JUNE 30, 2018

SEMI-ANNUAL REPORT (UNAUDITED)

BLACKROCK®

BlackRock Variable Series Funds, Inc.

- BlackRock Global Allocation V.I. Fund

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The Markets in Review

Rob Kapito
President, BlackRock Advisors, LLC

Dear Shareholder,

In the 12 months ended June 30, 2018, the strongest corporate profits in seven years drove the equity market higher, while rising interest rates constrained bond returns. Though the market's appetite for risk remained healthy, risk taking was tempered somewhat, as shorter-term, higher-quality securities led the bond market, and U.S. equities outperformed most international stock markets.

Strong equity performance worldwide was driven by synchronized economic growth across the most influential economies. However, volatility in emerging market stocks rose, as U.S.-China trade relations and debt concerns weighed heavily on the Chinese stock market.

Short-term U.S. Treasury interest rates rose the fastest, while longer-term rates slightly increased, leading to a substantial flattening of the yield curve. The annual return for the three-month U.S. Treasury bill surpassed 1.0%, but remained well below the annual headline inflation rate of 2.9%. In contrast, the ten-year U.S. Treasury — a bellwether of the bond market — posted a negative return, as rising inflation expectations drove yields higher. Although the fundamentals in credit markets remained relatively solid, investment-grade bonds declined slightly, and high-yield bonds posted modest returns.

In response to rising growth and inflation, the U.S. Federal Reserve (the "Fed") increased short-term interest rates three times during the reporting period. The Fed also announced plans to reduce its $4.4 trillion balance sheet by $420 billion in 2018, which began the process of gradually reversing its unprecedented stimulus measures after the financial crisis. Meanwhile, the European Central Bank announced that its bond-purchasing program would conclude at the end of the year, while also expressing an open-ended commitment to low interest rates. In contrast, the Bank of Japan continued to expand its balance sheet through bond purchasing while lowering its expectations for inflation.

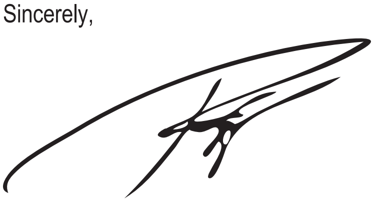
The U.S. economy continued to gain momentum despite the Fed's modest reduction of economic stimulus; unemployment declined to 4.0%, wages increased, and the number of job openings reached a record high. Strong economic performance may justify a more rapid pace of rate hikes in 2018, as the headline inflation rate and investors' expectations for inflation have already surpassed the Fed's target of 2.0%.

While U.S. monetary policy is seeking to restrain economic growth and inflation, fiscal policy has produced new sources of growth that could nourish the economy for the next few years. Corporate tax cuts and repatriation of capital held abroad could encourage a virtuous cycle of business spending. Lower individual tax rates coupled with the robust job market may refresh consumer spending. Proposed infrastructure spending would deliver growth from the government sector, generate demand, and improve economic activity in other sectors.

We continue to believe the primary risks to economic expansion are trade protectionism, rapidly rising interest rates, and geopolitical tension. Given the deflationary forces of technology and globalization, a substantial increase in inflation is unlikely to materialize as long as the unemployment rate remains above 3.0%. However, we are closely monitoring trade protectionism and the rise of populism in Western nations. In particular, the outcome of trade negotiations between the United States and China is likely to influence the global growth trajectory and set the tone for free trade in many other nations.

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

Sincerely,



Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of June 30, 2018

	6-month	**12-month**
U.S. large cap equities (S&P 500® Index)	2.65%	14.37%
U.S. small cap equities (Russell 2000® Index)	7.66	17.57
International equities (MSCI Europe, Australasia, Far East Index)	(2.75)	6.84
Emerging market equities (MSCI Emerging Markets Index)	(6.66)	8.20
3-month Treasury bills (ICE BofAML 3-Month U.S. Treasury Bill Index)	0.81	1.36
U.S. Treasury securities (ICE BofAML 10-Year U.S. Treasury Index)	(2.68)	(2.69)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	(1.62)	(0.40)
Tax-exempt municipal bonds (S&P Municipal Bond Index)	(0.02)	1.61
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	0.16	2.62

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Investment Objective

BlackRock Global Allocation V.I. Fund's (the "Fund") investment objective is to seek high total investment return.

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended June 30, 2018, the Fund underperformed both its Reference Benchmark and the broad based all-equity benchmark, the FTSE World Index. The Reference Benchmark is comprised as follows: 36% S&P 500® Index; 24% FTSE World (ex-U.S.) Index; 24% ICE BofAML Current 5-Year U.S. Treasury Index; and 16% FTSE Non-US Dollar World Government Bond Index. The Fund invests in both equities and bonds, and therefore, Fund management believes that the Reference Benchmark provides a more accurate representation of the Fund's composition and is a more comparable means for measurement. The following discussion of relative performance pertains to the Reference Benchmark. The following commentary (and referenced allocation percentages) are based on the economic exposures of the Fund, which reflect adjustments for futures, options and swaps (except with respect to fixed income securities), and convertible bonds, and may vary relative to the market value.

What factors influenced performance?

Within equities, an overweight to Japan and underweight to the U.S. market detracted from performance. From a sector perspective, stock selection in consumer discretionary and materials negatively impacted returns. An overweight to emerging market government bonds weighed on performance. The Fund's commodity-related exposures, most notably to gold, also detracted.

Also within equities, stock selection in health care, utilities and information technology ("IT") along with an underweight to consumer staples contributed to performance. Exposure to cash and cash equivalents was additive as well.

The Fund uses derivatives, which may include options, futures, swaps and forward contracts both to seek to enhance returns of the Fund and to hedge (or protect) against adverse movements in currency exchange rates, interest rates and movements in the securities markets. During the period, the use of derivatives detracted from the Fund's performance.

Describe recent portfolio activity.

During the six-month period, the Fund's overall equity allocation decreased from 62% to 61% of net assets. Within equities, the Fund decreased exposure to Europe and Japan. From a sector perspective, the Fund decreased exposure to industrials, utilities, energy, telecommunication services ("telecom") and consumer discretionary, and increased exposure to health care, IT and consumer staples.

The Fund's overall allocation to fixed income decreased from 30% to 28% of net assets. Within fixed income, the Fund decreased exposure to non-U.S. government bonds in Australia, Brazil and Poland, as well as to corporate bonds. The Fund increased exposure to U.S. government bonds.

The Fund's allocation to commodity-related securities decreased from 4% to 3% of net assets.

Reflecting the above changes, the Fund's cash and cash equivalent holdings increased from 4% to 8% of net assets. During the six-month period, the Fund's cash position helped mitigate portfolio volatility and served as a source of funds for new investments and redemptions.

Describe portfolio positioning at period end.

Relative to its Reference Benchmark, the Fund was overweight in equities, underweight in fixed income, overweight in commodity-related, and overweight in cash and cash equivalents. Within equities, the Fund was overweight in Asia and underweight in the U.S. market. Within Europe, the Fund was overweight in the Netherlands and France, and underweight in the United Kingdom and Ireland. From a sector perspective, the Fund was overweight in health care, energy, IT, consumer discretionary and telecom, and underweight in industrials, financials, consumer staples and real estate. Within fixed income, the Fund was underweight in developed market government bonds, and overweight in corporate and convertible bonds. With respect to currency exposures, the Fund was overweight in the U.S. dollar and Indian rupee, and underweight in the euro, Australian dollar and Japanese yen.

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

Performance Summary for the Period Ended June 30, 2018

	6-Month Total Returns [c]	Average Annual Total Returns 1 Year [c]	5 Years [c]	10 Years [c]
Class I[a][b]	(1.51)%	4.09%	5.39%	4.71%
Class II[a][b]	(1.63)	3 .90	5.24	4.55
Class III[a][b]	(1.62)	3 .94	5.15	4.46
FTSE World Index[d]	(0.05)	11.14	10.13	6.59
Reference Benchmark[e]	(0.22)	6 .98	6.83	5.75
U.S. Stocks: S&P 500® Index[f]	2.65	14.37	13.42	10.17
Non-U.S. Stocks: FTSE World (ex-U.S.) Index[g]	(3.50)	7 .03	6.51	3.14
U.S. Bonds: ICE BofAML Current 5-year U.S. Treasury Index[h]	(1.08)	(1.53)	0.89	2.92
Non-U.S. Bonds: FTSE Non-U.S. Dollar World Govt Bond Index[i]	(0.92)	3.22	1.01	1.78

(a) Average annual and cumulative total returns are based on changes in net asset value for the periods shown and assume reinvestment of all distributions at net asset value on the ex-dividend date. Insurance-related fees and expenses are not reflected in these returns.
(b) The Fund invests in a portfolio of U.S. and foreign equity securities, debt and money market securities, the combination of which will be varied from time to time with respect to types of securities and markets in response to changing markets and economic trends.
(c) For a portion of the period, the Fund's investment adviser waived a portion of its fees. Without such waiver, the Fund's performance would have been lower.
(d) This unmanaged capitalization-weighted index is comprised of 2,602 equities from 35 countries in 4 regions, including the United States.
(e) The Reference Benchmark is an unmanaged weighted index comprised as follows: 36% S&P 500® Index; 24% FTSE World (ex U.S.) Index; 24% ICE BofAML Current 5-Year U.S. Treasury Index; and 16% FTSE Non-U.S. Dollar World Government Bond Index.
(f) This unmanaged index covers 500 leading companies and captures approximately 80% coverage of available market capitalization.
(g) This unmanaged capitalization-weighted index is comprised of 1,990 equities from 34 countries, excluding the United States.
(h) This unmanaged index is designed to track the total return of the current coupon five-year U.S. Treasury bond.
(i) This unmanaged market capitalization-weighted index tracks 22 government bond indexes, excluding the United States.

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

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

Expense Example

	Actual				Hypothetical [a]				
			Including Dividend Expense and Broker Fees and Expenses on Short Sales	Excluding Dividend Expense and Broker Fees and Expenses on Short Sales		Including Dividend Expense and Broker Fees and Expenses on Short Sales		Excluding Dividend Expense and Broker Fees and Expenses on Short Sales	
	Beginning Account Value 01/01/18	Ending Account Value 06/30/18	Expenses Paid During the Period [b]	Expenses Paid During the Period [b]	Beginning Account Value 01/01/18	Ending Account Value 06/30/18	Expenses Paid During the Period [b]	Ending Account Value 06/30/18	Expenses Paid During the Period [b]
Class I	$ 1,000.00	$ 984.90	$ 3.59	$ 3.59	$ 1,000.00	$ 1,021.17	$ 3.66	$ 1,021.17	$ 3.66
Class II	1,000.00	983.70	4.33	4.33	1,000.00	1,020.43	4.41	1,020.43	4.41
Class III	1,000.00	983.80	4.82	4.82	1,000.00	1,019.93	4.91	1,019.93	4.91

(a) Hypothetical 5% annual return before expenses is calculated by prorating the number of days in the most recent fiscal half year divided by 365.
(b) For each class of the Fund, expenses are equal to the annualized expense ratio for the class (0.73% for Class I , 0.88% for Class II and 0.98% for Class III), multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period shown).

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

Overall Asset Exposure

Portfolio Composition	Percent of Fund's Net Assets [a] 6/30/2018	12/31/2017	Reference Benchmark [b] Percentage
U.S. Equities	32%	32%	35%
European Equities	13	15	13
Asia Pacific Equities	15	14	9
Other Equities	1	1	3
Total Equities	61	62	60
U.S Dollar Denominated Fixed Income Securities	22	22	24
U.S. Issuers	21	19	—
Non-U.S. Issuers	1	3	—
Non-U.S Dollar Denominated Fixed Income Securities	6	8	16
Total Fixed Income Securities	28	30	40
Commodity-Related Securities	3	4	
Cash & Short-Term Securities	8	4	—

(a) Exposure based on market value and adjusted for the economic value of futures, swaps and options (except with respect to fixed income securities), and convertible bonds.
(b) The Reference Benchmark is an unmanaged weighted index comprised as follows: 36% of the S&P 500 Index®; 24% FTSE World (ex U.S.) Index; 24% ICE BofA ML Current 5-Year U.S. Treasury Index; and 16% FTSE Non-U.S. Dollar World Government Bond Index. Descriptions of these indexes are found on page 5 of this report to shareholders in the "Performance Summary" section.

Disclosure of Expenses

Shareholders of the Fund may incur the following charges: (a) transactional expenses, such as sales charges; and (b) operating expenses, including investment advisory fees, service and distribution fees, including 12b-1 fees, acquired fund fees and expenses, and other fund expenses. The expense example shown on the previous page (which is based on a hypothetical investment of $1,000 invested on January 1, 2018 and held through June 30, 2018 is intended to assist shareholders both in calculating expenses based on an investment in the Fund and in comparing these expenses with similar costs of investing in other mutual funds.

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

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

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

Derivative Financial Instruments

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

Security	Shares	Value
Common Stocks — 57.7%		
Australia — 0.0%		
AMP Ltd.	26,272	$ 69,101
Newcrest Mining Ltd.	832	13,509
Ramsay Health Care Ltd.	1,054	42,090
Rio Tinto Ltd.	1,943	120,049
Rio Tinto plc	3,709	204,434
South32 Ltd.	14,048	37,513
Stockland	21,837	64,161
Wesfarmers Ltd.	7,084	258,469
Woolworths Group Ltd.	8,937	201,831
		1,011,157
Belgium — 0.4%		
Anheuser-Busch InBev SA	420,829	42,446,911
Brazil — 0.5%		
Azul SA, ADR[(a)(b)]	1,832,500	29,979,700
Banco do Brasil SA[(a)]	11,723	86,053
Banco Santander Brasil SA	6,359	47,991
Hapvida Participacoes e Investimentos SA[(a)(c)]	752,034	5,733,756
JBS SA	48,941	116,173
Notre Dame Intermedica Participacoes SA[(a)]	1,793,904	10,020,776
Petroleo Brasileiro SA[(a)]	1,691	8,464
Suzano Papel e Celulose SA	2,020	23,308
Vale SA[(a)]	5,676	72,316
		46,088,537
Canada — 0.7%		
Bank of Nova Scotia (The)	1,716	97,166
Canadian Natural Resources Ltd.	3,772	136,144
Enbridge, Inc.	443,303	15,848,508
Encana Corp.	2,903,346	37,888,665
Husky Energy, Inc.	10,131	157,901
Imperial Oil Ltd.	1,859	61,795
Manulife Financial Corp.	4,321	77,634
Royal Bank of Canada	5,162	388,686
Suncor Energy, Inc.	4,209	171,286
Teck Resources Ltd., Class B	8,238	209,858
Toronto-Dominion Bank (The)	1,673	96,831
TransCanada Corp.[(b)]	388,596	16,813,099
		71,947,573
China — 1.3%		
Agile Group Holdings Ltd.	24,000	40,835
Agricultural Bank of China Ltd., Class H	204,000	95,213
Alibaba Group Holding Ltd., ADR[(a)(b)]	309,495	57,420,607
Autohome, Inc., ADR	52	5,252
BAIC Motor Corp. Ltd., Class H[(a)(c)]	110,000	104,697
Bank of China Ltd., Class H	184,000	91,250
Beijing Capital International Airport Co. Ltd., Class H	144,000	151,262
China Communications Services Corp. Ltd., Class H	186,000	117,537
China Construction Bank Corp., Class H[(a)]	213,000	194,904
China Mobile Ltd.	21,000	186,332
China National Building Material Co. Ltd., Class H	46,000	45,276
China Resources Gas Group Ltd.	14,000	60,525
China Resources Power Holdings Co. Ltd.	36,000	63,267
CITIC Ltd.	26,000	36,575
CNOOC Ltd.	144,000	246,751
Country Garden Holdings Co. Ltd.	30,000	52,590
Country Garden Services Holdings Co. Ltd.[(a)]	6,321	8,105
Dongfeng Motor Group Co. Ltd., Class H	112,000	118,050
Fosun International Ltd.	28,500	53,380
Guangzhou Automobile Group Co. Ltd., Class H	78,400	76,276
Industrial & Commercial Bank of China Ltd., Class H	203,000	151,406
Momo, Inc., ADR[(a)]	729	31,711
China (continued)		
New Oriental Education & Technology Group, Inc., ADR	1,960	$ 185,534
PICC Property & Casualty Co. Ltd., Class H	33,000	35,492
Ping An Healthcare and Technology Co. Ltd. (Acquired 05/03/18, cost $12,198,634)[(a)(c)(d)(e)]	1,729,470	10,638,568
Shimao Property Holdings Ltd.	6,500	16,947
SINA Corp.[(a)]	2,446	207,152
Tencent Holdings Ltd.	1,237,300	62,131,518
Want Want China Holdings Ltd.	3,976,000	3,535,570
Yum China Holdings, Inc.	1,284	49,383
Zhejiang Expressway Co. Ltd., Class H	128,000	113,996
		136,265,961
Czech Republic — 0.0%		
CEZ A/S[(b)]	194,193	4,601,062
Denmark — 0.0%		
Carlsberg A/S, Class B	623	73,301
Danske Bank A/S	4,149	129,258
Novo Nordisk A/S, Class B	291	13,441
		216,000
Finland — 0.0%		
Nokia OYJ	46,947	269,282
France — 2.5%		
AXA SA	812,915	19,862,585
BNP Paribas SA	3,166	195,839
Cie de Saint-Gobain	6,628	295,244
Cie Generale des Etablissements Michelin SCA	779	94,242
Credit Agricole SA	5,109	67,809
Danone SA	941,291	68,726,006
Dassault Aviation SA	11,027	20,967,457
Eiffage SA	20,504	2,227,626
Engie SA	10,899	166,717
L'Oreal SA	43	10,601
Safran SA	545,811	66,100,388
Sanofi	2,989	239,896
Societe Generale SA	3,137	131,848
Sodexo SA	377,900	37,723,541
TOTAL SA	1,233	74,875
TOTAL SA, ADR	16,458	996,696
Unibail-Rodamco-Westfield	152,534	33,586,262
		251,467,632
Germany — 1.5%		
adidas AG	642	139,775
Allianz SE (Registered)	556	114,566
BASF SE	1,150	109,789
Bayer AG (Registered)	676,133	74,255,365
Deutsche Post AG (Registered)	4,963	161,250
Evonik Industries AG	232	7,938
Fresenius Medical Care AG & Co. KGaA	1,318	132,711
Fresenius SE & Co. KGaA	949,568	76,026,872
GEA Group AG[(b)]	117,525	3,958,032
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen (Registered)	240	50,458
SAP SE	3,197	368,991
Siemens Healthineers AG[(a)(c)]	2,135	87,980
		155,413,727
Hong Kong — 0.8%		
CK Infrastructure Holdings Ltd.	359,500	2,661,280
CLP Holdings Ltd.	418,500	4,507,827
Galaxy Entertainment Group Ltd.	20,000	154,169
Hang Lung Properties Ltd.	1,372,000	2,818,191
HKT Trust & HKT Ltd.[(f)]	2,032,000	2,592,048

Security	Shares	Value
Hong Kong (continued)		
Hong Kong Exchanges & Clearing Ltd.	2,700	$ 80,804
I-CABLE Communications Ltd.[a]	379,342	5,922
Jardine Matheson Holdings Ltd.	77,900	4,908,731
Link REIT	473,000	4,313,471
Power Assets Holdings Ltd.	334,500	2,338,550
Sino Land Co. Ltd.	1,416,000	2,300,960
Sun Hung Kai Properties Ltd.	2,934,083	44,204,713
Swire Pacific Ltd., Class A	323,000	3,414,061
WH Group Ltd.[c]	189,000	152,936
Wharf Holdings Ltd. (The)	592,000	1,895,775
Wharf Real Estate Investment Co. Ltd.	469,000	3,330,256
		79,679,694
India — 1.5%		
Aurobindo Pharma Ltd.	5,941	52,680
Coal India Ltd.	818,840	3,159,817
GAIL India Ltd.	10,149	50,441
HCL Technologies Ltd.	5,819	78,627
Hero MotoCorp Ltd.	84,337	4,276,302
Hindustan Petroleum Corp. Ltd.	52,445	199,013
Hindustan Unilever Ltd.	8,572	205,305
Housing Development Finance Corp. Ltd.	1,101,757	30,699,998
Indian Oil Corp. Ltd.	28,603	65,329
Infosys Ltd.	502	9,624
Kotak Mahindra Bank Ltd.	1,178,697	23,132,593
Maruti Suzuki India Ltd.	108,150	13,938,631
Oil & Natural Gas Corp. Ltd.	1,101,484	2,546,537
Reliance Industries Ltd.	3,424,696	48,657,854
State Bank of India[a]	2,414,376	9,153,078
Tata Motors Ltd.[a]	2,233	8,778
Titan Co. Ltd.	2,008	25,759
Vedanta Ltd.	11,645	40,186
Yes Bank Ltd.	2,252,396	11,192,232
		147,492,784
Indonesia — 0.1%		
Siloam International Hospitals Tbk. PT[a]	15,052,742	5,485,025
Israel — 0.0%		
Check Point Software Technologies Ltd.[a]	1,095	106,960
Italy — 0.9%		
Atlantia SpA	633	18,662
Ei Towers SpA	300,933	16,640,190
Enel SpA	4,173,245	23,124,709
Eni SpA	6,189	114,753
Intesa Sanpaolo SpA[b]	15,616	45,181
Luxottica Group SpA	439,421	28,292,446
RAI Way SpA[c]	2,096,261	9,811,053
Snam SpA[b]	348,869	1,453,878
Telecom Italia SpA[a]	15,116,218	11,199,327
Telecom Italia SpA[b]	805,191	524,000
UniCredit SpA	5,973	98,999
		91,323,198
Japan — 8.4%		
Aisin Seiki Co. Ltd.	230,939	10,515,244
Ajinomoto Co., Inc.	1,320,300	24,992,060
Alfresa Holdings Corp.	102,900	2,416,329
Alpine Electronics, Inc.	72,900	1,503,206
Asahi Glass Co. Ltd.	300	11,669
Asahi Kasei Corp.	1,281,100	16,246,206
Astellas Pharma, Inc.	2,782,365	42,343,654
Bridgestone Corp.	706,432	27,595,251
Canon Marketing Japan, Inc.	87,100	1,814,192
COMSYS Holdings Corp.	104,800	2,773,755

Security	Shares	Value
Japan (continued)		
Daicel Corp.	390,100	$ 4,309,380
Daikin Industries Ltd.	133,500	15,954,998
Daiwa House Industry Co. Ltd.	3,900	132,685
Denso Corp.	547,120	26,696,301
Dowa Holdings Co. Ltd.	49,400	1,520,927
East Japan Railway Co.	557,051	53,346,213
Eisai Co. Ltd.	800	56,312
Exedy Corp.	60,900	1,884,934
Fujitsu Ltd.	30,000	181,545
GS Yuasa Corp.[b]	418,000	1,903,207
Hino Motors Ltd.	181,800	1,938,584
Hitachi Chemical Co. Ltd.	135,500	2,727,831
Hitachi Ltd.	44,000	309,979
Hoya Corp.	633,474	35,936,339
Inpex Corp.	4,100	42,582
Japan Airlines Co. Ltd.	1,270,500	45,015,180
Japan Aviation Electronics Industry Ltd.	123,000	1,934,730
Japan Post Holdings Co. Ltd.	7,300	79,890
JFE Holdings, Inc.	3,700	69,884
Kajima Corp.	8,000	61,813
Kamigumi Co. Ltd.	95,000	1,971,805
Kansai Electric Power Co., Inc. (The)	2,400	35,002
Kao Corp.	700	53,355
KDDI Corp.	140,200	3,833,757
Keyence Corp.	7,800	4,399,313
Kinden Corp.	311,600	5,082,053
Kintetsu Group Holdings Co. Ltd.	1,900	77,473
Kirin Holdings Co. Ltd.	2,200	58,971
Koito Manufacturing Co. Ltd.	214,000	14,135,366
Kuraray Co. Ltd.	131,000	1,801,699
Kyudenko Corp.[b]	51,700	2,491,423
Mabuchi Motor Co. Ltd.	75,300	3,573,949
Maeda Road Construction Co. Ltd.	126,000	2,391,857
Medipal Holdings Corp.	117,900	2,368,288
Mitsubishi Chemical Holdings Corp.	7,500	62,631
Mitsubishi Electric Corp.	3,690,200	48,961,270
Mitsubishi Heavy Industries Ltd.	500	18,176
Mitsubishi Tanabe Pharma Corp.	4,600	79,420
Mitsubishi UFJ Financial Group, Inc.	20,000	113,298
MS&AD Insurance Group Holdings, Inc.	2,500	77,646
Murata Manufacturing Co. Ltd.	382,428	64,200,642
Nichias Corp.	133,000	1,663,203
Nippo Corp.	123,000	2,238,645
Nippon Telegraph & Telephone Corp.	74,260	3,373,484
Nippon Television Holdings, Inc.	237,700	4,006,394
Nitto Denko Corp.	704,400	53,180,377
Nomura Holdings, Inc.	13,600	65,811
Okumura Corp.[b]	116,050	3,777,462
Olympus Corp.	2,600	97,260
Oracle Corp.	2,300	187,462
Otsuka Holdings Co. Ltd.	41,900	2,026,817
Panasonic Corp.	7,500	101,133
Rakuten, Inc.	19,100	128,919
Resona Holdings, Inc.	25,800	137,508
Rohm Co. Ltd.	283,953	23,728,391
Seino Holdings Co. Ltd.	134,500	2,380,002
Seven & i Holdings Co. Ltd.	36,900	1,609,419
Shimamura Co. Ltd.	18,500	1,626,482
Shin-Etsu Chemical Co. Ltd.	473,434	42,073,346
Shionogi & Co. Ltd.	5,400	277,095
Sony Corp.	4,300	220,222
Stanley Electric Co. Ltd.	61,800	2,104,294
Subaru Corp.	1,646,964	47,901,971

Security	Shares	Value
Japan (continued)		
Sumitomo Chemical Co. Ltd.	4,000	$ 22,623
Sumitomo Mitsui Financial Group, Inc.	547	21,336
Suzuken Co. Ltd.	52,200	2,207,508
Suzuki Motor Corp.	913,589	50,346,171
T&D Holdings, Inc.	500	7,499
Taisei Corp.	2,700	148,687
Takeda Pharmaceutical Co. Ltd.	1,800	75,723
Toagosei Co. Ltd.	128,900	1,487,419
Toda Corp.	568,896	4,940,379
Toho Co. Ltd.	78,800	2,639,329
Tokio Marine Holdings, Inc.	369,623	17,292,164
Tokyo Gas Co. Ltd.	1,310,014	34,783,853
Tokyo Steel Manufacturing Co. Ltd.	359,900	3,192,875
Toray Industries, Inc.	1,405,400	11,092,630
Toshiba Corp.[a]	19,000	57,039
Toyota Industries Corp.	530,377	29,688,265
TV Asahi Holdings Corp.	172,900	3,792,801
Ube Industries Ltd.	693,934	18,018,221
Unicharm Corp.	3,200	96,206
West Japan Railway Co.	200	14,725
Yakult Honsha Co. Ltd.	500	33,430
Yamato Kogyo Co. Ltd.[b]	73,400	2,214,224
		855,181,078
Luxembourg — 0.0%		
ArcelorMittal	883	25,762
Macau — 0.0%		
Sands China Ltd.	6,000	31,988
Malaysia — 0.0%		
Malaysia Airports Holdings Bhd.	673,600	1,467,424
Mexico — 0.0%		
Cemex SAB de CV[a]	379,272	249,598
Grupo Financiero Banorte SAB de CV, Class O	11,266	66,245
		315,843
Netherlands — 2.4%		
ABN AMRO Group NV, CVA[b][c]	898,430	23,235,012
ING Groep NV	2,769,111	39,749,270
Koninklijke Ahold Delhaize NV	2,957	70,606
Koninklijke DSM NV	1,169	116,946
Koninklijke Philips NV	2,092,402	88,650,834
Royal Dutch Shell plc, Class A	1,485,443	51,551,048
Royal Dutch Shell plc, Class B	10,955	392,332
Royal Dutch Shell plc, ADR, Class A[b]	596,656	41,306,495
		245,072,543
Norway — 0.0%		
DNB ASA	3,566	69,441
Poland — 0.0%		
LPP SA	9	20,301
PGE Polska Grupa Energetyczna SA[a]	54,010	134,217
Polski Koncern Naftowy ORLEN SA	3,699	82,847
		237,365
Portugal — 0.1%		
Jeronimo Martins SGPS SA	101,310	1,459,319
NOS SGPS SA	1,343,082	7,346,322
		8,805,641
Singapore — 0.2%		
CapitaLand Ltd.	7,377,850	17,076,038
ComfortDelGro Corp. Ltd.	1,679,500	2,890,392
Genting Singapore Ltd.	288,100	257,968
Singapore Telecommunications Ltd.	1,673,800	3,779,101
		24,003,499
South Africa — 0.0%		
Anglo American plc	3,395	$ 75,372
Kumba Iron Ore Ltd.	488	10,445
MTN Group Ltd.	4,118	32,392
Tiger Brands Ltd.	6,602	159,450
		277,659
South Korea — 0.7%		
Coway Co. Ltd.	40,596	3,154,431
Doosan Bobcat, Inc.	503,116	14,446,872
Hana Financial Group, Inc.	2,768	106,293
Hyundai Mobis Co. Ltd.	69	13,124
Industrial Bank of Korea	7,676	105,865
KT&G Corp.	226,115	21,726,243
LG Chem Ltd.[b]	15,076	4,512,375
LG Display Co. Ltd.	631	10,352
Lotte Chemical Corp.	130	40,525
POSCO	16,301	4,809,772
Samsung Electronics Co. Ltd.	562,335	23,555,978
Shinhan Financial Group Co. Ltd.	275	10,648
SK Hynix, Inc.	1,862	142,926
SK Innovation Co. Ltd.	384	69,553
SK Telecom Co. Ltd.	16,304	3,407,692
Woori Bank	3,929	57,307
		76,169,956
Spain — 0.3%		
Aena SME SA[c]	1,729	313,030
Amadeus IT Group SA	419	32,947
Banco Bilbao Vizcaya Argentaria SA	13,800	97,326
CaixaBank SA	37,750	162,487
Cellnex Telecom SA[b][c]	1,257,887	31,625,127
Repsol SA	5,569	108,702
		32,339,619
Sweden — 0.0%		
Essity AB, Class B	6,575	161,755
Sandvik AB	7,516	132,740
Skandinaviska Enskilda Banken AB, Class A	17,221	162,986
Volvo AB, Class B	18,568	295,104
		752,585
Switzerland — 1.1%		
Cie Financiere Richemont SA (Registered)	454	38,379
Glencore plc[a]	8,083	38,376
Nestle SA (Registered)	781,584	60,573,424
Novartis AG (Registered)	1,883	142,639
Roche Holding AG	2,092	464,127
SGS SA (Registered)	26	69,087
Swatch Group AG (The)	17	8,048
Swatch Group AG (The) (Registered)	2,231	192,640
UBS Group AG (Registered)[a]	3,492,960	53,548,343
		115,075,063
Taiwan — 0.8%		
Catcher Technology Co. Ltd.	1,000	11,165
Cathay Financial Holding Co. Ltd.	2,326,000	4,097,024
Cheng Shin Rubber Industry Co. Ltd.	1,312,323	1,973,880
Chunghwa Telecom Co. Ltd.	5,502,000	19,828,276
CTBC Financial Holding Co. Ltd.	25,000	17,963
Far EasTone Telecommunications Co. Ltd.[a]	3,428,000	8,855,087
Formosa Chemicals & Fibre Corp.	944,000	3,756,469
Formosa Petrochemical Corp.[a]	673,000	2,699,996
Formosa Plastics Corp.	982,000	3,618,963
Fubon Financial Holding Co. Ltd.	2,590,000	4,333,372
Hon Hai Precision Industry Co. Ltd.[a]	1,536,200	4,186,249
Nan Ya Plastics Corp.	1,232,000	3,518,786

Security	Shares	Value
Taiwan (continued)		
Nanya Technology Corp.	29,000	$ 78,720
Taiwan Cooperative Financial Holding Co. Ltd.	42,000	24,574
Taiwan Mobile Co. Ltd.	2,831,000	10,256,341
Taiwan Semiconductor Manufacturing Co. Ltd.	621,000	4,409,770
Uni-President Enterprises Corp.	2,301,000	5,832,630
		77,499,265
Thailand — 0.2%		
Advanced Info Service PCL	910,500	5,081,475
Intouch Holdings PCL, Class F	2,284,600	3,689,597
PTT Global Chemical PCL	1,915,300	4,216,070
Siam Cement PCL (The)	282,400	3,526,135
Thai Oil PCL	1,022,400	2,396,776
		18,910,053
Turkey — 0.0%		
BIM Birlesik Magazalar A/S	3,239	47,303
Eregli Demir ve Celik Fabrikalari TAS	8,167	18,113
Turk Hava Yollari AO[(a)]	26,135	77,078
		142,494
United Arab Emirates — 0.5%		
NMC Health plc	1,051,788	49,505,301
United Kingdom — 1.5%		
Aviva plc	7,114	47,202
Barclays plc	12,569	31,067
Berkeley Group Holdings plc	35,397	1,763,231
BP plc	28,278	215,154
Diageo plc	1,515	54,428
Experian plc	735	18,131
GlaxoSmithKline plc	13,621	274,612
GW Pharmaceuticals plc, ADR[(a)(b)]	46,948	6,551,124
HSBC Holdings plc	4,776,860	44,636,656
Imperial Brands plc	3,118	115,797
Legal & General Group plc	44,110	154,290
Liberty Global plc, Class A[(a)]	626,045	17,241,279
Lloyds Banking Group plc	375,513	311,570
Prudential plc	1,348	30,729
RELX plc	608	12,984
SSE plc	1,165	20,796
Unilever NV, CVA	2,774	154,559
Unilever plc	1,900	104,957
Vodafone Group plc	27,500,988	66,615,409
Vodafone Group plc, ADR[(b)]	499,896	12,152,472
		150,506,447
United States — 31.3%		
AbbVie, Inc.	21,218	1,965,848
Acadia Healthcare Co., Inc.[(a)(b)]	442,659	18,109,180
Accenture plc, Class A	13,280	2,172,475
Activision Blizzard, Inc.	548	41,823
Adobe Systems, Inc.[(a)]	11,759	2,866,962
Aetna, Inc.	11,858	2,175,943
Agilent Technologies, Inc.	1,586	98,078
Air Products & Chemicals, Inc.	421,850	65,694,701
Allergan plc	1,207	201,231
Alliance Data Systems Corp.	2,297	535,660
Allstate Corp. (The)	1,637	149,409
Ally Financial, Inc.	27,785	729,912
Alphabet, Inc., Class A[(a)]	516	582,662
Alphabet, Inc., Class C[(a)]	98,826	110,255,227
Altria Group, Inc.	739,201	41,979,225
Amazon.com, Inc.[(a)(g)]	67,728	115,124,054
Amdocs Ltd.	27,552	1,823,667
American Express Co.	94	9,212
American International Group, Inc.	154	8,165

Security	Shares	Value
United States (continued)		
American Tower Corp.	15,720	$ 2,266,352
Ameriprise Financial, Inc.	8,194	1,146,177
AmerisourceBergen Corp.	205	17,480
Amgen, Inc.	12,354	2,280,425
Anadarko Petroleum Corp.	1,251,899	91,701,602
Anthem, Inc.	326,348	77,680,614
Aon plc	626	85,868
Apple, Inc.	1,161,823	215,065,056
Applied Materials, Inc.	3,459	159,771
AT&T, Inc.	5,650	181,422
Automatic Data Processing, Inc.	1,236	165,797
AutoZone, Inc.[(a)]	137	91,917
Bank of America Corp.	3,086,243	87,001,190
Bank of New York Mellon Corp. (The)	16,137	870,268
Baxter International, Inc.[(b)]	59,874	4,421,096
BB&T Corp.	197	9,937
Berkshire Hathaway, Inc., Class B[(a)]	25,044	4,674,463
Biogen, Inc.[(a)]	48,493	14,074,608
Boeing Co. (The)	8,279	2,777,687
Booking Holdings, Inc.[(a)]	69	139,869
Boston Scientific Corp.[(a)]	2,705	88,454
Bristol-Myers Squibb Co.	5,003	276,866
Broadcom, Inc.	148	35,911
CA, Inc.	4,049	144,347
Capital One Financial Corp.	14,213	1,306,175
Cardinal Health, Inc.	822	40,138
Carnival Corp.	3,587	205,571
Caterpillar, Inc.	5,269	714,845
Celgene Corp.[(a)]	1,794	142,480
Charles Schwab Corp. (The)	1,176,652	60,126,917
Charter Communications, Inc., Class A[(a)]	254,380	74,586,760
Chevron Corp.	9,147	1,156,455
Chubb Ltd.	204,285	25,948,281
Cigna Corp.	1,635	277,868
Cisco Systems, Inc.	10,410	447,942
Citigroup, Inc.	790,367	52,891,360
Cloudera, Inc.[(a)]	1,593,528	21,735,722
CME Group, Inc.	603	98,844
Coca-Cola Co. (The)	3,567	156,449
Cognizant Technology Solutions Corp., Class A	2,799	221,093
Colgate-Palmolive Co.	39,573	2,564,726
Comcast Corp., Class A	3,428,813	112,499,355
Conagra Brands, Inc.	8,184	292,414
ConocoPhillips	5,742	399,758
Constellation Brands, Inc., Class A	9,039	1,978,366
Corning, Inc.	6,024	165,720
Costco Wholesale Corp.	4,050	846,369
Crown Holdings, Inc.[(a)]	19,636	878,907
CSX Corp.	7,381	470,760
Cummins, Inc.	830	110,390
CVS Health Corp.[(b)]	1,061,497	68,307,332
Danaher Corp.	935	92,266
Dave & Buster’s Entertainment, Inc.[(a)]	204,379	9,728,440
Dell Technologies, Inc., Class V[(a)]	2,097	177,364
Delta Air Lines, Inc.	16,862	835,344
Discover Financial Services	21,988	1,548,175
DISH Network Corp., Class A[(a)]	89,350	3,003,054
Dollar General Corp.	52,952	5,221,067
Domo, Inc., Class B[(a)]	338,616	9,244,217
Domo, Inc., Class B (Acquired 04/01/15-04/12/17, cost $23,596,895)[(a)(d)(e)]	186,575	4,839,757
DowDuPont, Inc.	1,428,100	94,140,352
Dropbox, Inc. Class A (Acquired 01/24/14, cost $28,835,783)[(a)(d)(e)]	1,006,421	31,885,442

Security	Shares	Value
United States (continued)		
DXC Technology Co.	1,040	$ 83,834
Eaton Corp. plc	385	28,775
eBay, Inc.[(a)]	12,864	466,449
Edgewell Personal Care Co.[(a)(b)]	473,472	23,891,397
Edwards Lifesciences Corp.[(a)]	3,406	495,811
Electronic Arts, Inc.[(a)]	13,888	1,958,486
Emerson Electric Co.	445	30,767
Entergy Corp.	830	67,056
Equity Residential	1,926	122,667
Expedia Group, Inc.	3,082	370,426
Express Scripts Holding Co.[(a)]	3,506	270,698
Exxon Mobil Corp.	267,597	22,138,300
Facebook, Inc., Class A[(a)]	895,435	174,000,929
Fieldwood Energy, Inc.[(a)(e)]	86,636	3,162,214
Fifth Third Bancorp	543,929	15,610,762
FleetCor Technologies, Inc.[(a)]	231,282	48,719,553
Ford Motor Co.	4,252	47,070
Fortune Brands Home & Security, Inc.	40,260	2,161,559
Franklin Resources, Inc.	950	30,448
Freeport-McMoRan, Inc.	3,937	67,953
General Dynamics Corp.	4,327	806,596
General Electric Co.[(b)]	1,237,485	16,842,171
General Mills, Inc.	3,013	133,355
General Motors Co.	3,720	146,568
Gilead Sciences, Inc.	791,185	56,047,545
Global Payments, Inc.[(b)]	44,026	4,908,459
Goldman Sachs Group, Inc. (The)	7,034	1,551,489
Halliburton Co.	2,606	117,426
Hartford Financial Services Group, Inc. (The)[(b)]	57,587	2,944,423
HCA Healthcare, Inc.	463,463	47,551,304
Helmerich & Payne, Inc.[(b)]	15,048	959,461
Hewlett Packard Enterprise Co.	10,013	146,290
Hilton Worldwide Holdings, Inc.	556	44,013
Home Depot, Inc. (The)	14,981	2,922,793
HP, Inc.	13,381	303,615
Humana, Inc.	377	112,207
Huntsman Corp.	22,829	666,607
Hyatt Hotels Corp., Class A	3,842	296,410
Illinois Tool Works, Inc.	3,967	549,588
Ingersoll-Rand plc	1,832	164,385
Intel Corp.	42,158	2,095,674
International Business Machines Corp.	242,389	33,861,743
International Paper Co.	19,680	1,024,934
Intuit, Inc.	11,887	2,428,574
Intuitive Surgical, Inc.[(a)]	342	163,640
Jawbone Health Hub, Inc. (Acquired 01/24/17, cost $0)[(a)(d)(e)]	333,860	3
Johnson & Johnson	371,255	45,048,082
JPMorgan Chase & Co.	245,699	25,601,836
Kimberly-Clark Corp.	1,178	124,091
Kinder Morgan, Inc.	7,645	135,087
KLA-Tencor Corp.	14,265	1,462,590
Kohl's Corp.	13,590	990,711
Lam Research Corp.	1,029	177,863
Las Vegas Sands Corp.	4,614	352,325
Lear Corp.	8,124	1,509,520
Liberty Broadband Corp., Class A[(a)]	65,154	4,928,248
Liberty Broadband Corp., Class C[(a)]	275,079	20,828,982
Liberty Media Corp.-Liberty SiriusXM, Class A[(a)]	233,636	10,525,302
Liberty Media Corp.-Liberty SiriusXM, Class C[(a)]	384,586	17,444,821
Lockheed Martin Corp.	317	93,651
Lookout, Inc. Series F (Acquired 03/04/15, cost $936,169)[(a)(d)(e)]	81,954	16,391
Lowe's Cos., Inc.	54,514	5,209,903

Security	Shares	Value
United States (continued)		
M&T Bank Corp.	351	$ 59,723
Marathon Petroleum Corp.	35,729	2,506,747
Marsh & McLennan Cos., Inc.	328,694	26,943,047
Masco Corp.	49,548	1,854,086
Mastercard, Inc., Class A	29,296	5,757,250
McDonald's Corp.	7,563	1,185,046
McKesson Corp.	5,866	782,524
Medtronic plc	38,920	3,331,941
Merck & Co., Inc.	53,889	3,271,062
MetLife, Inc.	103,015	4,491,454
MGM Resorts International	1,162,797	33,755,997
Micron Technology, Inc.[(a)]	21,066	1,104,701
Microsoft Corp.	1,889,883	186,361,363
Mohawk Industries, Inc.[(a)]	230,923	49,479,871
Mondelez International, Inc., Class A	72,423	2,969,343
Morgan Stanley	1,332,168	63,144,763
NextEra Energy Partners LP[(b)]	343,194	16,016,864
NextEra Energy, Inc.	323,297	54,000,298
NIKE, Inc., Class B	549	43,744
Norfolk Southern Corp.	406	61,253
Northrop Grumman Corp.	11,457	3,525,319
NVIDIA Corp.	608	144,035
Occidental Petroleum Corp.	1,276	106,776
Oracle Corp.[(b)]	78,767	3,470,474
O'Reilly Automotive, Inc.[(a)(b)]	96,043	26,274,484
PACCAR, Inc.	616	38,167
Packaging Corp. of America	12,737	1,423,869
Paychex, Inc.	456	31,168
PepsiCo, Inc.	37,494	4,081,972
Perspecta, Inc.	486	9,987
Pfizer, Inc.	2,029,456	73,628,664
PG&E Corp.	1,894	80,609
Philip Morris International, Inc.	2,932	236,730
Phillips 66	15,116	1,697,678
Pioneer Natural Resources Co.	72,530	13,725,577
Procter & Gamble Co. (The)	760,424	59,358,697
Progressive Corp. (The)	180	10,647
Prologis, Inc.	2,679	175,984
Prudential Financial, Inc.	11,860	1,109,029
Pure Storage, Inc., Class A[(a)]	1,150,854	27,482,394
PVH Corp.	6,054	906,405
QUALCOMM, Inc.	1,187,813	66,660,066
Raytheon Co.	17,309	3,343,753
Red Hat, Inc.[(a)]	163	21,902
Reinsurance Group of America, Inc.	9,407	1,255,646
Republic Services, Inc.	248	16,953
Rockwell Automation, Inc.	3,774	627,352
Ross Stores, Inc.	12,032	1,019,712
Royal Caribbean Cruises Ltd.	8,115	840,714
Schlumberger Ltd.	220,124	14,754,912
Sempra Energy	186,329	21,634,660
Snap, Inc., Class A[(a)(b)]	1,369,765	17,930,224
St Joe Co. (The)[(a)]	683,172	12,262,937
State Street Corp.	8,674	807,463
Stryker Corp.	22,558	3,809,144
SunTrust Banks, Inc.[(b)]	560,974	37,035,504
Symantec Corp.	2,006	41,424
Sysco Corp.	6,082	415,340
Target Corp.	4,109	312,777
Tenet Healthcare Corp.[(a)]	763,907	25,644,358
TESARO, Inc.[(a)(b)]	148,293	6,594,590
Texas Instruments, Inc.	2,157	237,809
Thermo Fisher Scientific, Inc.	12,435	2,575,786

Security	*Shares*		*Value*
United States (continued)			
Travelers Cos., Inc. (The)	31,833	$	3,894,449
Union Pacific Corp.	814		115,328
United Continental Holdings, Inc.[a]	633,456		44,170,887
United Rentals, Inc.[a]	11,147		1,645,520
UnitedHealth Group, Inc.	24,725		6,066,032
Valero Energy Corp.	27,921		3,094,484
VeriSign, Inc.[a]	16,996		2,335,590
Verizon Communications, Inc.	60,944		3,066,093
VF Corp.	3,424		279,125
Visa, Inc., Class A	41,279		5,467,404
Vistra Energy Corp.[a]	210,970		4,991,550
VMware, Inc., Class A[a]	1,858		273,070
Vornado Realty Trust	1,714		126,699
Walgreens Boots Alliance, Inc.	2,808		168,522
Walmart, Inc.	71,431		6,118,065
Walt Disney Co. (The)	7,899		827,894
Waste Management, Inc.	2,962		240,929
Wells Fargo & Co.	477,593		26,477,756
Western Digital Corp.	146,203		11,317,574
Weyerhaeuser Co.	5,153		187,878
Williams Cos., Inc. (The)	3,271,013		88,677,162
Wyndham Destinations, Inc.	17,042		754,449
Wyndham Hotels & Resorts, Inc.	11,929		701,783
Yum! Brands, Inc.	3,989		312,020
Zynga, Inc., Class A[a]	3,848,743		15,664,384
			3,183,588,331
Total Common Stocks — 57.7%			
(Cost: $5,218,534,974)			5,873,792,860

Corporate Bonds — 2.4%

Security		*Par (000)*		*Value*
Australia — 0.2%				
Quintis Ltd.[h]:				
(Acquired 05/29/18, cost $2,167,000), 14.00%, 09/30/18[a,d,e]	USD	2,167		2,167,000
8.75%, 08/01/23[a,c]		28,698		20,250,543
(Acquired 11/13/17, cost $2,077,220), 14.00%, 05/31/19[a,d,e]		2,323		2,294,554
				24,712,097
Belgium — 0.1%				
Anheuser-Busch InBev Worldwide, Inc.:				
3.50%, 01/12/24		4,440		4,412,582
4.00%, 04/13/28		7,315		7,298,010
				11,710,592
Brazil — 0.0%				
Odebrecht Finance Ltd., 4.38%, 04/25/25[c]		5,283		1,822,635
Chile — 0.0%				
Inversiones Alsacia SA, 8.00%, 12/31/18[a,c,h]		7,809		195,219
China — 0.0%				
China Milk Products Group Ltd., 0.00%, 01/05/12[a,h,i,j]		4,800		48,000
France — 0.1%				
Danone SA, 2.59%, 11/02/23[c]		8,441		7,949,704
Germany — 0.2%				
Bayer Capital Corp. BV, 5.63%, 11/22/19[c,j]	EUR	14,900		18,618,235
India — 0.0%				
REI Agro Ltd.[a,e,h,j]:				
5.50%, 11/13/14[c]	USD	6,148	$	1
5.50%, 11/13/14		2,291		—
				1
Italy — 0.0%				
Telecom Italia SpA, 5.30%, 05/30/24[c]		4,459		4,397,689
Luxembourg — 0.1%				
Intelsat Jackson Holdings SA:				
7.50%, 04/01/21		6,671		6,620,967
8.00%, 02/15/24[c]		2,264		2,377,200
				8,998,167
Netherlands — 0.0%				
Cooperatieve Rabobank UA, 3.95%, 11/09/22		2,236		2,214,372
Singapore — 0.1%				
CapitaLand Ltd., 1.95%, 10/17/23[c,j]	SGD	8,750		6,365,826
Switzerland — 0.1%				
UBS Group Funding Switzerland AG, 4.13%, 09/24/25[c]	USD	5,294		5,257,006
Turkey — 0.0%				
Bio City Development Co. BV, 8.00%, 07/06/20[a,c,e,h,j]		21,400		4,868,500
United Arab Emirates — 0.2%				
Dana Gas Sukuk Ltd., 7.00%, 10/31/17[a,c,h,l]		17,922		16,219,274
United States — 1.3%				
AbbVie, Inc., 2.90%, 11/06/22		6,988		6,780,948
AliphCom (Acquired 04/27/15-07/21/15, cost $44,105,789), 15.00%, 04/28/20[a,d,e,h,j]		44,575		4
AliphCom (Acquired 11/11/15, cost $3,000,000), 15.00%, 04/28/20[a,d,e,h,j]		3,000		—
Allergan Funding SCS, 3.45%, 03/15/22		6,938		6,826,907
Allergan Sales LLC, 5.00%, 12/15/21[c]		3,723		3,851,989
Ally Financial, Inc., 3.50%, 01/27/19		5,076		5,069,655
Amgen, Inc., 1.85%, 08/19/21		1,391		1,332,301
Apple, Inc.:				
3.35%, 02/09/27		12,762		12,462,053
3.20%, 05/11/27		12,263		11,827,331
Bank of America Corp.:				
(LIBOR USD 3 Month + 0.66%), 2.37%, 07/21/21[k]		3,214		3,150,666
4.00%, 01/22/25		4,152		4,098,657
Becton Dickinson and Co.:				
3.13%, 11/08/21		7,085		6,982,221
2.89%, 06/06/22		5,840		5,648,643
3.36%, 06/06/24		3,461		3,324,583
Citigroup, Inc., 2.45%, 01/10/20		7,108		7,028,172
CVS Health Corp., 3.70%, 03/09/23		29,065		28,917,609
eBay, Inc., 2.75%, 01/30/23		4,090		3,940,311
Edgewell Personal Care Co.:				
4.70%, 05/19/21		3,708		3,698,730
4.70%, 05/24/22		3,820		3,734,050
General Motors Financial Co., Inc., 3.45%, 04/10/22		3,200		3,144,394
Hughes Satellite Systems Corp., 7.63%, 06/15/21		1,337		1,422,234
Santander Holdings USA, Inc., 3.70%, 03/28/22		2,205		2,172,553
Sherwin-Williams Co. (The), 2.25%, 05/15/20		1,395		1,371,826
Synchrony Financial, 3.75%, 08/15/21		2,199		2,196,719
				128,982,556
Total Corporate Bonds — 2.4%				
(Cost: $339,421,835)				242,359,873

Security		Par (000)	Value
Floating Rate Loan Interests — 0.2%[l]			
United States — 0.2%			
Fieldwood Energy LLC, 2nd Lien Term Loan, (LIBOR USD 1 Month + 7.25%), 9.34%, 04/11/23	USD	2,958	$ 2,857,328
Fieldwood Energy LLC, Term Loan, (LIBOR USD 1 Month + 5.25%), 7.34%, 04/11/22		2,191	2,192,514
Hilton Worldwide Finance LLC, 1st Lien Term Loan B2, (LIBOR USD 1 Month + 1.75%), 3.84%, 10/25/23		12,543	12,537,604
			17,587,446
Total Floating Rate Loan Interests — 0.2% (Cost: $15,519,431)			17,587,446
Foreign Agency Obligations — 0.0%			
Mexico — 0.0%			
Petroleos Mexicanos, (LIBOR USD 3 Month + 3.65%), 5.98%, 03/11/22[k]		4,493	4,796,277
Total Foreign Agency Obligations — 0.0% (Cost: $4,552,873)			4,796,277
Foreign Government Obligations — 5.8%			
Argentina — 0.8%			
Republic of Argentina:			
3.38%, 01/15/23	EUR	8,765	9,263,369
7.50%, 04/22/26	USD	18,053	16,653,892
6.88%, 01/26/27		12,979	11,421,520
5.88%, 01/11/28		23,191	18,842,688
5.25%, 01/15/28	EUR	1,388	1,385,875
7.82%, 12/31/33		17,809	20,699,536
			78,266,880
Australia — 0.2%			
Commonwealth of Australia, 3.00%, 03/21/47	AUD	31,299	22,697,089
Brazil — 0.2%			
Federative Republic of Brazil, 10.00%, 01/01/23	BRL	62	14,840,892
Canada — 0.9%			
Canadian Government Bond:			
0.50%, 08/01/18	CAD	100,081	76,082,571
0.75%, 03/01/21		24,582	18,104,087
			94,186,658
Germany — 2.2%			
Federal Republic of Germany:			
0.00%, 08/15/26	EUR	45,299	52,351,717
0.50%, 02/15/28		142,136	168,992,103
			221,343,820
Japan — 0.6%			
Government of Japan (2 year), 0.10%, 10/15/18	JPY	7,006,100	63,322,260
Mexico — 0.9%			
United Mexican States:			
8.50%, 12/13/18	MXN	7,061	35,622,929
6.50%, 06/10/21		4,970	24,226,568
6.50%, 06/09/22		6,978	33,702,809
			93,552,306
United Kingdom — 0.0%			
U.K. Treasury Bonds, 2.00%, 09/07/25	GBP	—[m]	1
Total Foreign Government Obligations — 5.8% (Cost: $609,708,254)			588,209,906

Security		Shares	Value
Investment Companies — 2.6%[a][n]			
iShares Gold Trust[t]		5,628,395	$ 67,653,308
SPDR Gold Shares[g]		1,665,412	197,601,134
Total Investment Companies — 2.6% (Cost: $274,840,322)			265,254,442
		Par (000)	
Preferred Securities — 2.3%			
Capital Trusts — 1.0%			
Netherlands — 0.0%			
ING Groep NV, 6.00%[l][o]	USD	3,944	3,925,069
United Kingdom — 0.4%[l][o]			
HSBC Holdings plc, 6.37%		14,266	14,111,785
Lloyds Bank plc, 13.00%	GBP	8,180	19,047,590
			33,159,375
United States — 0.6%			
American Express Co., Series C, 4.90%[l][o]	USD	5,135	5,150,405
Citigroup, Inc.[l][o]			
Series O, 5.87%		16,717	17,124,059
Series Q, 5.95%		6,705	6,906,150
Goldman Sachs Group, Inc. (The), Series M, 5.38%[l][o]		7,760	7,895,800
Morgan Stanley, Series H, 5.45%[l][o]		5,940	6,017,992
NBCUniversal Enterprise, Inc., 5.25%[c][o]		5,610	5,666,100
Prudential Financial, Inc.[l]:			
5.62%, 06/15/43		2,954	3,046,312
5.87%, 09/15/42		4,447	4,697,144
USB Capital IX, 3.50%[l][o]		2,096	1,899,500
			58,403,462
Total Capital Trusts — 1.0% (Cost: $92,554,539)			95,487,906
		Shares	
Preferred Stocks — 0.8%			
Brazil — 0.0%[a]			
Centrais Eletricas Brasileiras SA (Preference), 0.00%		3,868	13,693
Petroleo Brasileiro SA (Preference), 0.00%		26,852	118,957
			132,650
South Korea — 0.0%			
Samsung Electronics Co. Ltd. (Preference), 0.00%[a]		3,450	116,502
United States — 0.8%			
Grand Rounds, Inc., Series C (Acquired 03/31/15, cost $5,939,231), 0.00%[a][d][e]		2,139,107	5,369,159
Grand Rounds, Inc., Series D (Acquired 05/01/18, cost $3,180,966), 0.00%[a][d][e]		1,312,469	3,268,048
Lookout, Inc., Series F (Acquired 09/19/14-10/22/14, cost $10,936,522), 0.00%[a][d][e]		957,404	7,994,323
Palantir Technologies, Inc., Series I (Acquired 02/11/14, cost $11,447,321), 0.00%[a][d][e]		1,867,426	10,793,722
Uber Technologies, Inc., Series D (Acquired 06/06/14, cost $17,574,548), 0.00%[a][d][e]		1,132,888	45,315,520
Wells Fargo & Co., Series L, 7.50%[j][o]		3,211	4,044,126

Security		Shares	Value
United States (continued)			
Welltower, Inc., Series I, 6.50%[j][o]		140,528	$ 8,354,390
			85,139,288
Total Preferred Stocks — 0.8% (Cost: $60,236,215)			85,388,440

Trust Preferreds — 0.5%

Security		Shares	Value
China — 0.3%			
Mandatory Exchangeable Trust, 5.75%, 06/01/19[c][j]		147,555	30,784,562
United States — 0.2%[l]			
Citigroup Capital XIII, 8.73%, 10/30/40		340,358	9,223,702
GMAC Capital Trust I, 8.13%, 02/15/40		373,879	9,833,018
			19,056,720
Total Trust Preferreds — 0.5% (Cost: $32,794,269)			49,841,282
Total Preferred Securities — 2.3% (Cost: $185,585,023)			230,717,628

Rights — 0.0%

Security		Shares	Value
Italy — 0.0%			
Intesa Sanpaolo SpA[a][b]		15,616	—
Spain — 0.0%			
Repsol SA[a]		5,569	3,161
Total Rights — 0.0% (Cost: $3,139)			3,161

U.S. Treasury Obligations — 18.3%

Security		Par (000)	Value
U.S. Treasury Notes:			
1.25%, 12/15/18[g][n]	USD	22,253	22,165,676
1.13%, 07/31/21		21,068	20,130,984
2.63%, 02/28/23		247,986	246,987,845
2.75%, 04/30/23 - 02/15/28		962,010	959,231,837
2.88%, 05/31/25 - 05/15/28[p]		606,967	609,134,729
Total U.S. Treasury Obligations — 18.3% (Cost: $1,851,034,917)			1,857,651,071

Warrants — 0.0%

Security		Shares	Value
Australia — 0.0%[a][e]			
Quintis Ltd. (Issued/exercisable 08/01/11, 1 share for 1 warrant, Expires 07/15/18, Strike Price AUD 1.00)		3,767,700	28
Total Warrants — 0.0%			28
Total Long-Term Investments — 89.3% (Cost: $8,499,200,768)			9,080,372,692

Short-Term Securities — 15.4%

Foreign Government Obligations — 0.9%

Security		Par (000)	Value
Japan — 0.9%			
Japan Treasury Bill [q] :			
(0.15)%, 09/10/18	JPY	6,519,900	58,903,408
Japan (continued)			
(0.14)%, 10/01/18	JPY	4,301,050	$ 38,860,530
Total Foreign Government Obligations — 0.9% (Cost: $98,158,020)			97,763,938

Money Market Funds — 2.6%[r][t]

Security		Shares	Value
BlackRock Liquidity Funds, T-Fund, Institutional Class, 1.80%	USD	5,274,808	5,274,808
SL Liquidity Series, LLC, Money Market Series, 2.16%[s]		256,563,258	256,588,914
Total Money Market Funds — 2.6% (Cost: $261,863,723)			261,863,722

Time Deposits — 0.0%

Security		Par (000)	Value
Australia — 0.0%			
Brown Brothers Harriman & Co., 1.13%, 07/02/18	AUD	—[m]	157
Canada — 0.0%			
Brown Brothers Harriman & Co., 0.51%, 07/03/18	CAD	66	49,958
Europe — 0.0%			
BNP Paribas SA, (0.57)%, 07/02/18	EUR	1,605	1,874,862
Hong Kong — 0.0%			
Brown Brothers Harriman & Co., 0.89%, 07/03/18	HKD	83	10,558
Japan — 0.0%			
Sumitomo, (0.22)%, 07/02/18	JPY	311,827	2,816,484
United Kingdom — 0.0%			
Brown Brothers Harriman & Co., 0.23%, 07/02/18	GBP	10	13,411
United States — 0.0%			
JPMorgan Chase Bank N.A., 1.92%, 07/02/18	USD	43	42,996
Total Time Deposits — 0.0% (Cost: $4,808,425)			4,808,426

U.S. Treasury Obligations — 11.9%[q]

Security		Par (000)	Value
U.S. Treasury Bills:			
1.75%, 07/05/18	USD	271,000	270,962,513
1.77%, 07/12/18		378,000	377,823,992
1.77%, 07/19/18		361,000	360,703,803
1.80%, 07/26/18		34,000	33,960,843
U.S. Treasury Bills, 1.81%, 08/02/18[p]		169,000	168,736,652
Total U.S. Treasury Obligations — 11.9% (Cost: $1,212,109,750)			1,212,187,803
Total Short-Term Securities — 15.4% (Cost: $1,576,939,918)			1,576,623,889
Total Options Purchased — 0.2% (Cost: $36,489,116)			23,657,456
Total Investments Before Options Written and Investments Sold Short- 104.9% (Cost: $10,112,629,802)			10,680,654,037
Total Options Written — (0.4)% (Premiums Received — $(28,808,504))			(36,727,802)

Investments Sold Short — (0.4)%

Common Stocks — (0.4)%

Security		Shares	Value
France — (0.1)%			
Pernod Ricard SA		30,757	(5,019,691)

Security	Shares	Value
Japan — (0.1)%		
Yaskawa Electric Corp.	143,900	$ (5,067,454)
United States — (0.2)%		
Estee Lauder Cos., Inc. (The), Class A	52,023	(7,423,162)
LyondellBasell Industries NV, Class A	162,395	(17,839,090)
		(25,262,252)
Total Common Stocks — (0.3)% (Proceeds: $(35,757,234))		(35,349,397)
Total Investments Sold Short — (0.4)% (Proceeds: $(35,757,234))		(35,349,397)
Total Investments Net of Options Written and Investments Sold Short- 104.1% (Cost: $10,048,064,064)		10,608,576,838
Liabilities in Excess of Other Assets — (4.1)%		(439,284,160)
Net Assets — 100.0%		$10,169,292,678

(a) Non-income producing security.
(b) Security, or a portion of the security, is on loan.
(c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
(d) Restricted security as to resale, excluding 144A securities. The Fund held restricted securities with a current value of $124,582,487, representing 1.2% of its net assets as of period end, and an original cost of $165,996,078.
(e) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
(f) A security contractually bound to one or more other securities to form a single saleable unit which cannot be sold separately.
(g) All or a portion of security has been pledged and/or segregated as collateral in connection with outstanding exchange-traded options written.
(h) Issuer filed for bankruptcy and/or is in default.
(i) Zero-coupon bond.
(j) Convertible security.
(k) Variable rate security. Security may be issued at a fixed coupon rate, which converts to a variable rate at a specified date. Rate shown is the rate in effect as of period end.
(l) Variable rate security. Rate shown is the rate in effect as of period end.
(m) Amount is less than $500.
(n) All or a portion of the security is held by a wholly-owned subsidiary. See Note 1 of the Consolidated Notes to Financial Statements for details on the wholly-owned subsidiary.
(o) Perpetual security with no stated maturity date.
(p) All or a portion of security has been pledged in connection with outstanding centrally cleared swaps.
(q) Rates are discount rates or a range of discount rates at the time of purchase.
(r) Annualized 7-day yield as of period end.
(s) Security was purchased with the cash collateral from loaned securities.

(t) During the six months ended June 30, 2018, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the fund were as follows:

Affiliate	*Shares Held at 12/31/17*	*Shares Purchased*	*Shares Sold*	*Shares Held at 06/30/18*	*Value at 06/30/18*	*Income*	*Net Realized Gain (Loss)* [(a)]	*Change in Unrealized (Depreciation)*
BlackRock Liquidity Funds, T-Fund, Institutional Class	10,574,106	—	(5,299,298)[(b)]	5,274,808	$ 5,274,808	$ 66,015	$ 20	$ —
SL Liquidity Series, LLC, Money Market Series	235,838,442	20,724,816[(c)]	—	256,563,258	256,588,914	545,884[(d)]	37,739	14,693
iShares Gold Trust	2,098,037	3,530,358	—	5,628,395	67,653,308	—	—	(4,155,532)
					$329,517,030	$611,899	$ 37,759	$ (4,140,839)

(a) Includes net capital gain distributions, if applicable.
(b) Represents net shares sold.
(c) Represents net shares purchased.
(d) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

Futures Contracts

Description	*Number of Contracts*	*Expiration Date*	*Notional Amount (000)*	*Value/ Unrealized Appreciation (Depreciation)*
Short Contracts				
Yen Denominated Nikkei 225 Index	124	09/13/18	$ 12,446	$ 282,717
EURO STOXX 50 Index	89	09/21/18	3,524	84,771
FTSE 100 Index	9	09/21/18	903	5,881
NASDAQ 100 E-Mini Index	188	09/21/18	26,571	430,155
S&P 500 E-Mini Index	97	09/21/18	13,200	257,764
				$ 1,061,288

Forward Foreign Currency Exchange Contracts

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	3,225,388	JPY	356,760,000	JP Morgan Chase Bank NA	07/05/18	$ 2,640
USD	34,997,115	EUR	29,558,000	UBS AG	07/12/18	457,166
USD	45,569,592	JPY	4,955,921,000	Deutsche Bank AG	07/12/18	780,045
USD	27,030,448	AUD	34,887,000	Deutsche Bank AG	07/13/18	1,212,264
USD	55,060,650	EUR	46,500,000	Deutsche Bank AG	07/13/18	719,012
USD	45,607,640	JPY	4,955,042,000	BNP Paribas SA	07/19/18	804,239
USD	55,089,434	EUR	46,500,000	Goldman Sachs International	07/20/18	718,783
USD	17,753,552	AUD	23,332,000	Goldman Sachs International	07/26/18	485,479
USD	56,986,680	EUR	46,500,000	BNP Paribas SA	07/27/18	2,587,018
USD	57,031,552	EUR	46,500,000	UBS AG	08/03/18	2,602,690
USD	11,220,266	EUR	9,447,000	JP Morgan Chase Bank NA	08/20/18	147,466
USD	25,712,000	BRL	99,335,741	BNP Paribas SA	09/06/18	263,568
USD	59,548,236	JPY	6,519,900,000	Barclays Bank plc	09/10/18	369,789
						11,150,159
EUR	29,558,000	USD	36,693,006	UBS AG	07/12/18	(2,153,056)
JPY	4,955,921,000	USD	46,456,823	Deutsche Bank AG	07/12/18	(1,667,276)
AUD	34,887,000	USD	26,095,650	Deutsche Bank AG	07/13/18	(277,466)
EUR	46,500,000	USD	58,179,870	Deutsche Bank AG	07/13/18	(3,838,232)
JPY	4,955,042,000	USD	46,516,170	BNP Paribas SA	07/19/18	(1,712,770)
EUR	46,500,000	USD	58,208,468	Goldman Sachs International	07/20/18	(3,837,817)
ZAR	431,189,063	USD	32,288,890	Barclays Bank plc	07/20/18	(924,555)
EUR	46,500,000	USD	58,253,805	BNP Paribas SA	07/27/18	(3,854,143)
NOK	164,095,000	USD	20,645,295	Morgan Stanley & Co. International plc	07/27/18	(477,149)
PLN	90,895,000	USD	26,140,285	Goldman Sachs International	08/02/18	(1,863,488)
EUR	46,500,000	USD	58,277,381	UBS AG	08/03/18	(3,848,518)
GBP	19,574,000	USD	26,627,608	JP Morgan Chase Bank NA	08/10/18	(749,117)
GBP	19,529,000	USD	26,475,659	Barclays Bank plc	08/16/18	(649,631)
GBP	20,231,000	USD	27,302,287	JP Morgan Chase Bank NA	08/23/18	(539,406)
GBP	33,866,000	USD	45,311,421	Deutsche Bank AG	09/14/18	(467,748)
GBP	33,862,000	USD	45,189,719	Deutsche Bank AG	09/21/18	(337,753)
SEK	223,848,236	EUR	21,668,000	Goldman Sachs International	09/21/18	(311,378)
GBP	33,867,000	USD	45,203,382	Goldman Sachs International	09/28/18	(331,201)
SEK	221,464,591	EUR	21,440,000	Barclays Bank plc	09/28/18	(311,278)
USD	39,070,267	JPY	4,301,050,000	JP Morgan Chase Bank NA	10/01/18	(28,853)
GBP	33,747,000	USD	45,069,132	JP Morgan Chase Bank NA	10/05/18	(341,171)
						(28,522,006)
Net Unrealized Depreciation						$ (17,371,847)

Exchange-Traded Options Purchased

Description	Number of Contracts	Expiration Date	Exercise Price	Notional Amount (000)	Value
Call					
SPDR Gold Shares Index[a]	2,091	07/20/18	USD 128.00	USD 24,810	$5,227

[a] All or a portion of the security is held by a wholly-owned subsidiary. See Note 1 of the Notes to Consolidated Financial Statements for details on the wholly-owned subsidiary.

OTC Options Purchased

Description	Counterparty	Number of Contracts	Expiration Date	Exercise Price	Notional Amount (000)	Value
Call						
SPDR Gold Shares Index[a]	JP Morgan Chase Bank NA	125,287	07/20/18	USD 129.00	USD 14,865	$ 3,132
SPDR Gold Shares Index[a]	JP Morgan Chase Bank NA	125,287	07/20/18	USD 130.00	USD 14,865	1,879
SPDR Gold Shares Index[a]	Societe Generale SA	418,874	08/17/18	USD 129.00	USD 49,699	112,288
EURO STOXX 50 Index	Deutsche Bank AG	3,336	09/21/18	EUR 3,426.55	EUR 11,328	286,654
Russell 2000 Index	Bank of America NA	20,884	12/21/18	USD 1,700.00	USD 34,314	1,073,438
Chevron Corp.	UBS AG	275,840	01/18/19	USD 125.00	USD 34,874	2,261,888
Exxon Mobil Corp.	UBS AG	187,537	01/18/19	USD 95.00	USD 15,515	149,092

Description	Counterparty	Number of Contracts	Expiration Date	Exercise Price	Notional Amount (000)	Value
Occidental Petroleum Corp.	UBS AG	175,751	01/18/19	USD 75.00	USD 14,707	$ 1,937,655
Schlumberger Ltd.	UBS AG	271,460	01/18/19	USD 90.00	USD 18,196	65,150
TOTAL SA	UBS AG	598,145	01/18/19	USD 60.00	USD 36,224	2,183,229
Russell 2000 Index	Bank of America NA	27,781	03/15/19	USD 1,700.00	USD 45,646	1,978,007
BP plc	UBS AG	886,818	06/21/19	USD 52.00	USD 40,492	1,102,146
ConocoPhillips Co.	UBS AG	463,986	06/21/19	USD 75.00	USD 32,303	2,343,129
Occidental Petroleum Corp.	UBS AG	232,548	06/21/19	USD 92.50	USD 19,460	853,893
Royal Dutch Shell plc	UBS AG	506,206	06/21/19	USD 77.00	USD 35,045	756,636
Suncor Energy, Inc.	UBS AG	598,975	06/21/19	USD 45.00	USD 24,366	1,245,790
TOPIX Banks Index	Bank of America NA	6,922,824	12/13/19	JPY 191.28	JPY 1,193,010	449,346
TOPIX Banks Index	Morgan Stanley & Co. International plc	13,094,289	12/13/19	JPY 191.28	JPY 2,256,539	849,906
Sumitomo Mitsui Financial Group, Inc.	Morgan Stanley & Co. International plc	360,617	03/13/20	JPY 4,756.33	JPY 1,552,817	606,310
TOPIX Banks Index	BNP Paribas SA	9,345,369	03/13/20	JPY 194.04	JPY 1,610,487	626,711
EURO STOXX Bank Index	Societe Generale SA	127,477	03/20/20	EUR 117.57	EUR 71,584	902,721
TOPIX Banks Index	Morgan Stanley & Co. International plc	8,316,020	04/10/20	JPY 192.04	JPY 1,433,100	611,322
EURO STOXX Bank Index	Citibank NA	209,850	06/19/20	EUR 131.88	EUR 117,840	629,395
Sumitomo Mitsui Financial Group, Inc.	Morgan Stanley & Co. International plc	291,273	09/11/20	JPY 4,816.24	JPY 1,254,222	321,365
Sumitomo Mitsui Financial Group, Inc.	Morgan Stanley & Co. International plc	291,267	12/11/20	JPY 4,894.87	JPY 1,254,196	508,151
EURO STOXX Bank Index	Barclays Bank plc	162,397	03/19/21	EUR 136.97	EUR 91,193	588,531
EURO STOXX Bank Index	Deutsche Bank AG	154,612	04/16/21	EUR 136.56	EUR 86,821	585,047
EURO STOXX Bank Index	UBS AG	167,445	06/18/21	EUR 134.92	EUR 94,027	618,444
						$23,651,255

(a) All or a portion of the security is held by a wholly-owned subsidiary. See Note 1 of the Notes to Consolidated Financial Statements for details on the wholly-owned subsidiary.

OTC Interest Rate Swaptions Purchased

	Paid by the Fund		Received by the Fund						
Description	Rate	Frequency	Rate	Frequency	Counterparty	Expiration Date	Exercise Rate	Notional Amount (000)	Value
Call									
10-Year Interest Rate Swap	3 month LIBOR	Quarterly	2.42%	Semi-Annual	Goldman Sachs International	07/09/18	2.42%	USD 278,785	$ 28

OTC Interest Rate Caps Purchased

Description	Exercise Rate	Counterparty	Expiration Date	Notional Amount (000)	Value	Premiums Paid	Unrealized Appreciation/ (Depreciation)
5Y-30Y CMS Index Cap	0.60%	Goldman Sachs International	11/06/18	USD 215,050	$ 946	$ 659,486	$ (658,540)

OTC Options Written

Description	Counterparty	Number of Contracts	Expiration Date	Exercise Price	Notional Amount (000)	Value
Call						
SPDR Gold Shares Index(a)	Societe Generale SA	418,874	08/17/18	USD 142.00	USD 49,699	$ (1)
Fifth Third Bancorp	Morgan Stanley & Co. International plc	505,187	11/16/18	USD 34.00	USD 14,499	(136,400)
Charter Communications, Inc.	Citibank NA	27,715	12/21/18	USD 305.00	USD 8,126	(663,774)
Charter Communications, Inc.	Citibank NA	53,950	12/21/18	USD 315.00	USD 15,819	(1,079,000)
Russell 2000 Index	Bank of America NA	20,884	12/21/18	USD 1,875.00	USD 34,314	(109,553)
Apple, Inc.	Barclays Bank plc	69,668	01/18/19	USD 160.00	USD 12,896	(2,058,689)
Comcast Corp.	Citibank NA	296,904	01/18/19	USD 36.25	USD 9,741	(420,119)
DowDuPont, Inc.	Barclays Bank plc	154,298	01/18/19	USD 70.00	USD 10,171	(455,179)
FleetCor Technologies, Inc.	Barclays Bank plc	34,069	01/18/19	USD 180.00	USD 7,177	(1,289,512)
Microsoft Corp.	Barclays Bank plc	123,473	01/18/19	USD 90.00	USD 12,176	(1,549,586)
Pioneer Natural Resources Co.	UBS AG	72,530	01/18/19	USD 165.00	USD 13,726	(2,480,526)
United Continental Holdings, Inc.	Deutsche Bank AG	90,361	01/18/19	USD 75.00	USD 6,301	(424,697)
Russell 2000 Index	Bank of America NA	27,781	03/15/19	USD 1,900.00	USD 45,646	(287,533)
BP plc	UBS AG	886,818	06/21/19	USD 59.00	USD 40,492	(368,340)
ConocoPhillips Co.	UBS AG	463,986	06/21/19	USD 85.00	USD 32,303	(1,043,969)
Occidental Petroleum Corp.	UBS AG	232,548	06/21/19	USD 105.00	USD 19,460	(281,927)
Royal Dutch Shell plc	UBS AG	506,206	06/21/19	USD 87.50	USD 35,045	(519,798)

Description	Counterparty	Number of Contracts	Expiration Date	Exercise Price		Notional Amount (000)		Value
Suncor Energy, Inc.	UBS AG	598,975	06/21/19	USD	50.00	USD	24,366	$ (549,176)
TOPIX Banks Index	Bank of America NA	6,922,824	12/13/19	JPY	221.29	JPY	1,193,010	(163,554)
TOPIX Banks Index	Morgan Stanley & Co. International plc	13,094,289	12/13/19	JPY	221.29	JPY	2,256,539	(309,404)
Sumitomo Mitsui Financial Group, Inc.	Morgan Stanley & Co. International plc	360,617	03/13/20	JPY	5,679.90	JPY	1,552,817	(192,009)
TOPIX Banks Index	BNP Paribas SA	9,345,369	03/13/20	JPY	237.47	JPY	1,610,487	(174,027)
EURO STOXX Bank Index	Societe Generale SA	127,477	03/20/20	EUR	159.00	EUR	71,584	(86,995)
TOPIX Banks Index	Morgan Stanley & Co. International plc	8,316,020	04/10/20	JPY	233.87	JPY	1,433,100	(184,325)
EURO STOXX Bank Index	Citibank NA	209,850	06/19/20	EUR	161.62	EUR	117,840	(131,641)
								(14,959,734)
Put								
SPDR Gold Shares Index[a]	Societe Generale SA	418,874	08/17/18	USD	119.00	USD	49,699	(684,214)
Russell 2000 Index	Bank of America NA	17,404	12/21/18	USD	1,600.00	USD	28,596	(994,639)
Exxon Mobil Corp.	UBS AG	187,537	01/18/19	USD	60.00	USD	15,515	(68,451)
Schlumberger Ltd.	UBS AG	271,460	01/18/19	USD	60.00	USD	18,196	(545,635)
S&P 500 Index	Bank of America NA	15,974	03/15/19	USD	2,600.00	USD	43,423	(1,527,913)
TOPIX Banks Index	Bank of America NA	6,922,824	12/13/19	JPY	156.59	JPY	1,193,010	(770,614)
TOPIX Banks Index	Morgan Stanley & Co. International plc	13,094,289	12/13/19	JPY	156.59	JPY	2,256,539	(1,457,469)
Sumitomo Mitsui Financial Group, Inc.	Morgan Stanley & Co. International plc	360,617	03/13/20	JPY	3,832.77	JPY	1,552,817	(957,060)
TOPIX Banks Index	BNP Paribas SA	9,345,369	03/13/20	JPY	155.80	JPY	1,610,487	(1,151,247)
EURO STOXX Bank Index	Societe Generale SA	84,986	03/20/20	EUR	100.77	EUR	47,723	(1,027,923)
TOPIX Banks Index	Morgan Stanley & Co. International plc	8,316,020	04/10/20	JPY	157.82	JPY	1,433,100	(1,130,995)
EURO STOXX Bank Index	Citibank NA	139,901	06/19/20	EUR	106.02	EUR	78,560	(2,504,204)
Sumitomo Mitsui Financial Group, Inc.	Morgan Stanley & Co. International plc	194,182	09/11/20	JPY	3,820.96	JPY	836,148	(545,779)
Sumitomo Mitsui Financial Group, Inc.	Morgan Stanley & Co. International plc	194,178	12/11/20	JPY	3,786.60	JPY	836,130	(689,162)
EURO STOXX Bank Index	Barclays Bank plc	108,265	03/19/21	EUR	110.23	EUR	60,795	(2,595,518)
EURO STOXX Bank Index	Deutsche Bank AG	51,538	04/16/21	EUR	118.81	EUR	28,941	(1,609,019)
EURO STOXX Bank Index	Deutsche Bank AG	51,538	04/16/21	EUR	99.04	EUR	28,941	(872,895)
EURO STOXX Bank Index	UBS AG	110,158	06/18/21	EUR	106.38	EUR	61,858	(2,635,331)
								(21,768,068)
								$(36,727,802)

[a] All or a portion of the security is held by a wholly-owned subsidiary. See Note 1 of the Notes to Consolidated Financial Statements for details on the wholly-owned subsidiary.

Centrally Cleared Credit Default Swaps — Buy Protection

Reference Obligation/Index	Financing Rate Paid by the Fund	Payment Frequency	Termination Date	Notional Amount (000)		Value	Upfront Premium Paid (Received)	Unrealized Appreciation (Depreciation)
CDX.NA.HY.29.V1	5.00%	Quarterly	12/20/22	USD	5,817	$(366,006)	$ —	$ (366,006)

Centrally Cleared Interest Rate Swaps

Paid by the Fund		Received by the Fund								
Rate	Frequency	Rate	Frequency	Effective Date	Termination Date	Notional Amount (000)		Value	Upfront Premium Paid (Received)	Unrealized Appreciation (Depreciation)
0.42%	Annual	6 month EURIBOR	Semi-Annual	N/A	03/07/23	EUR	119,219	$(1,612,056)	$ —	$ (1,612,056)
3 month LIBOR	Quarterly	2.40%	Semi-Annual	N/A	03/07/23	USD	134,710	(2,003,457)	—	(2,003,457)
0.34%	Annual	6 month EURIBOR	Semi-Annual	N/A	06/14/23	EUR	118,086	(628,092)	—	(628,092)
3 month LIBOR	Quarterly	2.33%	Semi-Annual	N/A	06/14/23	USD	147,260	(3,767,990)	—	(3,767,990)
0.37%	Annual	6 month EURIBOR	Semi-Annual	N/A	08/15/26	EUR	45,313	1,041,719	—	1,041,719
0.84%	Annual	6 month EURIBOR	Semi-Annual	N/A	02/15/28	EUR	78,180	—	—	—
0.84%	Annual	6 month EURIBOR	Semi-Annual	N/A	02/15/28	EUR	78,170	—	—	—
1.08%	Annual	6 month EURIBOR	Semi-Annual	07/25/18[a]	07/25/28	EUR	55,837	(1,224,197)	—	(1,224,197)
3 month LIBOR	Quarterly	2.73%	Semi-Annual	07/25/18[a]	07/25/28	USD	79,567	(1,406,274)	—	(1,406,274)
								$(9,600,347)	$ —	$ (9,600,347)

[a] Forward Swap.

OTC Currency Swaps

Paid by the Fund Rate	Paid by the Fund Frequency	Received by the Fund Rate	Received by the Fund Frequency	Notional Amount (000) Delivered	Notional Amount (000) Received	Counterparty	Termination Date [(a)]	Value	Upfront Premium Paid (Received)	Unrealized Appreciation (Depreciation)
0.10 JPY	Semi-Annual	2.01%	Semi-Annual	JPY 7,006,100	USD 67,725	Bank of America NA	10/15/18	$4,697,849	$ —	$ 4,697,849

[(a)] At expiration date, the notional amount delivered will be exchanged for the notional amount received.

OTC Total Return Swaps

Reference Entity	Fixed Amount Paid / (Received) by the Fund [(a)]		Counterparty	Termination Date	Notional Amount (000)		Value	Upfront Premium Paid (Received)	Unrealized Appreciation (Depreciation)
S&P 500 Index Annual Dividend Future December 2018	USD	7,094,313	BNP Paribas SA	12/21/18	USD	7,094	$ 1,092,600	$ —	$ 1,092,600
Euro Stoxx 50 Index Dividend Future December 2019	EUR	3,305,250	BNP Paribas SA	12/20/19	EUR	3,305	812,205	—	812,205
Euro Stoxx 50 Index Dividend Future December 2019	EUR	2,608,580	BNP Paribas SA	12/20/19	EUR	2,609	605,107	—	605,107
Euro Stoxx 50 Index Dividend Future December 2019	EUR	3,589,050	BNP Paribas SA	12/20/19	EUR	3,589	912,052	—	912,052
Euro Stoxx 50 Index Dividend Future December 2020	EUR	2,800,780	BNP Paribas SA	12/18/20	EUR	2,801	550,735	—	550,735
Euro Stoxx 50 Index Dividend Future December 2020	EUR	970,000	BNP Paribas SA	12/18/20	EUR	970	325,816	—	325,816
Euro Stoxx 50 Index Dividend Future December 2020	EUR	2,919,700	BNP Paribas SA	12/18/20	EUR	2,920	980,707	—	980,707
Euro Stoxx 50 Index Dividend Future December 2020	EUR	720,000	BNP Paribas SA	12/18/20	EUR	720	253,121	—	253,121
Euro Stoxx 50 Index Dividend Future December 2020	EUR	1,810,440	BNP Paribas SA	12/18/20	EUR	1,810	627,903	—	627,903
Euro Stoxx 50 Index Dividend Future December 2020	EUR	836,940	BNP Paribas SA	12/18/20	EUR	837	291,588	—	291,588
Euro Stoxx 50 Index Dividend Future December 2020	EUR	964,000	BNP Paribas SA	12/18/20	EUR	964	332,823	—	332,823
S&P 500 Index Annual Dividend Future December 2020	USD	2,914,481	Goldman Sachs International	12/18/20	USD	2,914	675,844	—	675,844
Nikkei Dividend Future December 2020	JPY	384,120,000	BNP Paribas SA	04/01/21	JPY	384,120	613,413	—	613,413
Nikkei Dividend Future December 2020	JPY	104,085,000	BNP Paribas SA	04/01/21	JPY	104,085	173,391	—	173,391
Nikkei Dividend Future December 2020	JPY	143,310,000	BNP Paribas SA	04/01/21	JPY	143,310	107,790	—	107,790
Nikkei Dividend Future December 2020	JPY	191,375,000	BNP Paribas SA	04/01/21	JPY	191,375	333,514	—	333,514
Nikkei Dividend Future December 2020	JPY	89,240,000	BNP Paribas SA	04/01/21	JPY	89,240	142,510	—	142,510
Euro Stoxx 50 Index Dividend Future December 2021	EUR	1,353,230	BNP Paribas SA	12/17/21	EUR	1,353	279,957	—	279,957
Euro Stoxx 50 Index Dividend Future December 2021	EUR	1,524,150	BNP Paribas SA	12/17/21	EUR	1,524	137,158	—	137,158
Euro Stoxx 50 Index Dividend Future December 2021	EUR	1,637,150	BNP Paribas SA	12/17/21	EUR	1,637	33,597	—	33,597
Euro Stoxx 50 Index Dividend Future December 2021	EUR	833,520	BNP Paribas SA	12/17/21	EUR	834	6,446	—	6,446
Euro Stoxx 50 Index Dividend Future December 2021	EUR	1,409,760	BNP Paribas SA	12/17/21	EUR	1,410	228,141	—	228,141
S&P 500 Index Annual Dividend Future December 2021	USD	3,726,213	BNP Paribas SA	12/17/21	USD	3,726	974,725	—	974,725
Nikkei Dividend Future December 2021	JPY	389,070,000	BNP Paribas SA	04/01/22	JPY	389,070	619,672	—	619,672
Nikkei Dividend Future December 2021	JPY	198,750,000	BNP Paribas SA	04/01/22	JPY	198,750	292,643	—	292,643
Nikkei Dividend Future December 2021	JPY	144,840,000	BNP Paribas SA	04/01/22	JPY	144,840	111,476	—	111,476
Nikkei Dividend Future December 2021	JPY	199,250,000	BNP Paribas SA	04/01/22	JPY	199,250	288,127	—	288,127
Euro Stoxx 50 Index Dividend Future December 2022	EUR	744,600	BNP Paribas SA	12/16/22	EUR	745	69,087	—	69,087
Euro Stoxx 50 Index Dividend Future December 2022	EUR	3,130,720	BNP Paribas SA	12/16/22	EUR	3,131	98,469	—	98,469
Euro Stoxx 50 Index Dividend Future December 2022	EUR	1,495,800	BNP Paribas SA	12/16/22	EUR	1,496	116,663	—	116,663
Euro Stoxx 50 Index Dividend Future December 2022	EUR	1,481,040	BNP Paribas SA	12/16/22	EUR	1,481	147,703	—	147,703
Nikkei Dividend Future December 2022	JPY	143,820,000	BNP Paribas SA	04/03/23	JPY	143,820	129,287	—	129,287
Nikkei Dividend Future December 2022	JPY	145,520,000	JP Morgan Chase Bank NA	04/03/23	JPY	145,520	113,932	—	113,932
Euro Stoxx 50 Index Dividend Future December 2023	EUR	2,147,040	BNP Paribas SA	12/15/23	EUR	2,147	35,314	—	35,314
Euro Stoxx 50 Index Dividend Future December 2023	EUR	2,214,720	BNP Paribas SA	12/15/23	EUR	2,215	(3,363)	—	(3,363)
							$12,510,153	$ —	$ 12,510,153

[(a)] At termination, the fixed amount paid (received) will be exchanged for the total return of the reference entity.

The following reference rates, and their values as of period end, are used for security descriptions:

Reference Index		Reference Rate
3 month LIBOR	London Interbank Offered Rate	2.34%
6 month EURIBOR	Euro Interbank Offered Rate	(0.27)%

Balances Reported in Statement of Assets and Liabilities for Centrally Cleared Swaps, OTC Derivatives and Options Written

	Swap Premiums Paid	Swap Premiums Received	Unrealized Appreciation	Unrealized Depreciation	Value
Centrally Cleared Swaps[a]	$ —	$ —	$ 1,041,719	$(11,008,072)	$ —
OTC Derivatives	—	—	17,211,365	(3,363)	—
Options Written	N/A	N/A	3,699,687	(11,618,985)	(36,727,802)

[a] Includes cumulative appreciation (depreciation) on centrally cleared swaps, as reported in the Consolidated Schedule of Investments. Only current day's variation margin is reported within the Consolidated Statement of Assets and Liabilities and is net of any previously paid (received) swap premium amounts.

Derivative Financial Instruments Categorized by Risk Exposure

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

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Assets — Derivative Financial Instruments							
Futures contracts							
Net unrealized appreciation[a]	$ —	$ —	$ 1,061,288	$ —	$ —	$ —	$ 1,061,288
Forward foreign currency exchange contracts							
Unrealized appreciation on forward foreign currency exchange contracts	—	—	—	11,150,159	—	—	11,150,159
Options purchased							
Investments at value — unaffiliated[b]	—	—	23,656,482	—	974	—	23,657,456
Swaps — centrally cleared							
Net unrealized appreciation[a]	—	—	—	—	1,041,719	—	1,041,719
Swaps — OTC							
Unrealized appreciation on OTC swaps; Swap premiums paid	—	—	12,513,516	—	4,697,849	—	17,211,365
	$ —	$ —	$37,231,286	$11,150,159	$ 5,740,542	$ —	$54,121,987
Liabilities — Derivative Financial Instruments							
Forward foreign currency exchange contracts							
Unrealized depreciation on forward foreign currency exchange contracts	$ —	$ —	$ —	$28,522,006	$ —	$ —	$28,522,006
Options written							
Options written, at value	—	—	36,727,802	—	—	—	36,727,802
Swaps — centrally cleared							
Net unrealized depreciation[a]	—	366,006	—	—	10,642,066	—	11,008,072
Swaps — OTC							
Unrealized depreciation on OTC swaps; Swap premiums received	—	—	3,363	—	—	—	3,363
	$ —	$366,006	$36,731,165	$28,522,006	$10,642,066	$ —	$76,261,243

[a] Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Consolidated Schedule of Investments. Only current day's variation margin is reported within the Consolidated Statement of Assets and Liabilities.

[b] Includes options purchased at value as reported in the Consolidated Schedule of Investments.

For the six months ended June 30, 2018, the effect of derivative financial instruments in the Consolidated Statement of Operations were as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts	$ —	$ —	$(18,900,593)	$ —	$ —	$ —	$(18,900,593)
Forward foreign currency exchange contracts	—	—	—	7,519,081	—	—	7,519,081
Options purchased[a]	—	—	18,774,863	(10,696,472)	(7,177,405)	—	900,986
Options written	—	—	10,227,551	4,490,388	(4,700,979)	—	10,016,960
Swaps	—	(1,117,522)	7,776,278	—	(3,039,218)	—	3,619,538
	$ —	$(1,117,522)	$ 17,878,099	$ 1,312,997	$(14,917,602)	$ —	$ 3,155,972

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts	$ —	$ —	$ 1,452,299	$ —	$ —	$ —	$ 1,452,299
Forward foreign currency exchange contracts	—	—	—	(24,168,922)	—	—	(24,168,922)
Options purchased[b]	—	—	(19,018,358)	(2,812,567)	2,487,369	—	(19,343,556)
Options written	—	—	(14,325,559)	(2,426,158)	(2,993,117)	—	(19,744,834)
Swaps	—	918,880	(10,509,509)	—	(13,526,008)	—	(23,116,637)
	$ —	$ 918,880	$(42,401,127)	$(29,407,647)	$(14,031,756)	$ —	$(84,921,650)

[a] Options purchased are included in net realized gain (loss) from investments — unaffiliated.
[b] Options purchased are included in net change in unrealized appreciation (depreciation) on investments — unaffiliated.

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts — long	—[a]
Average notional value of contracts — short	$ 129,742,370
Forward foreign currency exchange contracts:	
Average amounts purchased — in USD	$ 414,665,661
Average amounts sold — in USD	$ 763,757,017
Options:	
Average value of option contracts purchased	$ 25,863,534
Average value of option contracts written	$ 24,875,417
Average notional value of swaption contracts purchased	$1,965,566,527
Average notional value of swaption contracts written	—[a]
Credit default swaps:	
Average notional value — buy protection	$ 5,816,935
Interest rate swaps:	
Average notional value — pays fixed rate	$ 496,974,675
Average notional value — receives fixed rate	$ 361,537,411
Currency swaps:	
Average notional value — pays	$ 64,456,120
Total return swaps:	
Average notional value	$ 96,823,194

[a] Derivative not held at period end. The amount shown in the Consolidated Statement of Operations reflects the results of activity during the period.

Derivative Financial Instruments — Offsetting as of Period End

The Fund's derivative assets and liabilities (by type) were as follows:

	Assets	Liabilities
Derivative Financial Instruments:		
Futures contracts	$ —	$ 16,554
Forward foreign currency exchange contracts	11,150,159	28,522,006
Options[a]	23,657,456	36,727,802
Swaps — Centrally cleared	47,795	—
Swaps — OTC[b]	17,211,365	3,363
Total derivative assets and liabilities in the Statement of Assets and Liabilities	$52,066,775	$65,269,725
Derivatives not subject to a Master Netting Agreement or similar agreement ("MNA")	(53,022)	(16,554)
Total derivative assets and liabilities subject to an MNA	$52,013,753	$65,253,171

[a] Includes options purchased at value which is included in Investments at value — unaffiliated in the Consolidated Statement of Assets and Liabilities and reported in the Consolidated Schedule of Investments.
[b] Includes unrealized appreciation (depreciation) on OTC swaps and swap premiums (paid/received) in the Consolidated Statement of Assets and Liabilities.

The following tables present the Fund's derivative assets and liabilities by counterparty net of amounts available for offset under an MNA and net of the related collateral received and pledged by the Fund:

Counterparty	*Derivative Assets Subject to an MNA by Counterparty*	*Derivatives Available for Offset* (a)	*Non-cash Collateral Received* (b)	*Cash Collateral Received* (b)	*Net Amount of Derivative Assets* (c)(f)
Bank of America NA	$ 8,198,640	$ (3,853,806)	$(3,985,328)	$ —	$ 359,506
Barclays Bank plc	958,320	(958,320)	—	—	—
BNP Paribas SA	16,005,276	(6,895,550)	—	(9,109,726)	—
Citibank NA	629,395	(629,395)	—	—	—
Deutsche Bank AG	3,583,022	(3,583,022)	—	—	—
Goldman Sachs International	1,881,080	(1,881,080)	—	—	—
JP Morgan Chase Bank NA	264,038	(264,038)	—	—	—
JP Morgan Chase Bank NA(g)	5,011	—	—	(5,011)	—
Morgan Stanley & Co. International plc	2,897,054	(2,897,054)	—	—	—
Societe Generale SA	902,721	(902,721)	—	—	—
Societe Generale SA(g)	112,288	(112,288)	—	—	—
UBS AG	16,576,908	(14,494,727)	(2,082,181)	—	—
	$ 52,013,753	$(36,472,001)	$(6,067,509)	$(9,114,737)	$ 359,506

Counterparty	*Derivative Liabilities Subject to an MNA by Counterparty*	*Derivatives Available for Offset* (a)	*Non-cash Collateral Pledged* (d)	*Cash Collateral Pledged*	*Net Amount of Derivative Liabilities* (e)(f)
Bank of America NA	$ 3,853,806	$ (3,853,806)	$ —	$ —	$ —
Barclays Bank plc	9,833,948	(958,320)	(7,583,482)	—	1,292,146
BNP Paribas SA	6,895,550	(6,895,550)	—	—	—
Citibank NA	4,798,738	(629,395)	(4,169,343)	—	—
Deutsche Bank AG	9,495,086	(3,583,022)	(1,802,044)	—	4,110,020
Goldman Sachs International	6,343,884	(1,881,080)	—	—	4,462,804
JP Morgan Chase Bank NA	1,658,547	(264,038)	—	—	1,394,509
Morgan Stanley & Co. International plc	6,079,752	(2,897,054)	(2,403,205)	—	779,493
Societe Generale SA	1,114,918	(902,721)	(212,197)	—	—
Societe Generale SA(g)	684,215	(112,288)	(499,789)	—	72,138
UBS AG	14,494,727	(14,494,727)	—	—	—
	$ 65,253,171	$(36,472,001)	$(16,670,060)	$ —	$12,111,110

(a) The amount of derivatives available for offset is limited to the amount of derivative assets and/or liabilities that are subject to an MNA.
(b) Excess of collateral received from the individual counterparty is not shown for financial reporting purposes.
(c) Net amount represents the net amount receivable from the counterparty in the event of default.
(d) Excess of collateral pledged to the individual counterparty is not shown for financial reporting purposes.
(e) Net amount represents the net amount payable due to the counterparty in the event of default.
(f) Net amount may also include forward foreign currency exchange contracts that are not required to be collateralized.
(g) Represents derivatives owned by the BlackRock Cayman Global Allocation V.I. Fund I, Ltd., a wholly-owed subsidiary of the Fund. See Note 1.

Fair Value Hierarchy as of Period End

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

The following table summarizes the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	*Level 2*	*Level 3*	*Total*
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks:				
Australia	$ —	$ 1,011,157	$ —	$ 1,011,157
Belgium	—	42,446,911	—	42,446,911
Brazil	46,088,537	—	—	46,088,537
Canada	71,947,573	—	—	71,947,573
China	57,907,744	67,719,649	10,638,568	136,265,961
Czech Republic	—	4,601,062	—	4,601,062

	Level 1	Level 2	Level 3	Total
Denmark	$ —	$ 216,000	$ —	$ 216,000
Finland	—	269,282	—	269,282
France	34,582,958	216,884,674	—	251,467,632
Germany	—	155,413,727	—	155,413,727
Hong Kong	2,338,550	77,341,144	—	79,679,694
India	—	147,492,784	—	147,492,784
Indonesia	—	5,485,025	—	5,485,025
Israel	106,960	—	—	106,960
Italy	16,640,190	74,683,008	—	91,323,198
Japan	—	855,181,078	—	855,181,078
Luxembourg	—	25,762	—	25,762
Macau	—	31,988	—	31,988
Malaysia	—	1,467,424	—	1,467,424
Mexico	315,843	—	—	315,843
Netherlands	41,306,495	203,766,048	—	245,072,543
Norway	—	69,441	—	69,441
Poland	—	237,365	—	237,365
Portugal	—	8,805,641	—	8,805,641
Singapore	257,968	23,745,531	—	24,003,499
South Africa	32,392	245,267	—	277,659
South Korea	3,154,431	73,015,525	—	76,169,956
Spain	—	32,339,619	—	32,339,619
Sweden	—	752,585	—	752,585
Switzerland	—	115,075,063	—	115,075,063
Taiwan	—	77,499,265	—	77,499,265
Thailand	3,689,597	15,220,456	—	18,910,053
Turkey	—	142,494	—	142,494
United Arab Emirates	—	49,505,301	—	49,505,301
United Kingdom	35,944,875	114,561,572	—	150,506,447
United States	3,143,684,524	—	39,903,807	3,183,588,331
Corporate Bonds:				
Australia	—	20,250,543	4,461,554	24,712,097
Belgium	—	11,710,592	—	11,710,592
Brazil	—	1,822,635	—	1,822,635
Chile	—	195,219	—	195,219
China	—	48,000	—	48,000
France	—	7,949,704	—	7,949,704
Germany	—	18,618,235	—	18,618,235
India	—	—	1	1
Italy	—	4,397,689	—	4,397,689
Luxembourg	—	8,998,167	—	8,998,167
Netherlands	—	2,214,372	—	2,214,372
Singapore	—	6,365,826	—	6,365,826
Switzerland	—	5,257,006	—	5,257,006
Turkey	—	—	4,868,500	4,868,500
United Arab Emirates	—	16,219,274	—	16,219,274
United States	—	128,982,552	4	128,982,556
Floating Rate Loan Interests	—	17,587,446	—	17,587,446
Foreign Agency Obligations	—	4,796,277	—	4,796,277
Foreign Government Obligations	—	588,209,906	—	588,209,906
Investment Companies	265,254,442	—	—	265,254,442
Preferred Securities:				
Brazil	132,650	—	—	132,650
China	—	30,784,562	—	30,784,562
Netherlands	—	3,925,069	—	3,925,069
South Korea	—	116,502	—	116,502
United Kingdom	—	33,159,375	—	33,159,375
United States	31,455,236	58,403,462	72,740,772	162,599,470
Rights	3,161	—	—	3,161
U.S. Treasury Obligations	—	1,857,651,071	—	1,857,651,071
Warrants	—	24	4	28
Short-Term Securities:				
Foreign Government Obligations	—	97,763,938	—	97,763,938
Money Market Funds	5,274,808	—	—	5,274,808
Time Deposits	—	4,808,426	—	4,808,426
U.S. Treasury Obligations	—	1,212,187,803	—	1,212,187,803

	Level 1	Level 2	Level 3	Total
Options Purchased:				
Equity contracts	$ 5,227	$ 23,651,255	$ —	$ 23,656,482
Interest rate contracts	—	974	—	974
Liabilities:				
Investment Sold Short				
Common Stocks:	—	—	—	—
France	—	(5,019,691)	—	(5,019,691)
Japan	—	(5,067,454)	—	(5,067,454)
United States	(25,262,252)	—	—	(25,262,252)
Subtotal	$3,734,861,909	$6,521,240,607	$132,613,210	$10,388,715,726
Investments valued at NAV[a]				$ 256,588,914
Total Investments				$10,645,304,640
Derivative Financial Instruments[b]				
Assets:				
Equity contracts	$ 1,061,288	$ 12,513,516	$ —	$ 13,574,804
Foreign currency exchange contracts	—	11,150,159	—	11,150,159
Interest rate contracts	—	5,739,568	—	5,739,568
Liabilities:				
Credit contracts	—	(366,006)	—	(366,006)
Equity contracts	—	(36,731,165)	—	(36,731,165)
Foreign currency exchange contracts	—	(28,522,006)	—	(28,522,006)
Interest rate contracts	—	(10,642,066)	—	(10,642,066)
Total	$ 1,061,288	$ (46,858,000)	$ —	$ (45,796,712)

(a) As of June 30, 2018, certain investments of the Fund were fair valued using NAV per share as no quoted market value is available and therefore have been excluded from the fair value hierarchy.
(b) Derivative financial instruments are swaps, futures contracts, forward foreign currency exchange contracts, and options written. Swaps, futures contracts and forward foreign currency exchange contracts are valued at the unrealized appreciation (depreciation) on the instrument and Options written are shown at value

During the six months ended June 30, 2018, there were no transfers between Levels 1 and Level 2.

A reconciliation of Level 3 investments is presented when the Fund had a significant amount of Level 3 investments at the beginning and/or end of the year in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

	Common Stocks	Corporate Bonds	Preferred Securities	Warrants	Total
Investments:					
Assets:					
Opening Balance, as of December 31, 2017	$ 472,461	$ 8,403,598	$101,952,816	$ 29	$110,828,904
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	(24,000)	—	(25)	(24,025)
Other[a]	52,432,678	—	(52,432,678)	—	—
Accrued discounts/premiums	—	81,780	—	—	81,780
Net realized gain (loss)	—	—	—	—	—
Net change in unrealized appreciation (depreciation)[b][c]	(20,982,654)	(1,298,319)	20,039,668	—	(2,241,305)
Purchases	18,619,890	2,167,000	3,180,966	—	23,967,856
Sales	—	—	—	—	—
Closing Balance, as of June 30, 2018	$ 50,542,375	$ 9,330,059	$ 72,740,772	$ 4	$132,613,210
Net change in unrealized appreciation (depreciation) on investments still held at June 30, 2018[c]	$(20,982,654)	$(1,271,954)	$ 6,591,150	$ —	$ (15,663,458)

(a) Certain Level 3 investments were re-classified between Preferred Securities and Common Stocks.
(b) Included in the related net change in unrealized appreciation (depreciation) in the Consolidated Statement of Operations
(c) Any difference between net change in unrealized appreciation (depreciation) and net change in unrealized appreciation (depreciation) on investments still held at June 30, 2018 is generally due to investments no longer held or categorized as Level 3 at period end.

The Fund's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of such Level 3 investments.

See notes to consolidated financial statements.

Consolidated Statement of Assets and Liabilities (unaudited)

June 30, 2018

	BlackRock Global Allocation V.I. Fund
ASSETS	
Investments at value — unaffiliated (including securities loaned at value of $248,451,375) (cost — $9,776,200,234)	$10,351,137,007
Investments at value — affiliated (cost — $336,429,568)	329,517,030
Cash	31,627,347
Due from broker	5,833,448
Cash pledged:	
Futures contracts	2,526,000
Centrally cleared swaps	5,942,000
Foreign currency at value (cost — $1,330,708)	1,320,422
Receivables:	
Investments sold	30,184,715
Securities lending income — affiliated	104,546
Capital shares sold	800,815
Dividends — affiliated	16,226
Dividends — unaffiliated	10,650,323
Interest — unaffiliated	20,752,258
Variation margin on centrally cleared swaps	47,795
Unrealized appreciation on:	
Forward foreign currency exchange contracts	11,150,159
OTC swaps	17,211,365
Prepaid expenses	24,457
Total assets	10,818,845,913
LIABILITIES	
Investments sold short, at value (proceeds $35,757,234)	35,349,397
Cash received:	
Collateral — OTC derivatives	18,360,000
Cash collateral on securities loaned at value	256,531,353
Options written at value (premium received $28,808,504)	36,727,802
Payables:	
Investments purchased	255,325,890
Capital shares redeemed	8,567,329
Deferred foreign capital gain tax	565,481
Distribution fees	1,642,630
Variation margin on futures contracts	16,554
Board realignment and consolidation	97,584
Investment advisory fees	5,294,577
Directors' and Officer's fees	41,672
Other affiliates	60,675
Other accrued expenses	2,446,922
Unrealized depreciation on:	
Forward foreign currency exchange contracts	28,522,006
OTC swaps	3,363
Total liabilities	649,553,235
NET ASSETS	$10,169,292,678
NET ASSETS CONSIST OF	
Paid-in capital	$ 9,292,808,586
Undistributed net investment income	25,834,366
Accumulated net realized gain	300,214,792
Net unrealized appreciation (depreciation)	550,434,934
NET ASSETS	$10,169,292,678
NET ASSET VALUE	
Class I — Based on net assets of $2,275,511,585 and 133,839,063 shares outstanding, 400 million shares authorized, $0.10 par value.	$ 17.00
Class II — Based on net assets of $243,972,726 and 14,408,346 shares outstanding, 200 million shares authorized, $0.10 par value.	$ 16.93
Class III — Based on net assets of $7,649,808,367 and 523,836,689 shares outstanding, 1.5 billion shares authorized, $0.10 par value.	$ 14.60

See notes to consolidated financial statements.

Consolidated Statement of Operations (unaudited)

Six Months Ended June 30, 2018

	BlackRock Global Allocation V.I. Fund
INVESTMENT INCOME	
Dividends — affiliated	$ 66,015
Dividends — unaffiliated	75,010,651
Interest — unaffiliated	51,003,251
Securities lending income — affiliated — net	545,884
Foreign taxes withheld	(4,343,314)
Total investment income	122,282,487
EXPENSES	
Investment advisory	32,956,764
Distribution — class specific	10,151,885
Transfer agent — class specific	9,727,099
Custodian	704,039
Professional	315,700
Accounting services	315,521
Printing	281,536
Board realignment and consolidation	97,584
Directors and Officer	71,387
Transfer agent	2,338
Miscellaneous	136,448
Total expenses excluding dividend expense	54,760,301
Dividends expense — unaffiliated	197,105
Total expenses	54,957,406
Less:	
Fees waived and/or reimbursed by the Manager	(230,960)
Transfer agent fees waived and /or reimbursed — class specific	(6,045,175)
Total expenses after fees waived and/or reimbursed	48,681,271
Net investment income	73,601,216
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) from:	
Investments — affiliated	37,739
Investments — unaffiliated (net of $428,567 foreign capital gain tax)	261,666,532
Capital gain distributions from investment companies — affiliated	20
Forward foreign currency exchange contracts	7,519,081
Foreign currency transactions	6,463,312
Futures contracts	(18,900,593)
Options written	10,016,960
Short sales — unaffiliated	(64,825)
Swaps	3,619,538
	270,357,764
Net change in unrealized appreciation (depreciation) on:	
Investments — affiliated	(4,140,839)
Investments — unaffiliated (net of $557,799 foreign capital gain tax)	(436,765,721)
Forward foreign currency exchange contracts	(24,168,922)
Foreign currency translations	(522,467)
Futures contracts	1,452,299
Options written	(19,744,834)
Short sales — unaffiliated	407,837
Swaps	(23,116,637)
	(506,599,284)
Net realized and unrealized loss	(236,241,520)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$(162,640,304)

See notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

	BlackRock Global Allocation V.I. Fund	
	Six Months Ended 06/30/2018 (Unaudited)	Year Ended 12/31/2017
INCREASE (DECREASE) IN NET ASSETS		
OPERATIONS		
Net investment income	$ 73,601,216	$ 126,982,603
Net realized gain	270,357,764	414,074,260
Net change in unrealized appreciation (depreciation)	(506,599,284)	831,654,996
Net increase (decrease) in net assets resulting from operations	(162,640,304)	1,372,711,859
DISTRIBUTIONS TO SHAREHOLDERS[a]		
From net investment income:		
Class I	—	(29,375,286)
Class II	—	(2,933,651)
Class III	—	(102,989,429)
From net realized gain:		
Class I	—	(22,847,673)
Class II	—	(2,565,922)
Class III	—	(94,602,394)
Decrease in net assets resulting from distributions to shareholders	—	(255,314,355)
CAPITAL SHARE TRANSACTIONS		
Net decrease in net assets derived from capital share transactions	(466,280,206)	(795,038,529)
NET ASSETS		
Total increase (decrease) in net assets	(628,920,510)	322,358,975
Beginning of period	10,798,213,188	10,475,854,213
End of period	$10,169,292,678	$10,798,213,188
Undistributed (accumulated) net investment income (loss), end of period	$ 25,834,366	$ (47,766,850)

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

See notes to consolidated financial statements.

Consolidated Financial Highlights

(For a share outstanding throughout each period)

	BlackRock Global Allocation V.I. Fund					
	Class I					
	Six Months Ended 06/30/2018 (Unaudited)	Year Ended December 31, 2017	2016	2015	2014	2013
Net asset value, beginning of period	$ 17.26	$ 15.51	$ 15.09	$ 16.26	$ 17.61	$ 16.10
Net investment income[a]	0.14	0.22	0.22	0.22	0.29	0.22
Net realized and unrealized gain (loss)	(0.40)	1.92	0.40	(0.35)	0.12	2.14
Net increase (decrease) from investment operations	(0.26)	2.14	0.62	(0.13)	0.41	2.36
Distributions[b]						
From net investment income	—	(0.22)	(0.20)	(0.19)	(0.39)	(0.20)
From net realized gain	—	(0.17)	—	(0.84)	(1.37)	(0.65)
From return of capital	—	—	—	(0.01)	—	—
Total distributions	—	(0.39)	(0.20)	(1.04)	(1.76)	(0.85)
Net asset value, end of period	$ 17.00	$ 17.26	$ 15.51	$ 15.09	$ 16.26	$ 17.61
Total Return[c]						
Based on net asset value	(1.51)%[d]	13.86%	4.11%	(0.89)%	2.30%	14.76%
Ratios to Average Net Assets[e]						
Total expenses	0.74%[f]	0.72%	0.74%	0.75%	0.74%	0.72%
Total expenses after fees waived and/or reimbursed	0.73%[f]	0.72%	0.74%	0.73%	0.72%	0.72%
Total expenses after fees waived and/or reimbursed and excluding dividend expense, interest expense and broker fees and expenses on short sales	0.73%[f]	0.70%	0.73%	0.73%	0.72%	0.72%
Net investment income	1.60%[f]	1.32%	1.47%	1.32%	1.64%	1.26%
Supplemental Data						
Net assets, end of period (000)	$2,275,512	$2,306,034	$2,107,145	$1,994,371	$1,708,903	$2,426,154
Portfolio turnover rate	70%	118%	135%	90%[g]	72%	53%

[a] Based on average shares outstanding.
[b] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
[c] Where applicable, excludes insurance-related fees and expenses and assumes the reinvestments of distributions.
[d] Aggregate total return.
[e] Excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Six Months Ended 6/30/2018 (Unaudited)	Year Ended December 31, 2017	2016	2015	2014	2013
Investments in underlying funds	0.02%	0.01%	N/A	N/A	N/A	N/A

[f] Annualized.
[g] Includes mortgage dollar roll transactions (“MDRs”). Excluding these transactions the portfolio turnover would have been 88%.

See notes to consolidated financial statements.

Consolidated Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock Global Allocation V.I. Fund (continued)					
	Class II					
	Six Months Ended 06/30/2018 (Unaudited)	Year Ended December 31,				
		2017	2016	2015	2014	2013
Net asset value, beginning of period	$ 17.21	$ 15.46	$ 15.04	$ 16.21	$ 17.56	$ 16.07
Net investment income[(a)]	0.12	0.19	0.20	0.19	0.25	0.19
Net realized and unrealized gain (loss)	(0.40)	1.93	0.40	(0.35)	0.14	2.14
Net increase (decrease) from investment operations	(0.28)	2.12	0.60	(0.16)	0.39	2.33
Distributions[(b)]						
From net investment income	—	(0.20)	(0.18)	(0.16)	(0.37)	(0.19)
From net realized gain	—	(0.17)	—	(0.84)	(1.37)	(0.65)
From return of capital	—	—	—	(0.01)	—	—
Total distributions	—	(0.37)	(0.18)	(1.01)	(1.74)	(0.84)
Net asset value, end of period	$ 16.93	$ 17.21	$ 15.46	$ 15.04	$ 16.21	$ 17.56
Total Return[(c)]						
Based on net asset value	(1.63)%[(d)]	13.74%	3.96%	(1.05)%	2.16%	14.55%
Ratios to Average Net Assets[(e)]						
Total expenses	1.03%[(f)]	1.00%	1.02%	1.02%	1.01%	1.00%
Total expenses after fees waived and/or reimbursed	0.88%[(f)]	0.87%	0.89%	0.88%	0.88%	0.87%
Total expenses after fees waived and/or reimbursed and excluding dividend expense, interest expense and broker fees and expenses on short sales	0.88%[(f)]	0.85%	0.88%	0.88%	0.87%	0.87%
Net investment income	1.37%[(f)]	1.17%	1.33%	1.17%	1.39%	1.07%
Supplemental Data						
Net assets, end of period (000)	$243,973	$258,564	$229,492	$256,964	$260,312	$216,395
Portfolio turnover rate	70%	118%	135%	90%[(g)]	72%	53%

(a) Based on average shares outstanding.
(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(c) Where applicable, excludes insurance-related fees and expenses and assumes the reinvestments of distributions.
(d) Aggregate total return.
(e) Excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Six Months Ended 6/30/2018 (Unaudited)	Year Ended December 31,				
		2017	2016	2015	2014	2013
Investments in underlying funds	0.02%	0.01%	N/A	N/A	N/A	N/A

(f) Annualized.
(g) Includes mortgage dollar roll transactions ("MDRs"). Excluding these transactions the portfolio turnover would have been 88%.

See notes to consolidated financial statements.

Consolidated Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock Global Allocation V.I. Fund (continued)					
	Class III					
	Six Months Ended 06/30/2018 (Unaudited)	Year Ended December 31, 2017	2016	2015	2014	2013
Net asset value, beginning of period	$ 14.84	$ 13.37	$ 13.04	$ 14.19	$ 15.58	$ 14.34
Net investment income[(a)]	0.10	0.17	0.16	0.15	0.21	0.16
Net realized and unrealized gain (loss)	(0.34)	1.66	0.34	(0.30)	0.12	1.89
Net increase (decrease) from investment operations	(0.24)	1.83	0.50	(0.15)	0.33	2.05
Distributions[(b)]						
From net investment income	—	(0.19)	(0.17)	(0.15)	(0.35)	(0.16)
From net realized gain	—	(0.17)	—	(0.84)	(1.37)	(0.65)
From return of capital	—	—	—	(0.01)	—	—
Total distributions	—	(0.36)	(0.17)	(1.00)	(1.72)	(0.81)
Net asset value, end of period	$ 14.60	$ 14.84	$ 13.37	$ 13.04	$ 14.19	$ 15.58
Total Return[(c)]						
Based on net asset value	(1.62)%[(d)]	13.71%	3.81%	(1.14)%	2.08%	14.42%
Ratios to Average Net Assets[(e)]						
Total expenses	1.13%[(f)]	1.13%	1.12%	1.12%	1.11%	1.11%
Total expenses after fees waived and/or reimbursed	0.98%[(f)]	1.00%	0.99%	0.98%	0.98%	0.97%
Total expenses after fees waived and/or reimbursed and excluding dividend expense, interest expense and broker fees and expenses on short sales	0.98%[(f)]	0.98%	0.98%	0.98%	0.97%	0.97%
Net investment income	1.34%[(f)]	1.15%	1.22%	1.07%	1.32%	1.02%
Supplemental Data						
Net assets, end of period (000)	$7,649,808	$8,233,615	$8,139,218	$8,869,288	$9,780,007	$10,014,301
Portfolio turnover rate	70%	118%	135%	90%[(g)]	72%	53%

(a) Based on average shares outstanding.
(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(c) Where applicable, excludes insurance-related fees and expenses and assumes the reinvestments of distributions.
(d) Aggregate total return.
(e) Excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Six Months Ended 6/30/2018 (Unaudited)	Year Ended December 31, 2017	2016	2015	2014	2013
Investments in underlying funds	0.02%	0.01%	N/A	N/A	N/A	N/A

(f) Annualized.
(g) Includes mortgage dollar roll transactions (“MDRs”). Excluding these transactions the portfolio turnover would have been 88%.

See notes to consolidated financial statements.

1. ORGANIZATION

BlackRock Variable Series Funds, Inc. (the "Company") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Company is organized as a Maryland corporation that is comprised of 19 separate funds. The funds offer shares to insurance companies for their separate accounts to fund benefits under certain variable annuity and variable life insurance contracts. The consolidated financial statements presented are for BlackRock Global Allocation V.I. Fund (the "Fund"). The Fund is classified as diversified. Class I, Class II and Class III Shares have equal voting, dividend, liquidation and other rights, except that only shares of the respective classes are entitled to vote on matters concerning only that class. In addition, Class II and Class III Shares bear certain expenses related to the distribution of such shares.

The Fund, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the "Manager") or its affiliates, is included in a complex of open-end funds referred to as the Equity-Bond Complex.

Basis of Consolidation: The accompanying consolidated financial statements of the Fund include the accounts of BlackRock Cayman Global Allocation V.I. Fund I, Ltd. (the "Subsidiary"), which is a wholly-owned subsidiary of the Fund and primarily invests in commodity-related instruments. The Subsidiary enables the Fund to hold these commodity-related instruments while allowing its investors to satisfy regulated investment company tax requirements. The Fund may invest up to 25% of its total assets in the Subsidiary. The net assets of the Subsidiary as of period end were $288,523,870, which is 2.8% of the Fund's consolidated net assets. Intercompany accounts and transactions, if any, have been eliminated. The Subsidiary is subject to the same investment policies and restrictions that apply to the Fund, except that the Subsidiary may invest without limitation in commodity-related instruments.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Transactions and Income Recognition: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the "trade dates"). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Fund is informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on an accrual basis. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Foreign Currency Translation: The Fund's books and records are maintained in U.S. dollars. Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates determined as of the close of trading on the New York Stock Exchange ("NYSE"). Purchases and sales of investments are recorded at the rates of exchange prevailing on the respective dates of such transactions. Generally, when the U.S. dollar rises in value against a foreign currency, the investments denominated in that currency will lose value; the opposite effect occurs if the U.S. dollar falls in relative value.

The Fund does not isolate the portion of the results of operations arising as a result of changes in the exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in exchange rates on investments are not segregated in the Consolidated Statement of Operations from the effects of changes in market prices of those investments, but are included as a component of net realized and unrealized gain (loss) from investments. The Fund reports realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for U.S. federal income tax purposes.

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

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

Net income and realized gains from investments held by the Subsidiary are treated as ordinary income for tax purposes. If a net loss is realized by the Subsidiary in any taxable year, the loss will generally not be available to offset the Fund's ordinary income and/or capital gains for that year.

Recent Accounting Standards: In March 2017, the Financial Accounting Standards Board issued Accounting Standards Update "Premium Amortization of Purchased Callable Debt Securities", which amends the amortization period for certain purchased callable debt securities. Under the new guidance, the premium amortization of purchased callable debt securities that have explicit, non-contingent call features and are callable at fixed prices will be amortized to the earliest call date. The guidance will be applied on a modified retrospective basis and is effective for fiscal years, and their interim periods, beginning after December 15, 2018. Management is currently evaluating the impact of this guidance to the Fund.

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

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

The Fund has an arrangement with its custodian whereby credits are earned on uninvested cash balances, which could be used to reduce custody fees and/or overdraft charges. The Fund may incur charges on certain uninvested cash balances and overdrafts, subject to certain conditions.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Investment Valuation Policies: The Fund's investments are valued at fair value (also referred to as "market value" within the consolidated financial statements) as of the close of trading on the NYSE (generally 4:00 p.m., Eastern time) (or, if the reporting date falls on a day the NYSE is closed, investments are valued at fair value as of the period end). U.S. GAAP defines fair value as the price the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Fund determines the fair values of its financial instruments using various independent dealers or pricing services under policies approved by the Board of Directors of the Company (the "Board"). The BlackRock Global Valuation Methodologies Committee (the "Global Valuation Committee") is the committee formed by management to develop global pricing policies and procedures and to oversee the pricing function for all financial instruments.

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

- Equity investments traded on a recognized securities exchange are valued at the official closing price each day, if available. For equity investments traded on more than one exchange, the official closing price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.

- Fixed-income securities for which market quotations are readily available are generally valued using the last available bid prices or current market quotations provided by independent dealers or third party pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more independent brokers or dealers as obtained from a third party pricing service. Pricing services generally value fixed-income securities assuming orderly transactions of an institutional round lot size, but a fund may hold or transact in such securities in smaller, odd lot sizes. Odd lots may trade at lower prices than institutional round lots. The pricing services may use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values, including transaction data (e.g., recent representative bids and offers), credit quality information, perceived market movements, news, and other relevant information. Certain fixed-income securities, including asset-backed and mortgage related securities may be valued based on valuation models that consider the estimated cash flows of each tranche of the entity, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. The amortized cost method of valuation may be used with respect to debt obligations with sixty days or less remaining to maturity unless the Manager determines such method does not represent fair value.

- Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of trading on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of trading on the NYSE that may not be reflected in the computation of the Fund's net assets. Each business day, the Fund uses a pricing service to assist with the valuation of certain foreign exchange-traded equity securities and foreign exchange-traded over-the-counter ("OTC") options (the "Systematic Fair Value Price"). Using current market factors, the Systematic Fair Value Price is designed to value such foreign securities and foreign options at fair value as of the close of trading on the NYSE, which follows the close of the local markets.

- Investments in open-end U.S. mutual funds are valued at net asset value ("NAV") each business day.

- The Fund values its investment in SL Liquidity Series, LLC, Money Market Series (the "Money Market Series") at fair value, which is ordinarily based upon its pro rata ownership in the underlying fund's net assets. The Money Market Series seeks current income consistent with maintaining liquidity and preserving capital. Although the Money Market Series is not registered under the 1940 Act, its investments may follow the parameters of investments by a money market fund that is subject to Rule 2a-7 under the 1940 Act.

- Futures contracts traded on exchanges are valued at their last sale price.

- Forward foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of trading on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

- Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. OTC options and options on swaps ("swaptions") are valued by an independent pricing service using a mathematical model, which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

- Swap agreements are valued utilizing quotes received daily by the Fund's pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments.

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

The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Fund's pricing vendors, regular reviews of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Valued Investments is subsequently reported to the Board or a committee thereof on a quarterly basis. As a result of the inherent uncertainty in valuation of these investments, the fair values may differ from the values that would have been used had an active market existed.

For investments in equity or debt issued by privately held companies or funds ("Private Company" or collectively, the "Private Companies") and other Fair Valued Investments, the fair valuation approaches that are used by third party pricing services utilize one or a combination of, but not limited to, the following inputs.

	Standard Inputs Generally Considered By Third Party Pricing Services
Market approach	(i) recent market transactions, including subsequent rounds of financing, in the underlying investment or comparable issuers; (ii) recapitalizations and other transactions across the capital structure; and (iii) market multiples of comparable issuers.
Income approach	(i) future cash flows discounted to present and adjusted as appropriate for liquidity, credit, and/or market risks; (ii) quoted prices for similar investments or assets in active markets; and (iii) other risk factors, such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates.
Cost approach	(i) audited or unaudited financial statements, investor communications and financial or operational metrics issued by the Private Company; (ii) changes in the valuation of relevant indices or publicly traded companies comparable to the Private Company; (iii) relevant news and other public sources; and (iv) known secondary market transactions in the Private Company's interests and merger or acquisition activity in companies comparable to the Private Company.

Investments in series of preferred stock issued by Private Companies are typically valued utilizing market approach in determining the enterprise value of the company. Such investments often contain rights and preferences that differ from other series of preferred and common stock of the same issuer. Valuation techniques such as an option pricing model ("OPM"), a probability weighted expected return model ("PWERM") or a hybrid of those techniques are used in allocating enterprise value of the company, as deemed appropriate under the circumstances. The use of OPM and PWERM techniques involve a determination of the exit scenarios of the investment in order to appropriately allocate the enterprise value of the company among the various parts of its capital structure.

The Private Companies are not subject to the public company disclosure, timing, and reporting standards as other investments held by the Fund. Typically, the most recently available information by a Private Company is as of a date that is earlier than the date the Fund is calculating its NAV. This factor may result in a difference between the value of the investment and the price the Fund could receive upon the sale of the investment.

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by Private Companies. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

As of June 30, 2018, certain investments of the Fund were valued using NAV per share as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

4. SECURITIES AND OTHER INVESTMENTS

Asset-Backed and Mortgage-Backed Securities: Asset-backed securities are generally issued as pass-through certificates or as debt instruments. Asset-backed securities issued as pass-through certificates represent undivided fractional ownership interests in an underlying pool of assets. Asset-backed securities issued as debt instruments, which are also known as collateralized obligations, are typically issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security will have the effect of shortening the maturity of the security. In addition, a fund may subsequently have to reinvest the proceeds at lower interest rates. If a fund has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

For mortgage pass-through securities (the “Mortgage Assets”) there are a number of important differences among the agencies and instrumentalities of the U.S. Government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States, but are supported by the right of the issuer to borrow from the U.S. Treasury.

Non-agency mortgage-backed securities are securities issued by non-governmental issuers and have no direct or indirect government guarantees of payment and are subject to various risks. Non-agency mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity. The ability of a borrower to repay a loan is dependent upon the income or assets of the borrower. A number of factors, including a general economic downturn, acts of God, terrorism, social unrest and civil disturbances, may impair a borrower’s ability to repay its loans.

Inflation-Indexed Bonds: Inflation-indexed bonds (other than municipal inflation-indexed and certain corporate inflation-indexed bonds) are fixed- income securities whose principal value is periodically adjusted according to the rate of inflation. If the index measuring inflation rises or falls, the principal value of inflation-indexed bonds (other than municipal inflation-indexed and certain corporate inflation-indexed bonds) will be adjusted upward or downward, and consequently the interest payable on these securities (calculated with respect to a larger or smaller principal amount) will be increased or reduced, respectively. Any upward or downward adjustment in the principal amount of an inflation-indexed bond will be included as interest income in the Consolidated Statement of Operations, even though investors do not receive their principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal. With regard to municipal inflation-indexed bonds and certain corporate inflation-indexed bonds, the inflation adjustment is typically reflected in the semi-annual coupon payment. As a result, the principal value of municipal inflation-indexed bonds and such corporate inflation-indexed bonds does not adjust according to the rate of inflation.

Multiple Class Pass-Through Securities: Multiple class pass-through securities, including collateralized mortgage obligations (“CMOs”) and commercial mortgage-backed securities, may be issued by Ginnie Mae, U.S. Government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by a pool of residential or commercial mortgage loans or Mortgage Assets. The payments on these are used to make payments on the CMOs or multiple pass-through securities. Multiple class pass-through securities represent direct ownership interests in the Mortgage Assets. Classes of CMOs include interest only (“IOs”), principal only (“POs”), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated prepayments of principal, a fund’s initial investment in the IOs may not fully recoup.

Zero-Coupon Bonds: Zero-coupon bonds are normally issued at a significant discount from face value and do not provide for periodic interest payments. These bonds may experience greater volatility in market value than other debt obligations of similar maturity which provide for regular interest payments.

Capital Securities and Trust Preferred Securities: Capital securities, including trust preferred securities, are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics. In the case of trust preferred securities, an affiliated business trust of a corporation issues these securities, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured with either a fixed or adjustable coupon that can have either a perpetual or stated maturity date. For trust preferred securities, the issuing bank or corporation pays interest to the trust, which is then distributed to holders of these securities as a dividend. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. These securities generally are rated below that of the issuing company’s senior debt securities and are freely callable at the issuer’s option.

Preferred Stocks: Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer’s board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

Warrants: Warrants entitle a fund to purchase a specified number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date of the warrants, if any. If the price of the underlying stock does not rise above the strike price before the warrant expires, the warrant generally expires without any value and a fund will lose any amount it paid for the warrant. Thus, investments in warrants may involve more risk than investments in common stock. Warrants may trade in the same markets as their underlying stock; however, the price of the warrant does not necessarily move with the price of the underlying stock.

Floating Rate Loan Interests: Floating rate loan interests are typically issued to companies (the "borrower") by banks, other financial institutions, or privately and publicly offered corporations (the "lender"). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged or in bankruptcy proceedings. In addition, transactions in floating rate loan interests may settle on a delayed basis, which may result in proceeds from the sale not being readily available for a fund to make additional investments or meet its redemption obligations. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. Since the rates reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the NAV of a fund to the extent that it invests in floating rate loan interests. The base lending rates are generally the lending rate offered by one or more European banks, such as the London Interbank Offered Rate ("LIBOR"), the prime rate offered by one or more U.S. banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. These investments are treated as investments in debt securities for purposes of a fund's investment policies.

When a fund purchases a floating rate loan interest, it may receive a facility fee and when it sells a floating rate loan interest, it may pay a facility fee. On an ongoing basis, a fund may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by a fund upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. A fund may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower's option. A fund may invest in such loans in the form of participations in loans ("Participations") or assignments ("Assignments") of all or a portion of loans from third parties. Participations typically will result in a fund having a contractual relationship only with the lender, not with the borrower. A fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, a fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower. A fund may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, a fund assumes the credit risk of both the borrower and the lender that is selling the Participation. A fund's investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, a fund may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in a fund having a direct contractual relationship with the borrower, and a fund may enforce compliance by the borrower with the terms of the loan agreement.

Forward Commitments and When-Issued Delayed Delivery Securities: The fund may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. A fund may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, a fund may be required to pay more at settlement than the security is worth. In addition, a fund is not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, a fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, a fund's maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions.

TBA Commitments: TBA commitments are forward agreements for the purchase or sale of mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date. However, delivered securities must meet specified terms, including issuer, rate and mortgage terms. When entering into TBA commitments, a fund may take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date.

In order to better define contractual rights and to secure rights that will help a fund mitigate their counterparty risk, TBA commitments may be entered into by a fund under Master Securities Forward Transaction Agreements (each, an "MSFTA"). An MSFTA typically contains, among other things, collateral posting terms and netting provisions in the event of default and/or termination event. The collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of the collateral currently pledged by a fund and the counterparty. Cash collateral that has been pledged to cover the obligations of a fund and cash collateral received from the counterparty, if any, is reported separately on the Consolidated Statement of Assets and Liabilities as cash pledged as collateral for TBA commitments or cash received as collateral for TBA commitments, respectively. Non-cash collateral pledged by a fund, if any, is noted in the Consolidated Schedule of Investments. Typically, a fund is permitted to sell, re-pledge or use the collateral it receives; however, the counterparty is not permitted to do so. To the extent amounts due to a fund is not fully collateralized, contractually or otherwise, a fund bears the risk of loss from counterparty non-performance.

Mortgage Dollar Roll Transactions: A fund may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (i.e., same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, a fund is not entitled to receive interest and principal payments on the securities sold. Mortgage dollar roll transactions are treated as purchases and sales and realizes gains and losses on these transactions. Mortgage dollar rolls involve the risk that the market value of the securities that a fund is required to purchase may decline below the agreed upon repurchase price of those securities.

Short Sale Transactions: In short sale transactions, a fund sells a security it does not hold in anticipation of a decline in the market price of that security. When a fund makes a short sale, it will borrow the security sold short from a broker/counterparty and deliver the security to the purchaser. To close out a short position, a fund delivers the same security to the broker and records a liability to reflect the obligation to return the security to the broker. The amount of the liability is subsequently marked-to-market to reflect the market value of the short sale. A fund maintains a segregated account of securities or deposits cash with the broker-dealer as collateral for the short sales. Cash deposited with the broker is recorded as an asset in the Consolidated Statement of Assets and Liabilities. Securities segregated as collateral are denoted in the Consolidated Schedule of Investments. A fund may pay a financing fee for the difference between the market value of the short position and the cash collateral deposited with the broker which would be recorded as interest expense. A fund is required to repay the counterparty any dividends received on the security sold short, which, if applicable, is shown as dividend expense in the Consolidated Statement of Operations. A fund may pay a fee on the assets borrowed from the counterparty, which, if applicable, is shown as broker fees and expenses on short sales in the Consolidated Statement of Operations. A fund is exposed to market risk based on the amount, if any, that the market value of the security increases beyond the market value at which the position was sold. Thus, a short sale of a security involves the risk that instead of declining, the price of the security sold short will rise. The short sale of securities involves the possibility of an unlimited loss since there is an unlimited potential for the market price of the security sold short to increase. A gain is limited to the price at which a fund sold the security short. A realized gain or loss is recognized upon the termination of a short sale if the market price is either less than or greater than the proceeds originally received. There is no assurance that a fund will be able to close out a short position at a particular time or at an acceptable price.

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

The market value of any securities on loan, all of which were classified as common or preferred stocks in the Fund's Consolidated Schedule of Investments, and the value of any related collateral are shown separately in the Consolidated Statement of Assets and Liabilities as a component of investments at value — unaffiliated, and collateral on securities loaned at value, respectively. As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested by the securities lending agent, BlackRock Investment Management, LLC ("BIM"), if any, is disclosed in the Consolidated Schedule of Investments.

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

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

Counterparty	*Securities Loaned at Value*	*Cash Collateral Received* [(a)]	*Net Amount*
Barclays	$ 1,382,945	$ (1,382,945)	$ —
BNP PARIBAS	15,323,476	(15,323,476)	—
Citigroup	36,464,471	(36,464,471)	—
Credit Suisse	2,055,353	(2,055,353)	—
Deutsche Bank	974,871	(974,871)	—
Fidelity Investments	1,448,730	(1,443,772)	4,958
Goldman Sachs	8,803,728	(8,803,728)	—
Jefferies & Co	650,069	(650,069)	—
JP Morgan	46,710,459	(46,710,459)	—
Merrill Lynch	38,398,952	(38,398,952)	—
Mizuho	265,126	(265,126)	—
Morgan Stanley	60,654,357	(60,654,357)	—
Nomura	12,979,881	(12,979,881)	—
SG Americas	3,648,832	(3,648,832)	—
State Street Bank	9,108,410	(9,108,410)	—
UBS	9,581,715	(9,581,715)	—
	$ 248,451,375	$ (248,446,417)	$ 4,958

[(a)] Cash collateral with a value of $256,531,353 has been received in connection with securities lending agreements. Collateral received in excess of the value of securities loaned from the individual counterparty is not shown for financial reporting purposes in the table above.

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

5. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

Forward Foreign Currency Exchange Contracts: Forward foreign currency exchange contracts are entered into to gain or reduce exposure to foreign currencies (foreign currency exchange rate risk).

A forward foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a specified date. These contracts help to manage the overall exposure to the currencies in which some of the investments held by the Fund are denominated and in some cases, may be used to obtain exposure to a particular market.

The contract is marked-to-market daily and the change in market value is recorded as unrealized appreciation (depreciation) in the Consolidated Statement of Assets and Liabilities. When a contract is closed, a realized gain or loss is recorded in the Consolidated Statement of Operations equal to the difference between the value at the time it was opened and the value at the time it was closed. Non-deliverable forward foreign currency exchange contracts are settled with the counterparty in cash without the delivery of foreign currency. The use of forward foreign currency exchange contracts involves the risk that the value of a forward foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies. Cash amounts pledged for forward foreign currency exchange contracts are considered restricted and are included in cash pledged as collateral for OTC derivatives on the Statement of Assets and Liabilities.

Options: The Fund purchases and writes call and put options to increase or decrease its exposure to the risks of underlying instruments, including equity risk, interest rate risk and/or commodity price risk and/or, in the case of options written, to generate gains from options premiums.

A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised) the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period.

Premiums paid on options purchased and premiums received on options written, as well as the daily fluctuation in market value, are included in investments at value — unaffiliated and options written at value, respectively, in the Consolidated Statement of Assets and Liabilities. When an instrument is purchased or sold through the exercise of an option, the premium is offset against the cost or proceeds of the underlying instrument. When an option expires, a realized gain or loss is recorded in the Consolidated Statement of Operations to the extent of the premiums received or paid. When an option is closed or sold, a gain or loss is recorded in the Consolidated Statement of Operations to the extent the cost of the closing transaction exceeds the premiums received or paid. When the Fund writes a call option, such option is typically "covered," meaning that it holds the underlying instrument subject to being called by the option counterparty. When the Fund writes a put option, such option is covered by cash in an amount sufficient to cover the obligation. These amounts, which are considered restricted, are included in cash pledged as collateral for options written on the Statement of Assets and Liabilities.

- Swaptions — The Fund purchases and writes options on swaps ("swaptions") primarily to preserve a return or spread on a particular investment or portion of the Fund's holdings, as a duration management technique or to protect against an increase in the price of securities it anticipates purchasing at a later date. The purchaser and writer of a swaption is buying or granting the right to enter into a previously agreed upon interest rate or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

- Interest rate caps and floors — Interest rate caps and floors are entered into to gain or reduce exposure to interest rates (interest rate risk and/or other risk). Caps are agreements whereby one party agrees to make payments to the other, in return for a premium, to the extent that interest rate indexes exceed a specified rate, or “cap.” Floors are agreements whereby one party agrees to make payments to the other, in return for a premium, to the extent that interest rate indexes fall below a specified rate, or “floor.”

- Foreign currency options — The Fund purchases and writes foreign currency options, foreign currency futures and options on foreign currency futures to gain or reduce exposure to foreign currencies (foreign currency exchange rate risk). Foreign currency options give the purchaser the right to buy from or sell to the writer a foreign currency at any time before the expiration of the option.

- Barrier options — The Fund may purchase and write a variety of options with non-standard payout structures or other features (“barrier options”) that are generally traded OTC.

The Fund may invest in various types of barrier options, including down-and-out options, down-and-in options, double no-touch options, one-touch options, up-and-out options and up-and-in options. Down-and-out options expire worthless to the purchaser if the price of the underlying instrument falls below a specific barrier price level prior to the expiration date. Down-and-in options expire worthless to the purchaser unless the price of the underlying instrument falls below a specific barrier price level prior to the expiration date. Double no-touch options provide the purchaser an agreed-upon payout if the price of the underlying instrument does not reach or surpass predetermined barrier price levels prior to the option’s expiration date. One-touch options provide the purchaser an agreed-upon payout if the price of the underlying instrument reaches or surpasses predetermined barrier price levels prior to the expiration date. Up-and-out options expire worthless to the purchaser if the price of the underlying instrument increases beyond a predetermined barrier price level prior to the expiration date. Up-and-in options can only be exercised when the price of the underlying instrument increases beyond a predetermined barrier price level.

In purchasing and writing options, the Fund bears the risk of an unfavorable change in the value of the underlying instrument or the risk that it may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Fund purchasing or selling a security when it otherwise would not, or at a price different from the current market value.

Swaps: Swap contracts are entered into to manage exposure to issuers, markets and securities. Such contracts are agreements between the Fund and a counterparty to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract (“OTC swaps”) or centrally cleared (“centrally cleared swaps”).

For OTC swaps, any upfront premiums paid and any upfront fees received are shown as swap premiums paid and swap premiums received, respectively, in the Consolidated Statement of Assets and Liabilities and amortized over the term of the contract. The daily fluctuation in market value is recorded as unrealized appreciation (depreciation) on OTC Swaps in the Consolidated Statement of Assets and Liabilities. Payments received or paid are recorded in the Consolidated Statement of Operations as realized gains or losses, respectively. When an OTC swap is terminated, a realized gain or loss is recorded in the Consolidated Statement of Operations equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund’s basis in the contract, if any. Generally, the basis of the contract is the premium received or paid.

In a centrally cleared swap, immediately following execution of the swap contract, the swap contract is novated to a central counterparty (the “CCP”) and the Fund’s counterparty on the swap agreement becomes the CCP. The Fund is required to interface with the CCP through the broker. Upon entering into a centrally cleared swap, the Fund is required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on the size and risk profile of the particular swap. Securities deposited as initial margin are designated in the Consolidated Schedule of Investments and cash deposited is shown as cash pledged for centrally cleared swaps in the Consolidated Statement of Assets and Liabilities. Amounts pledged, which are considered restricted cash, are included in cash pledged for centrally cleared swaps on the Statement of Assets and Liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract (“variation margin”). Variation margin is recorded as unrealized appreciation (depreciation) and shown as variation margin receivable (or payable) on centrally cleared swaps in the Consolidated Statement of Assets and Liabilities. Payments received from (paid to) the counterparty, including at termination, are recorded as realized gains (losses) in the Consolidated Statement of Operations.

- Credit default swaps — Credit default swaps are entered into to manage exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which a fund is not otherwise exposed (credit risk).

  The Fund may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps are agreements in which the protection buyer pays fixed periodic payments to the seller in consideration for a promise from the protection seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation acceleration, repudiation, moratorium or restructuring). As a buyer, if an underlying credit event occurs, the Fund will either (i) receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index, or (ii) receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Fund will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index.

- Total return swaps — Total return swaps are entered into to obtain exposure to a security or market without owning such security or investing directly in such market or to exchange the risk/return of one market (e.g., fixed-income) with another market (e.g., equity or commodity prices) (equity risk, commodity price risk and/or interest rate risk).

  Total return swaps are agreements in which there is an exchange of cash flows whereby one party commits to make payments based on the total return (distributions plus capital gains/losses) of an underlying instrument in exchange for fixed or floating rate interest payments. If the total return of the instrument or index underlying the transaction exceeds or falls short of the offsetting fixed or floating interest rate obligation, the Fund receives payment from or makes a payment to the counterparty.

- Interest rate swaps — Interest rate swaps are entered into to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate (interest rate risk). Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating, in exchange for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. In more complex interest rate swaps, the notional principal amount may decline (or amortize) over time.

- Currency swaps — Currency swaps are entered into to gain or reduce exposure to foreign currencies (foreign currency exchange rate risk).

  Currency swaps are interest rate swaps in which one party pays a stream of interest payments, either fixed or floating, in exchange for another party's stream of interest payments, either fixed or floating, based on the notional amounts of two different currencies. The notional amounts are typically determined based on the spot exchange rates at the inception of the trade. Currency swaps may also involve an exchange of notional amounts at the start, during and/or at expiration of the contract, either at the current spot rate or another specified rate.

- Forward swaps — The Fund enters into forward interest rate swaps and forward total return swaps. In a forward swap, the Fund and the counterparty agree to make periodic net payments beginning on a specified date or a net payment at termination.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Consolidated Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Master Netting Arrangements: In order to define its contractual rights and to secure rights that will help it mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its counterparties. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs certain OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. Bankruptcy or insolvency laws of a particular jurisdiction may restrict or prohibit the right of offset in bankruptcy, insolvency or other events.

Collateral Requirements: For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Fund and the counterparty.

Cash collateral that has been pledged to cover obligations of the Fund and cash collateral received from the counterparty, if any, is reported separately on the Consolidated Statement of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Fund, if any, is noted in the Consolidated Schedule of Investments. Generally, the amount of collateral due from or to a counterparty is subject to a certain minimum transfer amount threshold before a transfer is required, which is determined at the close of business of the Fund. Any additional required collateral is delivered to/pledged by the Fund on the next business day. Typically, the counterparty is not permitted to sell, re-pledge or use cash and non-cash collateral it receives. The Fund generally agrees not to use non-cash collateral that it receives but may, absent default or certain other circumstances defined in the underlying ISDA Master Agreement, be permitted to use cash collateral received. In such cases, interest may be paid pursuant to the collateral arrangement with the counterparty. To the extent amounts due to the Fund from its counterparties are not fully collateralized, it bears the risk of loss from counterparty non-performance. Likewise, to the extent the Fund has delivered collateral to a counterparty and stands ready to perform under the terms of its agreement with such counterparty, it bears the risk of loss from a counterparty in the amount of the value of the collateral in the event the counterparty fails to return such collateral. Based on the terms of agreements, collateral may not be required for all derivative contracts.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements, if any, in the Consolidated Statement of Assets and Liabilities.

6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate of BlackRock, Inc. ("BlackRock") for 1940 Act purposes.

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

For such services, the Fund pays the Manager a monthly fee at an annual rate equal to the following percentages of the average daily value of the Fund's net assets:

Average Daily Net Assets	*Investment Advisory Fees*
First $6 Billion	0.65%
$6 Billion — $8 Billion	0.61
$8 Billion — $10 Billion	0.59
$10 Billion — $15 Billion	0.57
Greater than $15 Billion	0.55

The Manager provides investment management and other services to the Subsidiary. The Manager does not receive separate compensation from the Subsidiary for providing investment management or administrative services. However, the Fund pays the Manager based on the Fund's net assets, which includes the assets of the Subsidiary.

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

	Class II	*Class III*
Distribution Fee	0.15%	0.25%

For the six months ended June 30, 2018, the following table shows the class specific distribution fees borne directly by each share class of the Fund:

	Class II	*Class III*	*Total*
Distribution Fees	$189,396	$9,962,489	$10,151,885

Transfer Agent: On behalf of the Fund, the Manager entered into agreements with insurance companies and other financial intermediaries ("Service Organizations"), some of which may be affiliates. Pursuant to these agreements, the Service Organizations provide the Fund with administrative, networking, recordkeeping, sub-transfer agency and shareholder services to sub-accounts they service. For these services, the Service Organizations receive an annual fee per shareholder account, which will vary depending on share class and/or net assets of Fund shareholders serviced by the Service Organizations, which is shown as transfer agent — class specific. For the six months ended June 30, 2018, the Fund did not pay any amounts to affiliates in return for these services.

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

For the six months ended June 30, 2018, the following table shows the class specific transfer agent fees borne directly by each share class of the Fund:

Class I	*Class II*	*Class III*	*Total*
$904,552	$272,901	$8,549,646	$9,727,099

Expense Limitations, Waivers and Reimbursements: With respect to the Fund, the Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees the Fund pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver"). The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitation will be reduced by the amount of the affiliated money market fund waiver. This amount is included in fees waived by the Manager in the Consolidated Statement of Operations. For the six months ended June 30, 2018, the amount waived was $3,659.

The Manager has contractually agreed to waive its investment advisory fee with respect to any portion of the Fund's assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through April 30, 2019. The contractual agreement may be terminated upon 90 days' notice by a majority of the directors who are not "interested persons" of the Fund, as defined in the 1940 Act ("Independent Directors"), or by a vote of a majority of the outstanding voting securities of the Fund. This amount is included in fees waived by the Manager in the Consolidated Statement of Operations. For the six months ended June 30, 2018, the Fund waived $227,301 in investment advisory fees pursuant to these arrangements.

For the six months ended June 30, 2018, the Fund reimbursed the Manager $58,348 for certain accounting services, which is included in accounting services in the Consolidated Statement of Operations.

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

Class I	0.07%
Class II	0.07
Class III	0.07

The Manager has agreed not to reduce or discontinue this contractual expense limitation through April 30, 2019, unless approved by the Board, including a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund.

These amounts waived and/or reimbursed are shown as transfer agent fees waived and/or reimbursed — class specific in the Consolidated Statement of Operations. For the six months ended June 30, 2018, class specific expense waivers and/or reimbursements are as follows:

	Class I	*Class II*	*Class III*	*Total*
Transfer Agent Fees Waived and/or Reimbursed	$100,509	$184,516	$5,760,150	$6,045,175

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

Class I	*Class II*	*Class III*
1.25%	1.40%	1.50%

The Manager has agreed not to reduce or discontinue this contractual expense limitation through April 30, 2019, unless approved by the Board, including a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund. For the six months ended June 30, 2018, there were no fees waived and/or reimbursed by the Manager.

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

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

Pursuant to a securities lending agreement, the Fund retains 80% of securities lending income, and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

In addition, commencing the business day following the date that the aggregate securities lending income earned across the Equity-Bond Complex in a calendar year exceeds a specified threshold, the Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year securities lending income in an amount equal to 85% of securities lending income, and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

The share of securities lending income earned by the Fund is shown as securities lending income — affiliated — net in the Consolidated Statement of Operations. For the six months ended June 30, 2018, the Fund paid BIM $53,840 for securities lending agent services.

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

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

During the six months ended June 30, 2018, the Fund did not participate in the Interfund Lending Program.

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

Other Transactions: The Fund may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment adviser, common officers, or common directors. For the six months ended June 30, 2018, the purchase and sale transactions and any net realized gains (losses) with affiliated funds in compliance with Rule 17a-7 under the 1940 Act were as follows:

Purchases	$ —
Sales	7,143,408
Net Realized Loss	230,887

7. *PURCHASES AND SALES*

For the six months ended June 30, 2018, purchases and sales of investments, including paydowns and excluding short-term securities, were as follows:

	Purchases	*Sales*
Non-U.S Government Securities	$2,277,423,022	$3,053,066,661
U.S Government Securities	$4,311,130,324	$4,025,130,761

8. *INCOME TAX INFORMATION*

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

The Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Fund's U.S. federal tax returns generally remains open for each of the four years ended December 31, 2017. The statutes of limitations on the Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Fund as of June 30, 2018, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Fund's financial statements.

As of June 30, 2018, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

Tax cost	$10,169,032,806
Gross unrealized appreciation	$ 906,074,895
Gross unrealized depreciation	(411,034,036)
Net unrealized appreciation (depreciation)	$ 495,040,859

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. Certain provisions of the Act were effective upon enactment with the remainder becoming effective for tax years beginning after December 31, 2017. Although the Act does not amend any provisions directly related to the qualification or taxation of regulated investment companies ("RICs"), the Act does change the taxation of entities in which some RICs invest, the tax treatment of income derived from those entities and the taxation of RIC shareholders. While management does not anticipate significant impact to the Fund or to its shareholders, there is uncertainty in the application of certain provisions in the Act. Specifically, provisions in the Act may increase the amount of or accelerate the recognition of taxable income and may limit the deductibility of certain expenses by RICs. Until full clarity around these provisions is obtained, the impact on the Fund's financial statements, if any, cannot be fully determined.

9. BANK BORROWINGS

The Company, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is a party to a 364-day, $2.25 billion credit agreement with a group of lenders. Under this agreement, the Fund may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Fund, can borrow up to an aggregate commitment amount of $1.75 billion at any time outstanding, subject to asset coverage and other limitations as specified in the agreement. The credit agreement has the following terms: a fee of 0.10% per annum on unused commitment amounts and interest at a rate equal to the higher of (a) one-month LIBOR (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum or (b) the Fed Funds rate (but, in any event, not less than 0.00%) in effect from time to time plus 0.80% per annum on amounts borrowed. The agreement expires in April 2019 unless extended or renewed. Prior to April 19, 2018, the aggregate commitment amount was $2.1 billion and the fee was 0.12% per annum. Participating Funds paid an upfront commitment fee of 0.02% on the total commitment amounts, in addition to administration, legal and arrangement fees, which are included in miscellaneous expenses in the Statement of Operations. These fees were allocated among such funds based upon portions of the aggregate commitment available to them and relative net assets of Participating Funds. During the six months ended June 30, 2018, the Fund did not borrow under the credit agreement.

10. PRINCIPAL RISKS

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

The Fund may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force the Fund to reinvest in lower yielding securities. The Fund may also be exposed to reinvestment risk, which is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed- income securities at market interest rates that are below the Fund portfolio's current earnings rate.

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

Valuation Risk: The market values of equities, such as common stocks and preferred securities or equity related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company. They may also decline due to factors which affect a particular industry or industries. The Fund may invest in illiquid investments and may experience difficulty in selling those investments in a timely manner at the price that it believes the investments are worth. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. This volatility may cause the Fund's NAV to experience significant increases or decreases over short periods of time. If there is a general decline in the securities and other markets, the NAV of the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

The price the Fund could receive upon the sale of any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair valuation technique or a price provided by an independent pricing service. Changes to significant unobservable inputs and assumptions (i.e., publicly traded company multiples, growth rate, time to exit) due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Fund's results of operations. As a result, the price received upon the sale of an investment may be less than the value ascribed by the Fund, and the Fund could realize a greater than expected loss or lesser than expected gain upon the sale of the investment. The Fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third party service providers.

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

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

The Fund's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain less the value of any collateral held by the Fund.

For OTC options purchased, the Fund bears the risk of loss of the amount of the premiums paid plus the positive change in market values net of any collateral held by such Fund should the counterparty fail to perform under the contracts. Options written by the Fund do not typically give rise to counterparty credit risk, as options written generally obligate the Fund, and not the counterparty, to perform. The Fund may be exposed to counterparty credit risk with respect to options written to the extent the Fund deposits collateral with its counterparty to a written option.

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

Concentration Risk: The Fund invests a significant portion of its assets in fixed-income securities and/or uses derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Fund may be subject to a greater risk of rising interest rates due to the current period of historically low rates.

The Fund invests a significant portion of its assets in securities of issuers located in Europe or with significant exposure to European issuers or countries. The European financial markets have recently experienced volatility and adverse trends due to concerns about economic downturns in, or rising government debt levels of, several European countries. These events may spread to other countries in Europe and may affect the value and liquidity of certain of the Fund's investments.

The United Kingdom voted on June 23, 2016 to withdraw from the European Union, which may introduce significant new uncertainties and instability in the financial markets across Europe.

11. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

	Six Months Ended 06/30/2018		*Year Ended 12/31/2017*	
	Shares	*Amount*	*Shares*	*Amount*
Class I				
Shares sold	5,938,964	$ 103,054,326	8,584,248	$ 143,679,674
Shares issued in reinvestment of distributions	—	—	2,672,740	46,050,926
Shares redeemed	(5,669,770)	(98,559,075)	(13,573,580)	(224,416,668)
Net increase (decrease)	269,194	$ 4,495,251	(2,316,592)	$ (34,686,068)
Class II				
Shares sold	609,321	$ 10,508,116	1,384,696	$ 23,128,223
Shares issued in reinvestment of distributions	—	—	320,419	5,499,573
Shares redeemed	(1,227,442)	(21,206,752)	(1,525,356)	(25,239,075)
Net increase (decrease)	(618,121)	$ (10,698,636)	179,759	$ 3,388,721
Class III				
Shares sold	4,509,103	$ 67,285,515	10,049,191	$ 144,899,286
Shares issued in reinvestment of distributions	—	—	13,347,588	197,591,823
Shares redeemed	(35,393,538)	(527,362,336)	(77,304,864)	(1,106,232,291)
Net decrease	(30,884,435)	$(460,076,821)	(53,908,085)	$ (763,741,182)
Total Net Decrease	(31,233,362)	$(466,280,206)	(56,044,918)	$ (795,038,529)

12. SUBSEQUENT EVENTS

Management's evaluation of the impact of all subsequent events on the Fund's financial statements was completed through the date the financial statements were issued and the following items were noted:

The Fund paid net investment income, short-term capital gain and long-term capital gain distributions in the following amounts per share on July 20, 2018 to the shareholders of record on July 18, 2018.

	Net Investment Income	*Short-Term Capital Gain*	*Long-Term Capital Gain*
Class I	$ 0.013026	$ 0.007062	$ 0.114520
Class II	0.013026	0.007062	0.114520
Class III	0.013026	0.007062	0.114520

Glossary of Terms Used in this Report

Currency

AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
EUR	Euro
GBP	British Pound
HKD	Hong Kong Dollar
JPY	Japanese Yen
MXN	Mexican Peso
NOK	Norwegian Krone
PLN	Polish Zloty
SEK	Swedish Krona
SGD	Singapore Dollar
USD	United States Dollar
ZAR	South African Rand

Portfolio Abbreviations

ADR	American Depositary Receipt
CDX	Credit Default Swap Index
CVA	Certification Van Aandelon (Dutch Certificate)
LIBOR	London Interbank Offered Rate
NASDAQ	National Association of Securities Dealers Automated
OTC	Over-The-Counter
PCL	Public Company Limited
REIT	Real Estate Investment Trust
S&P	Standard & Poor's
SPDR	S&P Depository Receipt

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements

The Board of Directors (the "Board," the members of which are referred to as "Board Members") of BlackRock Variable Series Fund, Inc. (the "Corporation") met in person on April 10, 2018 (the "April Meeting") and May 8, 2018 (the "May Meeting") to consider the approval of the investment advisory agreements (collectively, the "Advisory Agreements") between the Corporation, on behalf of BlackRock Advantage Large Cap Core V.I. Fund (the "Advantage Large Cap Core V.I. Fund"), BlackRock Advantage Large Cap Value V.I. Fund (the "Advantage Large Cap Value V.I. Fund"), BlackRock Advantage U.S. Total Market V.I. Fund (the "Advantage U.S. Total Market V.I. Fund"), BlackRock Basic Value V.I. Fund (the "Basic Value V.I. Fund"), BlackRock Capital Appreciation V.I. Fund (the "Capital Appreciation V.I. Fund"), BlackRock Equity Dividend V.I. Fund (the "Equity Dividend V.I. Fund"), BlackRock Global Allocation V.I. Fund (the "Global Allocation V.I. Fund"), BlackRock Government Money Market V.I. Fund (the "Government Money Market V.I. Fund"), BlackRock High Yield V.I. Fund (the "High Yield V.I. Fund"), BlackRock International V.I. Fund (the "International V.I. Fund"), BlackRock iShares Alternative Strategies V.I. Fund (the "iShares Alternative Strategies V.I. Fund"), BlackRock iShares Dynamic Allocation V.I. Fund (the "iShares Dynamic Allocation V.I. Fund"), BlackRock Large Cap Focus Growth V.I. Fund (the "Large Cap Focus Growth V.I. Fund"), BlackRock Managed Volatility V.I. Fund (the "Managed Volatility V.I. Fund"), BlackRock S&P 500 Index V.I. Fund (the "S&P 500 Index V.I. Fund"), BlackRock Total Return V.I. Fund (the "Total Return V.I. Fund") and BlackRock U.S. Government Bond V.I. Fund (the "U.S. Government Bond V.I. Fund") (each, a "Fund," and collectively, the "Funds"), each a series of the Corporation, and BlackRock Advisors, LLC (the "Manager"), each Fund's investment advisor. The Board also considered the approval of the sub-advisory agreements (collectively, the "Sub-Advisory Agreements") between the Manager and (a) BlackRock International Limited; (b) BlackRock Asset Management North Asia Limited; and (c) BlackRock (Singapore) Limited (collectively, the "Sub-Advisors"), respectively with respect to the Funds, as applicable. The Manager and the Sub-Advisors are referred to herein as "BlackRock." The Advisory Agreements and the Sub-Advisory Agreements are referred to herein as the "Agreements."

Activities and Composition of the Board

On the date of the May Meeting, the Board consisted of eleven individuals, nine of whom were not "interested persons" of the Corporation as defined in the Investment Company Act of 1940, as amended (the "1940 Act") (the "Independent Board Members"). The Board Members are responsible for the oversight of the operations of the Funds and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chair of the Board is an Independent Board Member. The Board has established five standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee and an Executive Committee, each of which is chaired by an Independent Board Member and composed of Independent Board Members (except for the Performance Oversight Committee and the Executive Committee, each of which also has one interested Board Member).

The Agreements

Pursuant to the 1940 Act, the Board is required to consider the continuation of the Agreements on an annual basis. The Board has four quarterly meetings per year, each typically extending for two days, and additional in-person and telephonic meetings throughout the year, as needed. The Board also has a fifth one-day meeting to consider specific information surrounding the consideration of renewing the Agreements. The Board's consideration of the Agreements is a year-long deliberative process, during which the Board assessed, among other things, the nature, extent and quality of the services provided to each Fund by BlackRock, BlackRock's personnel and affiliates, including (as applicable): investment management; accounting, administrative and shareholder services; oversight of each Fund's service providers; marketing and promotional services; risk management and oversight; legal and compliance services; and ability to meet applicable legal and regulatory requirements.

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

Board Considerations in Approving the Agreements

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

At the April Meeting, the Board reviewed materials relating to its consideration of the Agreements. As a result of the discussions that occurred during the April Meeting, and as a culmination of the Board's year-long deliberative process, the Board presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written information in advance of the May Meeting.

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

The Board also considered other matters it deemed important to the approval process, such as other payments made to BlackRock or its affiliates, securities lending and cash management, services related to the valuation and pricing of Fund portfolio holdings, and advice from independent legal counsel with respect to the review process and materials submitted for the Board's review. The Board noted the willingness of BlackRock personnel to engage in open, candid discussions with the Board. The Board did not identify any particular information as determinative, and each Board Member may have attributed different weights to the various items considered.

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

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

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

B. The Investment Performance of each Fund and BlackRock: The Board, including the Independent Board Members, also reviewed and considered the performance history of each Fund. In preparation for the April Meeting, the Board was provided with reports independently prepared by Broadridge, which included a comprehensive analysis of each Fund's performance as of December 31, 2017. Broadridge ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable. In connection with its review, the Board received and reviewed information regarding the investment performance of each Fund as compared to its Performance Peers, and, with respect to Advantage Large Cap Core V.I. Fund, Advantage Large Cap Value V.I. Fund, Advantage U.S. Total Market V.I. Fund, Basic Value V.I. Fund, Capital Appreciation V.I. Fund, International V.I. Fund, and Large Cap Focus Growth V.I. Fund, a custom peer group of funds as defined by BlackRock ("Customized Peer Group"). The Board and its Performance Oversight Committee regularly review, and meet with Fund management to discuss, the performance of each Fund throughout the year.

In evaluating performance, the Board recognized that the performance data reflects a snapshot of a period as of a particular date and that selecting a different performance period could produce significantly different results. Further, the Board recognized that it is possible that long-term performance can be impacted by even one period of significant outperformance or underperformance, so that a single investment theme has the ability to affect long-term performance disproportionately.

The Board noted that for the one-, three- and five-year periods reported, the Advantage Large Cap Core V.I. Fund ranked in the first, second, and second quartiles, respectively, against its Customized Peer Group. BlackRock believes that the Customized Peer Group is an appropriate performance metric for the Advantage Large Cap Core V.I. Fund. The Board noted that effective June 12, 2017, the Advantage Large Cap Core V.I. Fund had undergone changes in its investment strategy and portfolio management team, and in connection with such changes, the Fund changed its name from BlackRock Large Cap Core V.I. Fund to BlackRock Advantage Large Cap Core V.I. Fund.

The Board noted that for each of the one-, three- and five-year periods reported, the Advantage Large Cap Value V.I. Fund ranked in the second quartile against its Customized Peer Group. BlackRock believes that the Customized Peer Group is an appropriate performance metric for the Advantage Large Cap Value V.I. Fund. The Board noted that effective June 12, 2017, the Advantage Large Cap Value V.I. Fund had undergone changes in its investment objective, investment strategy and portfolio management team, and in connection with such changes, the Fund changed its name from BlackRock Large Cap Value V.I. Fund to BlackRock Advantage Large Cap Value V.I. Fund.

The Board noted that for the one-, three- and five-year periods reported, the Advantage U.S. Total Market V.I. Fund ranked in the second, second, and first quartiles, respectively against its Customized Peer Group. BlackRock believes that the Customized Peer Group is an appropriate performance metric for the Advantage U.S. Total Market V.I. Fund. The Board noted that effective June 12, 2017, the Advantage U.S. Total Market V.I. Fund had undergone changes in its investment strategy and portfolio management team, and in connection with such changes, the Fund changed its name from BlackRock Value Opportunities V.I. Fund to BlackRock Advantage U.S. Total Market V.I. Fund.

The Board noted that for the one-, three- and five-year periods reported, the Basic Value V.I. Fund ranked in the fourth, fourth, and third quartiles, respectively, against its Customized Peer Group. BlackRock believes that the Customized Peer Group is an appropriate performance metric for the Basic Value V.I. Fund. The Board and BlackRock reviewed the Basic Value V.I. Fund's underperformance during the applicable periods.

The Board and BlackRock discussed BlackRock's strategy for improving the Basic Value V.I. Fund's investment performance. Discussions covered topics such as performance attribution, the Basic Value V.I. Fund's investment personnel, and the resources appropriate to support the Basic Value V.I. Fund's investment processes. BlackRock and the Board previously had discussed changes within the portfolio management team, which occurred in March of 2017. Both BlackRock and the Board expect these changes to result in improved performance going forward, although there can be no assurance that will be the case. The Board will continue to monitor the Basic Value V.I. Fund's performance.

The Board noted that for the one-, three- and five-year periods reported, the Capital Appreciation V.I. Fund ranked in the first, second, and second quartiles, respectively, against its Customized Peer Group. BlackRock believes that the Customized Peer Group is an appropriate performance metric for the Capital Appreciation V.I. Fund.

The Board noted that for the one-, three- and five-year periods reported, the Equity Dividend V.I. Fund ranked in the first, first and second quartiles, respectively, against its Performance Peers.

The Board noted that for the one-, three- and five-year periods reported, the Global Allocation V.I. Fund ranked in the second, second and third quartiles, respectively, against its Performance Peers. The Board and BlackRock reviewed the Global Allocation V.I. Fund's underperformance during the applicable period. The Board noted the risk profile of the Global Allocation V.I. Fund over the one-, three-, and five-year periods.

The Board noted that for each of the one-, three- and five-year periods reported, the Government Money Market V.I. Fund ranked in the first quartile against its Performance Peers. The Board reviewed the Government Money Market V.I. Fund's performance within the context of the low yield environment that has existed over the past few years.

The quartile standing of the Government Money Market V.I. Fund against its Performance Peers takes into account the Government Money Market V.I. Fund's current yield only. BlackRock has reviewed with the Board that a money market fund can only be understood holistically, accounting for current yield and risk. While the Board reviews the Government Money Market V.I. Fund's current yield performance, it also examines the liquidity, duration, and credit quality of the Government Money Market V.I. Fund's portfolio. In the Board's view, BlackRock's money market funds have performed well over the one-, three- and five-year periods given BlackRock's emphasis on preserving capital and seeking as high a level of current income as is consistent with liquidity while simultaneously managing risk.

The Board noted that for the one-, three- and five-year periods reported, the High Yield V.I. Fund ranked in the second, third and first quartiles, respectively, against its Performance Peers. The Board and BlackRock reviewed the High Yield V.I. Fund's underperformance during the applicable period.

The Board noted that for the one-, three- and five-year periods reported, the International V.I. Fund ranked in the first, second, and first quartiles, respectively, against its Customized Peer Group. BlackRock believes that the Customized Peer Group is an appropriate performance metric for the International V.I. Fund.

The Board noted that for the one-year, three-year, and since-inception periods reported, the iShares Alternative Strategies V.I. Fund ranked in the second, first and first quartiles, respectively, against its Performance Peers.

The Board noted that for the one-year, three-year and since-inception periods reported, the iShares Dynamic Allocation V.I. Fund ranked in the second, second and third quartiles, respectively, against its Performance Peers. The Board and BlackRock reviewed the iShares Dynamic Allocation V.I. Fund's underperformance during the applicable period.

The Board noted that for the one-, three- and five-year periods reported, the Large Cap Focus Growth V.I. Fund ranked in the second, second and first quartiles, respectively, against its Customized Peer Group. BlackRock believes that the Customized Peer Group is an appropriate performance metric for the Large Cap Focus Growth V.I. Fund. The Board noted that effective June 12, 2017 the Large Cap Focus Growth V.I. Fund had undergone changes in its investment strategy and portfolio management team, and in connection with such changes, the Fund changed its name from BlackRock Large Cap Growth V.I. Fund to BlackRock Large Cap Focus Growth V.I. Fund.

The Board noted that for each of the one-, three- and five-year periods reported, the Managed Volatility V.I. Fund ranked in the third quartile against its Performance Peers. The Board and BlackRock reviewed the Managed Volatility V.I. Fund's underperformance during the applicable periods.

The Board and BlackRock discussed BlackRock's strategy for improving the Managed Volatility V.I. Fund's investment performance. Discussions covered topics such as performance attribution, the Managed Volatility V.I. Fund's investment personnel, and the resources appropriate to support the Managed Volatility V.I. Fund's investment processes.

The Board noted that for each of the one-, three-, and five-year periods reported, the S&P 500 Index V.I. Fund ranked in the second quartile against its Performance Peers.

The Board noted that for the one-, three- and five-year periods reported, the Total Return V.I. Fund ranked in the third, third, and second quartiles, respectively, against its Performance Peers. The Board and BlackRock reviewed the Total Return V.I. Fund's underperformance during the applicable periods.

The Board noted that for the one-, three- and five-year periods reported, the U.S. Government Bond V.I. Fund ranked in the third, second and second quartiles, respectively, against its Performance Peers. The Board and BlackRock reviewed the U.S. Government Bond V.I. Fund's underperformance during the applicable period.

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

The Board received and reviewed statements relating to BlackRock's financial condition. The Board reviewed BlackRock's profitability methodology and was also provided with an estimated profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to each Fund. The Board reviewed BlackRock's estimated profitability with respect to each Fund and other funds the Board currently oversees for the year ended December 31, 2017 compared to available aggregate estimated profitability data provided for the prior two years. The Board reviewed BlackRock's estimated profitability with respect to certain other U.S. fund complexes managed by the Manager and/or its affiliates. The Board reviewed BlackRock's assumptions and methodology of allocating expenses in the estimated profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Board recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. As a result, calculating and comparing profitability at individual fund levels is difficult.

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

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

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

The Board noted that the Advantage Large Cap Value V.I. Fund's contractual management fee rate ranked in the second quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile, relative to the Advantage Large Cap Value V.I. Fund's Expense Peers. The Board also noted that the Advantage Large Cap Value V.I. Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Advantage Large Cap Value V.I. Fund increases above certain contractually specified levels. Additionally, the Board noted that BlackRock had voluntarily agreed to waive a portion of the advisory fee payable by the Advantage Large Cap Value V.I. Fund. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Advantage Large Cap Value V.I. Fund's total expenses as a percentage of the Advantage Large Cap Value V.I. Fund's average daily net assets on a class-by-class basis. In addition, the Board noted that, in connection with the changes to the Advantage Large Cap Value V.I. Fund's investment strategy, BlackRock proposed, and the Board agreed to, a lower contractual expense cap on a class-by-class basis. This contractual expense cap reduction was implemented on June 12, 2017. Finally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Advantage Large Cap Value V.I. Fund on a class-by-class basis.

The Board noted that the Advantage U.S. Total Market V.I. Fund's contractual management fee rate ranked in the second quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile, relative to the Advantage U.S. Total Market V.I. Fund's Expense Peers. The Board also noted that the Advantage U.S. Total Market V.I. Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Advantage U.S. Total Market V.I. Fund increases above certain contractually specified levels. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Advantage U.S. Total Market V.I. Fund's total expenses as a percentage of the Advantage U.S. Total Market V.I. Fund's average daily net assets on a class-by-class basis. In addition, the Board noted that, in connection with the changes to the Advantage U.S. Total Market V.I. Fund's investment strategy, BlackRock proposed, and the Board agreed to, a lower contractual expense cap on a class-by-class basis. This contractual expense cap reduction was implemented on June 12, 2017. Additionally, the

Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Advantage U.S. Total Market V.I. Fund on a class-by-class basis.

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

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

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

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

The Board noted that the Government Money Market V.I. Fund's contractual management fee rate ranked in the third quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile, relative to the Government Money Market V.I. Fund's Expense Peers. The Board reviewed the Government Money Market V.I. Fund's expenses within the context of the low yield environment and consequent expense waivers and reimbursements. The Board also noted that the Government Money Market V.I. Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Government Money Market V.I. Fund increases above certain contractually specified levels. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Government Money Market V.I. Fund's total expenses as a percentage of the Government Money Market V.I. Fund's average daily net assets on a class-by-class basis. Finally, the Board noted that, to enable the Government Money Market V.I. Fund to maintain minimum levels of daily net investment income, BlackRock has voluntarily agreed to waive a portion of its fees and/or reimburse the Government Money Market V.I. Fund's operating expenses as necessary.

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

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

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

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

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

The Board noted that the Managed Volatility V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile, relative to the Managed Volatility V.I. Fund's Expense Peers. The Board also noted that the Managed Volatility V.I. Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Managed Volatility V.I. Fund increases above certain contractually specified levels. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Managed Volatility V.I. Fund's total expenses as a percentage of the Managed Volatility V.I. Fund's average daily net assets on a class-by-class basis. The Board also noted that the Managed Volatility V.I. Fund was the acquiring fund in a reorganization with a non-BlackRock fund, which closed on April 23, 2018. In connection with this reorganization, the Board noted that BlackRock proposed, and the Board agreed to, a lower contractual expense cap on a class by class basis. The contractual expense cap reduction was implemented on April 23, 2018. Finally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the Managed Volatility V.I. Fund on a class-by-class basis.

The Board noted that the S&P 500 Index V.I. Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile, relative to the S&P 500 Index V.I. Fund's Expense Peers. The Board also noted that BlackRock and the Board have contractually agreed to a cap on the S&P 500 Index V.I. Fund's total expenses as a percentage of the S&P 500 Index V.I. Fund's average daily net assets on a class-by-class basis. The Board also noted that the S&P 500 Index V.I. Fund was the acquiring fund in a reorganization with a non-BlackRock fund, which closed on April 23, 2018. In connection with this merger, the Board noted that BlackRock proposed, and the Board agreed to, a lower contractual advisory fee rate and a lower contractual expense cap on a class by class basis. These expense reductions were implemented on April 23, 2018. Finally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the S&P 500 Index V.I. Fund on a class-by-class basis.

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

The Board noted that the U.S. Government Bond V.I. Fund's contractual management fee rate ranked in the second quartile, and that the actual management fee rate and total expense ratio ranked in the first and fourth quartiles, respectively, relative to the U.S. Government Bond V.I. Fund's Expense Peers. The Board also noted that the U.S. Government Bond V.I. Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the U.S. Government Bond V.I. Fund increases above certain contractually specified levels. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the U.S. Government Bond V.I. Fund's total expenses as a percentage of the U.S. Government Bond V.I. Fund's average daily net assets on a class-by-class basis. Additionally, the Board noted that BlackRock and the Board have contractually agreed to a cap on certain operational and recordkeeping fees for the U.S. Government Bond V.I. Fund on a class-by-class basis. In addition, the Board noted that BlackRock has voluntarily agreed to waive a portion of the advisory fee payable by the U.S. Government Bond V.I. Fund. After discussion between the Board, including the Independent Board Members, and BlackRock, the Board and BlackRock agreed to a continuation of the voluntary advisory fee waiver.

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

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

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

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

Conclusion

The Board, including the Independent Board Members, approved the continuation of the Advisory Agreements between the Manager and the Corporation, on behalf of each Fund, for a one-year term ending June 30, 2019, and the Sub-Advisory Agreements between the Manager and the Sub-Advisors, with respect to each Fund, as applicable, for a one-year term ending June 30, 2019. Based upon its evaluation of all of the aforementioned factors in their totality, as well as other information, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of each Fund and its shareholders. In arriving at its decision to approve the Agreements, the Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making this determination.

Director and Officer Information

Robert M. Hernandez, Chair of the Board and Director
James H. Bodurtha, Director
Bruce R. Bond, Director
Honorable Stuart E. Eizenstat, Director
Henry Gabbay, Director
Lena G. Goldberg, Director
Henry R. Keizer, Director
John F. O'Brien, Director
Donald C. Opatrny, Director
Robert Fairbairn, Director
John M. Perlowski, Director, President and Chief Executive Officer
Jennifer McGovern, Vice President
Neal J. Andrews, Chief Financial Officer
Jay M. Fife, Treasurer
Charles Park, Chief Compliance Officer
John MacKessy, Anti-Money Laundering Compliance Officer
Benjamin Archibald, Secretary

Effective May 08, 2018, John MacKessy replaced Fernanda Piedra as the Anti-Money Laundering Compliance Officer of the Company.

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Accounting Agent
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New York, NY 10179

Transfer Agent
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Custodians
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Distributor
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Legal Counsel
Willkie Farr & Gallagher LLP
New York, NY 10019

Address of the Funds
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Wilmington, DE 19809

(a) For BlackRock International V.I. Fund and BlackRock Managed Volatility V.I Fund.
(b) For BlackRock Managed Volatility V.I. Fund.
(c) For all Funds except BlackRock Global Allocation V.I. Fund, BlackRock International V.I. Fund and BlackRock Large Cap Focus Growth V.I. Fund.
(d) For BlackRock Global Allocation V.I. Fund, BlackRock International V.I. Fund and BlackRock Large Cap Focus Growth V.I. Fund.

Additional Information

General Information

Householding

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

Availability of Quarterly Schedule of Investments

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds’ Forms N-Q are available on the SEC’s website at http://www.sec.gov and may also be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room or how to access documents on the SEC’s website without charge may be obtained by calling (800) SEC-0330. The Funds’ Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Fund use to determine how to vote proxies relating to portfolio securities is available upon request and without charge (1) by calling (800) 441-7762; (2) at **http://www.blackrock.com/prospectus/insurance**; and (3) on the SEC’s website at http://www.sec.gov.

Availability of Proxy Voting Record

Information about how the Funds voted proxies relating to securities held in the Funds’ portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at **http://www.blackrock.com/prospectus/insurance**; or by calling (800) 441-7762 and (2) on the SEC’s website at http://www.sec.gov.

BlackRock’s Mutual Fund Family

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

Shareholder Privileges

Account Information

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

Automatic Investment Plans

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

Systematic Withdrawal Plans

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

Retirement Plans

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

BlackRock Privacy Principles

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

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

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

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

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

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This report is only for distribution to shareholders of the Funds of BlackRock Variable Series Funds, Inc. Past performance results shown in this report should not be considered a representation of future performance. Investment return and principal value of non-money market fund shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. An investment in the BlackRock Government Money Market V.I. Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the money market fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in money market funds. Statements and other information herein are as dated and are subject to change.

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