mitigate counterparty risk, the fund has entered into Master Securities Forward Transaction Agreements (MSFTA) with counterparties that provide for collateral and the right to offset amounts due to or from those counterparties under specified conditions. Subject to minimum transfer amounts, collateral requirements are determined and transfers made based on the net aggregate unrealized gain or loss on all TBA commitments and other forward settling mortgage obligations with a particular counterparty (collectively, MSFTA Transactions). At any time, the fund's risk of loss from a particular counterparty related to its MSFTA Transactions is the aggregate unrealized gain on appreciated MSFTA Transactions in excess of unrealized loss on depreciated MSFTA Transactions and collateral received, if any, from such counterparty. As of June 30, 2023, no collateral was pledged by the fund or counterparties for MSFTA Transactions.

Securities Lending The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At June 30, 2023, the value of loaned securities was $5,491,000; the value of cash collateral and related investments was $5,623,000.

Other Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated $21,717,000 and $29,008,000, respectively, for the six months ended June 30, 2023. Purchases and sales of U.S. government securities aggregated $30,181,000 and $25,125,000, respectively, for the six months ended June 30, 2023.

NOTE 5 - FEDERAL INCOME TAXES

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

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains. As of December 31, 2022, the fund had $3,257,000 of available capital loss carryforwards.

At June 30, 2023, the cost of investments (including derivatives, if any) for federal income tax purposes was $189,380,000. Net unrealized loss aggregated $7,684,000 at period-end, of which $207,000 related to appreciated investments and $7,891,000 related to depreciated investments.

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). Price Associates has entered into a sub-advisory agreement(s) with one or more of its wholly owned subsidiaries, to provide investment advisory services to the fund. The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.70% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring, extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2024 to waive a portion of its management fee in order to limit the fund's management fee to 0.50% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price Associates by the fund. The total management fees waived were $176,000 and allocated ratably in the amounts of $160,000 and $16,000 for the Limited-Term Bond Portfolio Class and Limited-Term Bond Portfolio-II Class, respectively, for the six months ended June 30, 2023.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund. Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. Pursuant to the all-inclusive fee arrangement under the investment management and administrative agreement, expenses incurred by the funds pursuant to these service agreements are paid by Price Associates.

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

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

NOTE 7 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

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

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

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

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

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

RESULTS OF PROXY VOTING

A Special Meeting of Shareholders was held on July 24, 2023 for shareholders of record on April 7, 2023, to elect the following director-nominees to serve on the Board of all Price Funds. The newly elected Directors took office effective July 24, 2023.

The results of the voting were as follows:

	Votes For	Votes Withheld
Melody Bianchetto	19,894,920	222,940
Mark J. Parrell	19,889,624	222,251
Kellye L. Walker	19,933,770	187,352
Eric L. Veiel	19,892,380	222,251

Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., Paul F. McBride and David Oestreicher continue to serve as Directors on the Board of all Price Funds.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

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

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment adviser, T. Rowe Price Associates, Inc. (Adviser), as well as the investment subadvisory agreements (Subadvisory Contracts) that the Adviser has entered into with T. Rowe Price International Ltd and T. Rowe Price Hong Kong Limited (Subadvisers) on behalf of the fund. In that regard, at a meeting held on March 6–7, 2023 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract and Subadvisory Contracts. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and Subadvisers and the approval of the Advisory Contract and Subadvisory Contracts. The independent directors were assisted in their evaluation of the Advisory Contract and Subadvisory Contracts by independent legal counsel from whom they received separate legal advice and with whom they met separately.

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

Services Provided by the Adviser and Subadvisers

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser and Subadvisers. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. The Board also reviewed the background and experience of the Adviser's and Subadvisers' senior management teams and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser and Subadvisers, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contracts.

Investment Performance of the Fund

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for various periods through December 31, 2022. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2022, which ranked the returns of the fund's Investor Class for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data. In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contracts.

Costs, Benefits, Profits, and Economies of Scale

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Adviser bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Adviser from managing the T. Rowe Price funds. While the Board did not review information regarding profits realized from managing the fund in particular because the fund had either not achieved sufficient portfolio asset size or not recognized sufficient revenues to produce meaningful profit margin percentages, the Board concluded that the Adviser's profits were reasonable in light of the services provided to the T. Rowe Price funds.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays the Adviser an all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Adviser to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Adviser has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's overall management fee rate to 0.50% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Adviser by the fund. Under each Subadvisory Contract, the Adviser may pay the Subadviser up to 60% of the advisory fees that the Adviser receives from the fund. The Adviser has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the fund's investors and has historically sought to set the initial all-inclusive management fee rate at levels below the expense ratios of comparable funds to take into account potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create certainty for the annuity providers' overall pricing decisions and disclosures. In addition, the assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because certain resources utilized to operate the fund are shared with other T. Rowe Price funds.

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's ongoing investments in its business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

Fees and Expenses

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, actual management fees, nonmanagement expenses, and total expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) actual management fees, nonmanagement expenses, and total expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement), and total expenses (which reflect the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group) and third quintile (Expense Universe).

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

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Adviser's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Adviser's

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)

proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

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

Approval of the Advisory Contract and Subadvisory Contracts

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

T. Rowe Price®

100 East Pratt Street
Baltimore, MD 21202

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

T. Rowe Price Investment Services, Inc.

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