

# ALGER

# THE ALGER PORTFOLIOS

Alger Capital Appreciation Portfolio

SEMI-ANNUAL REPORT  
JUNE 30, 2022 (UNAUDITED)



Alger is a signatory to the PRI and carbon neutral.

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## ALGER CAPITAL APPRECIATION PORTFOLIO

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Dear Shareholders,

## Many Investors Shun Powerful Wealth Creator

In 1924, economist John Maynard Keynes wrote that companies that reinvest profits can create “an element of compound interest operating in favour of a sound industrial investment.” At Alger, we believe reinvesting profits and producing compounding earnings growth is a powerful wealth creator. To that end, we seek companies that we believe have strong potential for compounding earnings growth, and we seek to avoid cyclical companies, including “short-duration” companies, or businesses with high current earnings that return most of their profits to shareholders. In most instances, these companies, in our view, have little or no potential for future long-term earnings growth.

As Warren Buffett has observed, investors “occasionally do crazy things,” which can create opportunities for investors who “disregard mob fears or enthusiasms....and focus on a few simple fundamentals.” We believe recent concerns about interest rates, inflation and valuations have caused many investors to act irrationally by focusing on cyclical short-duration companies while shunning the “sound industrial investment” identified by Keynes. Some of these same investors are so focused on current cash flows or income that they may be overlooking the potential for companies that are gaining market share at very fast rates but have not yet scaled their businesses to exhibit strong profitability.

## Setting the Stage for a Difficult Six-Month Period

The recent trend of investors rejecting the appeal of long-term earnings growth, in our view, played a major role in the disappointing performance during the fiscal six-month period ended June 30, 2022. The fiscal period included a dramatic rotation by many investors who appeared to have sought instant gratification by favoring companies with high current earnings. It is our view that this rotation was initially fueled by rising interest rates, causing investors to question whether equity valuations were too high, and has more recently been propelled by risk aversion and recession fears.

These concerns were supported by the following developments:

- Rising interest rates on the back of inflation fears.
- Data appeared to validate inflation concerns. After hitting a 6.8% year-over-year increase (or increase during the past 12-month period) in November 2021, and increasing each subsequent month, the Consumer Price Index hit 9.1% in June 2022.
- Negative real personal income growth in the first half of 2022, along with a weakening of the employment market as indicated by rising jobless claims since April 2022.
- In response to rising inflation, the Federal Reserve Board (the “Fed”) raised the federal funds rate by 25 basis points (“bps”) in March 2022, its first hike since cutting the rate to zero in 2020. Furthermore, it bumped rates up by 50bps in May and 75bps in June. Fears that rate hikes could eventually spark a recession have also weighed upon investor sentiment.

## **Interest Rates Initially Support Rotation Away from Quality**

The rotation to short-duration companies was also partially supported by investors reacting to higher interest rates in a fairly typical fashion—they adjusted their cash flow modeling by increasing the rate at which they discount future cash flows back to the present, thereby lowering the value of long-duration companies. This process is similar to how long-term bonds are impacted by rising rates more than short-term bonds.

The Fed rate hikes, combined with growing concerns that economic growth may be weakening, eventually sparked a reversal in investors' preference for value stocks, which started on May 24, 2022. From that date until June 30, 2022, the Russell 3000 Growth Index declined 3.44%, outperforming the 5.80% decline of the Russell 3000 Value Index. The strong relative performance of value stocks earlier in the year, however, resulted in the Russell 3000 Value Index's -13.1% return substantially outperforming the -28.2% return of the Russell 3000 Growth Index.

## **Not Just Growth, But High-Quality Growth, Underperforms**

Many small cap growth companies may exhibit little or no current earnings, while maintaining strong potential for significant sales and earnings growth. Within the Russell 2000 Growth Index, for example, we believe many Healthcare companies are high-quality businesses even though they may not be currently generating profits due to their investments in new initiatives, among other things. However, their products or potential products can have high gross margins and potential for capturing market share. We believe, as a result of investors dismissing the appeal of potential earnings growth, the Healthcare sector was one of the worst performing sectors within the small cap growth category. From a broader perspective, sectors that generally consist of companies that provide dividends and appear to be less susceptible to inflation, such as Energy and Consumer Staples, tended to outperform their benchmarks.

## **Irrational Behavior Creates Opportunity**

As a result of investors' rotation out of long duration companies, growth equities, we believe, are trading at attractive valuations. Notably, the Russell 2000 Growth Index price-to-earnings (P/E) ratio based on the consensus of 12-month earnings estimates from analysts at financial services firms and provided by FactSet declined from 31x to approximately 21x during the six-month fiscal reporting period, while the Russell 1000 Growth Index declined from 44x to 23x.

## **Navigating Fed Rate Hikes**

Investors who are concerned about monetary policy may want to consider that, historically, the later phases of monetary tightening periods have been accompanied by growth equities outperforming value equities. The six-month period starting approximately three months after the beginning of Fed tightening cycles initiated in 1994, 1999, 2004 and 2015 illustrate this point. Based on the returns of the Russell 3000 Growth and Russell 3000 Value indices, the median outperformance of growth companies during those periods was 400bps. During later phases of such rate hike periods, economic growth has typically slowed, so investors may be more willing to pay a premium for companies that can increase their earnings.

## **Chasing Yield**

Yield hungry investors, furthermore, may want to broaden their search for income beyond dividends. For example, during the 12-month period ended March 31, 2022, the value of S&P 500 Index company share buybacks reached \$985 billion, compared to only \$525

billion for dividends. Buybacks reduce the number of shares outstanding at companies, effectively increasing the value of remaining shareholders' interests. Because investors can choose when to sell their shares, they have discretion over when to realize the effective return of capital as capital gains. This can make share repurchases more tax efficient than dividends. We also believe that innovative companies that are growing by capturing market share may be candidates for share buyback programs. As they grow their sales and earnings, they may accumulate a cash "war chest" for buying back their shares.

## **Going Forward**

We continue to believe that unprecedented levels of innovation, such as healthcare advancements in genetic science, and digital technologies including artificial intelligence, ecommerce, the metaverse, streaming entertainment, and cloud computing are providing opportunities for leading companies to reward investors by generating long-term earnings growth. We continue to focus on conducting in-depth fundamental research as we seek leaders of innovation rather than take short-term bets on the fickle nature of investor sentiment. We believe doing so is the best strategy for helping our valued shareholders reach their investment goals.

## **Portfolio Matters**

### **Alger Capital Appreciation Portfolio**

The Alger Capital Appreciation Portfolio returned -34.00% during the fiscal six-month period ended June 30, 2022, compared to the -28.07% return of its benchmark, the Russell 1000 Growth Index. During the reporting period, the largest portfolio sector weightings were Information Technology and Consumer Discretionary. The largest sector overweight was Healthcare and the largest underweight was Consumer Staples.

### **Contributors to Performance**

The Communication Services and Consumer Staples sectors provided the largest contributions to relative performance. Regarding individual positions, Alibaba Group Holding Ltd.; Vertex Pharmaceuticals, Inc.; AbbVie, Inc.; UnitedHealth Group, Inc.; and McKesson Corp. were among the top contributors to absolute performance. AbbVie is a global biopharmaceutical company that had been shunned by many investors due to the potential for the company's Humira treatment to face increased competition in 2023. Humira is used for rheumatology, dermatology, gastroenterology and ophthalmology. We believe, however, that AbbVie has significantly diversified its revenue and that its launch of Rinvoq for psoriatic arthritis and atopic dermatitis is promising. We believe these developments contributed to the company's recent release of favorable quarterly results and investor confidence in the company, which supported the performance of AbbVie shares during the six-month period.

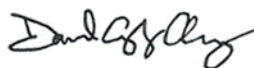
### **Detractors from Performance**

Information Technology and Financials were among the sectors that detracted from relative performance. Regarding individual positions, Amazon.com, Inc.; Microsoft Corp.; Apple Inc.; Tesla, Inc.; and NVIDIA Corp. were among the top detractors from absolute performance. Microsoft is a positive dynamic change beneficiary of corporate America's transformative digitization. Microsoft's CEO reported he expects that technology spending as a percent of gross domestic product is likely to jump from about 5% today to 10% in a few years, and that Microsoft will continue to take market share within the technology industry. Microsoft's share price declined despite its high unit volume growth as the broad

equity market was down due to higher interest rates and the Ukraine conflict. Its shares still outperformed the aggregate performance of the benchmark's Information Technology sector counterparts. We believe this was a result of investors appreciating Microsoft's strong free cash flow generation and its return of cash to shareholders in the form of dividends and share repurchases. Further, we believe the growth of Microsoft's subscription-based software offerings and cloud computing services is durable because the products enhance customers' growth initiatives and help reduce costs.

As always, we strive to deliver consistently superior investment results to you, our shareholders, and we thank you for your continued confidence in Alger.

Sincerely,



Daniel C. Chung, CFA

Chief Investment Officer  
Fred Alger Management, LLC

Investors cannot invest directly in an index. Index performance does not reflect the deduction for fees, expenses, or taxes.

This report and the financial statements contained herein are submitted for the general information of shareholders of the Alger Capital Appreciation Portfolio. This report is not authorized for distribution to prospective investors in the Portfolio unless preceded or accompanied by an effective prospectus for the Portfolio. The Portfolio's returns represent the fiscal six-month period return of Class I-2 shares. Returns include reinvestment of dividends and distributions.

**The performance data quoted in these materials represents past performance, which is not an indication or guarantee of future results.**

**Standardized performance results can be found on the following pages. The investment return and principal value of an investment in the Portfolio will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month-end, visit us at [www.alger.com](http://www.alger.com), or call us at (800) 992-3863.**

The views and opinions of the Portfolio's management in this report are as of the date of the Shareholders' Letter and are subject to change at any time subsequent to this date. There is no guarantee that any of the assumptions that formed the basis for the opinions stated herein are accurate or that they will materialize. Moreover, the information forming the basis for such assumptions is from sources believed to be reliable; however, there is no guarantee that such information is accurate. Any securities mentioned, whether owned in the Portfolio or otherwise, are considered in the context of the construction of an overall portfolio of securities and therefore reference to them should not be construed as a recommendation or offer to purchase or sell any such security. Inclusion of such securities in the Portfolio and transactions in such securities, if any, may be for a variety of reasons, including, without

limitation, in response to cash flows, inclusion in a benchmark, and risk control. The reference to a specific security should also be understood in such context and not viewed as a statement that the security is a significant holding in the Portfolio. Please refer to the Schedule of Investments for the Portfolio, which is included in this report, for a complete list of Portfolio holdings as of June 30, 2022. Securities mentioned in the Shareholders' Letter, if not found in the Schedule of Investments, may have been held by the Portfolio during the six-month fiscal period.

### **Risk Disclosure**

Investing in the stock market involves risks, including the potential loss of principal. Growth stocks may be more volatile than other stocks as their prices tend to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. Local, regional or global events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, recessions, or other events could have a significant impact on investments. A significant portion of assets may be invested in securities of companies in related sectors, and may be similarly affected by economic, political, or market events and conditions and may be more vulnerable to unfavorable sector developments. Foreign securities involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility.

For a more detailed discussion of the risks associated with the Portfolio, please see the Portfolio's Prospectus.

**Before investing, carefully consider the Portfolio's investment objective, risks, charges, and expenses. For a prospectus containing this and other information about The Alger Portfolios, call us at (800) 992-3863 or visit us at [www.alger.com](http://www.alger.com). Read the prospectus and summary prospectus carefully before investing.**

**Fred Alger & Company, LLC, Distributor.**

**NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.**

Definitions:

- The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.
- Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.
- The price-to-book ratio is the ratio of a company's market price to its book value.
- Price-to-earnings is the ratio for valuing a company that measures its current share price relative to its EPS.
- Free cash flow is the cash a company generates after taking into consideration cash outflows that support its operations and maintain its capital assets.

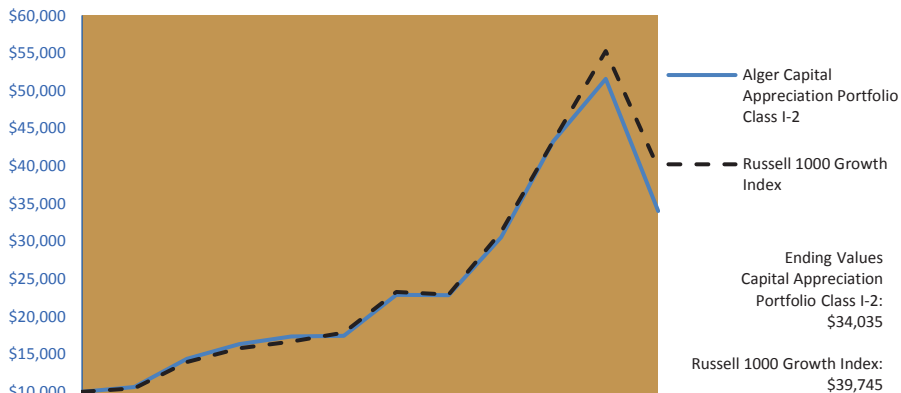
- FactSet provides software and market data to financial professionals. FactSet is an independent source, which Alger believes to be a reliable source. Alger, however, makes no representation that it is complete or accurate.
- The S&P 500 Index tracks the performance of 500 large companies listed on stock exchanges in the U.S.
- The Russell 1000 Growth Index is an unmanaged index designed to measure the performance of the largest 1000 companies in the Russell 3000 Index with higher price to book ratios and higher forecasted growth values.
- The Russell 2000 Growth Index measures the performance of the small cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher growth earning potential as defined by Russell's leading style methodology.
- The Russell Microcap Growth Index consists of the smallest 1,000 securities in the Russell 2000 Growth Index, plus the next 1,000 smallest eligible securities based on a combination of their market capitalization and current index membership weight.
- The Russell 3000 Growth Index combines the large-cap Russell 1000 Growth, the small-cap Russell 2000 Growth and the Russell Microcap Growth Index. It includes companies that are considered more growth oriented relative to the overall market as defined by Russell's leading style methodology. The Russell 3000 Growth Index is constructed to provide a comprehensive, unbiased, and stable barometer of the growth opportunities within the broad market.
- The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000 Value Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad value market.



**ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Fund Highlights Through June 30, 2022 (Unaudited)**

**HYPOTHETICAL \$10,000 INVESTMENT IN CLASS I-2 SHARES**

— 10 years ended 6/30/22



The chart above illustrates the change in value of a hypothetical \$10,000 investment made in Alger Capital Appreciation Portfolio Class I-2 shares and the Russell 1000 Growth Index (an unmanaged index of common stocks) for the ten years ended June 30, 2022. Figures for each of the Alger Capital Appreciation Portfolio Class I-2 shares and the Russell 1000 Growth Index include reinvestment of dividends. Figures for the Alger Capital Appreciation Portfolio Class I-2 shares also include reinvestment of capital gains. Performance for Alger Capital Appreciation Portfolio Class S shares will be lower than the results shown above due to its higher expenses than Class I-2 bears. Investors cannot invest directly in any index. Index performance does not reflect deduction for fees, expenses, or taxes.

**ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Fund Highlights Through June 30, 2022 (Unaudited) (Continued)**

**PERFORMANCE COMPARISON AS OF 6/30/22**

**AVERAGE ANNUAL TOTAL RETURNS**

|   | 1 YEAR   | 5 YEARS | 10 YEARS | Since<br>1/25/1995 |
|---|----------|---------|----------|--------------------|
| <b>Class I-2 (Inception 1/25/95)</b>            | (30.41)% | 10.84%  | 13.03%   | 12.61%             |
| <b>Class S (Inception 5/1/02)<sup>(i)</sup></b> | (30.59)% | 10.55%  | 12.72%   | 12.33%             |
| Russell 1000 Growth Index                       | (18.77)% | 14.29%  | 14.80%   | 10.12%             |

*The performance data quoted represents past performance, which is not an indication or a guarantee of future results. Investment return and principal will fluctuate and the Portfolio's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For performance current to the most recent quarter end, visit us at [www.alger.com](http://www.alger.com) or call us at (800) 992-3863.*

*Returns indicated assume reinvestment of all distributions, no transaction costs or taxes, and are net of management fees and fund operating expenses only. Total return does not include deductions at the Portfolio or contract level for the cost of the insurance charges, premium load, administrative charges, mortality and expense risk charges or other charges that may be incurred under the variable annuity contract, variable life insurance plan or retirement plan for which the Portfolio serves as an underlying investment vehicle. If these charges were deducted, the total return figures would be lower. Please refer to the variable insurance product or retirement plan disclosure documents for any additional applicable expenses. Investing in the stock market involves gains and losses and may not be suitable for all investors.*

*(i) Since inception returns are calculated from the Class I-2 shares inception date. Class S shares returns prior to their commencement of operations are those of Class I-2 shares adjusted to reflect the higher expenses of Class S shares.*

**PORTFOLIO SUMMARY†**  
**June 30, 2022 (Unaudited)**

| SECTORS/SECURITY TYPES                      | Alger Capital<br>Appreciation Portfolio |
|---|---|
| Communication Services                      | 7.5%                                    |
| Consumer Discretionary                      | 16.5                                    |
| Consumer Staples                            | 0.8                                     |
| Energy                                      | 3.7                                     |
| Financials                                  | 2.8                                     |
| Healthcare                                  | 17.3                                    |
| Industrials                                 | 6.9                                     |
| Information Technology                      | 40.3                                    |
| Materials                                   | 0.5                                     |
| Real Estate                                 | 0.6                                     |
| Utilities                                   | 0.7                                     |
| Total Equity Securities                     | 97.6                                    |
| Short-Term Investments and Net Other Assets | 2.4                                     |
|   | <b>100.0%</b>                           |

† Based on net assets for the Portfolio.

**THE ALGER PORTFOLIOS | ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited)**

| <b>COMMON STOCKS—96.8%</b>                            | <b>SHARES</b> | <b>VALUE</b>      |
|---|---------------|-------------------|
| <b>AEROSPACE &amp; DEFENSE—2.7%</b>                   |               |                   |
| HEICO Corp.   | 6,355         | \$ 833,268        |
| Lockheed Martin Corp.                                 | 7,212         | 3,100,872         |
| TransDigm Group, Inc.*                                | 12,550        | 6,735,208         |
|   |               | <b>10,669,348</b> |
| <b>AGRICULTURAL &amp; FARM MACHINERY—0.4%</b>         |               |                   |
| Deere & Co.   | 5,547         | <b>1,661,160</b>  |
| <b>APPAREL ACCESSORIES &amp; LUXURY GOODS—1.2%</b>    |               |                   |
| Capri Holdings Ltd.*                                  | 42,179        | 1,729,761         |
| LVMH Moët Hennessy Louis Vuitton SE                   | 5,155         | 3,159,386         |
|   |               | <b>4,889,147</b>  |
| <b>APPLICATION SOFTWARE—7.2%</b>                      |               |                   |
| Adobe, Inc.*  | 10,234        | 3,746,258         |
| Avalara, Inc.*  | 14,261        | 1,006,827         |
| Bill.com Holdings, Inc.*                              | 5,748         | 631,935           |
| Cadence Design Systems, Inc.*                         | 19,904        | 2,986,197         |
| Datadog, Inc., Cl. A*                                 | 46,354        | 4,414,755         |
| Intuit, Inc.  | 32,485        | 12,521,018        |
| Salesforce, Inc.*                                     | 2,725         | 449,734           |
| The Trade Desk, Inc., Cl. A*                          | 42,732        | 1,790,044         |
| Unity Software, Inc.*                                 | 13,027        | 479,654           |
|   |               | <b>28,026,422</b> |
| <b>AUTOMOBILE MANUFACTURERS—2.7%</b>                  |               |                   |
| General Motors Co.*                                   | 10,648        | 338,181           |
| Tesla, Inc.*  | 15,072        | 10,149,786        |
|   |               | <b>10,487,967</b> |
| <b>BIOTECHNOLOGY—3.6%</b>                             |               |                   |
| AbbVie, Inc.  | 35,199        | 5,391,079         |
| Horizon Therapeutics PLC*                             | 12,638        | 1,008,007         |
| Natera, Inc.*   | 65,364        | 2,316,500         |
| United Therapeutics Corp.*                            | 3,321         | 782,560           |
| Vertex Pharmaceuticals, Inc.*                         | 16,610        | 4,680,532         |
|   |               | <b>14,178,678</b> |
| <b>CASINOS &amp; GAMING—2.4%</b>                      |               |                   |
| Las Vegas Sands Corp.*                                | 12,317        | 413,728           |
| MGM Resorts International                             | 311,568       | 9,019,894         |
|   |               | <b>9,433,622</b>  |
| <b>DATA PROCESSING &amp; OUTSOURCED SERVICES—4.6%</b> |               |                   |
| Block, Inc., Cl. A*                                   | 19,786        | 1,216,048         |
| Marqeta, Inc., Cl. A*                                 | 239,331       | 1,940,974         |
| PayPal Holdings, Inc.*                                | 23,944        | 1,672,249         |
| Visa, Inc., Cl. A                                     | 66,021        | 12,998,875        |
|   |               | <b>17,828,146</b> |
| <b>DIVERSIFIED SUPPORT SERVICES—0.4%</b>              |               |                   |
| Cintas Corp.  | 3,943         | <b>1,472,829</b>  |
| <b>ELECTRIC UTILITIES—0.7%</b>                        |               |                   |
| NextEra Energy, Inc.                                  | 35,513        | <b>2,750,837</b>  |

**THE ALGER PORTFOLIOS | ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited) (Continued)**

| <b>COMMON STOCKS—96.8% (CONT.)</b>                     | <b>SHARES</b> | <b>VALUE</b>      |
|--|---------------|-------------------|
| <b>ELECTRICAL COMPONENTS &amp; EQUIPMENT—3.0%</b>      |               |                   |
| AMETEK, Inc.   | 23,459        | \$ 2,577,909      |
| Eaton Corp. PLC  | 47,926        | 6,038,197         |
| Generac Holdings, Inc.*                                | 15,234        | 3,207,976         |
|  |               | <b>11,824,082</b> |
| <b>FINANCIAL EXCHANGES &amp; DATA—1.6%</b>             |               |                   |
| S&P Global, Inc.                                       | 19,102        | <b>6,438,520</b>  |
| <b>HEALTHCARE DISTRIBUTORS—1.6%</b>                    |               |                   |
| McKesson Corp.   | 18,983        | <b>6,192,444</b>  |
| <b>HEALTHCARE EQUIPMENT—2.5%</b>                       |               |                   |
| Edwards Lifesciences Corp.*                            | 41,915        | 3,985,697         |
| Intuitive Surgical, Inc.*                              | 28,580        | 5,736,292         |
|  |               | <b>9,721,989</b>  |
| <b>HEALTHCARE FACILITIES—0.8%</b>                      |               |                   |
| Acadia Healthcare Co., Inc.*                           | 43,396        | <b>2,934,871</b>  |
| <b>HYPERMARKETS &amp; SUPER CENTERS—0.8%</b>           |               |                   |
| Costco Wholesale Corp.                                 | 6,706         | <b>3,214,052</b>  |
| <b>INTERACTIVE HOME ENTERTAINMENT—0.5%</b>             |               |                   |
| Take-Two Interactive Software, Inc.*                   | 15,830        | <b>1,939,650</b>  |
| <b>INTERACTIVE MEDIA &amp; SERVICES—4.9%</b>           |               |                   |
| Alphabet, Inc., Cl. C*                                 | 8,776         | <b>19,197,061</b> |
| <b>INTERNET &amp; DIRECT MARKETING RETAIL—8.1%</b>     |               |                   |
| Alibaba Group Holding Ltd.#,*                          | 38,279        | 4,351,557         |
| Amazon.com, Inc.*                                      | 229,006       | 24,322,727        |
| JD.com, Inc.#  | 16,080        | 1,032,658         |
| Meituan, Cl. B*  | 17,128        | 427,431           |
| MercadoLibre, Inc.*                                    | 2,258         | 1,438,052         |
|  |               | <b>31,572,425</b> |
| <b>INTERNET SERVICES &amp; INFRASTRUCTURE—1.1%</b>     |               |                   |
| MongoDB, Inc., Cl. A*                                  | 9,462         | 2,455,389         |
| Snowflake, Inc., Cl. A*                                | 14,398        | 2,002,186         |
|  |               | <b>4,457,575</b>  |
| <b>IT CONSULTING &amp; OTHER SERVICES—0.2%</b>         |               |                   |
| EPAM Systems, Inc.*                                    | 3,176         | <b>936,221</b>    |
| <b>LEISURE FACILITIES—0.9%</b>                         |               |                   |
| Vail Resorts, Inc.                                     | 17,046        | <b>3,716,880</b>  |
| <b>LIFE SCIENCES TOOLS &amp; SERVICES—2.7%</b>         |               |                   |
| Danaher Corp.  | 41,950        | <b>10,635,164</b> |
| <b>MANAGED HEALTHCARE—3.3%</b>                         |               |                   |
| UnitedHealth Group, Inc.                               | 24,873        | <b>12,775,519</b> |
| <b>MOVIES &amp; ENTERTAINMENT—2.1%</b>                 |               |                   |
| Live Nation Entertainment, Inc.*                       | 97,647        | <b>8,063,689</b>  |
| <b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION—2.8%</b> |               |                   |
| Antero Resources Corp.*                                | 24,324        | 745,531           |
| Devon Energy Corp.                                     | 33,728        | 1,858,750         |
| Diamondback Energy, Inc.                               | 5,636         | 682,801           |
| Pioneer Natural Resources Co.                          | 33,580        | 7,491,026         |
|  |               | <b>10,778,108</b> |

**THE ALGER PORTFOLIOS | ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited) (Continued)**

| <b>COMMON STOCKS—96.8% (CONT.)</b>                        | <b>SHARES</b> | <b>VALUE</b>       |
|---|---------------|--------------------|
| <b>OIL &amp; GAS STORAGE &amp; TRANSPORTATION—0.9%</b>    |               |                    |
| Cheniere Energy, Inc.                                     | 27,834        | \$ 3,702,757       |
| <b>PHARMACEUTICALS—2.8%</b>                               |               |                    |
| AstraZeneca PLC#  | 63,274        | 4,180,513          |
| Bayer AG  | 113,886       | 6,800,862          |
|   |               | <b>10,981,375</b>  |
| <b>REGIONAL BANKS—1.2%</b>                                |               |                    |
| Signature Bank  | 25,945        | 4,649,603          |
| <b>RESTAURANTS—1.2%</b>                                   |               |                    |
| Domino's Pizza, Inc.                                      | 4,055         | 1,580,274          |
| Shake Shack, Inc., Cl. A*                                 | 39,019        | 1,540,470          |
| Starbucks Corp.   | 13,504        | 1,031,571          |
| Yum China Holdings, Inc.                                  | 8,882         | 430,777            |
|   |               | <b>4,583,092</b>   |
| <b>SEMICONDUCTOR EQUIPMENT—2.3%</b>                       |               |                    |
| Applied Materials, Inc.                                   | 63,185        | 5,748,571          |
| Enphase Energy, Inc.*                                     | 4,304         | 840,313            |
| SolarEdge Technologies, Inc.*                             | 9,214         | 2,521,688          |
|   |               | <b>9,110,572</b>   |
| <b>SEMICONDUCTORS—3.6%</b>                                |               |                    |
| Advanced Micro Devices, Inc.*                             | 123,150       | 9,417,280          |
| NVIDIA Corp.  | 19,581        | 2,968,284          |
| NXP Semiconductors NV                                     | 10,324        | 1,528,262          |
|   |               | <b>13,913,826</b>  |
| <b>SPECIALTY CHEMICALS—0.5%</b>                           |               |                    |
| Albemarle Corp.   | 8,894         | 1,858,668          |
| <b>SYSTEMS SOFTWARE—15.4%</b>                             |               |                    |
| Crowdstrike Holdings, Inc., Cl. A*                        | 29,419        | 4,958,867          |
| Microsoft Corp.   | 193,060       | 49,583,600         |
| Palo Alto Networks, Inc.*                                 | 5,536         | 2,734,452          |
| ServiceNow, Inc.*   | 6,551         | 3,115,131          |
|   |               | <b>60,392,050</b>  |
| <b>TECHNOLOGY HARDWARE STORAGE &amp; PERIPHERALS—5.7%</b> |               |                    |
| Apple, Inc.   | 162,794       | 22,257,196         |
| <b>TRUCKING—0.4%</b>                                      |               |                    |
| Uber Technologies, Inc.*                                  | 73,935        | 1,512,710          |
| <b>TOTAL COMMON STOCKS</b>                                |               |                    |
| (Cost \$330,649,979)                                      |               | <b>378,758,255</b> |
| <b>PREFERRED STOCKS—0.1%</b>                              | <b>SHARES</b> | <b>VALUE</b>       |
| <b>DATA PROCESSING &amp; OUTSOURCED SERVICES—0.1%</b>     |               |                    |
| Chime Financial, Inc., Series G* <sup>(a)</sup>           | 6,689         | 330,236            |
| (Cost \$462,008)  |               | 330,236            |
| <b>REAL ESTATE INVESTMENT TRUST—0.6%</b>                  | <b>SHARES</b> | <b>VALUE</b>       |
| <b>SPECIALIZED—0.6%</b>                                   |               |                    |
| Crown Castle International Corp.                          | 13,258        | 2,232,382          |
| (Cost \$2,392,500)  |               | 2,232,382          |

**THE ALGER PORTFOLIOS | ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited) (Continued)**

| <b>SPECIAL PURPOSE VEHICLE—0.1%</b>                   | <b>SHARES</b> | <b>VALUE</b>          |
|---|---------------|-----------------------|
| <b>DATA PROCESSING &amp; OUTSOURCED SERVICES—0.1%</b> |               |                       |
| Crosslink Ventures Capital LLC, Cl. A* @.(a),(b)      | 19            | \$ 560,405            |
| (Cost \$475,000)                                      |               | 560,405               |
| <b>Total Investments</b>                              |               |                       |
| (Cost \$333,979,487)                                  | 97.6%         | \$ 381,881,278        |
| Affiliated Securities (Cost \$475,000)                |               | 560,405               |
| Unaffiliated Securities (Cost \$333,504,487)          |               | 381,320,873           |
| Other Assets in Excess of Liabilities                 | 2.4%          | 9,551,683             |
| <b>NET ASSETS</b>                                     | <b>100.0%</b> | <b>\$ 391,432,961</b> |

# American Depositary Receipts.

\* Non-income producing security.

(a) Security is valued in good faith at fair value determined using significant unobservable inputs pursuant to procedures established by the Board.

(b) Deemed an affiliate of the Portfolio in accordance with Section 2(a)(3) of the Investment Company Act of 1940. See Note 10 - Affiliated Securities.

(c) Restricted security - Investment in security not registered under the Securities Act of 1933. Sales or transfers of the investment may be restricted only to qualified buyers.

| <u>Security</u>                       | <u>Acquisition</u><br><u>Date(s)</u> | <u>Acquisition</u><br><u>Cost</u> | <u>% of net assets</u>              |                               |
|---------------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|-------------------------------|
|                                       |                                      |                                   | <u>(Acquisition</u><br><u>Date)</u> | <u>Market</u><br><u>Value</u> |
| Chime Financial, Inc., Series G       | 8/24/21                              | \$462,008                         | 0.07%                               | \$330,236                     |
| Crosslink Ventures Capital LLC, Cl. A | 10/2/20                              | 475,000                           | 0.08%                               | 560,405                       |
| <i>Total</i>                          |                                      |                                   |                                     | <u>\$890,641</u>              |
|                                       |                                      |                                   |                                     | <u>0.23%</u>                  |

**See Notes to Financial Statements.**

**ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Statement of Assets and Liabilities June 30, 2022 (Unaudited)**

**Alger Capital  
Appreciation  
Portfolio**

**ASSETS:**

|  |                    |
|--|--------------------|
| Investments in unaffiliated securities, at value (Identified cost below)* see accompanying schedule of investments | \$ 381,320,873     |
| Investments in affiliated securities, at value (Identified cost below)** see accompanying schedule of investments  | 560,405            |
| Cash and cash equivalents  | 3,651,859          |
| Foreign cash †   | 18,746             |
| Receivable for investment securities sold  | 6,035,793          |
| Receivable for shares of beneficial interest sold  | 1,650,863          |
| Dividends and interest receivable  | 144,428            |
| Prepaid expenses   | 31,578             |
| <b>Total Assets</b>  | <b>393,414,545</b> |

**LIABILITIES:**

|  |                  |
|--|------------------|
| Payable for investment securities purchased        | 1,461,343        |
| Payable for shares of beneficial interest redeemed | 131,100          |
| Accrued investment advisory fees                   | 271,180          |
| Accrued distribution fees                          | 8,368            |
| Accrued shareholder administrative fees            | 3,348            |
| Accrued administrative fees                        | 9,207            |
| Accrued custodian fees                             | 7,016            |
| Accrued transfer agent fees                        | 6,991            |
| Accrued printing fees                              | 37,894           |
| Accrued professional fees                          | 24,701           |
| Accrued fund accounting fees                       | 17,993           |
| Accrued other expenses                             | 2,443            |
| <b>Total Liabilities</b>                           | <b>1,981,584</b> |

|                   |                       |
|-------------------|-----------------------|
| <b>NET ASSETS</b> | <b>\$ 391,432,961</b> |
|-------------------|-----------------------|

**NET ASSETS CONSIST OF:**

|   |             |
|---|-------------|
| Paid in capital (par value of \$.001 per share) | 344,431,443 |
| Distributable earnings                          | 47,001,518  |

|                        |                               |
|------------------------|-------------------------------|
| <b>NET ASSETS</b>      | <b>\$ 391,432,961</b>         |
| * Identified cost      | \$ 333,504,487 <sup>(a)</sup> |
| ** Identified cost     | \$ 475,000 <sup>(a)</sup>     |
| † Cost of foreign cash | \$ 19,156                     |

**See Notes to Financial Statements.**

<sup>(a)</sup> At June 30, 2022, the net unrealized appreciation on investments, based on cost for federal income tax purposes of \$338,001,401, amounted to \$43,879,877, which consisted of aggregate gross unrealized appreciation of \$90,883,546 and aggregate gross unrealized depreciation of \$47,003,669.



**ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Statement of Assets and Liabilities June 30, 2022 (Unaudited) (Continued)**

**Alger Capital  
Appreciation Portfolio**

**NET ASSETS BY CLASS:**

|           |    |             |
|-----------|----|-------------|
| Class I-2 | \$ | 352,398,865 |
| Class S   | \$ | 39,034,096  |

**SHARES OF BENEFICIAL INTEREST OUTSTANDING — NOTE 6:**

|           |           |
|-----------|-----------|
| Class I-2 | 5,660,694 |
| Class S   | 695,429   |

**NET ASSET VALUE PER SHARE:**

|           |    |       |
|-----------|----|-------|
| Class I-2 | \$ | 62.25 |
| Class S   | \$ | 56.13 |

***See Notes to Financial Statements.***

**ALGER CAPITAL APPRECIATION PORTFOLIO**

Statement of Operations for the six months ended June 30, 2022 (Unaudited)

**Alger Capital  
Appreciation Portfolio****INCOME:**

|   |    |           |
|---|----|-----------|
| Dividends (net of foreign withholding taxes*) | \$ | 1,764,970 |
| Interest                                      |    | 4,617     |
| Total Income                                  |    | 1,769,587 |

**EXPENSES:**

|   |  |           |
|---|--|-----------|
| Investment advisory fees — Note 3(a)        |  | 1,984,653 |
| Distribution fees — Note 3(c)               |  |           |
| Class S                                     |  | 60,638    |
| Shareholder administrative fees — Note 3(f) |  | 24,502    |
| Administration fees — Note 3(b)             |  | 67,380    |
| Custodian fees                              |  | 21,414    |
| Interest expenses                           |  | 2,016     |
| Transfer agent fees                         |  | 20,968    |
| Printing fees                               |  | 25,664    |
| Professional fees                           |  | 46,373    |
| Registration fees                           |  | 16,712    |
| Trustee fees — Note 3(g)                    |  | 9,339     |
| Fund accounting fees                        |  | 53,808    |
| Other expenses                              |  | 6,626     |
| Total Expenses                              |  | 2,340,093 |

**NET INVESTMENT LOSS** (570,506)**REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:**

|  |  |               |
|--|--|---------------|
| Net realized loss on unaffiliated investments                        |  | (28,460,372)  |
| Net realized gain on foreign currency transactions                   |  | 3,283         |
| Net change in unrealized depreciation on unaffiliated investments    |  | (180,227,008) |
| Net change in unrealized depreciation on affiliated investments      |  | (200,127)     |
| Net change in unrealized depreciation on foreign currency            |  | (1,139)       |
| Net realized and unrealized loss on investments and foreign currency |  | (208,885,363) |

**NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS** \$ (209,455,869)

\* Foreign withholding taxes \$ 44,655

**See Notes to Financial Statements.**

**ALGER CAPITAL APPRECIATION PORTFOLIO**  
**Statements of Changes in Net Assets (Unaudited)**

**Alger Capital Appreciation Portfolio**

|  | For the<br>Six Months Ended<br>June 30, 2022 | For the<br>Year Ended<br>December 31, 2021 |
|--|--|--|
| Net investment loss  | \$ (570,506)                                 | \$ (3,252,287)                             |
| Net realized gain (loss) on investments and foreign currency                     | (28,457,089)                                 | 148,560,380                                |
| Net change in unrealized depreciation on investments and foreign currency        | (180,428,274)                                | (32,512,877)                               |
| Net increase (decrease) in net assets resulting from operations                  | (209,455,869)                                | 112,795,216                                |
| Dividends and distributions to shareholders:                                     |  |  |
| Class I-2  | —  | (121,981,875)                              |
| Class S  | —  | (13,833,232)                               |
| Total dividends and distributions to shareholders                                | —  | (135,815,107)                              |
| Increase (decrease) from shares of beneficial interest transactions:             |  |  |
| Class I-2  | (43,742,405)                                 | 31,410,710                                 |
| Class S  | (1,621,742)                                  | 6,128,774                                  |
| Net increase (decrease) from shares of beneficial interest transactions — Note 6 | (45,364,147)                                 | 37,539,484                                 |
| Total increase (decrease)  | (254,820,016)                                | 14,519,593                                 |
| Net Assets:  |  |  |
| Beginning of period  | 646,252,977                                  | 631,733,384                                |
| <b>END OF PERIOD</b>   | <b>\$ 391,432,961</b>                        | <b>\$ 646,252,977</b>                      |

*See Notes to Financial Statements.*

## THE ALGER PORTFOLIOS

### Financial Highlights for a share outstanding throughout the period (Unaudited)

#### Alger Capital Appreciation Portfolio

Class I-2

|   | Six months ended 6/30/2022 <sup>(i)</sup> | Year ended 12/31/2021 | Year ended 12/31/2020 | Year ended 12/31/2019 | Year ended 12/31/2018 | Year ended 12/31/2017 |
|---|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net asset value, beginning of period                        | \$ 94.33                                  | \$ 99.96              | \$ 80.93              | \$ 68.07              | \$ 82.64              | \$ 67.11              |
| <b>INCOME FROM INVESTMENT OPERATIONS:</b>                   |   |                       |                       |                       |                       |                       |
| Net investment income (loss) <sup>(ii)</sup>                | (0.08)                                    | (0.52)                | (0.25)                | (0.01)                | 0.03                  | 0.11                  |
| Net realized and unrealized gain (loss) on investments      | (32.00)                                   | 19.51                 | 33.91                 | 22.74                 | 0.10                  | 20.76                 |
| Total from investment operations                            | (32.08)                                   | 18.99                 | 33.66                 | 22.73                 | 0.13                  | 20.87                 |
| Dividends from net investment income                        | –   | –                     | –                     | –                     | (0.08)                | (0.13)                |
| Distributions from net realized gains                       | –   | (24.62)               | (14.63)               | (9.87)                | (14.62)               | (5.21)                |
| Net asset value, end of period                              | \$ 62.25                                  | \$ 94.33              | \$ 99.96              | \$ 80.93              | \$ 68.07              | \$ 82.64              |
| Total return  | (34.00)%                                  | 19.13%                | 41.75%                | 33.58%                | (0.10)%               | 31.08%                |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>                            |   |                       |                       |                       |                       |                       |
| Net assets, end of period (000's omitted)                   | \$ 352,399                                | \$ 584,908            | \$ 573,297            | \$ 461,686            | \$ 412,728            | \$ 468,883            |
| Ratio of net expenses to average net assets                 | 0.93%                                     | 0.91%                 | 0.93%                 | 0.94%                 | 0.95%                 | 0.94%                 |
| Ratio of net investment income (loss) to average net assets | (0.21)%                                   | (0.47)%               | (0.27)%               | (0.01)%               | 0.03%                 | 0.13%                 |
| Portfolio turnover rate                                     | 54.23%                                    | 89.50%                | 89.91%                | 74.35%                | 67.68%                | 61.90%                |

**See Notes to Financial Statements.**

<sup>(i)</sup> Ratios have been annualized; total return and portfolio turnover rate have not been annualized.

<sup>(ii)</sup> Amount was computed based on average shares outstanding during the period.

## THE ALGER PORTFOLIOS

### Financial Highlights for a share outstanding throughout the period (Unaudited)

#### Alger Capital Appreciation Portfolio

|  | Class S                                   |                       |                       |                       |                       |                       |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | Six months ended 6/30/2022 <sup>(i)</sup> | Year ended 12/31/2021 | Year ended 12/31/2020 | Year ended 12/31/2019 | Year ended 12/31/2018 | Year ended 12/31/2017 |
| Net asset value, beginning of period                   | \$ 85.16                                  | \$ 92.49              | \$ 75.85              | \$ 64.44              | \$ 79.13              | \$ 64.50              |
| INCOME FROM INVESTMENT OPERATIONS:                     |   |                       |                       |                       |                       |                       |
| Net investment loss <sup>(ii)</sup>                    | (0.16)                                    | (0.73)                | (0.45)                | (0.21)                | (0.19)                | (0.09)                |
| Net realized and unrealized gain (loss) on investments | (28.87)                                   | 18.02                 | 31.72                 | 21.49                 | 0.12                  | 19.93                 |
| Total from investment operations                       | (29.03)                                   | 17.29                 | 31.27                 | 21.28                 | (0.07)                | 19.84                 |
| Distributions from net realized gains                  | –   | (24.62)               | (14.63)               | (9.87)                | (14.62)               | (5.21)                |
| Net asset value, end of period                         | \$ 56.13                                  | \$ 85.16              | \$ 92.49              | \$ 75.85              | \$ 64.44              | \$ 79.13              |
| Total return   | (34.09)%                                  | 18.83%                | 41.40%                | 33.24%                | (0.37)%               | 30.74%                |
| RATIOS/SUPPLEMENTAL DATA:                              |   |                       |                       |                       |                       |                       |
| Net assets, end of period (000's omitted)              | \$ 39,034                                 | \$ 61,345             | \$ 58,436             | \$ 49,666             | \$ 41,858             | \$ 50,097             |
| Ratio of net expenses to average net assets            | 1.18%                                     | 1.16%                 | 1.18%                 | 1.21%                 | 1.21%                 | 1.21%                 |
| Ratio of net investment loss to average net assets     | (0.45)%                                   | (0.72)%               | (0.52)%               | (0.28)%               | (0.23)%               | (0.13)%               |
| Portfolio turnover rate                                | 54.23%                                    | 89.50%                | 89.91%                | 74.35%                | 67.68%                | 61.90%                |

**See Notes to Financial Statements.**

<sup>(i)</sup> Ratios have been annualized; total return and portfolio turnover rate have not been annualized.

<sup>(ii)</sup> Amount was computed based on average shares outstanding during the period.

## NOTE 1 — General:

The Alger Portfolios (the “Fund”) is an open-end registered investment company organized as a business trust under the laws of the Commonwealth of Massachusetts. The Fund qualifies as an investment company as defined in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification 946 – Financial Services – Investment Companies. The Fund operates as a series company currently offering seven series of shares of beneficial interest: Alger Capital Appreciation Portfolio, Alger Large Cap Growth Portfolio, Alger Growth & Income Portfolio, Alger Mid Cap Growth Portfolio, Alger Weatherbie Specialized Growth Portfolio, Alger Small Cap Growth Portfolio and Alger Balanced Portfolio (collectively, the “Portfolios”). These financial statements include only the Alger Capital Appreciation Portfolio (the “Portfolio”). The Portfolio invests primarily in equity securities and has an investment objective of long-term capital appreciation. Shares of the Portfolio are available to investment vehicles for variable annuity contracts and variable life insurance policies offered by separate accounts of life insurance companies, as well as qualified pension and retirement plans.

The Portfolio offers Class I-2 shares and Class S shares. Each class has identical rights to assets and earnings except that only Class S shares have a plan of distribution and bear the related Rule 12b-1 expenses. Effective April 30, 2021, the Board of Trustees of the Fund (the “Board”) authorized a partial closing of the Portfolio’s Class S shares. Existing investors that hold Class S shares who had an open account with the Portfolio on April 30, 2021 may continue to invest in additional Class S shares of the Portfolio through exchanges, dividend reinvestment and additional purchases, as provided in the Portfolio’s prospectus.

## NOTE 2 — Significant Accounting Policies:

(a) *Investment Valuation:* The Portfolio values its financial instruments at fair value using independent dealers or pricing services under policies approved by the Fund’s Board of Trustees (the “Board”). Investments held by the Portfolio are valued on each day the New York Stock Exchange (the “NYSE”) is open, as of the close of the NYSE (normally 4:00 p.m. Eastern Time).

Investments in money market funds and short-term securities held by the Portfolio having a remaining maturity of sixty days or less are valued at amortized cost which approximates market value.

Equity securities, including traded rights, warrants and option contracts for which valuation information is readily available, are valued at the last quoted sales price or official closing price on the primary market or exchange on which they are traded as reported by an independent pricing service. In the absence of quoted sales, such securities are valued at the bid price or, in the absence of a recent bid price, the equivalent as obtained from one or more of the major market makers for the securities to be valued.

Securities for which market quotations are not readily available are valued at fair value, as determined in good faith pursuant to procedures established by the Board and described further herein.

Securities in which the Portfolio invests may be traded in foreign markets that close before the close of the NYSE. Developments that occur between the close of the foreign markets and the close of the NYSE may result in adjustments to the closing prices to reflect what the Portfolio's investment adviser, pursuant to policies established by the Board, believes to be the fair value of these securities as of the close of the NYSE. The Portfolio may also fair value securities in other situations, for example, when a particular foreign market is closed but the Portfolio is open.

FRS Accounting Standards Codification 820 – Fair Value Measurements and Disclosures (“ASC 820”) defines fair value as the price that the Portfolio would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability and may be observable or unobservable. Observable inputs are based on market data obtained from sources independent of the Portfolio. Unobservable inputs are inputs that reflect the Portfolio's own assumptions based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – significant other observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Portfolio's own assumptions in determining the fair value of investments)

The Portfolio's valuation techniques are generally consistent with either the market or the income approach to fair value. The market approach considers prices and other relevant information generated by market transactions involving identical or comparable assets to measure fair value. The income approach converts future amounts to a current, or discounted, single amount. These fair value measurements are determined on the basis of the value indicated by current market expectations about such future events. Inputs for Level 1 include exchange-listed prices and broker quotes in an active market. Inputs for Level 2 include the last trade price in the case of a halted security, an exchange-listed price which has been adjusted for fair value factors, and prices of closely related securities. Additional Level 2 inputs include an evaluated price which is based upon a compilation of observable market information such as spreads for fixed income and preferred securities. Inputs for Level 3 include, but are not limited to, revenue multiples, earnings before interest, taxes, depreciation and amortization (“EBITDA”) multiples, discount rates, time to exit and the probabilities of success of certain outcomes. Such unobservable market information may be obtained from a company's financial statements and from industry studies, market data, and market indicators such as benchmarks and indexes. Because of the inherent uncertainty and often limited markets for restricted securities, the valuations assigned to such securities

by the Portfolio may significantly differ from the valuations that would have been assigned by the Portfolio had there been an active market for such securities.

Valuation processes are determined by a Valuation Committee (“Committee”) authorized by the Board and comprised of representatives of the Portfolio’s investment adviser and officers of the Fund. The Committee reports its fair value determinations and related valuation information to the Board. The Board is responsible for approving the valuation policy and procedures.

While Committee meetings are held on an as-needed basis, the Committee generally meets quarterly to review and evaluate the effectiveness of the procedures for making fair value determinations. The Committee considers, among other things, the results of quarterly back testing of the fair value model for foreign securities, pricing comparisons between primary and secondary price sources, the outcome of price challenges put to the Portfolio’s pricing vendor, and variances between transactional prices and the previous day’s prices.

In December 2020, the Securities and Exchange Commission (the “SEC”) adopted Rule 2a-5 under the Investment Company Act of 1940, as amended (the “1940 Act”), which is intended to address valuation practices and the role of the board of directors with respect to the fair value of the investments of a registered investment company. Among other things, Rule 2a-5 will permit the Board to designate the Fund’s investment adviser, Fred Alger Management, LLC (“Alger Management” or the “Investment Manager”), to perform the Portfolio’s fair value determinations, which will be subject to the Board’s oversight and certain reporting and other requirements intended to ensure that the Board receives the information it needs to oversee the Investment Manager’s fair value determinations. Compliance with Rule 2a-5 will not be required until September 2022. The Fund, the Board, and the Investment Manager are currently in the process of implementing the requirements of Rule 2a-5 by the deadline.

*(b) Cash and Cash Equivalents:* Cash and cash equivalents include U.S. dollars, foreign cash and overnight time deposits.

*(c) Securities Transactions and Investment Income:* Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income is recognized on the accrual basis.

Premiums and discounts on debt securities purchased are amortized or accreted over the lives of the respective securities.

*(d) Foreign Currency Transactions:* The books and records of the Portfolio are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the prevailing rates of exchange on the valuation date. Purchases and sales of investment securities and income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of such transactions.

Net realized gains and losses on foreign currency transactions represent net gains and losses from the disposition of foreign currencies, currency gains and losses realized between the



trade dates and settlement dates of security transactions, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The effects of changes in foreign currency exchange rates on investments in securities are included in realized and unrealized gain or loss on investments in the accompanying Statement of Operations.

(e) *Lending of Fund Securities:* The Portfolio may lend its securities to financial institutions, provided that the market value of the securities loaned will not at any time exceed one third of the Portfolio's total assets including borrowings, as defined in its prospectus. The Portfolio earns fees on the securities loaned, which are included in interest income in the accompanying Statement of Operations. In order to protect against the risk of failure by the borrower to return the securities loaned or any delay in the delivery of such securities, the loan is collateralized by cash or securities that are maintained with Brown Brothers Harriman & Company, the Portfolio's custodian ("BBH" or the "Custodian"), in an amount equal to at least 102% of the current market value of U.S. loaned securities or 105% for non-U.S. loaned securities. The market value of the loaned securities is determined at the close of business of the Portfolio. Any required additional collateral is delivered to the Custodian each day and any excess collateral is returned to the borrower on the next business day. In the event the borrower fails to return the loaned securities when due, the Portfolio may take the collateral to replace the securities. If the value of the collateral is less than the purchase cost of replacement securities, the Custodian shall be responsible for any shortfall, but only to the extent that the shortfall is not due to any diminution in collateral value, as defined in the securities lending agreement. The Portfolio is required to maintain the collateral in a segregated account and determine its value each day until the loaned securities are returned. Cash collateral may be invested as determined by the Portfolio. Collateral is returned to the borrower upon settlement of the loan. There were no securities loaned as of June 30, 2022.

(f) *Dividends to Shareholders:* Dividends and distributions payable to shareholders are recorded by the Portfolio on the ex-dividend date.

Dividends from net investment income, if available, are declared and paid annually. Dividends from net realized gains, offset by any loss carryforward, are declared and paid annually after the end of the fiscal year in which they were earned.

Each share class is treated separately in determining the amount of dividends from net investment income payable to holders of its shares.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with federal income tax rules. Therefore, the source of the Portfolio's distributions may be shown in the accompanying financial statements as either from, or in excess of, net investment income, net realized gain on investment transactions, or return of capital, depending on the type of book/tax differences that may exist. Capital accounts within the financial statements are adjusted for permanent book/tax differences. Reclassifications result primarily from the differences in tax treatment of net operating losses, passive foreign investment companies, and foreign currency transactions. The reclassifications are done annually at year-end and have no impact on the net asset value of the Portfolio and are designed to present the Portfolio's capital accounts on a tax basis.

(g) *Federal Income Taxes:* It is the Portfolio’s policy to comply with the requirements of the Internal Revenue Code Subchapter M applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Provided that the Portfolio maintains such compliance, no federal income tax is required.

FASB Accounting Standards Codification 740 – Income Taxes (“ASC 740”) requires the Portfolio to measure and recognize in its financial statements the benefit of a tax position taken (or expected to be taken) on an income tax return if such position will more likely than not be sustained upon examination based on the technical merits of the position. No tax years are currently under investigation. The Portfolio files income tax returns in the U.S. Federal jurisdiction, as well as the New York State and New York City jurisdictions. The statute of limitations on the Portfolio’s tax returns remains open for the tax years 2018-2021. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

(h) *Allocation Methods:* The Fund accounts separately for the assets, liabilities and operations of the Portfolio. Expenses directly attributable to the Portfolio are charged to the Portfolio’s operations; expenses which are applicable to all Portfolios are allocated among them based on net assets. Income, realized and unrealized gains and losses, and expenses of the Portfolio are allocated among the Portfolio’s classes based on relative net assets, with the exception of distribution fees, transfer agency fees, and shareholder servicing and related fees.

(i) *Estimates:* These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require using estimates and assumptions that affect the reported amounts therein. These unaudited interim financial statements reflect all adjustments that are, in the opinion of management, necessary to present a fair statement of results for the interim period. Actual results may differ from those estimates. All such estimates are of a normal recurring nature.

**NOTE 3 — Investment Advisory Fees and Other Transactions with Affiliates:**

(a) *Investment Advisory Fees:* Fees incurred by the Portfolio, pursuant to the provisions of the Fund’s Investment Advisory Agreement with the Investment Manager, are payable monthly and computed based on the following rates. The actual rate paid as a percentage of average daily net assets, for the six months ended June 30, 2022, is set forth below under the heading “Actual Rate”:

|   | Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 5 | Actual Rate |
|---|--------|--------|--------|--------|--------|-------------|
| Alger Capital Appreciation Portfolio <sup>(a)</sup> | 0.81%  | 0.65%  | 0.60%  | 0.55%  | 0.45%  | 0.81%       |

<sup>(a)</sup> Tier 1 rate is paid on assets up to \$2 billion, Tier 2 rate is paid on assets between \$2 billion to \$3 billion, Tier 3 rate is paid on assets in between \$3 billion to \$4 billion, Tier 4 rate is paid on assets between \$4 billion to \$5 billion, and Tier 5 rate is paid on assets in excess of \$5 billion.

(b) *Administration Fees:* Fees incurred by the Portfolio, pursuant to the provisions of the Fund's Fund Administration Agreement with Alger Management, are payable monthly and computed based on the average daily net assets of the Portfolio at the annual rate of 0.0275%.

(c) *Distribution Fees:* The Fund adopted a Distribution Plan pursuant to which Class S shares of the Portfolio pay Fred Alger & Company, LLC, the Fund's distributor and an affiliate of Alger Management (the "Distributor" or "Alger LLC"), a fee at the annual rate of 0.25% of the average daily net assets of the Class S shares of the Portfolio to compensate the Distributor for its activities and expenses incurred in distributing the Class S shares and/or shareholder servicing. Fees paid may be more or less than the expenses incurred by Alger LLC.

(d) *Brokerage Commissions:* During the six months ended June 30, 2022, the Portfolio paid Alger LLC \$24,028 in connection with securities transactions.

(e) *Interfund Loans:* The Portfolio, along with other funds in the Alger Fund Complex (as defined below), may borrow money from and lend money to each other for temporary or emergency purposes. To the extent permitted under its investment restrictions, the Portfolio may lend uninvested cash in an amount up to 15% of its net assets to other funds in the Alger Fund Complex. If the Portfolio has borrowed from other funds in the Alger Fund Complex and has aggregate borrowings from all sources that exceed 10% of the Portfolio's total assets, the Portfolio will secure all of its loans from other funds in the Alger Fund Complex. The interest rate charged on interfund loans is equal to the average of the overnight time deposit rate and bank loan rate available to the Portfolio. There were no interfund loans outstanding as of June 30, 2022.

During the six months ended June 30, 2022, the Portfolio incurred interfund loan interest expenses of \$1,829, which are included as interest expenses in the accompanying Statement of Operations.

(f) *Shareholder Administrative Fees:* The Fund has entered into a Shareholder Administrative Services Agreement with Alger Management to compensate Alger Management for providing administrative oversight of the Fund's transfer agent and for other related services. The Portfolio compensates Alger Management at the annual rate of 0.01% of the average daily net assets for these services.

(g) *Trustee Fees:* Effective January 1, 2022, each trustee who is not an "interested person" of the Fund, as defined in the 1940 Act ("Independent Trustee"), receives a fee of \$156,000 per annum, paid pro rata based on net assets by each fund in the Alger Fund Complex, plus travel expenses incurred for attending board meetings. The term "Alger Fund Complex" refers to the Fund, The Alger Institutional Funds, The Alger Funds II, The Alger Funds, Alger Global Focus Fund and The Alger ETF Trust, each of which is a registered investment company managed by Alger Management. The Independent Trustee appointed as Chairman of the Board receives additional compensation of \$22,000 per annum paid pro rata based on net assets by each fund in the Alger Fund Complex. Additionally, each member of the Audit Committee receives a fee of \$13,000 per annum, paid pro rata based on net assets by

each fund in the Alger Fund Complex.

Effective January 1, 2022, the Board adopted a policy requiring Trustees to receive a minimum of 10% of their annual compensation in shares of one or more of the funds in the Alger Fund Complex.

(b) *Interfund Trades:* The Portfolio may engage in purchase and sale transactions with other funds advised by Alger Management or Weatherbie Capital, LLC, an affiliate of Alger Management. There were no interfund trades during the six months ended June 30, 2022.

(i) *Other Transactions with Affiliates:* Certain officers and one Trustee of the Fund are directors and/or officers of Alger Management, the Distributor, or their affiliates. No shares of the Portfolio were held by Alger Management and its affiliated entities as of June 30, 2022.

#### **NOTE 4 — Securities Transactions:**

Purchases and sales of securities, other than U.S. Government securities and short-term securities, for the six months ended June 30, 2022, were as follows:

|                                      | <b>PURCHASES</b> | <b>SALES</b>   |
|--------------------------------------|------------------|----------------|
| Alger Capital Appreciation Portfolio | \$ 271,989,517   | \$ 326,302,178 |

#### **NOTE 5 — Borrowings:**

The Portfolio may borrow from the Custodian on an uncommitted basis. The Portfolio pays the Custodian a market rate of interest, generally based upon a rate of return with respect to each respective currency borrowed, taking into consideration relevant overnight and short-term reference rates and the range of distribution between and among the interest rates paid on deposits to other institutions, less applicable commissions, if any. The Portfolio may also borrow from other funds in the Alger Fund Complex, as discussed in Note 3(e). For the six months ended June 30, 2022, the Portfolio had the following borrowings from the Custodian and other funds in the Alger Fund Complex:

|                                      | <b>AVERAGE DAILY<br/>BORROWING</b> | <b>WEIGHTED AVERAGE<br/>INTEREST RATE</b> |
|--------------------------------------|------------------------------------|---|
| Alger Capital Appreciation Portfolio | \$ 346,356                         | 1.14%                                     |

The highest amount borrowed from the Custodian and other funds in the Alger Fund Complex during the six months ended June 30, 2022 by the Portfolio was as follows:

|                                      | <b>HIGHEST BORROWING</b> |
|--------------------------------------|--------------------------|
| Alger Capital Appreciation Portfolio | \$ 14,538,000            |

On September 7, 2021, BBH announced that it had entered into an agreement with State Street Bank and Trust Company (“State Street”) to sell BBH’s Investor Services business to State Street (the “Transaction”). The completion of the Transaction is subject to customary closing conditions and regulatory approvals. If the Transaction is finalized, it is expected that State Street will replace BBH as the Fund’s custodian. The timing for completion of the Transaction is not currently known.

### NOTE 6 — Share Capital:

The Portfolio has an unlimited number of authorized shares of beneficial interest of \$.001 par value. During the six months ended June 30, 2022, and the year ended December 31, 2021, transactions of shares of beneficial interest were as follows:

|   | FOR THE SIX MONTHS ENDED<br>JUNE 30, 2022 |                        | FOR THE YEAR ENDED<br>DECEMBER 31, 2021 |                      |
|---|---|------------------------|---|----------------------|
|   | SHARES                                    | AMOUNT                 | SHARES                                  | AMOUNT               |
| <b>Alger Capital Appreciation Portfolio</b> |   |                        |   |                      |
| <b>Class I-2:</b>                           |   |                        |   |                      |
| Shares sold                                 | 304,180                                   | \$ 23,019,013          | 628,822                                 | \$ 68,876,588        |
| Dividends reinvested                        | —   | —                      | 1,295,988                               | 121,667,356          |
| Shares redeemed                             | (844,108)                                 | (66,761,418)           | (1,459,480)                             | (159,133,234)        |
| <b>Net increase (decrease)</b>              | <b>(539,928)</b>                          | <b>\$ (43,742,405)</b> | <b>465,330</b>                          | <b>\$ 31,410,710</b> |
| <b>Class S:</b>                             |   |                        |   |                      |
| Shares sold                                 | 27,755                                    | \$ 1,944,226           | 23,298                                  | \$ 2,325,471         |
| Dividends reinvested                        | —   | —                      | 163,205                                 | 13,833,231           |
| Shares redeemed                             | (52,701)                                  | (3,565,968)            | (97,968)                                | (10,029,928)         |
| <b>Net increase (decrease)</b>              | <b>(24,946)</b>                           | <b>\$ (1,621,742)</b>  | <b>88,535</b>                           | <b>\$ 6,128,774</b>  |

### NOTE 7 — Income Tax Information:

At December 31, 2021, the Portfolio had no capital loss carryforwards utilized for federal income tax purposes.

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is determined annually and is attributable primarily to the tax deferral of losses on wash sales, U.S. Internal Revenue Code Section 988 currency transactions, tax treatment of partnership investments, realization of unrealized appreciation of passive foreign investment companies, and return of capital from real estate investment trust investments.

The Portfolio accrues tax on unrealized gains in foreign jurisdictions that impose a foreign capital tax.

### NOTE 8 — Fair Value Measurements:

The major categories of securities and their respective fair value inputs are detailed in the Portfolio's Schedule of Investments. Based upon the nature, characteristics, and risks associated with its investments as of June 30, 2022, the Portfolio has determined that presenting them by security type and sector is appropriate.

**THE ALGER PORTFOLIOS | Alger Capital Appreciation Portfolio**  
**NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)**

| Alger Capital Appreciation Portfolio   | TOTAL                 | LEVEL 1               | LEVEL 2              | LEVEL 3           |
|--|-----------------------|-----------------------|----------------------|-------------------|
| <b>COMMON STOCKS</b>                   |                       |                       |                      |                   |
| Communication Services                 | \$ 29,200,400         | \$ 29,200,400         | \$ —                 | \$ —              |
| Consumer Discretionary                 | 64,683,133            | 61,096,316            | 3,586,817            | —                 |
| Consumer Staples                       | 3,214,052             | 3,214,052             | —                    | —                 |
| Energy                                 | 14,480,865            | 14,480,865            | —                    | —                 |
| Financials                             | 11,088,123            | 11,088,123            | —                    | —                 |
| Healthcare                             | 67,420,040            | 60,619,178            | 6,800,862            | —                 |
| Industrials                            | 27,140,129            | 27,140,129            | —                    | —                 |
| Information Technology                 | 156,922,008           | 156,922,008           | —                    | —                 |
| Materials                              | 1,858,668             | 1,858,668             | —                    | —                 |
| Utilities                              | 2,750,837             | 2,750,837             | —                    | —                 |
| <b>TOTAL COMMON STOCKS</b>             | <b>\$ 378,758,255</b> | <b>\$ 368,370,576</b> | <b>\$ 10,387,679</b> | <b>\$ —</b>       |
| <b>PREFERRED STOCKS</b>                |                       |                       |                      |                   |
| Information Technology                 | 330,236               | —                     | —                    | 330,236           |
| <b>REAL ESTATE INVESTMENT TRUST</b>    |                       |                       |                      |                   |
| Real Estate                            | 2,232,382             | 2,232,382             | —                    | —                 |
| <b>SPECIAL PURPOSE VEHICLE</b>         |                       |                       |                      |                   |
| Information Technology                 | 560,405               | —                     | —                    | 560,405           |
| <b>TOTAL INVESTMENTS IN SECURITIES</b> | <b>\$ 381,881,278</b> | <b>\$ 370,602,958</b> | <b>\$ 10,387,679</b> | <b>\$ 890,641</b> |

**FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)**

| Alger Capital Appreciation Portfolio   | Preferred Stocks |
|--|------------------|
| Opening balance at January 1, 2022   | \$ 462,008       |
| Transfers into Level 3   | —                |
| Transfers out of Level 3   | —                |
| Total gains or losses  |                  |
| Included in net realized gain (loss) on investments  | —                |
| Included in net change in unrealized appreciation (depreciation) on investments                                      | (131,772)        |
| Purchases and sales  |                  |
| Purchases  | —                |
| Sales  | —                |
| Closing balance at June 30, 2022   | 330,236          |
| <b>Net change in unrealized appreciation (depreciation) attributable to investments still held at June 30, 2022*</b> | <b>(131,772)</b> |

**THE ALGER PORTFOLIOS | Alger Capital Appreciation Portfolio**  
**NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)**

|  | <b>FAIR VALUE<br/>MEASUREMENTS<br/>USING SIGNIFICANT<br/>UNOBSERVABLE<br/>INPUTS (LEVEL 3)</b> |
|--|--|
|  | <b>Special Purpose<br/>Vehicle</b>   |
| <b>Alger Capital Appreciation Portfolio</b>  |  |
| Opening balance at January 1, 2022   | \$ 760,532   |
| Transfers into Level 3   | —  |
| Transfers out of Level 3   | —  |
| Total gains or losses  |  |
| Included in net realized gain (loss) on investments  | —  |
| Included in net change in unrealized appreciation (depreciation) on investments  | (200,127)  |
| Purchases and sales  |  |
| Purchases  | —  |
| Sales  | —  |
| Closing balance at June 30, 2022   | 560,405  |
| <b>Net change in unrealized appreciation (depreciation) attributable to investments<br/>still held at June 30, 2022*</b> | <b>(200,127)</b>   |

\* Net change in unrealized appreciation (depreciation) is included in net change in unrealized appreciation (depreciation) on investments in the accompanying Statement of Operations.

The following table provides quantitative information about the Portfolio's Level 3 fair value measurements of the Portfolio's investments as of June 30, 2022. The table below is not intended to be all-inclusive, but rather provides information on the Level 3 inputs as they relate to the Portfolio's fair value measurements.

|   | Fair Value<br>June 30, 2022 | Valuation<br>Methodology | Unobservable<br>Input                 | Input/<br>Range      | Weighted<br>Average |
|---|-----------------------------|--------------------------|---------------------------------------|----------------------|---------------------|
| <b>Alger Capital Appreciation Portfolio</b> |                             |                          |                                       |                      |                     |
| Preferred Stocks                            | \$ 330,236                  | Market<br>Approach       | Transaction Price<br>Revenue Multiple | N/A<br>20.00x-22.00x | N/A<br>N/A          |
| Special Purpose Vehicle                     | \$ 560,405                  | Market<br>Approach       | Transaction Price<br>Revenue Multiple | N/A<br>20.00x-22.00x | N/A<br>N/A          |

The significant unobservable inputs used in the fair value measurement of the Portfolio's securities are revenue and EBITDA multiples, discount rates, and the probability of success of certain outcomes. Significant increases and decreases in these inputs in isolation and interrelationships between these inputs would have resulted in significantly higher or lower fair value measurements than those noted in the table above. Generally, all other things being equal, increases in revenue and EBITDA multiples, decreases in discount rates, and increases in the probability of success result in higher fair value measurements, whereas decreases in revenues and EBITDA multiples, increases in discount rates, and decreases in the probability of success result in lower fair value measurements.

Certain of the Portfolio's assets and liabilities are held at carrying amount or face value, which approximates fair value for financial reporting purposes. As of June 30, 2022, such assets were categorized within the ASC 820 disclosure hierarchy as follows:

|   | TOTAL FUND   | LEVEL 1   | LEVEL 2      | LEVEL 3 |
|---|--------------|-----------|--------------|---------|
| Cash, foreign cash and cash equivalents | \$ 3,670,605 | \$ 18,746 | \$ 3,651,859 | \$ —    |

### NOTE 9 — Risk Disclosures:

Investing in the stock market involves risks, including the potential loss of principal. Your investment in Portfolio shares represents an indirect investment in the securities owned by the Portfolio. The value of these securities, like other investments, may move up or down, sometimes rapidly and unpredictably. Your Portfolio shares at any point in time may be worth less than what you invested, even after taking into account the reinvestment of Portfolio dividends and distributions. Local, regional or global events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, recessions, or other events could have a significant impact on investments. Growth stocks may be more volatile than other stocks as their prices tend to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. A significant portion of assets may be invested in securities of companies in related sectors, and may be similarly affected by economic, political, or market events and conditions and may be more vulnerable to unfavorable sector developments. Foreign securities involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility.

### NOTE 10 — Affiliated Securities:

The issuers of the securities listed below are deemed to be affiliates of the Portfolio because the Portfolio and its affiliates, collectively, owned 5% or more of the issuer's voting securities during all or part of the six months ended June 30, 2022 or because the Portfolio and the issuer are managed by the same investment adviser. Information regarding the Portfolio's holdings of such securities is set forth in the following table:

| Security                                    | Value at<br>December<br>31, 2021 | Purchases/<br>Conversion | Sales/<br>Conversion | Dividend/<br>Interest<br>Income | Net Change              |                              | Value at<br>June 30,<br>2022 |
|---|----------------------------------|--------------------------|----------------------|---------------------------------|-------------------------|------------------------------|------------------------------|
|   |                                  |                          |                      |                                 | Realized<br>Gain (Loss) | in<br>Unrealized<br>App(Dep) |                              |
| <b>Alger Capital Appreciation Portfolio</b> |                                  |                          |                      |                                 |                         |                              |                              |
| <b>Special Purpose Vehicle</b>              |                                  |                          |                      |                                 |                         |                              |                              |
| Crosslink Ventures Capital LLC,             |                                  |                          |                      |                                 |                         |                              |                              |
| Cl. A                                       | \$ 760,532                       | \$ —                     | \$ —                 | \$ —                            | \$ —                    | (200,127)                    | \$ 560,405                   |
| <b>Total</b>                                | <b>\$ 760,532</b>                | <b>\$ —</b>              | <b>\$ —</b>          | <b>\$ —</b>                     | <b>\$ —</b>             | <b>(200,127)</b>             | <b>\$ 560,405</b>            |

### NOTE 11 — Subsequent Events:

Management of the Portfolio has evaluated events that have occurred subsequent to June 30, 2022, through the issuance date of the financial statements. No such events have been identified which require recognition and/or disclosure.



## Shareholder Expense Example

As a shareholder of the Portfolio, you incur two types of costs: transaction costs, if applicable; and ongoing costs, including management fees, distribution (12b-1) fees, if applicable, and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The example below is based on an investment of \$1,000 invested at the beginning of the six-month period starting January 1, 2022 and ending June 30, 2022 and held for the entire period.

## Actual Expenses

The first line for each class of shares in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Six Months Ended June 30, 2022” to estimate the expenses you paid on your account during this period.

## Hypothetical Example for Comparison Purposes

The second line for each class of shares in the table below provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio for each class of the Portfolio’s shares and an assumed rate of return of 5% per year before expenses, which is not the Portfolio’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs or deduction of insurance charges against assets or annuities. Therefore, the second line under each class of shares in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

**THE ALGER PORTFOLIOS | Alger Capital Appreciation Portfolio**  
**ADDITIONAL INFORMATION (Unaudited) (Continued)**

|   |                             | Beginning<br>Account<br>Value<br>January 1, 2022 | Ending<br>Account<br>Value<br>June 30, 2022 | Expenses<br>Paid During<br>the Six Months<br>Ended<br>June 30, 2022 <sup>(a)</sup> | Annualized<br>Expense Ratio<br>For the<br>Six Months<br>Ended<br>June 30, 2022 <sup>(b)</sup> |
|---|-----------------------------|--|---|--|---|
| <b>Alger Capital Appreciation Portfolio</b> |                             |  |   |  |   |
| <b>Class I-2</b>                            | Actual                      | \$ 1,000.00                                      | \$ 660.00                                   | \$ 3.83  | 0.93%   |
|   | Hypothetical <sup>(c)</sup> | 1,000.00   | 1,020.18                                    | 4.66   | 0.93  |
| <b>Class S</b>                              | Actual                      | 1,000.00   | 659.10                                      | 4.85   | 1.18  |
|   | Hypothetical <sup>(c)</sup> | 1,000.00   | 1,018.94                                    | 5.91   | 1.18  |

<sup>(a)</sup> Expenses are equal to the annualized expense ratio of the share class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

<sup>(b)</sup> Annualized.

<sup>(c)</sup> 5% annual return before expenses.

**Privacy Policy**

U.S. Consumer Privacy Notice

Rev. 06/22/21

| FACTS | WHAT DOES ALGER DO WITH YOUR PERSONAL INFORMATION?  |
|-------|---|
| Why?  | Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.  |
| What? | The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and</li> <li>• Account balances and</li> <li>• Transaction history and</li> <li>• Purchase history and</li> <li>• Assets</li> </ul> When you are no longer our customer, we continue to share your information as described in this notice. |
| How?  | All financial companies need to share personal information to run their everyday business. In the section below, we list the reasons financial companies can share their personal information; the reasons Alger chooses to share; and whether you can limit this sharing.  |

| Reasons we can share your personal information  | Does Alger share? | Can you limit this sharing? |
|---|-------------------|-----------------------------|
| <b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | <b>Yes</b>        | <b>No</b>                   |
| <b>For our marketing purposes</b> — to offer our products and services to you   | <b>Yes</b>        | <b>No</b>                   |
| <b>For joint marketing with other financial companies</b>   | <b>No</b>         | <b>We don't share</b>       |
| <b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences   | <b>Yes</b>        | <b>No</b>                   |
| <b>For our affiliates' everyday business purposes</b> — information about your creditworthiness   | <b>No</b>         | <b>We don't share</b>       |
| <b>For nonaffiliates to market to you</b>   | <b>No</b>         | <b>We don't share</b>       |
| <b>Questions? Call 1-800-223-3810</b>   |                   |                             |

**THE ALGER PORTFOLIOS | Alger Capital Appreciation Portfolio**  
**ADDITIONAL INFORMATION (Unaudited) (Continued)**

| <b>Who we are</b>                               |  |
|---|--|
| Who is providing this notice?                   | Alger includes Fred Alger Management, LLC and Fred Alger & Company, LLC as well as the following funds: The Alger Funds, The Alger Funds II, The Alger Institutional Funds, The Alger Portfolios, Alger Global Focus Fund, and The Alger ETF Trust.  |
| <b>What we do</b>                               |  |
| How does Alger protect my personal information? | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.  |
| How does Alger collect my personal information? | We collect your personal information, for example, when you: <ul style="list-style-type: none"> <li>• Open an account or</li> <li>• Make deposits or withdrawals from your account or</li> <li>• Give us your contact information or</li> <li>• Provide account information or</li> <li>• Pay us by check.</li> </ul>  |
| Why can't I limit all sharing?                  | Federal law gives you the right to limit some but not all sharing related to: <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes — information about your credit worthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.    |
| <b>Definitions</b>                              |  |
| Affiliates                                      | Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Our affiliates include Fred Alger Management, LLC, Weatherbie Capital, LLC and Fred Alger &amp; Company, LLC as well as the following funds: The Alger Funds, The Alger Funds II, The Alger Institutional Funds, The Alger Portfolios, Alger Global Focus Fund, and The Alger ETF Trust.</li> </ul> |
| Nonaffiliates                                   | Companies not related by common ownership or control. They can be financial and nonfinancial companies.  |
| Joint marketing                                 | A formal agreement between nonaffiliated financial companies that together market financial products or services to you.   |

## Proxy Voting Policies

A description of the policies and procedures the Portfolio uses to determine how to vote proxies relating to portfolio securities and the proxy voting record is available, without charge, by calling (800) 992-3863 or online on the Portfolio's website at <http://www.alger.com> or on the SEC's website at <http://www.sec.gov>.

## Fund Holdings

The Board has adopted policies and procedures relating to disclosure of the Portfolio's securities. These policies and procedures recognize that there may be legitimate business reasons for holdings to be disclosed and seek to balance those interests to protect the proprietary nature of the trading strategies and implementation thereof by the Portfolio.

Generally, the policies prohibit the release of information concerning portfolio holdings, which have not previously been made public, to individual investors, institutional investors, intermediaries that distribute the Portfolio's shares and other parties which are not employed by the Investment Manager or its affiliates except when the legitimate business purposes for selective disclosure and other conditions (designed to protect the Portfolio) are acceptable.

The Portfolio files its complete schedule of portfolio holdings with the SEC semi-annually in shareholder reports on Form N-CSR and after the first and third fiscal quarters as an exhibit to its reports on Form N-PORT. The Portfolio's Forms N-CSR and N-PORT are available online on the SEC's website at [www.sec.gov](http://www.sec.gov).

In addition, the Portfolio makes publicly available its month-end top 10 holdings with a 10 day lag and its month-end full portfolio with a 60 day lag on its website [www.alger.com](http://www.alger.com) and through other marketing communications (including printed advertising/sales literature and/or shareholder telephone customer service centers). No compensation or other consideration is directly received for the non-public disclosure of portfolio holdings information.

In accordance with the foregoing, the Portfolio provides portfolio holdings information to third parties including financial intermediaries and service providers who need access to this information in the performance of their services and are subject to duties of confidentiality (1) imposed by law, including a duty not to trade on non-public information, and/or (2) pursuant to an agreement that confidential information is not to be disclosed or used (including trading on such information) other than as required by law. From time to time, the Fund will communicate with these third parties to confirm that they understand the Portfolio's policies and procedures regarding such disclosure. These agreements must be approved by the Portfolio's Chief Compliance Officer.

The Board periodically reviews a report disclosing the third parties to whom the Portfolio's holdings information has been disclosed and the purpose for such disclosure, and it considers whether or not the release of information to such third parties is in the best interest of the Portfolio and its shareholders.

In addition to material the Portfolio routinely provides to shareholders, the Investment Manager may make additional statistical information available regarding the Alger Family of Funds. Such information may include, but not be limited to, relative weightings and characteristics of the Portfolio versus an index (such as P/E ratio, alpha, beta, capture ratio, maximum drawdown, standard deviation, EPS forecasts, Sharpe ratio, information ratio, R-squared, and market cap analysis), security specific impact on overall portfolio performance, month-end top ten contributors to and detractors from performance, portfolio turnover, and other similar information. Shareholders should visit [www.alger.com](http://www.alger.com) or may also contact the Funds at (800) 992-3863 to obtain such information.

## **THE ALGER PORTFOLIOS**

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100 Pearl Street, 27th Floor  
New York, NY 10004  
(800) 992-3863  
www.alger.com

### **Investment Manager**

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Fred Alger Management, LLC  
100 Pearl Street, 27th Floor  
New York, NY 10004

### **Distributor**

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Fred Alger & Company, LLC  
100 Pearl Street, 27th Floor  
New York, NY 10004

### **Transfer Agent and Dividend Disbursing Agent**

---

UMB Fund Services, Inc.  
235 W. Galena Street  
Milwaukee, WI 53212

### **Custodian**

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Brown Brothers Harriman & Company  
50 Post Office Square  
Boston, MA 02110

### **Independent Registered Public Accounting Firm**

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Deloitte & Touche LLP  
30 Rockefeller Plaza  
New York, NY 10112

This report is submitted for the general information of the shareholders of Alger Capital Appreciation Portfolio. It is not authorized for distribution to prospective investors unless accompanied by an effective Prospectus for the Portfolio, which contains information concerning the Portfolio's investment policies, fees and expenses as well as other pertinent information.

**ALGER**

Inspired by Change, Driven by Growth.



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# ALGER

# THE ALGER PORTFOLIOS

Alger Balanced Portfolio

SEMI-ANNUAL REPORT  
JUNE 30, 2022 (UNAUDITED)



Alger is a signatory to the PRI and carbon neutral.

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## ALGER BALANCED PORTFOLIO

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Dear Shareholders,

## **Many Investors Shun Powerful Wealth Creator**

In 1924, economist John Maynard Keynes wrote that companies that reinvest profits can create “an element of compound interest operating in favour of a sound industrial investment.” At Alger, we believe reinvesting profits and producing compounding earnings growth is a powerful wealth creator. To that end, we seek companies that we believe have strong potential for compounding earnings growth, and we seek to avoid cyclical companies, including “short-duration” companies, or businesses with high current earnings that return most of their profits to shareholders. In most instances, these companies, in our view, have little or no potential for future long-term earnings growth.

As Warren Buffett has observed, investors “occasionally do crazy things,” which can create opportunities for investors who “disregard mob fears or enthusiasms....and focus on a few simple fundamentals.” We believe recent concerns about interest rates, inflation and valuations have caused many investors to act irrationally by focusing on cyclical short-duration companies while shunning the “sound industrial investment” identified by Keynes. Some of these same investors are so focused on current cash flows or income that they may be overlooking the potential for companies that are gaining market share at very fast rates but have not yet scaled their businesses to exhibit strong profitability.

## **Setting the Stage for a Difficult Six-Month Period**

The recent trend of investors rejecting the appeal of long-term earnings growth, in our view, played a major role in the disappointing performance during the fiscal six-month period ended June 30, 2022. The fiscal period included a dramatic rotation by many investors who appeared to have sought instant gratification by favoring companies with high current earnings. It is our view that this rotation was initially fueled by rising interest rates, causing investors to question whether equity valuations were too high, and has more recently been propelled by risk aversion and recession fears.

These concerns were supported by the following developments:

- Rising interest rates on the back of inflation fears.
- Data appeared to validate inflation concerns. After hitting a 6.8% year-over-year increase (or increase during the past 12-month period) in November 2021, and increasing each subsequent month, the Consumer Price Index hit 9.1% in June 2022.
- Negative real personal income growth in the first half of 2022, along with a weakening of the employment market as indicated by rising jobless claims since April 2022.
- In response to rising inflation, the Federal Reserve Board (the “Fed”) raised the federal funds rate by 25 basis points (“bps”) in March 2022, its first hike since cutting the rate to zero in 2020. Furthermore, it bumped rates up by 50bps in May and 75bps in June. Fears that rate hikes could eventually spark a recession have also weighed upon investor sentiment.

## **Interest Rates Initially Support Rotation Away from Quality**

The rotation to short-duration companies was also partially supported by investors reacting to higher interest rates in a fairly typical fashion—they adjusted their cash flow modeling by increasing the rate at which they discount future cash flows back to the present, thereby lowering the value of long-duration companies. This process is similar to how long-term bonds are impacted by rising rates more than short-term bonds.

The Fed rate hikes, combined with growing concerns that economic growth may be weakening, eventually sparked a reversal in investors' preference for value stocks, which started on May 24, 2022. From that date until June 30, 2022, the Russell 3000 Growth Index declined 3.44%, outperforming the 5.80% decline of the Russell 3000 Value Index. The strong relative performance of value stocks earlier in the year, however, resulted in the Russell 3000 Value Index's -13.1% return substantially outperforming the -28.2% return of the Russell 3000 Growth Index.

## **Not Just Growth, But High-Quality Growth, Underperforms**

Many small cap growth companies may exhibit little or no current earnings, while maintaining strong potential for significant sales and earnings growth. Within the Russell 2000 Growth Index, for example, we believe many Healthcare companies are high-quality businesses even though they may not be currently generating profits due to their investments in new initiatives, among other things. However, their products or potential products can have high gross margins and potential for capturing market share. We believe, as a result of investors dismissing the appeal of potential earnings growth, the Healthcare sector was one of the worst performing sectors within the small cap growth category. From a broader perspective, sectors that generally consist of companies that provide dividends and appear to be less susceptible to inflation, such as Energy and Consumer Staples, tended to outperform their benchmarks.

## **Irrational Behavior Creates Opportunity**

As a result of investors' rotation out of long duration companies, growth equities, we believe, are trading at attractive valuations. Notably, the Russell 2000 Growth Index price-to-earnings (P/E) ratio based on the consensus of 12-month earnings estimates from analysts at financial services firms and provided by FactSet declined from 31x to approximately 21x during the six-month fiscal reporting period, while the Russell 1000 Growth Index declined from 44x to 23x.

## **Navigating Fed Rate Hikes**

Investors who are concerned about monetary policy may want to consider that, historically, the later phases of monetary tightening periods have been accompanied by growth equities outperforming value equities. The six-month period starting approximately three months after the beginning of Fed tightening cycles initiated in 1994, 1999, 2004 and 2015 illustrate this point. Based on the returns of the Russell 3000 Growth and Russell 3000 Value indices, the median outperformance of growth companies during those periods was 400bps. During later phases of such rate hike periods, economic growth has typically slowed, so investors may be more willing to pay a premium for companies that can increase their earnings.

## **Chasing Yield**

Yield hungry investors, furthermore, may want to broaden their search for income beyond dividends. For example, during the 12-month period ended March 31, 2022, the value of S&P 500 Index company share buybacks reached \$985 billion, compared to only \$525

billion for dividends. Buybacks reduce the number of shares outstanding at companies, effectively increasing the value of remaining shareholders' interests. Because investors can choose when to sell their shares, they have discretion over when to realize the effective return of capital as capital gains. This can make share repurchases more tax efficient than dividends. We also believe that innovative companies that are growing by capturing market share may be candidates for share buyback programs. As they grow their sales and earnings, they may accumulate a cash "war chest" for buying back their shares.

## **Going Forward**

We continue to believe that unprecedented levels of innovation, such as healthcare advancements in genetic science, and digital technologies including artificial intelligence, ecommerce, the metaverse, streaming entertainment, and cloud computing are providing opportunities for leading companies to reward investors by generating long-term earnings growth. We continue to focus on conducting in-depth fundamental research as we seek leaders of innovation rather than take short-term bets on the fickle nature of investor sentiment. We believe doing so is the best strategy for helping our valued shareholders reach their investment goals.

## **Portfolio Matters**

### **Alger Balanced Portfolio**

The Alger Balanced Portfolio returned -12.86% during the fiscal six-month period ended June 30, 2022. The equity portion of the Portfolio outperformed the -19.96% return of the S&P 500 Index and the fixed income portion outperformed the -11.05% return of the Bloomberg U.S. Government/Credit Bond Index. Regarding the equity portion of the Portfolio, the largest sector weightings were Information Technology and Healthcare. The largest sector overweight was Financials and the largest sector underweight was Information Technology.

### **Contributors to Performance**

The Information Technology and Consumer Discretionary sectors provided the greatest contributions to relative performance. Regarding individual positions, AbbVie, Inc.; Exxon Mobil Corp.; Chevron Corp.; Eli Lilly & Co.; and Bristol-Myers Squibb Co. were among the top contributors to absolute performance. AbbVie is a global biopharmaceutical company that had been shunned by many investors due to the potential for the company's Humira treatment to face increased competition in 2023. Humira is used for rheumatology, dermatology, gastroenterology and ophthalmology. We believe, however, that AbbVie has significantly diversified its revenue and that its launch of Rinvoq for psoriatic arthritis and atopic dermatitis is promising. We believe these developments contributed to the company's recent release of favorable quarterly results and investor confidence in the company, which supported the performance of AbbVie shares during the six-month period.

### **Detractors from Performance**

Financials and Real Estate were among the sectors that detracted from relative performance. Regarding individual positions, Microsoft Corp.; Apple, Inc.; The Home Depot, Inc.; JPMorgan Chase & Co.; and Alphabet, Inc., Cl. A were among the top detractors from absolute performance. Microsoft is a positive dynamic change beneficiary of corporate America's transformative digitization. Microsoft's CEO reported he expects that technology spending as a percent of GDP is likely to jump from about 5% today to 10% in a few years, and that Microsoft will continue to take market share within the technology industry.

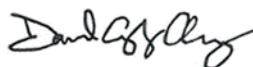
Microsoft's share price declined despite its high unit volume growth as the broad equity market was down due to higher interest rates and the Ukraine conflict. Its shares still outperformed the aggregate performance of the benchmark's Information Technology sector counterparts. We believe this was a result of investors appreciating Microsoft's strong free cash flow generation and its return of cash to shareholders in the form of dividends and share repurchases. Further, we believe the growth of Microsoft's subscription-based software offerings and cloud computing services is durable because the products enhance customers' growth initiatives and help reduce costs.

### **Fixed Income Assets of the Portfolio**

At the end of the reporting period, the fixed income portion of the Portfolio consisted of 22 corporate bonds and represented 30% of non-cash Portfolio assets. The Bloomberg U.S. Corporate Bond Index entered the year with yields and spreads modestly above five-year lows. Yields moved sharply higher throughout the period to five-year highs as inflation data, exacerbated by the effects of the Ukraine invasion, continued to accelerate and the Federal Reserve moved to raise the Federal Funds rate more aggressively as a result. Spreads also widened to five-year high levels excluding the brief spike at the start of the Covid pandemic in 2020. As a result, total returns for corporates were sharply negative.

As always, we strive to deliver consistently superior investment results to you, our shareholders, and we thank you for your continued confidence in Alger.

Sincerely,



Daniel C. Chung, CFA

Chief Investment Officer  
Fred Alger Management, LLC

Investors cannot invest directly in an index. Index performance does not reflect the deduction for fees, expenses, or taxes.

This report and the financial statements contained herein are submitted for the general information of shareholders of the Alger Balanced Portfolio. This report is not authorized for distribution to prospective investors in the Portfolio unless preceded or accompanied by an effective prospectus for the Portfolio. The Portfolio's returns represent the fiscal six-month period return of Class I-2 shares. Returns include reinvestment of dividends and distributions.

**The performance data quoted in these materials represents past performance, which is not an indication or guarantee of future results.**

**Standardized performance results can be found on the following pages. The investment return and principal value of an investment in the Portfolio will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month-end, visit us at [www.alger.com](http://www.alger.com), or call us at (800) 992-3863.**

The views and opinions of the Portfolio's management in this report are as of the date of the Shareholders' Letter and are subject to change at any time subsequent to this date. There is no guarantee that any of the assumptions that formed the basis for the opinions stated herein are accurate or that they will materialize. Moreover, the information forming the basis for such assumptions is from sources believed to be reliable; however, there is no guarantee that such information is accurate. Any securities mentioned, whether owned in the Portfolio or otherwise, are considered in the context of the construction of an overall portfolio of securities and therefore reference to them should not be construed as a recommendation or offer to purchase or sell any such security. Inclusion of such securities in the Portfolio and transactions in such securities, if any, may be for a variety of reasons, including without limitation, in response to cash flows, inclusion in a benchmark, and risk control. The reference to a specific security should also be understood in such context and not viewed as a statement that the security is a significant holding in the Portfolio. Please refer to the Schedule of Investments for the Portfolio which is included in this report for a complete list of Portfolio holdings as of June 30, 2022. Securities mentioned in the Shareholders' Letter, if not found in the Schedule of Investments, may have been held by the Portfolio during the six-month fiscal period.

### **Risk Disclosure**

Investing in the stock market involves risks, including the potential loss of principal. Growth stocks may be more volatile than other stocks as their prices tend to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. Local, regional or global events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, recessions, or other events could have a significant impact on investments. The risks of investing in fixed-income securities include sensitivity to interest-rate and credit rating changes, call risk, increased volatility for lower rated securities, and pre-payment risk. Income-producing securities may cut or fail to declare dividends due to market downturns or for other reasons. Junk bonds are high risk investments that are considered speculative and may cause income and principal losses. A significant portion of assets may be invested in securities of companies in related sectors, and may be similarly affected by economic, political, or market events and conditions and may be more vulnerable to unfavorable sector developments. At times, the Portfolio may hold a large cash position, which may underperform relative to equity securities.

For a more detailed discussion of the risks associated with the Portfolio, please see the Portfolio's Prospectus.

**Before investing, carefully consider the Portfolio's investment objective, risks, charges, and expenses. For a prospectus containing this and other information about The Alger Portfolios, call us at (800) 992-3863 or visit us at [www.alger.com](http://www.alger.com). Read the prospectus and summary prospectus carefully before investing.**

**Fred Alger & Company, LLC, Distributor.**

**NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.**

## Definitions:

- The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods, and services.
- Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.
- The price-to-book ratio is the ratio of a company's market price to its book value.
- Price-to-earnings is the ratio for valuing a company that measures its current share price relative to its EPS.
- Free cash flow is the cash a company generates after taking into consideration cash outflows that support its operations and maintain its capital assets.
- FactSet provides software and market data to financial professionals. FactSet is an independent source, which Alger believes to be a reliable source. Alger, however, makes no representation that it is complete or accurate.
- The S&P 500 Index tracks the performance of 500 large companies listed on stock exchanges in the U.S.
- The Russell 1000 Growth Index is an unmanaged index designed to measure the performance of the largest 1000 companies in the Russell 3000 Index with higher price to book ratios and higher forecasted growth values.
- The Russell 2000 Growth Index measures the performance of the small cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher growth earning potential as defined by Russell's leading style methodology.
- The Russell Microcap Growth Index consists of the smallest 1,000 securities in the Russell 2000 Growth Index, plus the next 1,000 smallest eligible securities based on a combination of their market capitalization and current index membership weight.
- The Russell 3000 Growth Index combines the large-cap Russell 1000 Growth, the small-cap Russell 2000 Growth and the Russell Microcap Growth Index. It includes companies that are considered more growth oriented relative to the overall market as defined by Russell's leading style methodology. The Russell 3000 Growth Index is constructed to provide a comprehensive, unbiased, and stable barometer of the growth opportunities within the broad market.
- The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000 Value Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad value market.
- The Bloomberg U.S. Gov't/Credit Bond Index is an index that measures performance of government and corporate bonds.

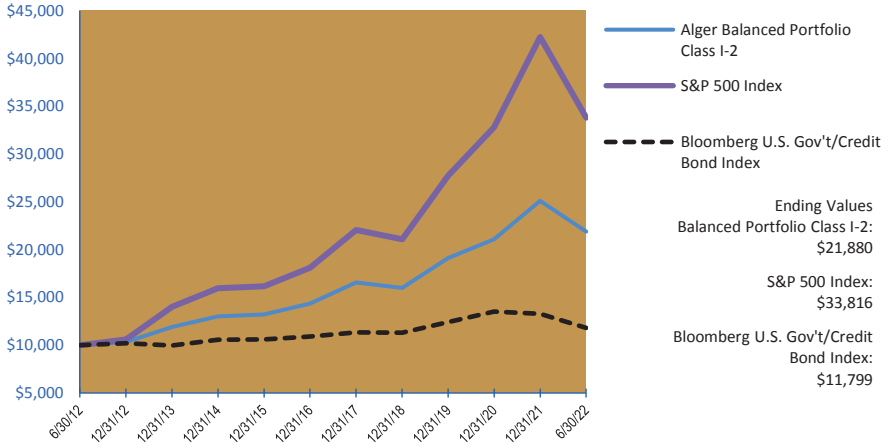


- The Bloomberg U.S. Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market.

**ALGER BALANCED PORTFOLIO**  
**Fund Highlights Through June 30, 2022 (Unaudited)**

**HYPOTHETICAL \$10,000 INVESTMENT IN CLASS I-2 SHARES**

— 10 years ended 6/30/22



The chart above illustrates the change in value of a hypothetical \$10,000 investment made in Alger Balanced Portfolio Class I-2 shares, the S&P 500 Index (an unmanaged index of common stocks), and the Bloomberg U.S. Gov't/Credit Bond Index (an unmanaged index of government and corporate bonds) for the ten years ended June 30, 2022. Figures for each of the Alger Balanced Portfolio Class I-2 shares, the Bloomberg U.S. Gov't/Credit Bond Index and the S&P 500 Index include reinvestment of dividends. Figures for the Alger Balanced Portfolio Class I-2 shares also include reinvestment of capital gains. Investors cannot invest directly in any index. Index performance does not reflect deduction for fees, expenses, or taxes.

**ALGER BALANCED PORTFOLIO****Fund Highlights Through June 30, 2022 (Unaudited) (Continued)****PERFORMANCE COMPARISON AS OF 6/30/22****AVERAGE ANNUAL TOTAL RETURNS**

|  | 1 YEAR   | 5 YEARS | 10 YEARS | Since<br>9/5/1989 |
|--|----------|---------|----------|-------------------|
| <b>Class I-2 (Inception 9/5/89)</b>    | (5.61)%  | 7.26%   | 8.14%    | 7.54%             |
| S&P 500 Index                          | (10.62)% | 11.31%  | 12.96%   | 9.78%             |
| Bloomberg U.S. Gov't/Credit Bond Index | (10.85)% | 1.05%   | 1.67%    | 5.41%             |

*The performance data quoted represents past performance, which is not an indication or a guarantee of future results. Investment return and principal will fluctuate and the Portfolio's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For performance current to the most recent quarter end, visit us at [www.alger.com](http://www.alger.com) or call us at (800) 992-3863.*

*Returns indicated assume reinvestment of all distributions, no transaction costs or taxes, and are net of management fees and fund operating expenses only. Total return does not include deductions at the Portfolio or contract level for the cost of the insurance charges, premium load, administrative charges, mortality and expense risk charges or other charges that may be incurred under the variable annuity contract, variable life insurance plan or retirement plan for which the Portfolio serves as an underlying investment vehicle. If these charges were deducted, the total return figures would be lower. Please refer to the variable insurance product or retirement plan disclosure documents for any additional applicable expenses. Investing in the stock market involves gains and losses and may not be suitable for all investors.*

**PORTFOLIO SUMMARY†**  
**June 30, 2022 (Unaudited)**

| SECTORS/SECURITY TYPES                      | Alger Balanced<br>Portfolio |
|---|-----------------------------|
| Communication Services                      | 7.2%                        |
| Consumer Discretionary                      | 4.5                         |
| Consumer Staples                            | 5.1                         |
| Energy                                      | 3.5                         |
| Financials                                  | 7.7                         |
| Healthcare                                  | 11.0                        |
| Industrials                                 | 4.1                         |
| Information Technology                      | 16.9                        |
| Materials                                   | 1.4                         |
| Real Estate                                 | 2.5                         |
| Utilities                                   | 0.9                         |
| Total Equity Securities                     | 64.8                        |
| Corporate Bonds                             | 30.1                        |
| Total Debt Securities                       | 30.1                        |
| Short-Term Investments and Net Other Assets | 5.1                         |
|   | <b>100.0%</b>               |

† Based on net assets for the Portfolio.

**THE ALGER PORTFOLIOS | ALGER BALANCED PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited)**

| <b>COMMON STOCKS—61.4%</b>                            | <b>SHARES</b> | <b>VALUE</b>     |
|---|---------------|------------------|
| <b>AEROSPACE &amp; DEFENSE—1.4%</b>                   |               |                  |
| General Dynamics Corp.                                | 1,093         | \$ 241,826       |
| Raytheon Technologies Corp.                           | 2,506         | 240,852          |
| TransDigm Group, Inc.*                                | 454           | 243,648          |
|   |               | <b>726,326</b>   |
| <b>ASSET MANAGEMENT &amp; CUSTODY BANKS—2.0%</b>      |               |                  |
| BlackRock, Inc., Cl. A                                | 929           | 565,798          |
| Blackstone, Inc.                                      | 4,367         | 398,402          |
| The Carlyle Group, Inc.                               | 4,029         | 127,558          |
|   |               | <b>1,091,758</b> |
| <b>AUTOMOBILE MANUFACTURERS—0.1%</b>                  |               |                  |
| General Motors Co.*                                   | 2,124         | <b>67,458</b>    |
| <b>BIOTECHNOLOGY—2.2%</b>                             |               |                  |
| AbbVie, Inc.  | 5,506         | 843,299          |
| Amgen, Inc.   | 731           | 177,852          |
| Gilead Sciences, Inc.                                 | 2,454         | 151,682          |
|   |               | <b>1,172,833</b> |
| <b>BROADCASTING—0.3%</b>                              |               |                  |
| Paramount Global, Cl. B                               | 5,636         | <b>139,096</b>   |
| <b>BUILDING PRODUCTS—0.3%</b>                         |               |                  |
| Johnson Controls International PLC                    | 3,617         | <b>173,182</b>   |
| <b>CABLE &amp; SATELLITE—0.8%</b>                     |               |                  |
| Comcast Corp., Cl. A                                  | 10,272        | <b>403,073</b>   |
| <b>COMMODITY CHEMICALS—0.2%</b>                       |               |                  |
| Dow, Inc.   | 2,203         | <b>113,697</b>   |
| <b>COMMUNICATIONS EQUIPMENT—0.7%</b>                  |               |                  |
| Cisco Systems, Inc.                                   | 8,623         | <b>367,685</b>   |
| <b>CONSUMER ELECTRONICS—0.3%</b>                      |               |                  |
| Garmin Ltd.   | 1,685         | <b>165,551</b>   |
| <b>COPPER—0.3%</b>                                    |               |                  |
| Southern Copper Corp.                                 | 3,046         | <b>151,721</b>   |
| <b>DATA PROCESSING &amp; OUTSOURCED SERVICES—1.0%</b> |               |                  |
| Visa, Inc., Cl. A                                     | 2,698         | <b>531,209</b>   |
| <b>DIVERSIFIED BANKS—2.5%</b>                         |               |                  |
| Bank of America Corp.                                 | 14,212        | 442,420          |
| JPMorgan Chase & Co.                                  | 8,038         | 905,159          |
|   |               | <b>1,347,579</b> |
| <b>ELECTRIC UTILITIES—0.5%</b>                        |               |                  |
| NextEra Energy, Inc.                                  | 3,710         | <b>287,377</b>   |
| <b>ELECTRICAL COMPONENTS &amp; EQUIPMENT—0.7%</b>     |               |                  |
| Eaton Corp. PLC                                       | 3,127         | <b>393,971</b>   |
| <b>FINANCIAL EXCHANGES &amp; DATA—0.9%</b>            |               |                  |
| CME Group, Inc., Cl. A                                | 2,302         | <b>471,219</b>   |
| <b>FOOD DISTRIBUTORS—0.5%</b>                         |               |                  |
| Sysco Corp.   | 2,852         | <b>241,593</b>   |
| <b>GOLD—0.2%</b>                                      |               |                  |
| Newmont Corp.   | 1,763         | <b>105,198</b>   |
| <b>HEALTHCARE EQUIPMENT—0.5%</b>                      |               |                  |
| Medtronic PLC   | 2,865         | <b>257,134</b>   |

**THE ALGER PORTFOLIOS | ALGER BALANCED PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited) (Continued)**

| <b>COMMON STOCKS—61.4% (CONT.)</b>                     | <b>SHARES</b> | <b>VALUE</b>     |
|--|---------------|------------------|
| <b>HEALTHCARE SERVICES—1.0%</b>                        |               |                  |
| CVS Health Corp.                                       | 5,659         | \$ 524,363       |
| <b>HOME IMPROVEMENT RETAIL—1.6%</b>                    |               |                  |
| The Home Depot, Inc.                                   | 3,093         | 848,317          |
| <b>HOUSEHOLD PRODUCTS—1.1%</b>                         |               |                  |
| The Procter & Gamble Co.                               | 4,258         | 612,258          |
| <b>HYPERMARKETS &amp; SUPER CENTERS—0.5%</b>           |               |                  |
| Walmart, Inc.  | 2,244         | 272,826          |
| <b>INDUSTRIAL CONGLOMERATES—1.2%</b>                   |               |                  |
| Honeywell International, Inc.                          | 3,828         | 665,345          |
| <b>INDUSTRIAL GASES—0.7%</b>                           |               |                  |
| Air Products & Chemicals, Inc.                         | 1,507         | 362,403          |
| <b>INTEGRATED OIL &amp; GAS—2.5%</b>                   |               |                  |
| Chevron Corp.  | 4,514         | 653,537          |
| Exxon Mobil Corp.                                      | 5,233         | 448,154          |
| TotalEnergies SE#                                      | 4,927         | 259,357          |
|  |               | <b>1,361,048</b> |
| <b>INTEGRATED TELECOMMUNICATION SERVICES—1.3%</b>      |               |                  |
| AT&T, Inc.   | 8,043         | 168,581          |
| Verizon Communications, Inc.                           | 10,096        | 512,372          |
|  |               | <b>680,953</b>   |
| <b>INTERACTIVE MEDIA &amp; SERVICES—4.8%</b>           |               |                  |
| Alphabet, Inc., Cl. A*                                 | 519           | 1,131,036        |
| Alphabet, Inc., Cl. C*                                 | 516           | 1,128,724        |
| Meta Platforms, Inc., Cl. A*                           | 1,861         | 300,086          |
|  |               | <b>2,559,846</b> |
| <b>INTERNET &amp; DIRECT MARKETING RETAIL—1.2%</b>     |               |                  |
| Amazon.com, Inc.*                                      | 5,800         | 616,018          |
| <b>INVESTMENT BANKING &amp; BROKERAGE—1.5%</b>         |               |                  |
| Morgan Stanley   | 10,656        | 810,495          |
| <b>LEISURE FACILITIES—0.3%</b>                         |               |                  |
| Vail Resorts, Inc.                                     | 783           | 170,733          |
| <b>MANAGED HEALTHCARE—2.2%</b>                         |               |                  |
| UnitedHealth Group, Inc.                               | 2,238         | 1,149,504        |
| <b>MULTI-LINE INSURANCE—0.3%</b>                       |               |                  |
| The Hartford Financial Services Group, Inc.            | 2,582         | 168,940          |
| <b>MULTI-UTILITIES—0.4%</b>                            |               |                  |
| Sempra Energy  | 1,436         | 215,788          |
| <b>OIL &amp; GAS EXPLORATION &amp; PRODUCTION—0.3%</b> |               |                  |
| Pioneer Natural Resources Co.                          | 731           | 163,071          |
| <b>OIL &amp; GAS STORAGE &amp; TRANSPORTATION—0.3%</b> |               |                  |
| ONEOK, Inc.  | 2,628         | 145,854          |

**THE ALGER PORTFOLIOS | ALGER BALANCED PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited) (Continued)**

| <b>COMMON STOCKS—61.4% (CONT.)</b>                        | <b>SHARES</b> | <b>VALUE</b>      |
|---|---------------|-------------------|
| <b>PHARMACEUTICALS—5.1%</b>                               |               |                   |
| AstraZeneca PLC#  | 5,015         | \$ 331,341        |
| Bristol-Myers Squibb Co.                                  | 3,475         | 267,575           |
| Eli Lilly & Co.   | 1,173         | 380,322           |
| GSK PLC#  | 4,905         | 213,515           |
| Johnson & Johnson   | 4,027         | 714,833           |
| Merck & Co., Inc.   | 2,724         | 248,347           |
| Novartis AG#  | 2,108         | 178,189           |
| Pfizer, Inc.  | 6,956         | 364,703           |
|   |               | <b>2,698,825</b>  |
| <b>RAILROADS—0.5%</b>                                     |               |                   |
| Union Pacific Corp.                                       | 1,184         | <b>252,524</b>    |
| <b>RESTAURANTS—1.0%</b>                                   |               |                   |
| McDonald's Corp.  | 1,234         | 304,650           |
| Starbucks Corp.   | 2,764         | 211,142           |
|   |               | <b>515,792</b>    |
| <b>SEMICONDUCTOR EQUIPMENT—1.6%</b>                       |               |                   |
| KLA Corp.   | 2,600         | <b>829,608</b>    |
| <b>SEMICONDUCTORS—3.0%</b>                                |               |                   |
| Broadcom, Inc.  | 1,602         | 778,268           |
| QUALCOMM, Inc.  | 4,759         | 607,915           |
| Taiwan Semiconductor Manufacturing Co., Ltd.#             | 2,951         | 241,244           |
|   |               | <b>1,627,427</b>  |
| <b>SOFT DRINKS—2.2%</b>                                   |               |                   |
| PepsiCo, Inc.   | 3,863         | 643,808           |
| The Coca-Cola Co.   | 8,784         | 552,601           |
|   |               | <b>1,196,409</b>  |
| <b>SYSTEMS SOFTWARE—5.5%</b>                              |               |                   |
| Microsoft Corp.   | 11,454        | <b>2,941,731</b>  |
| <b>TECHNOLOGY HARDWARE STORAGE &amp; PERIPHERALS—5.1%</b> |               |                   |
| Apple, Inc.   | 19,929        | <b>2,724,693</b>  |
| <b>TOBACCO—0.8%</b>                                       |               |                   |
| Altria Group, Inc.  | 5,538         | 231,322           |
| Philip Morris International, Inc.                         | 2,015         | 198,961           |
|   |               | <b>430,283</b>    |
| <b>TOTAL COMMON STOCKS</b>                                |               |                   |
| (Cost \$17,012,568)                                       |               | <b>32,752,714</b> |
| <b>MASTER LIMITED PARTNERSHIP—0.4%</b>                    | <b>SHARES</b> | <b>VALUE</b>      |
| <b>OIL &amp; GAS STORAGE &amp; TRANSPORTATION—0.4%</b>    |               |                   |
| Cheniere Energy Partners LP                               | 4,434         | <b>198,954</b>    |
| (Cost \$147,024)  |               | <b>198,954</b>    |
| <b>REAL ESTATE INVESTMENT TRUST—3.0%</b>                  | <b>SHARES</b> | <b>VALUE</b>      |
| <b>HEALTHCARE—0.4%</b>                                    |               |                   |
| Welltower, Inc.   | 2,974         | <b>244,909</b>    |
| <b>INDUSTRIAL—0.3%</b>                                    |               |                   |
| Prologis, Inc.  | 1,262         | <b>148,474</b>    |
| <b>MORTGAGE—0.5%</b>                                      |               |                   |
| Blackstone Mortgage Trust, Inc., Cl. A                    | 8,983         | <b>248,560</b>    |

**THE ALGER PORTFOLIOS | ALGER BALANCED PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited) (Continued)**

| <b>REAL ESTATE INVESTMENT TRUST—3.0% (CONT.)</b>                       | <b>SHARES</b>           | <b>VALUE</b>     |
|--|-------------------------|------------------|
| <b>RETAIL—0.4%</b>   |                         |                  |
| Simon Property Group, Inc.   | 2,371                   | \$ 225,055       |
| <b>SPECIALIZED—1.4%</b>  |                         |                  |
| Crown Castle International Corp.                                       | 3,235                   | 544,709          |
| Lamar Advertising Co., Cl. A   | 2,052                   | 180,515          |
|  |                         | <b>725,224</b>   |
| <b>TOTAL REAL ESTATE INVESTMENT TRUST</b>                              |                         | <b>1,592,222</b> |
| (Cost \$1,292,653)   |                         |                  |
| <b>CORPORATE BONDS—30.1%</b>   | <b>PRINCIPAL AMOUNT</b> | <b>VALUE</b>     |
| <b>AGRICULTURAL &amp; FARM MACHINERY—1.8%</b>                          |                         |                  |
| John Deere Capital Corp., 2.125%, 3/7/25                               | 1,000,000               | 966,935          |
| <b>APPLICATION SOFTWARE—1.8%</b>                                       |                         |                  |
| Salesforce, Inc., 0.625%, 7/15/24                                      | 1,000,000               | 947,846          |
| <b>AUTOMOBILE MANUFACTURERS—1.8%</b>                                   |                         |                  |
| General Motors Financial Co., Inc., 1.5%, 6/10/26                      | 500,000                 | 437,667          |
| Toyota Motor Credit Corp., 0.45%, 7/22/22                              | 500,000                 | 499,624          |
|  |                         | <b>937,291</b>   |
| <b>BIOTECHNOLOGY—1.8%</b>  |                         |                  |
| AbbVie, Inc., 3.6%, 5/14/25  | 1,000,000               | 985,970          |
| <b>DATA PROCESSING &amp; OUTSOURCED SERVICES—0.9%</b>                  |                         |                  |
| PayPal Holdings, Inc., 1.35%, 6/1/23                                   | 500,000                 | 491,819          |
| <b>DIVERSIFIED BANKS—2.8%</b>  |                         |                  |
| Bank of America Corp., 1.938%, 5/28/24*                                |                         |                  |
| (3-Month BSBY + 0.43%)   | 500,000                 | 492,330          |
| Wells Fargo & Co., 3.3%, 9/9/24  | 1,000,000               | 988,565          |
|  |                         | <b>1,480,895</b> |
| <b>ELECTRIC UTILITIES—0.9%</b>   |                         |                  |
| NextEra Energy Capital Holdings, Inc. , 1.775%, 2/22/23*               |                         |                  |
| (3-Month LIBOR + 0.27%)  | 500,000                 | 496,946          |
| <b>ELECTRICAL COMPONENTS &amp; EQUIPMENT—0.9%</b>                      |                         |                  |
| Rockwell Automation, Inc., 0.35%, 8/15/23                              | 500,000                 | 484,385          |
| <b>HEALTHCARE SERVICES—0.9%</b>  |                         |                  |
| GSK Consumer Healthcare Capital UK PLC, 3.125%, 3/24/25 <sup>(a)</sup> | 500,000                 | 487,983          |
| <b>HOME IMPROVEMENT RETAIL—0.9%</b>                                    |                         |                  |
| The Home Depot, Inc., 2.7%, 4/15/25                                    | 500,000                 | 491,491          |
| <b>LIFE SCIENCES TOOLS &amp; SERVICES—0.9%</b>                         |                         |                  |
| Thermo Fisher Scientific, Inc., 0.797%, 10/18/23                       | 500,000                 | 485,026          |
| <b>MANAGED HEALTHCARE—1.9%</b>   |                         |                  |
| UnitedHealth Group, Inc., 3.7%, 5/15/27                                | 1,000,000               | 996,360          |
| <b>PACKAGED FOODS &amp; MEATS—1.0%</b>                                 |                         |                  |
| Nestle Holdings, Inc., 0.606%, 9/14/24                                 | 550,000                 | 520,208          |
| <b>RESTAURANTS—0.9%</b>  |                         |                  |
| Starbucks Corp. , 1.641%, 2/14/24*                                     |                         |                  |
| (1-Day SOFR + 0.42%)   | 500,000                 | 497,132          |
| <b>SEMICONDUCTOR EQUIPMENT—1.0%</b>                                    |                         |                  |
| KLA Corp., 4.65%, 11/1/24  | 500,000                 | 508,116          |



**THE ALGER PORTFOLIOS | ALGER BALANCED PORTFOLIO**  
**Schedule of Investments June 30, 2022 (Unaudited) (Continued)**

|   | PRINCIPAL<br>AMOUNT | VALUE                |
|---|---------------------|----------------------|
| <b>CORPORATE BONDS—30.1% (CONT.)</b>                      |                     |                      |
| <b>SEMICONDUCTORS—4.7%</b>                                |                     |                      |
| Altera Corp., 4.1%, 11/15/23                              | 1,500,000           | \$ 1,518,485         |
| NVIDIA Corp., 0.309%, 6/15/23                             | 1,000,000           | 973,177              |
|   |                     | <b>2,491,662</b>     |
| <b>SPECIALIZED—2.2%</b>                                   |                     |                      |
| Crown Castle International Corp., 3.2%, 9/1/24            | 1,200,000           | 1,177,290            |
| <b>SYSTEMS SOFTWARE—0.9%</b>                              |                     |                      |
| VMware, Inc., 0.6%, 8/15/23                               | 500,000             | 483,685              |
| <b>TECHNOLOGY HARDWARE STORAGE &amp; PERIPHERALS—2.1%</b> |                     |                      |
| Apple, Inc., 1.125%, 5/11/25                              | 1,200,000           | 1,129,021            |
| <b>TOTAL CORPORATE BONDS</b>                              |                     |                      |
| (Cost \$16,568,550)                                       |                     | <b>16,060,061</b>    |
| <b>Total Investments</b>                                  |                     |                      |
| (Cost \$35,020,795)                                       | 94.9%               | <b>\$ 50,603,951</b> |
| Unaffiliated Securities (Cost \$35,020,795)               |                     | 50,603,951           |
| Other Assets in Excess of Liabilities                     | 5.1%                | 2,724,177            |
| <b>NET ASSETS</b>   | <b>100.0%</b>       | <b>\$ 53,328,128</b> |

# *American Depositary Receipts.*

(a) *Pursuant to Securities and Exchange Commission Rule 144A, this security may be sold prior to its maturity only to qualified institutional buyers. This security represents 0.9% of the net assets of the Portfolio.*

+ *Variable rate securities based on reference index and spread. The rate reported is the rate in effect as of June 30, 2022.*

\* *Non-income producing security.*

**See Notes to Financial Statements.**

**ALGER BALANCED PORTFOLIO****Statement of Assets and Liabilities June 30, 2022 (Unaudited)****Alger Balanced  
Portfolio****ASSETS:**

|  |    |                   |
|--|----|-------------------|
| Investments in unaffiliated securities, at value (Identified cost below)* see accompanying schedule of investments | \$ | 50,603,951        |
| Cash and cash equivalents  |    | 2,784,535         |
| Receivable for shares of beneficial interest sold  |    | 24,046            |
| Dividends and interest receivable  |    | 114,902           |
| Prepaid expenses   |    | 26,950            |
| <b>Total Assets</b>  |    | <b>53,554,384</b> |

**LIABILITIES:**

|  |  |                |
|--|--|----------------|
| Payable for investment securities purchased        |  | 73,928         |
| Payable for shares of beneficial interest redeemed |  | 68,605         |
| Accrued investment advisory fees                   |  | 31,657         |
| Accrued shareholder administrative fees            |  | 446            |
| Accrued administrative fees                        |  | 1,226          |
| Accrued custodian fees                             |  | 1,293          |
| Accrued transfer agent fees                        |  | 755            |
| Accrued printing fees                              |  | 19,429         |
| Accrued professional fees                          |  | 18,022         |
| Accrued fund accounting fees                       |  | 10,013         |
| Accrued other expenses                             |  | 882            |
| <b>Total Liabilities</b>                           |  | <b>226,256</b> |

|                   |           |                   |
|-------------------|-----------|-------------------|
| <b>NET ASSETS</b> | <b>\$</b> | <b>53,328,128</b> |
|-------------------|-----------|-------------------|

**NET ASSETS CONSIST OF:**

|   |  |            |
|---|--|------------|
| Paid in capital (par value of \$.001 per share) |  | 35,296,620 |
| Distributable earnings                          |  | 18,031,508 |

|                   |           |                   |
|-------------------|-----------|-------------------|
| <b>NET ASSETS</b> | <b>\$</b> | <b>53,328,128</b> |
|-------------------|-----------|-------------------|

|                   |    |                           |
|-------------------|----|---------------------------|
| * Identified cost | \$ | 35,020,795 <sup>(a)</sup> |
|-------------------|----|---------------------------|

**See Notes to Financial Statements.**

<sup>(a)</sup> At June 30, 2022, the net unrealized appreciation on investments, based on cost for federal income tax purposes of \$34,864,250, amounted to \$15,739,701, which consisted of aggregate gross unrealized appreciation of \$16,819,787 and aggregate gross unrealized depreciation of \$1,080,086.

**ALGER BALANCED PORTFOLIO****Statement of Assets and Liabilities June 30, 2022 (Unaudited) (Continued)**

|  | <b>Alger Balanced<br/>Portfolio</b> |
|--|-------------------------------------|
| <b>NET ASSETS BY CLASS:</b>                                |                                     |
| Class I-2  | \$ 53,328,128                       |
| <b>SHARES OF BENEFICIAL INTEREST OUTSTANDING — NOTE 6:</b> |                                     |
| Class I-2  | 3,124,377                           |
| <b>NET ASSET VALUE PER SHARE:</b>                          |                                     |
| Class I-2  | \$ 17.07                            |

*See Notes to Financial Statements.*

**ALGER BALANCED PORTFOLIO**

Statement of Operations for the six months ended June 30, 2022 (Unaudited)

|   | Alger Balanced<br>Portfolio |                    |
|---|-----------------------------|--------------------|
| <b>INCOME:</b>  |                             |                    |
| Dividends (net of foreign withholding taxes*)                     | \$                          | 436,702            |
| Interest  |                             | 133,633            |
| Total Income  |                             | 570,335            |
| <b>EXPENSES:</b>  |                             |                    |
| Investment advisory fees — Note 3(a)                              |                             | 203,368            |
| Shareholder administrative fees — Note 3(f)                       |                             | 2,864              |
| Administration fees — Note 3(b)                                   |                             | 7,877              |
| Custodian fees  |                             | 3,114              |
| Transfer agent fees   |                             | 2,455              |
| Professional fees   |                             | 22,291             |
| Registration fees   |                             | 11,296             |
| Trustee fees — Note 3(g)  |                             | 1,058              |
| Fund accounting fees  |                             | 30,984             |
| Other expenses  |                             | 1,633              |
| Total Expenses  |                             | 286,940            |
| <b>NET INVESTMENT INCOME</b>                                      |                             | <b>283,395</b>     |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:</b>        |                             |                    |
| Net realized gain on unaffiliated investments                     |                             | 906,718            |
| Net change in unrealized depreciation on unaffiliated investments |                             | (9,129,079)        |
| Net realized and unrealized loss on investments                   |                             | (8,222,361)        |
| <b>NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>       | <b>\$</b>                   | <b>(7,938,966)</b> |
| * Foreign withholding taxes                                       | \$                          | 2,865              |

*See Notes to Financial Statements.*

**ALGER BALANCED PORTFOLIO**  
**Statements of Changes in Net Assets (Unaudited)**

**Alger Balanced Portfolio**

|   | For the<br>Six Months Ended<br>June 30, 2022 | For the<br>Year Ended<br>December 31, 2021 |
|---|--|--|
| Net investment income   | \$ 283,395                                   | \$ 501,126                                 |
| Net realized gain on investments  | 906,718                                      | 2,693,011                                  |
| Net change in unrealized appreciation (depreciation) on investments           | (9,129,079)                                  | 6,791,869                                  |
| Net increase (decrease) in net assets resulting from operations               | (7,938,966)                                  | 9,986,006                                  |
| Dividends and distributions to shareholders:                                  |  |  |
| Class I-2   | —  | (2,215,274)                                |
| Total dividends and distributions to shareholders                             | —  | (2,215,274)                                |
| Increase (decrease) from shares of beneficial interest transactions — Note 6: |  |  |
| Class I-2   | (1,053,819)                                  | 2,244,761                                  |
| Total increase (decrease)   | (8,992,785)                                  | 10,015,493                                 |
| Net Assets:   |  |  |
| Beginning of period   | 62,320,913                                   | 52,305,420                                 |
| <b>END OF PERIOD</b>  | <b>\$ 53,328,128</b>                         | <b>\$ 62,320,913</b>                       |

**See Notes to Financial Statements.**

## THE ALGER PORTFOLIOS

### Financial Highlights for a share outstanding throughout the period (Unaudited)

#### Alger Balanced Portfolio

|   | Class I-2                                       |                          |                          |                          |                          |                          |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | Six months<br>ended<br>6/30/2022 <sup>(i)</sup> | Year ended<br>12/31/2021 | Year ended<br>12/31/2020 | Year ended<br>12/31/2019 | Year ended<br>12/31/2018 | Year ended<br>12/31/2017 |
| Net asset value, beginning of period                      | \$ 19.59  | \$ 17.05                 | \$ 15.71                 | \$ 13.67                 | \$ 17.20                 | \$ 15.32                 |
| <b>INCOME FROM INVESTMENT<br/>OPERATIONS:</b>             |   |                          |                          |                          |                          |                          |
| Net investment income <sup>(ii)</sup>                     | 0.09  | 0.16                     | 0.21                     | 0.25                     | 0.28                     | 0.29                     |
| Net realized and unrealized gain (loss)<br>on investments | (2.61)  | 3.09                     | 1.39                     | 2.41                     | (0.84)                   | 2.08                     |
| Total from investment operations                          | (2.52)  | 3.25                     | 1.60                     | 2.66                     | (0.56)                   | 2.37                     |
| Dividends from net investment income                      | –   | (0.16)                   | (0.20)                   | (0.23)                   | (0.72)                   | (0.49)                   |
| Distributions from net realized gains                     | –   | (0.55)                   | (0.06)                   | (0.39)                   | (2.25)                   | –                        |
| Net asset value, end of period                            | \$ 17.07  | \$ 19.59                 | \$ 17.05                 | \$ 15.71                 | \$ 13.67                 | \$ 17.20                 |
| Total return  | (12.86)%  | 19.12%                   | 10.23%                   | 19.50%                   | (3.32)%                  | 15.44%                   |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>                          |   |                          |                          |                          |                          |                          |
| Net assets, end of period (000's<br>omitted)              | \$ 53,328                                       | \$ 62,321                | \$ 52,305                | \$ 49,475                | \$ 42,037                | \$ 47,501                |
| Ratio of net expenses to average net<br>assets            | 1.00%   | 1.09%                    | 1.07%                    | 1.10%                    | 1.14%                    | 0.96%                    |
| Ratio of net investment income to<br>average net assets   | 0.99%   | 0.88%                    | 1.34%                    | 1.67%                    | 1.61%                    | 1.77%                    |
| Portfolio turnover rate                                   | 5.83%   | 11.10%                   | 15.41%                   | 5.71%                    | 5.04%                    | 10.89%                   |

**See Notes to Financial Statements.**

<sup>(i)</sup> Ratios have been annualized; total return and portfolio turnover rate have not been annualized.

<sup>(ii)</sup> Amount was computed based on average shares outstanding during the period.

## NOTE 1 — General:

The Alger Portfolios (the “Fund”) is an open-end registered investment company organized as a business trust under the laws of the Commonwealth of Massachusetts. The Fund qualifies as an investment company as defined in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification 946 – Financial Services – Investment Companies. The Fund operates as a series company currently offering seven series of shares of beneficial interest: Alger Capital Appreciation Portfolio, Alger Large Cap Growth Portfolio, Alger Growth & Income Portfolio, Alger Mid Cap Growth Portfolio, Alger Weatherbie Specialized Growth Portfolio, Alger Small Cap Growth Portfolio and Alger Balanced Portfolio (collectively, the “Portfolios”). These financial statements include only the Alger Balanced Portfolio (the “Portfolio”). The Portfolio’s investment objective is current income and long-term capital appreciation which it seeks to achieve through investing in equity and fixed-income securities. Shares of the Portfolio are available to investment vehicles for variable annuity contracts and variable life insurance policies offered by separate accounts of life insurance companies, as well as qualified pension and retirement plans.

## NOTE 2 — Significant Accounting Policies:

*(a) Investment Valuation:* The Portfolio values its financial instruments at fair value using independent dealers or pricing services under policies approved by the Fund’s Board of Trustees (the “Board”). Investments held by the Portfolio are valued on each day the New York Stock Exchange (the “NYSE”) is open, as of the close of the NYSE (normally 4:00 p.m. Eastern Time).

Investments in money market funds and short-term securities held by the Portfolio having a remaining maturity of sixty days or less are valued at amortized cost which approximates market value.

Equity securities, including traded rights, warrants and option contracts for which valuation information is readily available, are valued at the last quoted sales price or official closing price on the primary market or exchange on which they are traded as reported by an independent pricing service. In the absence of quoted sales, such securities are valued at the bid price or, in the absence of a recent bid price, the equivalent as obtained from one or more of the major market makers for the securities to be valued.

Debt securities generally trade in the over-the-counter market. Debt securities with remaining maturities of more than sixty days at the time of acquisition are valued on the basis of the last available bid prices or current market quotations provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a

benchmark yield and develop an estimated tranche-specific spread to the benchmark yield based on the unique attributes of the tranche. Debt securities with a remaining maturity of sixty days or less are valued at amortized cost which approximates market value.

Securities for which market quotations are not readily available are valued at fair value, as determined in good faith pursuant to procedures established by the Board and described further herein.

Securities in which the Portfolio invests may be traded in foreign markets that close before the close of the NYSE. Developments that occur between the close of the foreign markets and the close of the NYSE may result in adjustments to the closing prices to reflect what the Portfolio's investment adviser, pursuant to policies established by the Board, believes to be the fair value of these securities as of the close of the NYSE. The Portfolio may also fair value securities in other situations, for example, when a particular foreign market is closed but the Portfolio is open.

FRS Accounting Standards Codification 820 – Fair Value Measurements and Disclosures (“ASC 820”) defines fair value as the price that the Portfolio would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability and may be observable or unobservable. Observable inputs are based on market data obtained from sources independent of the Portfolio. Unobservable inputs are inputs that reflect the Portfolio's own assumptions based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – significant other observable inputs (including quoted prices for similar investments, amortized cost, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Portfolio's own assumptions in determining the fair value of investments)

The Portfolio's valuation techniques are generally consistent with either the market or the income approach to fair value. The market approach considers prices and other relevant information generated by market transactions involving identical or comparable assets to measure fair value. The income approach converts future amounts to a current, or discounted, single amount. These fair value measurements are determined on the basis of the value indicated by current market expectations about such future events. Inputs for Level 1 include exchange-listed prices and broker quotes in an active market. Inputs for Level 2 include the last trade price in the case of a halted security, an exchange-listed price which has been adjusted for fair value factors, and prices of closely related securities. Additional Level 2 inputs include an evaluated price which is based upon a compilation of observable market information such as spreads for fixed income and preferred securities. Inputs for



Level 3 include, but are not limited to, revenue multiples, earnings before interest, taxes, depreciation and amortization (“EBITDA”) multiples, discount rates, time to exit and the probabilities of success of certain outcomes. Such unobservable market information may be obtained from a company’s financial statements and from industry studies, market data, and market indicators such as benchmarks and indexes. Because of the inherent uncertainty and often limited markets for restricted securities, the valuations assigned to such securities by the Portfolio may significantly differ from the valuations that would have been assigned by the Portfolio had there been an active market for such securities.

Valuation processes are determined by a Valuation Committee (“Committee”) authorized by the Board and comprised of representatives of the Portfolio’s investment adviser and officers of the Fund. The Committee reports its fair value determinations and related valuation information to the Board. The Board is responsible for approving the valuation policy and procedures.

While Committee meetings are held on an as-needed basis, the Committee generally meets quarterly to review and evaluate the effectiveness of the procedures for making fair value determinations. The Committee considers, among other things, the results of quarterly back testing of the fair value model for foreign securities, pricing comparisons between primary and secondary price sources, the outcome of price challenges put to the Portfolio’s pricing vendor, and variances between transactional prices and the previous day’s prices.

In December 2020, the Securities and Exchange Commission (the “SEC”) adopted Rule 2a-5 under the Investment Company Act of 1940, as amended (the “1940 Act”), which is intended to address valuation practices and the role of the board of directors with respect to the fair value of the investments of a registered investment company. Among other things, Rule 2a-5 will permit the Board to designate the Fund’s investment adviser, Fred Alger Management, LLC (“Alger Management” or the “Investment Manager”), to perform the Portfolio’s fair value determinations, which will be subject to the Board’s oversight and certain reporting and other requirements intended to ensure that the Board receives the information it needs to oversee the Investment Manager’s fair value determinations. Compliance with Rule 2a-5 will not be required until September 2022. The Fund, the Board, and the Investment Manager are currently in the process of implementing the requirements of Rule 2a-5 by the deadline.

*(b) Cash and Cash Equivalents:* Cash and cash equivalents include U.S. dollars, foreign cash and overnight time deposits.

*(c) Securities Transactions and Investment Income:* Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income is recognized on the accrual basis.

Premiums and discounts on debt securities purchased are amortized or accreted over the lives of the respective securities.

(d) *Foreign Currency Transactions:* The books and records of the Portfolio are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the prevailing rates of exchange on the valuation date. Purchases and sales of investment securities and income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of such transactions.

Net realized gains and losses on foreign currency transactions represent net gains and losses from the disposition of foreign currencies, currency gains and losses realized between the trade dates and settlement dates of security transactions, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The effects of changes in foreign currency exchange rates on investments in securities are included in realized and unrealized gain or loss on investments in the accompanying Statement of Operations.

(e) *Lending of Fund Securities:* The Portfolio may lend its securities to financial institutions, provided that the market value of the securities loaned will not at any time exceed one third of the Portfolio's total assets including borrowings, as defined in its prospectus. The Portfolio earns fees on the securities loaned, which are included in interest income in the accompanying Statement of Operations. In order to protect against the risk of failure by the borrower to return the securities loaned or any delay in the delivery of such securities, the loan is collateralized by cash or securities that are maintained with Brown Brothers Harriman & Company, the Portfolio's custodian ("BBH" or the "Custodian"), in an amount equal to at least 102% of the current market value of U.S. loaned securities or 105% for non-U.S. loaned securities. The market value of the loaned securities is determined at the close of business of the Portfolio. Any required additional collateral is delivered to the Custodian each day and any excess collateral is returned to the borrower on the next business day. In the event the borrower fails to return the loaned securities when due, the Portfolio may take the collateral to replace the securities. If the value of the collateral is less than the purchase cost of replacement securities, the Custodian shall be responsible for any shortfall, but only to the extent that the shortfall is not due to any diminution in collateral value, as defined in the securities lending agreement. The Portfolio is required to maintain the collateral in a segregated account and determine its value each day until the loaned securities are returned. Cash collateral may be invested as determined by the Portfolio. Collateral is returned to the borrower upon settlement of the loan. There were no securities loaned as of June 30, 2022.

(f) *Dividends to Shareholders:* Dividends and distributions payable to shareholders are recorded by the Portfolio on the ex-dividend date.

Dividends from net investment income, if available, are declared and paid annually. Dividends from net realized gains, offset by any loss carryforward, are declared and paid annually after the end of the fiscal year in which they were earned.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with federal income tax rules. Therefore, the source of the Portfolio's distributions may be shown in the accompanying financial statements as either from, or in excess of, net investment income, net realized gain on investment transactions, or return of capital, depending on the type of book/tax differences that may

exist. Capital accounts within the financial statements are adjusted for permanent book/tax differences. Reclassifications result primarily from the differences in tax treatment of net operating losses, passive foreign investment companies, and foreign currency transactions. The reclassifications are done annually at year-end and have no impact on the net asset value of the Portfolio and are designed to present the Portfolio's capital accounts on a tax basis.

(g) *Federal Income Taxes:* It is the Portfolio's policy to comply with the requirements of the Internal Revenue Code Subchapter M applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Provided that the Portfolio maintains such compliance, no federal income tax is required.

FASB Accounting Standards Codification 740 – Income Taxes (“ASC 740”) requires the Portfolio to measure and recognize in its financial statements the benefit of a tax position taken (or expected to be taken) on an income tax return if such position will more likely than not be sustained upon examination based on the technical merits of the position. No tax years are currently under investigation. The Portfolio files income tax returns in the U.S. Federal jurisdiction, as well as the New York State and New York City jurisdictions. The statute of limitations on the Portfolio's tax returns remains open for the tax years 2018-2021. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

(b) *Allocation Methods:* The Fund accounts separately for the assets, liabilities and operations of the Portfolio. Expenses directly attributable to the Portfolio are charged to the Portfolio's operations; expenses which are applicable to all Portfolios are allocated among them based on net assets.

(i) *Estimates:* These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require using estimates and assumptions that affect the reported amounts therein. These unaudited interim financial statements reflect all adjustments that are, in the opinion of management, necessary to present a fair statement of results for the interim period. Actual results may differ from those estimates. All such estimates are of a normal recurring nature.

### **NOTE 3 — Investment Advisory Fees and Other Transactions with Affiliates:**

(a) *Investment Advisory Fees:* Fees incurred by the Portfolio, pursuant to the provisions of the Fund's Investment Advisory Agreement with the Investment Manager, are payable monthly and computed based on the following rates. The actual rate paid as a percentage of average daily net assets, for the six months ended June 30, 2022, is set forth below under the heading “Actual Rate”:

|   | <b>Tier 1</b> | <b>Tier 2</b> | <b>Actual Rate</b> |
|---|---------------|---------------|--------------------|
| Alger Balanced Portfolio <sup>(a)</sup> | 0.71%         | 0.55%         | 0.71%              |

<sup>(a)</sup> Tier 1 rate is paid on assets up to \$1 billion and Tier 2 rate is paid on assets in excess of \$1 billion.

(b) *Administration Fees:* Fees incurred by the Portfolio, pursuant to the provisions of the Fund's Fund Administration Agreement with Alger Management, are payable monthly and computed based on the average daily net assets of the Portfolio at the annual rate of 0.0275%.

(c) *Brokerage Commissions:* During the six months ended June 30, 2022, there were no payments to Fred Alger & Company, LLC, the Fund's distributor and affiliate of Alger Management (the "Distributor"), in connection with securities transactions.

(d) *Interfund Loans:* The Portfolio, along with other funds in the Alger Fund Complex (as defined below), may borrow money from and lend money to each other for temporary or emergency purposes. To the extent permitted under its investment restrictions, the Portfolio may lend uninvested cash in an amount up to 15% of its net assets to other funds in the Alger Fund Complex. If the Portfolio has borrowed from other funds in the Alger Fund Complex and has aggregate borrowings from all sources that exceed 10% of the Portfolio's total assets, the Portfolio will secure all of its loans from other funds in the Alger Fund Complex. The interest rate charged on interfund loans is equal to the average of the overnight time deposit rate and bank loan rate available to the Portfolio. There were no interfund loans outstanding as of June 30, 2022.

(e) *Other Transactions with Affiliates:* Certain officers and one Trustee of the Fund are directors and/or officers of Alger Management, the Distributor, or their affiliates. No shares of the Portfolio were held by Alger Management and its affiliated entities as of June 30, 2022.

(f) *Shareholder Administrative Fees:* The Fund has entered into a Shareholder Administrative Services Agreement with Alger Management to compensate Alger Management for providing administrative oversight of the Fund's transfer agent and for other related services. The Portfolio compensates Alger Management at the annual rate of 0.01% of the average daily net assets for these services.

(g) *Trustee Fees:* Effective January 1, 2022, each trustee who is not an "interested person" of the Fund, as defined in the 1940 Act ("Independent Trustee"), receives a fee of \$156,000 per annum, paid pro rata based on net assets by each fund in the Alger Fund Complex, plus travel expenses incurred for attending board meetings. The term "Alger Fund Complex" refers to the Fund, The Alger Institutional Funds, The Alger Funds II, The Alger Funds, Alger Global Focus Fund and The Alger ETF Trust, each of which is a registered investment company managed by Alger Management. The Independent Trustee appointed as Chairman of the Board receives additional compensation of \$22,000 per annum paid pro rata based on net assets by each fund in the Alger Fund Complex. Additionally, each member of the Audit Committee receives a fee of \$13,000 per annum, paid pro rata based on net assets by each fund in the Alger Fund Complex.

Effective January 1, 2022, the Board adopted a policy requiring Trustees to receive a minimum of 10% of their annual compensation in shares of one or more of the funds in the Alger Fund Complex.

**THE ALGER PORTFOLIOS | Alger Balanced Portfolio**  
**NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)**

(b) *Interfund Trades:* The Portfolio may engage in purchase and sale transactions with other funds advised by Alger Management or Weatherbie Capital, LLC, an affiliate of Alger Management. There were no interfund trades during the six months ended June 30, 2022.

**NOTE 4 — Securities Transactions:**

Purchases and sales of securities, other than U.S. Government securities and short-term securities, for the six months ended June 30, 2022, were as follows:

|                          | PURCHASES   | SALES       |
|--------------------------|-------------|-------------|
| Alger Balanced Portfolio | \$5,157,990 | \$3,201,138 |

**NOTE 5 — Borrowings:**

The Portfolio may borrow from the Custodian on an uncommitted basis. The Portfolio pays the Custodian a market rate of interest, generally based upon a rate of return with respect to each respective currency borrowed, taking into consideration relevant overnight and short-term reference rates and the range of distribution between and among the interest rates paid on deposits to other institutions, less applicable commissions, if any. The Portfolio may also borrow from other funds in the Alger Fund Complex, as discussed in Note 3(d). For the six months ended June 30, 2022, the Portfolio had no borrowings from the Custodian or other funds in the Alger Fund Complex.

On September 7, 2021, BBH announced that it had entered into an agreement with State Street Bank and Trust Company (“State Street”) to sell BBH’s Investor Services business to State Street (the “Transaction”). The completion of the Transaction is subject to customary closing conditions and regulatory approvals. If the Transaction is finalized, it is expected that State Street will replace BBH as the Fund’s custodian. The timing for completion of the Transaction is not currently known.

**NOTE 6 — Share Capital:**

The Portfolio has an unlimited number of authorized shares of beneficial interest of \$.001 par value. During the six months ended June 30, 2022, and the year ended December 31, 2021, transactions of shares of beneficial interest were as follows:

|                                 | FOR THE SIX MONTHS ENDED<br>JUNE 30, 2022 |                    | FOR THE YEAR ENDED<br>DECEMBER 31, 2021 |                     |
|---------------------------------|---|--------------------|---|---------------------|
|                                 | SHARES                                    | AMOUNT             | SHARES                                  | AMOUNT              |
| <b>Alger Balanced Portfolio</b> |   |                    |   |                     |
| <b>Class I-2:</b>               |   |                    |   |                     |
| Shares sold                     | 166,850                                   | 3,056,494          | 674,212                                 | \$ 12,942,492       |
| Dividends reinvested            | —   | —                  | 113,896                                 | 2,215,274           |
| Shares redeemed                 | (223,568)                                 | (4,110,313)        | (675,025)                               | (12,913,005)        |
| <b>Net increase (decrease)</b>  | <b>(56,718)</b>                           | <b>(1,053,819)</b> | <b>113,083</b>                          | <b>\$ 2,244,761</b> |

**NOTE 7 — Income Tax Information:**

At December 31, 2021, the Portfolio had no capital loss carryforwards utilized for federal income tax purposes.

**THE ALGER PORTFOLIOS | Alger Balanced Portfolio**  
**NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)**

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is determined annually and is attributable primarily to the tax deferral of losses on wash sales, U.S. Internal Revenue Code Section 988 currency transactions, tax treatment of partnership investments, realization of unrealized appreciation of passive foreign investment companies, and return of capital from real estate investment trust investments.

The Portfolio accrues tax on unrealized gains in foreign jurisdictions that impose a foreign capital tax.

**NOTE 8 — Fair Value Measurements:**

The major categories of securities and their respective fair value inputs are detailed in the Portfolio's Schedule of Investments. Based upon the nature, characteristics, and risks associated with its investments as of June 30, 2022, the Portfolio has determined that presenting them by security type and sector is appropriate.

| Alger Balanced Portfolio                  | TOTAL                | LEVEL 1              | LEVEL 2              | LEVEL 3  |
|---|----------------------|----------------------|----------------------|----------|
| <b>COMMON STOCKS</b>                      |                      |                      |                      |          |
| Communication Services                    | \$ 3,782,968         | \$ 3,782,968         | \$ —                 | —        |
| Consumer Discretionary                    | 2,383,869            | 2,383,869            | —                    | —        |
| Consumer Staples                          | 2,753,369            | 2,753,369            | —                    | —        |
| Energy                                    | 1,669,973            | 1,669,973            | —                    | —        |
| Financials                                | 3,889,991            | 3,889,991            | —                    | —        |
| Healthcare                                | 5,802,659            | 5,802,659            | —                    | —        |
| Industrials                               | 2,211,348            | 2,211,348            | —                    | —        |
| Information Technology                    | 9,022,353            | 9,022,353            | —                    | —        |
| Materials                                 | 733,019              | 733,019              | —                    | —        |
| Utilities                                 | 503,165              | 503,165              | —                    | —        |
| <b>TOTAL COMMON STOCKS</b>                | <b>\$ 32,752,714</b> | <b>\$ 32,752,714</b> | <b>\$ —</b>          | <b>—</b> |
| <b>MASTER LIMITED PARTNERSHIP</b>         |                      |                      |                      |          |
| Energy                                    | 198,954              | 198,954              | —                    | —        |
| <b>REAL ESTATE INVESTMENT TRUST</b>       |                      |                      |                      |          |
| Financials                                | 248,560              | 248,560              | —                    | —        |
| Real Estate                               | 1,343,662            | 1,343,662            | —                    | —        |
| <b>TOTAL REAL ESTATE INVESTMENT TRUST</b> | <b>\$ 1,592,222</b>  | <b>\$ 1,592,222</b>  | <b>\$ —</b>          | <b>—</b> |
| <b>CORPORATE BONDS</b>                    |                      |                      |                      |          |
| Consumer Discretionary                    | 1,925,914            | —                    | 1,925,914            | —        |
| Consumer Staples                          | 520,208              | —                    | 520,208              | —        |
| Financials                                | 1,480,895            | —                    | 1,480,895            | —        |
| Healthcare                                | 2,955,339            | —                    | 2,955,339            | —        |
| Industrials                               | 1,451,320            | —                    | 1,451,320            | —        |
| Information Technology                    | 6,052,149            | —                    | 6,052,149            | —        |
| Real Estate                               | 1,177,290            | —                    | 1,177,290            | —        |
| Utilities                                 | 496,946              | —                    | 496,946              | —        |
| <b>TOTAL CORPORATE BONDS</b>              | <b>\$ 16,060,061</b> | <b>\$ —</b>          | <b>\$ 16,060,061</b> | <b>—</b> |
| <b>TOTAL INVESTMENTS IN SECURITIES</b>    | <b>\$ 50,603,951</b> | <b>\$ 34,543,890</b> | <b>\$ 16,060,061</b> | <b>—</b> |

The significant unobservable inputs used in the fair value measurement of the Portfolio's securities are revenue and EBITDA multiples, discount rates, and the probability of success of certain outcomes. Significant increases and decreases in these inputs in isolation and interrelationships between these inputs would have resulted in significantly higher or lower fair value measurements than those noted in the table above. Generally, all other things being equal, increases in revenue and EBITDA multiples, decreases in discount rates, and increases in the probability of success result in higher fair value measurements, whereas decreases in revenues and EBITDA multiples, increases in discount rates, and decreases in the probability of success result in lower fair value measurements.

Certain of the Portfolio's assets and liabilities are held at carrying amount or face value, which approximates fair value for financial reporting purposes. As of June 30, 2022, such assets were categorized within the ASC 820 disclosure hierarchy as follows:

|                            | <b>TOTAL FUND</b> | <b>LEVEL 1</b> | <b>LEVEL 2</b> | <b>LEVEL 3</b> |
|----------------------------|-------------------|----------------|----------------|----------------|
| Cash and cash equivalents: | \$ 2,784,535      | \$ —           | \$ 2,784,535   | \$ —           |

#### **NOTE 9 — Risk Disclosures:**

Investing in the stock market involves risks, including the potential loss of principal. Your investment in Portfolio shares represents an indirect investment in the securities owned by the Portfolio. The value of these securities, like other investments, may move up or down, sometimes rapidly and unpredictably. Your Portfolio shares at any point in time may be worth less than what you invested, even after taking into account the reinvestment of Portfolio dividends and distributions. Local, regional or global events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, recessions, or other events could have a significant impact on investments. Growth stocks may be more volatile than other stocks as their prices tend to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. The risks of investing in fixed-income securities include sensitivity to interest-rate and credit rating changes, call risk, increased volatility for lower rated securities, and pre-payment risk. Income-producing securities may cut or fail to declare dividends due to market downturns or for other reasons. Junk bonds are high risk investments that are considered speculative and may cause income and principal losses. A significant portion of assets may be invested in securities of companies in related sectors, and may be similarly affected by economic, political, or market events and conditions and may be more vulnerable to unfavorable sector developments. At times, the Portfolio may hold a large cash position, which may underperform relative to equity securities.

#### **NOTE 10 — Subsequent Events:**

Management of the Portfolio has evaluated events that have occurred subsequent to June 30, 2022, through the issuance date of the financial statements. No such events have been identified which require recognition and/or disclosure.

## Shareholder Expense Example

As a shareholder of the Portfolio, you incur two types of costs: transaction costs, if applicable; and ongoing costs, including management fees and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The example below is based on an investment of \$1,000 invested at the beginning of the six-month period starting January 1, 2022 and ending June 30, 2022 and held for the entire period.

## Actual Expenses

The first line for each class of shares in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Six Months Ended June 30, 2022” to estimate the expenses you paid on your account during this period.

## Hypothetical Example for Comparison Purposes

The second line for each class of shares in the table below provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio for each class of the Portfolio’s shares and an assumed rate of return of 5% per year before expenses, which is not the Portfolio’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs or deduction of insurance charges against assets or annuities. Therefore, the second line under each class of shares in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.



**THE ALGER PORTFOLIOS | Alger Balanced Portfolio**  
**ADDITIONAL INFORMATION (Unaudited) (Continued)**

|                                 |                             | Beginning<br>Account<br>Value<br>January 1, 2022 | Ending<br>Account<br>Value<br>June 30, 2022 | Expenses<br>Paid During<br>the Six Months<br>Ended<br>June 30, 2022 <sup>(a)</sup> | Annualized<br>Expense Ratio<br>For the<br>Six Months<br>Ended<br>June 30, 2022 <sup>(b)</sup> |
|---------------------------------|-----------------------------|--|---|--|---|
| <b>Alger Balanced Portfolio</b> |                             |  |   |  |   |
| <b>Class I-2</b>                | Actual                      | \$ 1,000.00                                      | \$ 871.40                                   | \$ 4.64  | 1.00%   |
|                                 | Hypothetical <sup>(c)</sup> | 1,000.00   | 1,019.84                                    | 5.01   | 1.00  |

<sup>(a)</sup> Expenses are equal to the annualized expense ratio of the share class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

<sup>(b)</sup> Annualized.

<sup>(c)</sup> 5% annual return before expenses.

## Privacy Policy

### U.S. Consumer Privacy Notice

Rev. 06/22/21

| FACTS | WHAT DOES ALGER DO WITH YOUR PERSONAL INFORMATION?  |
|-------|---|
| Why?  | Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.  |
| What? | The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and</li> <li>• Account balances and</li> <li>• Transaction history and</li> <li>• Purchase history and</li> <li>• Assets</li> </ul> When you are no longer our customer, we continue to share your information as described in this notice. |
| How?  | All financial companies need to share personal information to run their everyday business. In the section below, we list the reasons financial companies can share their personal information; the reasons Alger chooses to share; and whether you can limit this sharing.  |

| Reasons we can share your personal information  | Does Alger share? | Can you limit this sharing? |
|---|-------------------|-----------------------------|
| <b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | <b>Yes</b>        | <b>No</b>                   |
| <b>For our marketing purposes</b> — to offer our products and services to you   | <b>Yes</b>        | <b>No</b>                   |
| <b>For joint marketing with other financial companies</b>   | <b>No</b>         | <b>We don't share</b>       |
| <b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences   | <b>Yes</b>        | <b>No</b>                   |
| <b>For our affiliates' everyday business purposes</b> — information about your creditworthiness   | <b>No</b>         | <b>We don't share</b>       |
| <b>For nonaffiliates to market to you</b>   | <b>No</b>         | <b>We don't share</b>       |
| <b>Questions? Call 1-800-223-3810</b>   |                   |                             |

**THE ALGER PORTFOLIOS | Alger Balanced Portfolio**  
**ADDITIONAL INFORMATION (Unaudited) (Continued)**

| <b>Who we are</b>                               |  |
|---|--|
| Who is providing this notice?                   | Alger includes Fred Alger Management, LLC and Fred Alger & Company, LLC as well as the following funds: The Alger Funds, The Alger Funds II, The Alger Institutional Funds, The Alger Portfolios, Alger Global Focus Fund, and The Alger ETF Trust.  |
| <b>What we do</b>                               |  |
| How does Alger protect my personal information? | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.  |
| How does Alger collect my personal information? | We collect your personal information, for example, when you: <ul style="list-style-type: none"> <li>• Open an account or</li> <li>• Make deposits or withdrawals from your account or</li> <li>• Give us your contact information or</li> <li>• Provide account information or</li> <li>• Pay us by check.</li> </ul>  |
| Why can't I limit all sharing?                  | Federal law gives you the right to limit some but not all sharing related to: <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes — information about your credit worthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.    |
| <b>Definitions</b>                              |  |
| Affiliates                                      | Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Our affiliates include Fred Alger Management, LLC, Weatherbie Capital, LLC and Fred Alger &amp; Company, LLC as well as the following funds: The Alger Funds, The Alger Funds II, The Alger Institutional Funds, The Alger Portfolios, Alger Global Focus Fund, and The Alger ETF Trust.</li> </ul> |
| Nonaffiliates                                   | Companies not related by common ownership or control. They can be financial and nonfinancial companies.  |
| Joint marketing                                 | A formal agreement between nonaffiliated financial companies that together market financial products or services to you.   |

## Proxy Voting Policies

A description of the policies and procedures the Portfolio uses to determine how to vote proxies relating to portfolio securities and the proxy voting record is available, without charge, by calling (800) 992-3863 or online on the Portfolio's website at <http://www.alger.com> or on the SEC's website at <http://www.sec.gov>.

## Fund Holdings

The Board has adopted policies and procedures relating to disclosure of the Portfolio's securities. These policies and procedures recognize that there may be legitimate business reasons for holdings to be disclosed and seek to balance those interests to protect the proprietary nature of the trading strategies and implementation thereof by the Portfolio.

Generally, the policies prohibit the release of information concerning portfolio holdings, which have not previously been made public, to individual investors, institutional investors, intermediaries that distribute the Portfolio's shares and other parties which are not employed by the Investment Manager or its affiliates except when the legitimate business purposes for selective disclosure and other conditions (designed to protect the Portfolio) are acceptable.

The Portfolio files its complete schedule of portfolio holdings with the SEC semi-annually in shareholder reports on Form N-CSR and after the first and third fiscal quarters as an exhibit to its reports on Form N-PORT. The Portfolio's Forms N-CSR and N-PORT are available online on the SEC's website at [www.sec.gov](http://www.sec.gov).

In addition, the Portfolio makes publicly available its month-end top 10 holdings with a 10 day lag and its month-end full portfolio with a 60 day lag on its website [www.alger.com](http://www.alger.com) and through other marketing communications (including printed advertising/sales literature and/or shareholder telephone customer service centers). No compensation or other consideration is directly received for the non-public disclosure of portfolio holdings information.

In accordance with the foregoing, the Portfolio provides portfolio holdings information to third parties including financial intermediaries and service providers who need access to this information in the performance of their services and are subject to duties of confidentiality (1) imposed by law, including a duty not to trade on non-public information, and/or (2) pursuant to an agreement that confidential information is not to be disclosed or used (including trading on such information) other than as required by law. From time to time, the Fund will communicate with these third parties to confirm that they understand the Portfolio's policies and procedures regarding such disclosure. These agreements must be approved by the Portfolio's Chief Compliance Officer.

The Board periodically reviews a report disclosing the third parties to whom the Portfolio's holdings information has been disclosed and the purpose for such disclosure, and it considers whether or not the release of information to such third parties is in the best interest of the Portfolio and its shareholders.

In addition to material the Portfolio routinely provides to shareholders, the Investment Manager may make additional statistical information available regarding the Alger Family of Funds. Such information may include, but not be limited to, relative weightings and characteristics of the Portfolio versus an index (such as P/E ratio, alpha, beta, capture ratio, maximum drawdown, standard deviation, EPS forecasts, Sharpe ratio, information ratio, R-squared, and market cap analysis), security specific impact on overall portfolio performance, month-end top ten contributors to and detractors from performance, portfolio turnover, and other similar information. Shareholders should visit [www.alger.com](http://www.alger.com) or may also contact the Funds at (800) 992-3863 to obtain such information.

## **THE ALGER PORTFOLIOS**

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100 Pearl Street, 27th Floor  
New York, NY 10004  
(800) 992-3863  
www.alger.com

### **Investment Manager**

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Fred Alger Management, LLC  
100 Pearl Street, 27th Floor  
New York, NY 10004

### **Distributor**

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Fred Alger & Company, LLC  
100 Pearl Street, 27th Floor  
New York, NY 10004

### **Transfer Agent and Dividend Disbursing Agent**

---

UMB Fund Services, Inc.  
235 W. Galena Street  
Milwaukee, WI 53212

### **Custodian**

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Brown Brothers Harriman & Company  
50 Post Office Square  
Boston, MA 02110

### **Independent Registered Public Accounting Firm**

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Deloitte & Touche LLP  
30 Rockefeller Plaza  
New York, NY 10112


This report is submitted for the general information of the shareholders of Alger Balanced Portfolio. It is not authorized for distribution to prospective investors unless accompanied by an effective Prospectus for the Portfolio, which contains information concerning the Portfolio's investment policies, fees and expenses as well as other pertinent information.

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# ALGER

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BalancedSAR



# BNY Mellon Investment Portfolios, MidCap Stock Portfolio

**SEMI-ANNUAL REPORT**  
June 30, 2022



**BNY MELLON**  
INVESTMENT MANAGEMENT

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The views expressed in this report reflect those of the portfolio manager(s) only through the end of the period covered and do not necessarily represent the views of BNY Mellon Investment Adviser, Inc. or any other person in the BNY Mellon Investment Adviser, Inc. organization. Any such views are subject to change at any time based upon market or other conditions and BNY Mellon Investment Adviser, Inc. disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a fund in the BNY Mellon Family of Funds are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any fund in the BNY Mellon Family of Funds.

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## DISCUSSION OF FUND PERFORMANCE (Unaudited)

*For the period from January 1, 2022, through June 30, 2022, as provided by portfolio managers Peter D. Goslin, CFA and Adam Logan, CFA of Newton Investment Management North America, LLC, sub-adviser*

### **Market and Fund Performance Overview**

For the six-month period ended June 30, 2022, BNY Mellon Investment Portfolios, MidCap Stock Portfolio (the “fund”) Initial shares produced a total return of  $-19.61\%$ , and its Service shares produced a total return of  $-19.74$ .<sup>1</sup> In comparison, the fund’s benchmark, the S&P MidCap 400® Index (the “Index”), produced a total return of  $-19.54\%$  for the same period.<sup>2</sup>

Mid-cap stocks lost ground during the reporting period under pressure from sharply increasing inflation, monetary tightening measures undertaken by the U.S. Federal Reserve (the “Fed”) and uncertainties related to Russia’s invasion of Ukraine. The fund slightly underperformed the Index, largely due to relatively weak returns in the financials, consumer discretionary and information technology sectors.

### **The Fund’s Investment Approach**

The fund seeks investment results that are greater than the total return performance of publicly traded, common stocks of medium-sized, domestic companies in the aggregate, as represented by the Index. To pursue this goal, the fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in stocks of mid-cap companies.

The fund invests in growth and value stocks, which are chosen through a disciplined investment process that combines quantitative-modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the Index is a primary goal of the investment process.

The portfolio managers select stocks through a “bottom-up” structured approach that seeks to identify undervalued securities using a quantitative ranking process. The process is driven by a proprietary stock selection model that measures a diverse set of corporate characteristics to identify and rank stocks based on valuation, momentum, sentiment and earnings-quality measures.

Next, the fund’s portfolio managers construct the portfolio through a risk-controlled process, focusing on stock selection, as opposed to making proactive decisions as to industry and sector exposure. The portfolio managers seek to maintain a portfolio that has exposure to industries and market capitalizations that are generally similar to the fund’s benchmark. Finally, within each sector and style subset, the fund will seek to overweight the most attractive stocks and underweight or not hold the stocks that have been ranked least attractive.

### **Mounting Inflation Poses an Economic Challenge**

Inflationary pressures put a damper on markets in early 2022. Commodity prices rose in response to wage increases and lingering, pandemic-related supply-chain bottlenecks, while government stimulus and accommodative monetary policies pressured prices as well. Central banks responded with increasingly hawkish actions targeting inflation. The Fed raised the

federal fund target rate by .25% in March and .50% in May, followed by a .75% hike in June. Fed officials projected a year-end federal funds rate of 3.4%, compared with initial projections of 1.9% made in March.

Nevertheless, inflation continued to gather steam, exacerbated by the Russian invasion of Ukraine in February 2022. Energy costs, already at elevated levels, spiked higher, along with prices of crucial agricultural chemicals, grains and industrial metals. By the end of June, the U.S. consumer price index, a widely accepted measure of inflation, had risen by approximately 8.6% from 12-month-previous levels, the largest 12-month percentage increase since 1981.

### **Quality and Earnings Revisions Factors Underperform**

Investors failed to reward the quality and earnings revisions factors employed by the fund, causing performance to slightly lag that of the Index. While the fund's systematic stock-selection approach is based on rankings of value, momentum, sentiment and quality measures rather than focusing on industry or sector exposure, some industries and sectors detracted from returns more than others. During the review period, the fund's positions in the financials, consumer discretionary and information technology sectors proved weakest relative to the Index. As the fund invests in a large number of stocks, the performance of any individual holding had minimal impact on overall fund performance. Nevertheless, lack of exposure to two strong-performing financial sector stocks—regional bank First Horizon and life insurer Unum Group—took a toll on relative returns. In the consumer discretionary sector, weak selection in the apparel and textile industry undermined performance. In information technology, cloud-based customer relationship management company HubSpot lost ground along with other richly valued, growth-oriented technology names.

Conversely, the fund's relative returns benefited from the effectiveness of value factors in identifying strong-performing stocks. Strong-performing sectors included real estate, industrials and materials. In the real estate sector, selections among real estate investment trusts bolstered returns. Among industrials, holdings in the machinery and the commercial services and supplies areas outperformed. In the materials sector, chemicals holdings produced the best results. Notably strong, individual contributors to relative performance included oil and gas exploration and production company Marathon Oil, medical device maker Masimo and reinsurer Alleghany.

### **Maintaining a Systematic and Disciplined Investment Approach**

Whether or not the U.S. economy continues to grow in the coming months is likely to depend on the continuing impact of inflation and the effectiveness of the Fed's efforts to keep it in check. The latest Fed projections for the remainder of 2022 show the U.S. economy remaining out of recession, with modest growth of 1.7%, unemployment at 3.7% and consumer price index inflation at 8%-to-9% at year end. As mentioned earlier, the Fed expects the federal funds rate to end 2022 in the 3.25%-to-3.5% range, implying a further 1.5%-to-1.75% increase over the next six months, a near-doubling of the current rate. While many market observers viewed the Fed's earlier actions as behind the inflation curve, most view their more recent actions and current projections as more closely in line with their own expectations, a positive sign for market stability and confidence. Other positive signs are the continued resilience of consumer spending, which represents over half of the U.S. economy, and the stability of the yield curve, which has remained relatively flat. An inversion of the

## DISCUSSION OF FUND PERFORMANCE (Unaudited) (continued)

yield curve, in which short-term yields exceed longer-term yields, is often seen as a sign of an impending recession. The effects of inflation and the strong U.S. dollar on corporate profitability are other areas that bear close watching in terms of possible impacts on equity performance.

The fund's investment strategy remains sharply focused on our systematic approach to evaluating securities and building portfolios. This approach has allowed us to create an investment process that participates in rising equity markets and helps protect capital during times of stress in the marketplace. As of the end of the review period, the fund holds 294 individual securities characterized by attractive valuations and improving fundamentals. Sector weightings remain close to those of the Index, with slightly overweight exposure to communication services, materials and real estate, and slightly underweight exposure to information technology, industrials and health care. As always, overweights and underweights are determined by our bottom-up, factor-driven stock selection process rather than by top-down macroeconomic opinions. We continue to mitigate risks relative to the Index from a sector and market-capitalization standpoint, and believe the fund is well positioned to benefit from the prevailing market environment.

July 15, 2022

- <sup>1</sup> *Total return includes reinvestment of dividends and any capital gains paid. Past performance is no guarantee of future results. Share price and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. The fund's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in variable insurance contracts, which will reduce returns. The fund's return reflects the absorption of certain fund expenses by BNY Mellon Investment Adviser, Inc. pursuant to an agreement in effect through April 29, 2023, at which time it may be extended, modified or terminated. Had these expenses not been absorbed, returns would have been lower.*
- <sup>2</sup> *Source: Lipper Inc. — The S&P MidCap 400<sup>®</sup> Index provides investors with a benchmark for mid-sized companies. The Index measures the performance of mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment. Investors cannot invest directly in any index.*

*Equities are subject generally to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees, all of which are more fully described in the fund's prospectus.*

*Recent market risks include pandemic risks related to COVID-19. The effects of COVID-19 have contributed to increased volatility in global markets and will likely affect certain countries, companies, industries and market sectors more dramatically than others. To the extent the fund may overweight its investments in certain countries, companies, industries or market sectors, such positions will increase the fund's exposure to risk of loss from adverse developments affecting those countries, companies, industries or sectors.*

*Stocks of mid-cap companies often experience sharper price fluctuations than stocks of large-cap companies.*

*The fund is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies. Individuals may not purchase shares of the fund directly. A variable annuity is an insurance contract issued by an insurance company that enables investors to accumulate assets on a tax-deferred basis for retirement or other long-term goals. The investment objective and policies of BNY Mellon Investment Portfolios, MidCap Stock Portfolio made available through insurance products may be similar to those of other funds managed by BNY Mellon Investment Adviser, Inc. However, the investment results of the fund may be higher or lower than, and may not be comparable to, those of any other BNY Mellon Investment Adviser, Inc. fund.*

## UNDERSTANDING YOUR FUND'S EXPENSES (Unaudited)

As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads), redemption fees and expenses associated with variable annuity or insurance contracts, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial adviser.

### Review your fund's expenses

The table below shows the expenses you would have paid on a \$1,000 investment in BNY Mellon Investment Portfolios, MidCap Stock Portfolio from January 1, 2022 to June 30, 2022. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

| <b>Expenses and Value of a \$1,000 Investment</b>            |                       |                       |
|--|-----------------------|-----------------------|
| Assume actual returns for the six months ended June 30, 2022 |                       |                       |
|  | <b>Initial Shares</b> | <b>Service Shares</b> |
| Expenses paid per \$1,000 <sup>†</sup>                       | \$3.58                | \$4.69                |
| Ending value (after expenses)                                | \$803.90              | \$802.60              |

## COMPARING YOUR FUND'S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

### Using the SEC's method to compare expenses

The Securities and Exchange Commission ("SEC") has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your fund's expenses based on a \$1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

| <b>Expenses and Value of a \$1,000 Investment</b>                                   |                       |                       |
|---|-----------------------|-----------------------|
| Assuming a hypothetical 5% annualized return for the six months ended June 30, 2022 |                       |                       |
|   | <b>Initial Shares</b> | <b>Service Shares</b> |
| Expenses paid per \$1,000 <sup>†</sup>  | \$4.01                | \$5.26                |
| Ending value (after expenses)   | \$1,020.83            | \$1,019.59            |

<sup>†</sup> Expenses are equal to the fund's annualized expense ratio of .80% for Initial Shares and 1.05% for Service Shares, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# STATEMENT OF INVESTMENTS

June 30, 2022 (Unaudited)

| Description                                | Shares              | Value (\$)       |
|--|---------------------|------------------|
| <b>Common Stocks - 99.7%</b>               |                     |                  |
| <b>Automobiles &amp; Components - 1.1%</b> |                     |                  |
| Adient                                     | 5,475 <sup>a</sup>  | 162,224          |
| Fox Factory Holding                        | 865 <sup>a</sup>    | 69,667           |
| Harley-Davidson                            | 16,395              | 519,066          |
| The Goodyear Tire & Rubber Company         | 27,355 <sup>a</sup> | 292,972          |
| Thor Industries                            | 6,660 <sup>b</sup>  | 497,702          |
|  |                     | <b>1,541,631</b> |
| <b>Banks - 7.3%</b>                        |                     |                  |
| Associated Banc-Corp                       | 72,350              | 1,321,111        |
| Bank OZK                                   | 14,615              | 548,501          |
| Cathay General Bancorp                     | 40,220              | 1,574,613        |
| Essent Group                               | 10,345              | 402,420          |
| Fulton Financial                           | 37,965              | 548,594          |
| Hancock Whitney                            | 22,485              | 996,760          |
| MGIC Investment                            | 42,865              | 540,099          |
| PacWest Bancorp                            | 31,070              | 828,326          |
| Popular                                    | 2,130               | 163,861          |
| Synovus Financial                          | 25,235              | 909,722          |
| UMB Financial                              | 15,220              | 1,310,442        |
| Washington Federal                         | 24,600              | 738,492          |
|  |                     | <b>9,882,941</b> |
| <b>Capital Goods - 11.9%</b>               |                     |                  |
| A.O. Smith                                 | 6,045               | 330,541          |
| Acuity Brands                              | 4,155               | 640,036          |
| AECOM                                      | 18,410              | 1,200,700        |
| Air Lease                                  | 3,965               | 132,550          |
| Allison Transmission Holdings              | 3,205               | 123,232          |
| Armstrong World Industries                 | 5,115               | 383,420          |
| Builders FirstSource                       | 8,660 <sup>a</sup>  | 465,042          |
| Carlisle                                   | 1,575               | 375,811          |
| Crane Holdings                             | 4,300               | 376,508          |
| Curtiss-Wright                             | 4,780               | 631,247          |
| Donaldson                                  | 21,310              | 1,025,863        |
| Dycom Industries                           | 5,750 <sup>a</sup>  | 534,980          |
| EMCOR Group                                | 12,125              | 1,248,390        |
| Kennametal                                 | 32,850              | 763,105          |
| Lennox International                       | 4,475               | 924,490          |
| Lincoln Electric Holdings                  | 5,115               | 630,986          |
| Nordson                                    | 4,045               | 818,870          |
| nVent Electric                             | 37,565              | 1,176,911        |
| Owens Corning                              | 3,810               | 283,121          |
| Pentair                                    | 25,170              | 1,152,031        |



| Description  | Shares              | Value (\$)        |
|--|---------------------|-------------------|
| <b>Common Stocks - 99.7% (continued)</b>             |                     |                   |
| <b>Capital Goods - 11.9% (continued)</b>             |                     |                   |
| Simpson Manufacturing                                | 3,155               | 317,425           |
| SiteOne Landscape Supply                             | 1,710 <sup>a</sup>  | 203,268           |
| Sunrun   | 8,110 <sup>a</sup>  | 189,450           |
| Terex  | 12,295              | 336,514           |
| Textron  | 7,755               | 473,598           |
| The Timken Company                                   | 3,210               | 170,291           |
| The Toro Company                                     | 2,465               | 186,822           |
| Trex   | 8,740 <sup>a</sup>  | 475,631           |
| Univar Solutions                                     | 6,230 <sup>a</sup>  | 154,940           |
| Watts Water Technologies, Cl. A                      | 3,960               | 486,446           |
|  |                     | <b>16,212,219</b> |
| <b>Commercial &amp; Professional Services - 2.9%</b> |                     |                   |
| ASGN   | 6,300 <sup>a</sup>  | 568,575           |
| CACI International, Cl. A                            | 1,580 <sup>a</sup>  | 445,212           |
| FTI Consulting                                       | 2,695 <sup>a</sup>  | 487,391           |
| Insperity  | 5,185               | 517,619           |
| Jacobs Engineering Group                             | 1,160               | 147,471           |
| ManpowerGroup  | 5,085               | 388,545           |
| Science Applications International                   | 1,740               | 161,994           |
| Tetra Tech   | 6,460               | 882,113           |
| The Brink's Company                                  | 4,460               | 270,767           |
|  |                     | <b>3,869,687</b>  |
| <b>Consumer Durables &amp; Apparel - 4.5%</b>        |                     |                   |
| Brunswick  | 7,325               | 478,908           |
| Capri Holdings                                       | 12,815 <sup>a</sup> | 525,543           |
| Carter's   | 5,315 <sup>b</sup>  | 374,601           |
| Columbia Sportswear                                  | 7,215               | 516,450           |
| Crocs  | 6,695 <sup>a</sup>  | 325,846           |
| Deckers Outdoor                                      | 1,300 <sup>a</sup>  | 331,955           |
| Mattel   | 34,530 <sup>a</sup> | 771,055           |
| NVR  | 65 <sup>a</sup>     | 260,269           |
| PVH  | 4,270               | 242,963           |
| Ralph Lauren   | 2,190               | 196,334           |
| Tapestry   | 13,030              | 397,676           |
| Taylor Morrison Home                                 | 7,260 <sup>a</sup>  | 169,594           |
| Tempur Sealy International                           | 22,240              | 475,269           |
| Toll Brothers  | 6,360               | 283,656           |
| TopBuild   | 2,785 <sup>a</sup>  | 465,541           |
| Under Armour, Cl. A                                  | 16,515 <sup>a</sup> | 137,570           |
| Whirlpool  | 790 <sup>b</sup>    | 122,347           |
|  |                     | <b>6,075,577</b>  |
| <b>Consumer Services - 4.4%</b>                      |                     |                   |
| Boyd Gaming  | 11,025              | 548,494           |

STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description                                 | Shares                | Value (\$)       |
|---|-----------------------|------------------|
| <b>Common Stocks - 99.7% (continued)</b>    |                       |                  |
| <b>Consumer Services - 4.4% (continued)</b> |                       |                  |
| Choice Hotels International                 | 1,410                 | 157,398          |
| Churchill Downs                             | 505 <sup>a</sup>      | 96,723           |
| Grand Canyon Education                      | 8,420 <sup>a</sup>    | 793,080          |
| H&R Block                                   | 10,775                | 380,573          |
| Light & Wonder                              | 5,460 <sup>a</sup>    | 256,565          |
| Marriott Vacations Worldwide                | 6,960                 | 808,752          |
| MGM Resorts International                   | 8,065                 | 233,482          |
| Service Corp. International                 | 16,290                | 1,125,965        |
| Six Flags Entertainment                     | 4,645 <sup>a</sup>    | 100,797          |
| Texas Roadhouse                             | 6,640                 | 486,048          |
| The Wendy's Company                         | 16,765                | 316,523          |
| Travel + Leisure                            | 2,045                 | 79,387           |
| Wyndham Hotels & Resorts                    | 8,170                 | 536,932          |
|   |                       | <b>5,920,719</b> |
| <b>Diversified Financials - 3.1%</b>        |                       |                  |
| Affiliated Managers Group                   | 3,905                 | 455,323          |
| FactSet Research Systems                    | 1,780                 | 684,535          |
| Janus Henderson Group                       | 21,920                | 515,339          |
| Jefferies Financial Group                   | 19,900                | 549,638          |
| Lazard, Cl. A                               | 2,635 <sup>b</sup>    | 85,400           |
| Navient                                     | 16,525                | 231,185          |
| New Residential Investment                  | 28,275 <sup>c</sup>   | 263,523          |
| SEI Investments                             | 6,650                 | 359,233          |
| Stifel Financial                            | 16,370                | 917,047          |
| Voya Financial                              | 1,465 <sup>b</sup>    | 87,211           |
|   |                       | <b>4,148,434</b> |
| <b>Energy - 4.2%</b>                        |                       |                  |
| Antero Midstream                            | 22,230 <sup>b</sup>   | 201,181          |
| ChampionX                                   | 7,075                 | 140,439          |
| CNX Resources                               | 28,245 <sup>a,b</sup> | 464,913          |
| Continental Resources                       | 4,560                 | 297,996          |
| Devon Energy                                | 1,315                 | 72,470           |
| Diamondback Energy                          | 2,510                 | 304,086          |
| DT Midstream                                | 6,175                 | 302,698          |
| EQT   | 1,585                 | 54,524           |
| Equitrans Midstream                         | 16,325                | 103,827          |
| Marathon Oil                                | 25,790                | 579,759          |
| Murphy Oil                                  | 33,820                | 1,021,026        |
| Occidental Petroleum                        | 6,045                 | 355,930          |
| Range Resources                             | 19,570 <sup>a</sup>   | 484,357          |
| Targa Resources                             | 22,960                | 1,370,023        |
|   |                       | <b>5,753,229</b> |

| Description  | Shares               | Value (\$)       |
|--|----------------------|------------------|
| <b>Common Stocks - 99.7% (continued)</b>           |                      |                  |
| <b>Food &amp; Staples Retailing - 2.1%</b>         |                      |                  |
| BJ's Wholesale Club Holdings                       | 16,350 <sup>a</sup>  | 1,018,932        |
| Performance Food Group                             | 18,185 <sup>a</sup>  | 836,146          |
| Sprouts Farmers Market                             | 22,825 <sup>a</sup>  | 577,929          |
| The Kroger Company                                 | 9,355                | 442,772          |
|  |                      | <b>2,875,779</b> |
| <b>Food, Beverage &amp; Tobacco - 1.4%</b>         |                      |                  |
| Darling Ingredients                                | 12,855 <sup>a</sup>  | 768,729          |
| Freshpet   | 3,550 <sup>a,b</sup> | 184,210          |
| Pilgrim's Pride                                    | 2,620 <sup>a</sup>   | 81,823           |
| Sanderson Farms                                    | 2,405                | 518,350          |
| The Hain Celestial Group                           | 17,260 <sup>a</sup>  | 409,752          |
|  |                      | <b>1,962,864</b> |
| <b>Health Care Equipment &amp; Services - 6.7%</b> |                      |                  |
| ABIOMED  | 405 <sup>a</sup>     | 100,242          |
| Acadia Healthcare                                  | 9,180 <sup>a</sup>   | 620,843          |
| Amedisys   | 3,710 <sup>a</sup>   | 389,995          |
| Chemed   | 2,675                | 1,255,618        |
| Enovis   | 8,320 <sup>a</sup>   | 457,600          |
| Globus Medical, Cl. A                              | 6,850 <sup>a</sup>   | 384,559          |
| Henry Schein                                       | 1,205 <sup>a</sup>   | 92,472           |
| Integra LifeSciences Holdings                      | 15,700 <sup>a</sup>  | 848,271          |
| LivaNova   | 8,410 <sup>a</sup>   | 525,373          |
| Masimo   | 4,160 <sup>a</sup>   | 543,587          |
| Molina Healthcare                                  | 3,425 <sup>a</sup>   | 957,664          |
| Option Care Health                                 | 16,525 <sup>a</sup>  | 459,230          |
| Patterson Companies                                | 6,090                | 184,527          |
| Penumbra   | 3,815 <sup>a</sup>   | 475,044          |
| QuidelOrtho  | 1,590 <sup>a</sup>   | 154,516          |
| STAAR Surgical                                     | 7,700 <sup>a</sup>   | 546,161          |
| Tandem Diabetes Care                               | 7,165 <sup>a</sup>   | 424,096          |
| Teleflex   | 510                  | 125,384          |
| Tenet Healthcare                                   | 7,500 <sup>a</sup>   | 394,200          |
| Veeva Systems, Cl. A                               | 1,040 <sup>a</sup>   | 205,962          |
|  |                      | <b>9,145,344</b> |
| <b>Household &amp; Personal Products - .7%</b>     |                      |                  |
| BellRing Brands                                    | 4,505 <sup>a</sup>   | 112,129          |
| Church & Dwight                                    | 1,515                | 140,380          |
| Coty, Cl. A  | 35,565 <sup>a</sup>  | 284,876          |
| Energizer Holdings                                 | 7,100                | 201,285          |
| Nu Skin Enterprises, Cl. A                         | 4,965                | 214,984          |
|  |                      | <b>953,654</b>   |
| <b>Insurance - 4.8%</b>                            |                      |                  |
| Alleghany  | 2,020 <sup>a</sup>   | 1,682,862        |

STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description                              | Shares               | Value (\$)        |
|--|----------------------|-------------------|
| <b>Common Stocks - 99.7% (continued)</b> |                      |                   |
| <b>Insurance - 4.8% (continued)</b>      |                      |                   |
| Axis Capital Holdings                    | 12,085               | 689,933           |
| Cincinnati Financial                     | 2,355                | 280,198           |
| CNO Financial Group                      | 32,315               | 584,578           |
| Everest Re Group                         | 1,890                | 529,729           |
| First American Financial                 | 8,805                | 465,961           |
| Kinsale Capital Group                    | 1,410                | 323,792           |
| Old Republic International               | 16,800               | 375,648           |
| Primerica                                | 5,540                | 663,083           |
| The Hanover Insurance Group              | 6,145                | 898,706           |
|  |                      | <b>6,494,490</b>  |
| <b>Materials - 7.5%</b>                  |                      |                   |
| Alcoa                                    | 14,850               | 676,863           |
| Ashland Global Holdings                  | 9,470                | 975,883           |
| Avery Dennison                           | 665                  | 107,644           |
| Cabot                                    | 1,145 <sup>b</sup>   | 73,040            |
| Celanese                                 | 1,775                | 208,758           |
| CF Industries Holdings                   | 7,760                | 665,265           |
| Cleveland-Cliffs                         | 36,330 <sup>a</sup>  | 558,392           |
| Commercial Metals                        | 17,965               | 594,641           |
| Eagle Materials                          | 8,500                | 934,490           |
| Element Solutions                        | 7,595                | 135,191           |
| Greif, Cl. A                             | 7,970                | 497,169           |
| Huntsman                                 | 20,855               | 591,239           |
| Ingevity                                 | 11,080 <sup>a</sup>  | 699,591           |
| Louisiana-Pacific                        | 1,495                | 78,353            |
| Minerals Technologies                    | 7,625                | 467,717           |
| Olin                                     | 10,770               | 498,436           |
| Reliance Steel & Aluminum                | 4,255                | 722,754           |
| Steel Dynamics                           | 6,270                | 414,760           |
| The Chemours Company                     | 14,970               | 479,339           |
| The Mosaic Company                       | 3,510                | 165,777           |
| U.S. Steel                               | 19,915 <sup>b</sup>  | 356,678           |
| Westlake                                 | 3,120                | 305,822           |
|  |                      | <b>10,207,802</b> |
| <b>Media &amp; Entertainment - 2.7%</b>  |                      |                   |
| Cable One                                | 115                  | 148,272           |
| John Wiley & Sons, Cl. A                 | 10,225               | 488,346           |
| News Corporation, Cl. A                  | 10,795               | 168,186           |
| Pinterest, Cl. A                         | 8,095 <sup>a</sup>   | 147,005           |
| Playtika Holding                         | 8,415 <sup>a</sup>   | 111,415           |
| Roku                                     | 1,940 <sup>a,b</sup> | 159,352           |
| TEGNA                                    | 13,810               | 289,596           |
| The Interpublic Group of Companies       | 16,855               | 464,018           |

| Description   | Shares                | Value (\$)        |
|---|-----------------------|-------------------|
| <b>Common Stocks - 99.7% (continued)</b>                        |                       |                   |
| <b>Media &amp; Entertainment - 2.7% (continued)</b>             |                       |                   |
| The New York Times Company, Cl. A                               | 19,570                | 546,003           |
| Twitter   | 8,520 <sup>a</sup>    | 318,563           |
| World Wrestling Entertainment, Cl. A                            | 6,820 <sup>b</sup>    | 426,182           |
| Ziff Davis  | 4,365 <sup>a</sup>    | 325,323           |
|   |                       | <b>3,592,261</b>  |
| <b>Pharmaceuticals Biotechnology &amp; Life Sciences - 3.0%</b> |                       |                   |
| Bio-Techne  | 1,340                 | 464,498           |
| Bruker  | 8,795                 | 551,974           |
| Charles River Laboratories International                        | 585 <sup>a</sup>      | 125,172           |
| Exelixis  | 41,440 <sup>a</sup>   | 862,781           |
| Halozyme Therapeutics   | 8,970 <sup>a</sup>    | 394,680           |
| Medpace Holdings  | 4,155 <sup>a</sup>    | 621,879           |
| QIAGEN  | 4,495 <sup>a</sup>    | 212,164           |
| Syneos Health   | 10,765 <sup>a</sup>   | 771,635           |
| United Therapeutics   | 500 <sup>a</sup>      | 117,820           |
|   |                       | <b>4,122,603</b>  |
| <b>Real Estate - 9.8%</b>                                       |                       |                   |
| Americold Realty Trust  | 11,325 <sup>c</sup>   | 340,203           |
| Brixmor Property Group  | 23,450 <sup>c</sup>   | 473,924           |
| Corporate Office Properties Trust                               | 2,850 <sup>c</sup>    | 74,642            |
| Douglas Emmett  | 18,315 <sup>c</sup>   | 409,890           |
| EastGroup Properties  | 7,105 <sup>c</sup>    | 1,096,515         |
| EPR Properties  | 10,085 <sup>c</sup>   | 473,289           |
| Extra Space Storage   | 2,540 <sup>c</sup>    | 432,105           |
| Federal Realty OP   | 5,695 <sup>c</sup>    | 545,239           |
| First Industrial Realty Trust                                   | 8,720 <sup>c</sup>    | 414,026           |
| Highwoods Properties  | 15,885 <sup>c</sup>   | 543,108           |
| Jones Lang LaSalle  | 2,320 <sup>a</sup>    | 405,675           |
| Kilroy Realty   | 21,565 <sup>c</sup>   | 1,128,496         |
| Lamar Advertising, Cl. A  | 4,745 <sup>c</sup>    | 417,418           |
| Mid-America Apartment Communities                               | 6,570 <sup>c</sup>    | 1,147,582         |
| National Retail Properties                                      | 37,200 <sup>c</sup>   | 1,599,600         |
| National Storage Affiliates Trust                               | 11,460 <sup>c</sup>   | 573,802           |
| Omega Healthcare Investors                                      | 17,255 <sup>b,c</sup> | 486,418           |
| Potlatchdeltic  | 2,520 <sup>c</sup>    | 111,359           |
| PS Business Parks   | 6,045 <sup>c</sup>    | 1,131,322         |
| Rayonier  | 1,855 <sup>c</sup>    | 69,340            |
| STORE Capital   | 44,015 <sup>c</sup>   | 1,147,911         |
| The Macerich Company  | 35,010 <sup>c</sup>   | 304,937           |
|   |                       | <b>13,326,801</b> |
| <b>Retailing - 3.6%</b>   |                       |                   |
| AutoNation  | 2,970 <sup>a</sup>    | 331,927           |
| Dick's Sporting Goods   | 4,600 <sup>b</sup>    | 346,702           |

STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description  | Shares               | Value (\$)       |
|--|----------------------|------------------|
| <b>Common Stocks - 99.7% (continued)</b>                   |                      |                  |
| <b>Retailing - 3.6% (continued)</b>                        |                      |                  |
| Foot Locker  | 7,890                | 199,222          |
| GameStop, Cl. A  | 3,970 <sup>a,b</sup> | 485,531          |
| Kohl's   | 12,045               | 429,886          |
| Lithia Motors  | 1,850                | 508,398          |
| Macy's   | 24,685               | 452,229          |
| Murphy USA   | 2,485                | 578,682          |
| Nordstrom  | 9,390                | 198,411          |
| RH   | 680 <sup>a</sup>     | 144,337          |
| Ulta Beauty  | 405 <sup>a</sup>     | 156,119          |
| Victoria's Secret & Co.                                    | 7,345 <sup>a</sup>   | 205,440          |
| Williams-Sonoma  | 7,135 <sup>b</sup>   | 791,628          |
|  |                      | <b>4,828,512</b> |
| <b>Semiconductors &amp; Semiconductor Equipment - 3.7%</b> |                      |                  |
| Allegro MicroSystems                                       | 10,355 <sup>a</sup>  | 214,245          |
| CMC Materials  | 1,050                | 183,215          |
| Enphase Energy   | 2,300 <sup>a</sup>   | 449,052          |
| Entegris   | 2,105                | 193,934          |
| Lattice Semiconductor                                      | 18,780 <sup>a</sup>  | 910,830          |
| MKS Instruments  | 6,455                | 662,477          |
| Power Integrations   | 7,605                | 570,451          |
| Semtech  | 13,960 <sup>a</sup>  | 767,381          |
| Silicon Laboratories                                       | 2,100 <sup>a</sup>   | 294,462          |
| SiTime   | 1,250 <sup>a</sup>   | 203,787          |
| SunPower   | 4,525 <sup>a,b</sup> | 71,540           |
| Synaptics  | 2,655 <sup>a,b</sup> | 313,423          |
| Teradyne   | 1,200                | 107,460          |
| Universal Display  | 620                  | 62,707           |
|  |                      | <b>5,004,964</b> |
| <b>Software &amp; Services - 3.8%</b>                      |                      |                  |
| Commvault Systems  | 1,270 <sup>a</sup>   | 79,883           |
| Concentrix   | 2,580                | 349,951          |
| Euronet Worldwide  | 2,380 <sup>a</sup>   | 239,404          |
| Everbridge   | 5,805 <sup>a</sup>   | 161,901          |
| Fair Isaac   | 2,110 <sup>a</sup>   | 845,899          |
| Gartner  | 455 <sup>a</sup>     | 110,033          |
| Genpact  | 21,100               | 893,796          |
| HubSpot  | 1,105 <sup>a</sup>   | 332,218          |
| Manhattan Associates                                       | 5,570 <sup>a</sup>   | 638,322          |
| Pegasystems  | 3,345                | 160,025          |
| Qualys   | 3,580 <sup>a</sup>   | 451,581          |
| Teradata   | 12,055 <sup>a</sup>  | 446,156          |
| The Trade Desk, Cl. A                                      | 1,375 <sup>a</sup>   | 57,599           |
| The Western Union Company                                  | 10,845               | 178,617          |

| Description                                       | Shares               | Value (\$)         |
|---|----------------------|--------------------|
| <b>Common Stocks - 99.7% (continued)</b>          |                      |                    |
| <b>Software &amp; Services - 3.8% (continued)</b> |                      |                    |
| Zscaler   | 1,255 <sup>a,b</sup> | 187,635            |
|   |                      | <b>5,133,020</b>   |
| <b>Technology Hardware &amp; Equipment - 3.4%</b> |                      |                    |
| Avnet   | 11,400               | 488,832            |
| Belden  | 5,430                | 289,256            |
| Calix   | 8,160 <sup>a</sup>   | 278,582            |
| Ciena   | 3,255 <sup>a</sup>   | 148,754            |
| Cognex  | 11,200               | 476,224            |
| II-VI   | 6,155 <sup>a,b</sup> | 313,597            |
| IPG Photonics                                     | 5,005 <sup>a</sup>   | 471,121            |
| Jabil   | 2,585                | 132,378            |
| Littelfuse  | 3,290                | 835,792            |
| Lumentum Holdings                                 | 5,785 <sup>a</sup>   | 459,445            |
| Pure Storage, Cl. A                               | 2,750 <sup>a</sup>   | 70,703             |
| Trimble   | 5,565 <sup>a</sup>   | 324,050            |
| Vontier   | 14,225               | 327,033            |
| Zebra Technologies, Cl. A                         | 195 <sup>a</sup>     | 57,320             |
|   |                      | <b>4,673,087</b>   |
| <b>Telecommunication Services - .6%</b>           |                      |                    |
| Iridium Communications                            | 13,800 <sup>a</sup>  | 518,328            |
| Lumen Technologies                                | 29,640 <sup>b</sup>  | 323,372            |
|   |                      | <b>841,700</b>     |
| <b>Transportation - 2.3%</b>                      |                      |                    |
| Avis Budget Group                                 | 3,130 <sup>a</sup>   | 460,360            |
| GXO Logistics                                     | 10,090 <sup>a</sup>  | 436,594            |
| JetBlue Airways                                   | 21,025 <sup>a</sup>  | 175,979            |
| Knight-Swift Transportation Holdings              | 8,590                | 397,631            |
| Landstar System                                   | 1,955                | 284,296            |
| Old Dominion Freight Line                         | 1,635                | 419,018            |
| Ryder System                                      | 2,910                | 206,785            |
| Saia  | 3,075 <sup>a</sup>   | 578,100            |
| XPO Logistics                                     | 2,725 <sup>a</sup>   | 131,236            |
|   |                      | <b>3,089,999</b>   |
| <b>Utilities - 4.2%</b>                           |                      |                    |
| ALLETE  | 14,105               | 829,092            |
| Black Hills                                       | 23,620               | 1,718,827          |
| Hawaiian Electric Industries                      | 25,430               | 1,040,087          |
| IDACORP   | 11,105               | 1,176,242          |
| NiSource  | 21,080               | 621,649            |
| PPL   | 3,685                | 99,974             |
| UGI   | 5,570                | 215,058            |
|   |                      | <b>5,700,929</b>   |
| <b>Total Common Stocks</b> (cost \$141,811,357)   |                      | <b>135,358,246</b> |

STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description   | 1-Day<br>Yield (%) | Shares                 | Value (\$)         |
|---|--------------------|------------------------|--------------------|
| <b>Investment Companies - .3%</b>   |                    |                        |                    |
| <b>Registered Investment Companies - .3%</b>  |                    |                        |                    |
| Dreyfus Institutional Preferred<br>Government Plus Money Market Fund,<br>Institutional Shares<br>(cost \$440,727) | 1.48               | 440,727 <sup>d</sup>   | <b>440,727</b>     |
| <b>Investment of Cash Collateral for Securities Loaned - 1.3%</b>   |                    |                        |                    |
| <b>Registered Investment Companies - 1.3%</b>   |                    |                        |                    |
| Dreyfus Institutional Preferred<br>Government Plus Money Market Fund,<br>SL Shares<br>(cost \$1,762,453)          | 1.48               | 1,762,453 <sup>d</sup> | <b>1,762,453</b>   |
| <b>Total Investments</b> (cost \$144,014,537)   |                    | <b>101.3%</b>          | <b>137,561,426</b> |
| <b>Liabilities, Less Cash and Receivables</b>   |                    | <b>(1.3%)</b>          | <b>(1,813,725)</b> |
| <b>Net Assets</b>   |                    | <b>100.0%</b>          | <b>135,747,701</b> |

<sup>a</sup> Non-income producing security.

<sup>b</sup> Security, or portion thereof, on loan. At June 30, 2022, the value of the fund's securities on loan was \$6,204,527 and the value of the collateral was \$6,510,459, consisting of cash collateral of \$1,762,453 and U.S. Government & Agency securities valued at \$4,748,006. In addition, the value of collateral may include pending sales that are also on loan.

<sup>c</sup> Investment in real estate investment trust within the United States.

<sup>d</sup> Investment in affiliated issuer. The investment objective of this investment company is publicly available and can be found within the investment company's prospectus.

| Portfolio Summary (Unaudited) † | Value (%)    |
|---------------------------------|--------------|
| Industrials                     | 17.1         |
| Financials                      | 15.1         |
| Consumer Discretionary          | 13.5         |
| Information Technology          | 10.9         |
| Real Estate                     | 9.8          |
| Health Care                     | 9.8          |
| Materials                       | 7.5          |
| Consumer Staples                | 4.3          |
| Energy                          | 4.2          |
| Utilities                       | 4.2          |
| Communication Services          | 3.3          |
| Investment Companies            | 1.6          |
|                                 | <b>101.3</b> |

† Based on net assets.

See notes to financial statements.



| <b>Affiliated Issuers</b>   |                          |                             |                     |                         |                                  |
|---|--------------------------|-----------------------------|---------------------|-------------------------|----------------------------------|
| Description   | Value (\$)<br>12/31/2021 | Purchases (\$) <sup>†</sup> | Sales (\$)          | Value (\$)<br>6/30/2022 | Dividends/<br>Distributions (\$) |
| <b>Registered Investment Companies - .3%</b>                      |                          |                             |                     |                         |                                  |
| Dreyfus   |                          |                             |                     |                         |                                  |
| Institutional   |                          |                             |                     |                         |                                  |
| Preferred   |                          |                             |                     |                         |                                  |
| Government  |                          |                             |                     |                         |                                  |
| Plus Money  |                          |                             |                     |                         |                                  |
| Market Fund,  |                          |                             |                     |                         |                                  |
| Institutional   |                          |                             |                     |                         |                                  |
| Shares - .3%  | 426,188                  | 10,564,031                  | (10,549,492)        | 440,727                 | 1,575                            |
| <b>Investment of Cash Collateral for Securities Loaned - 1.3%</b> |                          |                             |                     |                         |                                  |
| Dreyfus   |                          |                             |                     |                         |                                  |
| Institutional   |                          |                             |                     |                         |                                  |
| Preferred   |                          |                             |                     |                         |                                  |
| Government  |                          |                             |                     |                         |                                  |
| Plus Money  |                          |                             |                     |                         |                                  |
| Market Fund,  |                          |                             |                     |                         |                                  |
| SL Shares -   |                          |                             |                     |                         |                                  |
| 1.3%  | 914,695                  | 7,828,164                   | (6,980,406)         | 1,762,453               | 18,167 <sup>††</sup>             |
| <b>Total - 1.6%</b>   | <b>1,340,883</b>         | <b>18,392,195</b>           | <b>(17,529,898)</b> | <b>2,203,180</b>        | <b>19,742</b>                    |

<sup>†</sup> Includes reinvested dividends/ distributions.

<sup>††</sup> 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.

See notes to financial statements.

# STATEMENT OF ASSETS AND LIABILITIES

June 30, 2022 (Unaudited)

|  | Cost           | Value              |
|--|----------------|--------------------|
| <b>Assets (\$):</b>  |                |                    |
| Investments in securities—See Statement of Investments<br>(including securities on loan, valued at \$6,204,527)—Note 1(c): |                |                    |
| Unaffiliated issuers   | 141,811,357    | 135,358,246        |
| Affiliated issuers   | 2,203,180      | 2,203,180          |
| Dividends and securities lending income receivable   |                | 133,938            |
| Receivable for shares of Beneficial Interest subscribed  |                | 11,532             |
| Receivable for investment securities sold  |                | 19                 |
| Prepaid expenses   |                | 3,208              |
|  |                | <b>137,710,123</b> |
| <b>Liabilities (\$):</b>   |                |                    |
| Due to BNY Mellon Investment Adviser, Inc. and affiliates—Note 3(b)  |                | 106,858            |
| Liability for securities on loan—Note 1(c)   |                | 1,762,453          |
| Payable for shares of Beneficial Interest redeemed   |                | 43,721             |
| Trustees' fees and expenses payable  |                | 1,442              |
| Other accrued expenses   |                | 47,948             |
|  |                | <b>1,962,422</b>   |
| <b>Net Assets (\$)</b>   |                | <b>135,747,701</b> |
| <b>Composition of Net Assets (\$):</b>   |                |                    |
| Paid-in capital  |                | 138,117,949        |
| Total distributable earnings (loss)  |                | (2,370,248)        |
| <b>Net Assets (\$)</b>   |                | <b>135,747,701</b> |
| <b>Net Asset Value Per Share</b>   |                |                    |
|  | Initial Shares | Service Shares     |
| Net Assets (\$)  | 65,076,662     | 70,671,039         |
| Shares Outstanding   | 4,226,573      | 4,612,219          |
| <b>Net Asset Value Per Share (\$)</b>  | <b>15.40</b>   | <b>15.32</b>       |

See notes to financial statements.

# STATEMENT OF OPERATIONS

Six Months Ended June 30, 2022 (Unaudited)

|  |                     |
|--|---------------------|
| <b>Investment Income (\$):</b>   |                     |
| <b>Income:</b>   |                     |
| Cash dividends (net of \$277 foreign taxes withheld at source):        |                     |
| Unaffiliated issuers   | 1,195,167           |
| Affiliated issuers   | 1,575               |
| Income from securities lending—Note 1(c)                               | 18,167              |
| <b>Total Income</b>  | <b>1,214,909</b>    |
| <b>Expenses:</b>   |                     |
| Management fee—Note 3(a)   | 593,282             |
| Distribution fees—Note 3(b)  | 103,308             |
| Professional fees  | 46,035              |
| Custodian fees—Note 3(b)   | 12,612              |
| Chief Compliance Officer fees—Note 3(b)                                | 11,497              |
| Prospectus and shareholders' reports                                   | 10,572              |
| Trustees' fees and expenses—Note 3(c)                                  | 6,423               |
| Loan commitment fees—Note 2  | 1,628               |
| Registration fees  | 1,352               |
| Shareholder servicing costs—Note 3(b)                                  | 810                 |
| Interest expense—Note 2  | 134                 |
| Miscellaneous  | 7,796               |
| <b>Total Expenses</b>  | <b>795,449</b>      |
| Less—reduction in expenses due to undertaking—Note 3(a)                | (57,845)            |
| <b>Net Expenses</b>  | <b>737,604</b>      |
| <b>Net Investment Income</b>   | <b>477,305</b>      |
| <b>Realized and Unrealized Gain (Loss) on Investments—Note 4 (\$):</b> |                     |
| Net realized gain (loss) on investments                                | 3,860,509           |
| Net change in unrealized appreciation (depreciation) on investments    | (38,695,634)        |
| <b>Net Realized and Unrealized Gain (Loss) on Investments</b>          | <b>(34,835,125)</b> |
| <b>Net (Decrease) in Net Assets Resulting from Operations</b>          | <b>(34,357,820)</b> |

*See notes to financial statements.*

## STATEMENT OF CHANGES IN NET ASSETS

|  | Six Months Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31, 2021 |
|--|--|---------------------------------|
| <b>Operations (\$):</b>  |  |                                 |
| Net investment income  | 477,305  | 884,855                         |
| Net realized gain (loss) on investments  | 3,860,509  | 37,494,447                      |
| Net change in unrealized appreciation<br>(depreciation) on investments             | (38,695,634)                                     | 574,376                         |
| <b>Net Increase (Decrease) in Net Assets<br/>Resulting from Operations</b>         | <b>(34,357,820)</b>                              | <b>38,953,678</b>               |
| <b>Distributions (\$):</b>   |  |                                 |
| Distributions to shareholders:   |  |                                 |
| Initial Shares   | (18,340,389)                                     | (1,082,003)                     |
| Service Shares   | (20,055,380)                                     | (940,992)                       |
| <b>Total Distributions</b>   | <b>(38,395,769)</b>                              | <b>(2,022,995)</b>              |
| <b>Beneficial Interest Transactions (\$):</b>                                      |  |                                 |
| Net proceeds from shares sold:   |  |                                 |
| Initial Shares   | 2,186,266  | 8,847,860                       |
| Service Shares   | 1,469,274  | 13,852,574                      |
| Distributions reinvested:  |  |                                 |
| Initial Shares   | 18,340,389                                       | 1,082,003                       |
| Service Shares   | 20,055,380                                       | 940,992                         |
| Cost of shares redeemed:   |  |                                 |
| Initial Shares   | (7,535,004)                                      | (16,848,704)                    |
| Service Shares   | (7,840,433)                                      | (16,490,420)                    |
| <b>Increase (Decrease) in Net Assets<br/>from Beneficial Interest Transactions</b> | <b>26,675,872</b>                                | <b>(8,615,695)</b>              |
| <b>Total Increase (Decrease) in Net Assets</b>                                     | <b>(46,077,717)</b>                              | <b>28,314,988</b>               |
| <b>Net Assets (\$):</b>  |  |                                 |
| Beginning of Period  | 181,825,418                                      | 153,510,430                     |
| <b>End of Period</b>   | <b>135,747,701</b>                               | <b>181,825,418</b>              |
| <b>Capital Share Transactions (Shares):</b>  |  |                                 |
| <b>Initial Shares</b>  |  |                                 |
| Shares sold  | 113,101  | 390,569                         |
| Shares issued for distributions reinvested   | 981,819  | 48,783                          |
| Shares redeemed  | (374,326)  | (729,080)                       |
| <b>Net Increase (Decrease) in Shares Outstanding</b>                               | <b>720,594</b>                                   | <b>(289,728)</b>                |
| <b>Service Shares</b>  |  |                                 |
| Shares sold  | 75,207   | 620,993                         |
| Shares issued for distributions reinvested   | 1,078,246  | 42,560                          |
| Shares redeemed  | (395,621)  | (732,921)                       |
| <b>Net Increase (Decrease) in Shares Outstanding</b>                               | <b>757,832</b>                                   | <b>(69,368)</b>                 |

See notes to financial statements.

## FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information (except portfolio turnover rate) reflects financial results for a single fund share. Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Net asset value total return includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. The fund's total returns do not reflect expenses associated with variable annuity or insurance contracts. These figures have been derived from the fund's financial statements.

|  | Six Months Ended             | Year Ended December 31, |        |        |         |        |
|--|------------------------------|-------------------------|--------|--------|---------|--------|
|  | June 30, 2022<br>(Unaudited) | 2021                    | 2020   | 2019   | 2018    | 2017   |
| <b>Initial Shares</b>                                  |                              |                         |        |        |         |        |
| <b>Per Share Data (\$):</b>                            |                              |                         |        |        |         |        |
| Net asset value, beginning of period                   | 24.77                        | 19.93                   | 18.64  | 16.80  | 22.56   | 20.09  |
| Investment Operations:                                 |                              |                         |        |        |         |        |
| Net investment income <sup>a</sup>                     | .07                          | .15                     | .13    | .13    | .12     | .10    |
| Net realized and unrealized gain (loss) on investments | (3.96)                       | 4.97                    | 1.30   | 3.15   | (3.19)  | 2.92   |
| Total from Investment Operations                       | (3.89)                       | 5.12                    | 1.43   | 3.28   | (3.07)  | 3.02   |
| Distributions:   |                              |                         |        |        |         |        |
| Dividends from net investment income                   | (.16)                        | (.14)                   | (.14)  | (.12)  | (.13)   | (.22)  |
| Dividends from net realized gain on investments        | (5.32)                       | (.14)                   | -      | (1.32) | (2.56)  | (.33)  |
| Total Distributions                                    | (5.48)                       | (.28)                   | (.14)  | (1.44) | (2.69)  | (.55)  |
| Net asset value, end of period                         | 15.40                        | 24.77                   | 19.93  | 18.64  | 16.80   | 22.56  |
| <b>Total Return (%)</b>                                | (19.61) <sup>b</sup>         | 25.89                   | 8.11   | 20.18  | (15.49) | 15.38  |
| <b>Ratios/Supplemental Data (%):</b>                   |                              |                         |        |        |         |        |
| Ratio of total expenses to average net assets          | .87 <sup>c</sup>             | .86                     | .87    | .86    | .86     | .87    |
| Ratio of net expenses to average net assets            | .80 <sup>c</sup>             | .85                     | .87    | .86    | .86     | .87    |
| Ratio of net investment income to average net assets   | .73 <sup>c</sup>             | .63                     | .81    | .73    | .59     | .50    |
| Portfolio Turnover Rate                                | 44.23 <sup>b</sup>           | 90.95                   | 92.40  | 82.88  | 68.02   | 64.86  |
| Net Assets, end of period (\$ x 1,000)                 | 65,077                       | 86,837                  | 75,649 | 76,835 | 72,374  | 92,776 |

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Not annualized.

<sup>c</sup> Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

|   | Six Months Ended             |        | Year Ended December 31, |        |         |        |
|---|------------------------------|--------|-------------------------|--------|---------|--------|
|   | June 30, 2022<br>(Unaudited) | 2021   | 2020                    | 2019   | 2018    | 2017   |
| <b>Service Shares</b>                                     |                              |        |                         |        |         |        |
| <b>Per Share Data (\$):</b>                               |                              |        |                         |        |         |        |
| Net asset value, beginning of period                      | 24.64                        | 19.84  | 18.53                   | 16.71  | 22.45   | 20.00  |
| Investment Operations:                                    |                              |        |                         |        |         |        |
| Net investment income <sup>a</sup>                        | .05                          | .09    | .09                     | .09    | .07     | .06    |
| Net realized and unrealized<br>gain (loss) on investments | (3.95)                       | 4.95   | 1.31                    | 3.12   | (3.18)  | 2.90   |
| Total from Investment Operations                          | (3.90)                       | 5.04   | 1.40                    | 3.21   | (3.11)  | 2.96   |
| Distributions:  |                              |        |                         |        |         |        |
| Dividends from<br>net investment income                   | (.10)                        | (.10)  | (.09)                   | (.07)  | (.07)   | (.18)  |
| Dividends from<br>net realized gain on investments        | (5.32)                       | (.14)  | -                       | (1.32) | (2.56)  | (.33)  |
| Total Distributions                                       | (5.42)                       | (.24)  | (.09)                   | (1.39) | (2.63)  | (.51)  |
| Net asset value, end of period                            | 15.32                        | 24.64  | 19.84                   | 18.53  | 16.71   | 22.45  |
| <b>Total Return (%)</b>                                   | (19.74) <sup>b</sup>         | 25.56  | 7.85                    | 19.85  | (15.69) | 15.04  |
| <b>Ratios/Supplemental Data (%):</b>                      |                              |        |                         |        |         |        |
| Ratio of total expenses<br>to average net assets          | 1.12 <sup>c</sup>            | 1.11   | 1.12                    | 1.11   | 1.11    | 1.12   |
| Ratio of net expenses<br>to average net assets            | 1.05 <sup>c</sup>            | 1.10   | 1.12                    | 1.11   | 1.11    | 1.12   |
| Ratio of net investment income<br>to average net assets   | .48 <sup>c</sup>             | .38    | .56                     | .48    | .34     | .28    |
| Portfolio Turnover Rate                                   | 44.23 <sup>b</sup>           | 90.95  | 92.40                   | 82.88  | 68.02   | 64.86  |
| Net Assets, end of period (\$ x 1,000)                    | 70,671                       | 94,989 | 77,862                  | 74,454 | 63,202  | 76,948 |

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Not annualized.

<sup>c</sup> Annualized.

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

### **NOTE 1—Significant Accounting Policies:**

MidCap Stock Portfolio (the “fund”) is a separate diversified series of BNY Mellon Investment Portfolios (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company and operates as a series company currently offering three series, including the fund. The fund is only offered to separate accounts established by insurance companies to fund variable annuity contracts and variable life insurance policies. The fund’s investment objective is to seek investment results that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor’s MidCap 400® Index. BNY Mellon Investment Adviser, Inc. (the “Adviser”), a wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”), serves as the fund’s investment adviser. Newton Investment Management North America, LLC (the “Sub-Adviser”), a wholly-owned subsidiary of BNY Mellon and an affiliate of the Adviser, serves as the fund’s sub-adviser.

BNY Mellon Securities Corporation (the “Distributor”), a wholly-owned subsidiary of the Adviser, is the distributor of the fund’s shares, which are sold without a sales charge. The fund is authorized to issue an unlimited number of \$.001 par value shares of Beneficial Interest in each of the following classes of shares: Initial and Service. Each class of shares has identical rights and privileges, except with respect to the Distribution Plan, and the expenses borne by each class, the allocation of certain transfer agency costs, and certain voting rights. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The Trust accounts separately for the assets, liabilities and operations of each series. Expenses directly attributable to each series are charged to that series’ operations; expenses which are applicable to all series are allocated among them on a pro rata basis.

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) is the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund is an investment company and applies the accounting and reporting guidance of the FASB ASC Topic 946 Financial Services-Investment Companies. The fund’s

financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The Trust enters into contracts that contain a variety of indemnifications. The fund's maximum exposure under these arrangements is unknown. The fund does not anticipate recognizing any loss related to these arrangements.

**(a) Portfolio valuation:** The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This 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).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

Various inputs are used in determining the value of the fund's investments relating to fair value measurements. These inputs are summarized in the three broad levels listed below:

**Level 1**—unadjusted quoted prices in active markets for identical investments.

**Level 2**—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund's investments are as follows:

Investments in equity securities are valued at the last sales price on the securities exchange or national securities market on which such securities are primarily traded. Securities listed on the National Market System for



which market quotations are available are valued at the official closing price or, if there is no official closing price that day, at the last sales price. For open short positions, asked prices are used for valuation purposes. Bid price is used when no asked price is available. Registered investment companies that are not traded on an exchange are valued at their net asset value. All of the preceding securities are generally categorized within Level 1 of the fair value hierarchy.

Securities not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices. These securities are generally categorized within Level 2 of the fair value hierarchy.

Fair valuing of securities may be determined with the assistance of a pricing service using calculations based on indices of domestic securities and other appropriate indicators, such as prices of relevant American Depository Receipts and futures. Utilizing these techniques may result in transfers between Level 1 and Level 2 of the fair value hierarchy.

When market quotations or official closing prices are not readily available, or are determined not to accurately reflect fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Trust's Board of Trustees (the "Board"). Certain factors may be considered when fair valuing investments such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. These securities are either categorized within Level 2 or 3 of the fair value hierarchy depending on the relevant inputs used.

For securities where observable inputs are limited, assumptions about market activity and risk are used and such securities are generally categorized within Level 3 of the fair value hierarchy.

The following is a summary of the inputs used as of June 30, 2022 in valuing the fund's investments:

NOTES TO FINANCIAL STATEMENTS (Unaudited) (continued)

|                             | Level 1-<br>Unadjusted<br>Quoted Prices | Level 2- Other<br>Significant<br>Observable<br>Inputs | Level 3-<br>Significant<br>Unobservable<br>Inputs | Total              |
|-----------------------------|---|---|---|--------------------|
| <b>Assets (\$)</b>          |   |   |   |                    |
| Investments in Securities:† |   |   |   |                    |
| Equity Securities -         |   |   |   |                    |
| Common Stocks               | 135,358,246                             | -   | -   | <b>135,358,246</b> |
| Investment                  |   |   |   |                    |
| Companies                   | 2,203,180                               | -   | -   | <b>2,203,180</b>   |

† See Statement of Investments for additional detailed categorizations, if any.

**(b) Foreign taxes:** The fund may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, realized and unrealized capital gains on investments or certain foreign currency transactions. Foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the fund invests. These foreign taxes, if any, are paid by the fund and are reflected in the Statement of Operations, if applicable. Foreign taxes payable or deferred or those subject to reclaims as of June 30, 2022, if any, are disclosed in the fund's Statement of Assets and Liabilities.

**(c) Securities transactions and investment income:** Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income, including, where applicable, accretion of discount and amortization of premium on investments, is recognized on the accrual basis.

Pursuant to a securities lending agreement with BNY Mellon, the fund may lend securities to qualified institutions. It is the fund's policy that, at origination, all loans are secured by collateral of at least 102% of the value of U.S. securities loaned and 105% of the value of foreign securities loaned. Collateral equivalent to at least 100% of the market value of securities on loan is maintained at all times. Collateral is either in the form of cash, which can be invested in certain money market mutual funds managed by the Adviser, or U.S. Government and Agency securities. The fund is entitled to receive all dividends, interest and distributions on securities loaned, in addition to income earned as a result of the lending transaction. Should a borrower fail to return the securities in a timely manner, BNY Mellon is required to replace the securities for the benefit of the fund or credit the fund with the market value of the unreturned securities and is subrogated to the fund's rights against the borrower and the collateral. Additionally, the contractual maturity of security lending transactions are on an overnight and continuous basis. During the period

ended June 30, 2022, BNY Mellon earned \$2,476 from the lending of the fund's portfolio securities, pursuant to the securities lending agreement.

**(d) Affiliated issuers:** Investments in other investment companies advised by the Adviser are considered "affiliated" under the Act.

**(e) Risk:** Certain events particular to the industries in which the fund's investments conduct their operations, as well as general economic, political and public health conditions, may have a significant negative impact on the investee's operations and profitability. In addition, turbulence in financial markets and reduced liquidity in equity, credit and/or fixed income markets may negatively affect many issuers, which could adversely affect the fund. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies worldwide. Recent examples include pandemic risks related to COVID-19 and aggressive measures taken world-wide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The effects of COVID-19 have contributed to increased volatility in global markets and will likely affect certain countries, companies, industries and market sectors more dramatically than others. The COVID-19 pandemic has had, and any other outbreak of an infectious disease or other serious public health concern could have, a significant negative impact on economic and market conditions and could trigger a prolonged period of global economic slowdown. To the extent the fund may overweight its investments in certain countries, companies, industries or market sectors, such positions will increase the fund's exposure to risk of loss from adverse developments affecting those countries, companies, industries or sectors.

**(f) Dividends and distributions to shareholders:** Dividends and distributions are recorded on the ex-dividend date. Dividends from net investment income and dividends from net realized capital gains, if any, are normally declared and paid annually, but the fund may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that net realized capital gains can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

**(g) Federal income taxes:** It is the policy of the fund to continue to qualify as a regulated investment company, if such qualification is in the best interests of its shareholders, by complying with the applicable provisions of the Code, and to make distributions of taxable income and net realized capital gain sufficient to relieve it from substantially all federal income and excise taxes.

As of and during the period ended June 30, 2022, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended June 30, 2022, the fund did not incur any interest or penalties.

Each tax year in the three-year period ended December 31, 2021 remains subject to examination by the Internal Revenue Service and state taxing authorities.

The tax character of distributions paid to shareholders during the fiscal year ended December 31, 2021 was as follows: ordinary income \$924,151 and long-term capital gains \$1,098,844. The tax character of current year distributions will be determined at the end of the current fiscal year.

**NOTE 2—Bank Lines of Credit:**

The fund participates with other long-term open-end funds managed by the Adviser in a \$823.5 million unsecured credit facility led by Citibank, N.A. (the “Citibank Credit Facility”) and a \$300 million unsecured credit facility provided by BNY Mellon (the “BNYM Credit Facility”), each to be utilized primarily for temporary or emergency purposes, including the financing of redemptions (each, a “Facility”). The Citibank Credit Facility is available in two tranches: (i) Tranche A is in an amount equal to \$688.5 million and is available to all long-term open-ended funds, including the fund, and (ii) Tranche B is an amount equal to \$135 million and is available only to BNY Mellon Floating Rate Income Fund, a series of BNY Mellon Investment Funds IV, Inc. In connection therewith, the fund has agreed to pay its pro rata portion of commitment fees for Tranche A of the Citibank Credit Facility and the BNYM Credit Facility. Interest is charged to the fund based on rates determined pursuant to the terms of the respective Facility at the time of borrowing.

The average amount of borrowings outstanding under the Facilities during the period ended June 30, 2022 was approximately \$24,309 with a related weighted average annualized rate of 1.11%.

**NOTE 3—Management Fee, Sub-Advisory Fee and Other Transactions with Affiliates:**

(a) Pursuant to a management agreement with the Adviser, the management fee is computed at the annual rate of .75% of the value of the fund's average daily net assets and is payable monthly. The Adviser has contractually agreed, from January 1, 2022 through April 29, 2023, to waive receipt of its fees and/or assume the expenses of the fund, so that the direct expenses of none of classes (excluding Rule 12b-1 Distribution Plan fees, taxes, interest expense, brokerage commissions, commitment fees on borrowings and extraordinary expenses) exceed .80% of the value of the fund's average daily net assets. On or after April 29, 2023, the Adviser may terminate this expense limitation at any time. The reduction in expense pursuant to undertaking amount to \$57,845 for the period ended June 30, 2022.

Pursuant to a sub-advisory agreement between the Adviser and the Sub-Adviser, the Adviser pays the Sub-Adviser a monthly fee at an annual rate of .36% of the value of the fund's average daily net assets.

(b) Under the Distribution Plan adopted pursuant to Rule 12b-1 under the Act, Service shares pay the Distributor for distributing its shares, for servicing and/or maintaining Service shares' shareholder accounts and for advertising and marketing for Service shares. The Distribution Plan provides for payments to be made at an annual rate of .25% of the value of the Service shares' average daily net assets. The Distributor may make payments to Participating Insurance Companies and to brokers and dealers acting as principal underwriter for their variable insurance products. The fees payable under the Distribution Plan are payable without regard to actual expenses incurred. During the period ended June 30, 2022, Service shares were charged \$103,308 pursuant to the Distribution Plan.

The fund has an arrangement with BNY Mellon Transfer, Inc., (the "Transfer Agent"), a subsidiary of BNY Mellon and an affiliate of the Adviser, whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset Transfer Agent fees. For financial reporting purposes, the fund includes net earnings credits, if any, as shareholder servicing costs in the Statement of Operations.

The fund has an arrangement with The Bank of New York Mellon (the "Custodian"), a subsidiary of BNY Mellon and an affiliate of the Adviser, whereby the fund will receive interest income or be charged overdraft fees when cash balances are maintained. For financial reporting purposes, the fund includes this interest income and overdraft fees, if any, as interest income in the Statement of Operations.

The fund compensates the Transfer Agent, under a transfer agency agreement for providing transfer agency and cash management services inclusive of earnings credits, if any, for the fund. The majority of Transfer Agent fees are comprised of amounts paid on a per account basis, while cash management fees are related to fund subscriptions and redemptions. During the period ended June 30, 2022, the fund was charged \$718 for transfer agency services, inclusive of earnings credit, if any. These fees are included in Shareholder servicing costs in the Statement of Operations.

The fund compensates the Custodian under a custody agreement, for providing custodial services for the fund. These fees are determined based on net assets, geographic region and transaction activity. During the period ended June 30, 2022, the fund was charged \$12,612 pursuant to the custody agreement.

During the period ended June 30, 2022, the fund was charged \$11,497 for services performed by the Chief Compliance Officer and his staff. These fees are included in Chief Compliance Officer fees in the Statement of Operations.

The components of “Due to BNY Mellon Investment Adviser, Inc. and affiliates” in the Statement of Assets and Liabilities consist of: management fees of \$87,413, Distribution Plan fees of \$15,161, Custodian fees of \$5,972, Chief Compliance Officer fees of \$6,243 and Transfer Agent fees of \$242, which are offset against an expense reimbursement currently in effect in the amount of \$8,173.

(c) Each Board member also serves as a Board member of other funds in the BNY Mellon Family of Funds complex. Annual retainer fees and attendance fees are allocated to each fund based on net assets.

**NOTE 4—Securities Transactions:**

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the period ended June 30, 2022, amounted to \$70,677,368 and \$81,953,191, respectively.

At June 30, 2022, accumulated net unrealized depreciation on investments was \$6,453,111, consisting of \$11,217,176 gross unrealized appreciation and \$17,670,287 gross unrealized depreciation.

At June 30, 2022, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

## INFORMATION ABOUT THE RENEWAL OF THE FUND'S MANAGEMENT AND SUB-ADVISORY AGREEMENTS (Unaudited)

At a meeting of the fund's Board of Trustees held on February 25, 2022, the Board considered the renewal of the fund's Management Agreement, pursuant to which the Adviser provides the fund with investment advisory and administrative services (the "Agreement"). The Board members, none of whom are "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the fund, were assisted in their review by independent legal counsel and met with counsel in executive session separate from representatives of the Adviser. In considering the renewal of the Agreement, the Board considered several factors that it believed to be relevant, including those discussed below. The Board did not identify any one factor as dispositive, and each Board member may have attributed different weights to the factors considered. It was noted that, effective September 1, 2021, Newton Investment Management North America, LLC (the "Sub-Adviser"), provides the day-to-day management of the fund's investments pursuant to the Sub-Advisory Agreement with the Adviser which was not being considered for renewal at the meeting.

Analysis of Nature, Extent, and Quality of Services Provided to the Fund. The Board considered information provided to it at the meeting and in previous presentations from representatives of the Adviser regarding the nature, extent, and quality of the services provided to funds in the BNY Mellon fund complex, including the fund. The Adviser provided the number of open accounts in the fund, the fund's asset size and the allocation of fund assets among distribution channels. The Adviser also had previously provided information regarding the diverse intermediary relationships and distribution channels of funds in the BNY Mellon fund complex (such as retail direct or intermediary, in which intermediaries, including insurance companies, typically are paid by the fund and/or the Adviser) and the Adviser's corresponding need for broad, deep, and diverse resources to be able to provide ongoing shareholder services to each intermediary or distribution channel, as applicable to the fund.

The Board also considered research support available to, and portfolio management capabilities of, the fund's portfolio management personnel and that the Adviser also provides oversight of day-to-day fund operations, including fund accounting and administration and assistance in meeting legal and regulatory requirements. The Board also considered the Adviser's extensive administrative, accounting and compliance infrastructures, as well as the Adviser's supervisory activities over the Sub-Adviser.

Comparative Analysis of the Fund's Performance and Management Fee and Expense Ratio. The Board reviewed reports prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company data based on classifications provided by Thomson Reuters Lipper, which included information comparing (1) the performance of the fund's Initial shares with the performance of a group of small-cap core funds underlying variable insurance products ("VIPs") selected by Broadridge as comparable to the fund (the "Performance Group") and with a broader group of funds consisting of all small-cap core funds underlying VIPs (the "Performance Universe"), all for various periods ended December 31, 2021, and (2) the fund's actual and contractual management fees and total expenses with those of the

INFORMATION ABOUT THE RENEWAL OF THE FUND'S MANAGEMENT AND SUB-ADVISORY AGREEMENTS (Unaudited) (continued)

same group of funds in the Performance Group (the "Expense Group") and with a broader group of all small-cap core funds underlying VIPs with similar 12b-1/non-12b-1 structures (comparing total expenses with those of the fund's Initial and Service shares), excluding outliers (the "Expense Universe"), the information for which was derived in part from fund financial statements available to Broadridge as of the date of its analysis. The Adviser previously had furnished the Board with a description of the methodology Broadridge used to select the Performance Group and Performance Universe and the Expense Group and Expense Universe.

*Performance Comparisons.* Representatives of the Adviser stated that the usefulness of performance comparisons may be affected by a number of factors, including different investment limitations and policies that may be applicable to the fund and comparison funds and the end date selected. The Board discussed with representatives of the Adviser the results of the comparisons and considered that the fund's total return performance was above the Performance Group median for the six-months and one-year periods, at the Performance Group median for the ten-year period and below the Performance Group median for the two-, three-, four- and five-year periods, and was below the Performance Universe median for all periods, except the six-months and one-year periods when the fund's performance was above the median. The Board considered the relative proximity of the fund's performance to the Performance Group and/or Performance Universe medians in certain periods when performance was below median. The Adviser also provided a comparison of the fund's calendar year total returns to the returns of the fund's benchmark index, and it was noted that the fund's returns were above the returns of the index in four of the ten calendar years shown.

*Management Fee and Expense Ratio Comparisons.* The Board reviewed and considered the contractual management fee rate payable by the fund to the Adviser in light of the nature, extent and quality of the management services provided by the Adviser. In addition, the Board reviewed and considered the actual management fee rate paid by the fund over the fund's last fiscal year. The Board also reviewed the range of actual and contractual management fees and total expenses as a percentage of average net assets of the Expense Group and Expense Universe funds and discussed the results of the comparisons.

The Board considered that the fund's contractual management fee was lower than the Expense Group median contractual management fee, the fund's actual management fee was lower than the Expense Group median and equal to the Expense Universe median actual management fee and the fund's total expenses were lower than the Expense Group median and higher than the Expense Universe median total expenses.

Representatives of the Adviser stated that the Adviser has contractually agreed, until April 29, 2023, to waive receipt of its fees and/or assume the direct expenses of the fund so that the direct expenses of the fund (excluding Rule 12b-1 fees, shareholder services fees, taxes, interest, brokerage commissions, commitment fees on borrowings and extraordinary expenses) do not exceed .80% of the fund's average daily net assets.



Representatives of the Adviser reviewed with the Board the management or investment advisory fees paid by funds advised by the Adviser that are in the same Lipper category as the fund (the “Similar Funds”), and explained the nature of the Similar Funds. They discussed differences in fees paid and the relationship of the fees paid in light of any differences in the services provided and other relevant factors. The Board considered the relevance of the fee information provided for the Similar Funds to evaluate the appropriateness of the fund’s management fee. Representatives of the Adviser noted that there were no separate accounts and/or other types of client portfolios advised by the Adviser that are considered to have similar investment strategies and policies as the fund.

Analysis of Profitability and Economies of Scale. Representatives of the Adviser reviewed the expenses allocated and profit received by the Adviser and its affiliates and the resulting profitability percentage for managing the fund and the aggregate profitability percentage to the Adviser and its affiliates for managing the funds in the BNY Mellon fund complex, and the method used to determine the expenses and profit. The Board concluded that the profitability results were not excessive, given the services rendered and service levels provided by the Adviser and its affiliates. The Board also had been provided with information prepared by an independent consulting firm regarding the Adviser’s approach to allocating costs to, and determining the profitability of, individual funds and the entire BNY Mellon fund complex. The consulting firm also had analyzed where any economies of scale might emerge in connection with the management of a fund.

The Board considered, on the advice of its counsel, the profitability analysis (1) as part of its evaluation of whether the fee under the Agreement, considered in relation to the mix of services provided by the Adviser, including the nature, extent and quality of such services, supported the renewal of the Agreement and (2) in light of the relevant circumstances for the fund and the extent to which economies of scale would be realized if the fund grows and whether fee levels reflect these economies of scale for the benefit of fund shareholders. Representatives of the Adviser also stated that, as a result of shared and allocated costs among funds in the BNY Mellon fund complex, the extent of economies of scale could depend substantially on the level of assets in the complex as a whole, so that increases and decreases in complex-wide assets can affect potential economies of scale in a manner that is disproportionate to, or even in the opposite direction from, changes in the fund’s asset level. The Board also considered potential benefits to the Adviser from acting as investment adviser and took into consideration that there were no soft dollar arrangements in effect for trading the fund’s investments.

At the conclusion of these discussions, the Board agreed that it had been furnished with sufficient information to make an informed business decision with respect to the renewal of the Agreement. Based on the discussions and considerations as described above, the Board concluded and determined as follows.

- The Board concluded that the nature, extent and quality of the services provided by the Adviser are adequate and appropriate.

INFORMATION ABOUT THE RENEWAL OF THE FUND'S MANAGEMENT AND SUB-ADVISORY AGREEMENTS (Unaudited) *(continued)*

- The Board was satisfied with the fund's improved total return performance in the most recent one-year period.
- The Board concluded that the fee paid to the Adviser continued to be appropriate under the circumstances and in light of the factors and the totality of the services provided as discussed above.
- The Board determined that the economies of scale which may accrue to the Adviser and its affiliates in connection with the management of the fund had been adequately considered by the Adviser in connection with the fee rate charged to the fund pursuant to the Agreement and that, to the extent in the future it were determined that material economies of scale had not been shared with the fund, the Board would seek to have those economies of scale shared with the fund.

In evaluating the Agreement, the Board considered these conclusions and determinations and also relied on its previous knowledge, gained through meetings and other interactions with the Adviser and its affiliates, of the Adviser and the services provided to the fund by the Adviser. The Board also relied on information received on a routine and regular basis throughout the year relating to the operations of the fund and the investment management and other services provided under the Agreement, including information on the investment performance of the fund in comparison to similar mutual funds and benchmark performance indices; general market outlook as applicable to the fund; and compliance reports. In addition, the Board's consideration of the contractual fee arrangements for the fund had the benefit of a number of years of reviews of the Agreement for the fund, or substantially similar agreements for other BNY Mellon funds that the Board oversees, during which lengthy discussions took place between the Board and representatives of the Adviser. Certain aspects of the arrangements may receive greater scrutiny in some years than in others, and the Board's conclusions may be based, in part, on its consideration of the fund's arrangements, or substantially similar arrangements for other BNY Mellon funds that the Board oversees, in prior years. The Board determined to renew the Agreement the remainder of the one-year term.

## LIQUIDITY RISK MANAGEMENT PROGRAM (Unaudited)

Effective June 1, 2019, the fund adopted a liquidity risk management program (the “Liquidity Risk Management Program”) pursuant to the requirements of Rule 22e-4 under the Investment Company Act of 1940, as amended. Rule 22e-4 requires registered open-end funds, including mutual funds and exchange-traded funds but not money market funds, to establish liquidity risk management programs in order to effectively manage fund liquidity and shareholder redemptions. The rule is designed to mitigate the risk that a fund could not meet redemption requests without significantly diluting the interests of remaining investors.

The rule requires the fund to assess, manage and review their liquidity risk at least annually considering applicable factors such as investment strategy and liquidity during normal and foreseeable stressed conditions, including whether the strategy is appropriate for an open-end fund and whether the fund has a relatively concentrated portfolio or large positions in particular issuers. The fund must also assess its use of borrowings and derivatives, short-term and long-term cash flow projections in normal and stressed conditions, holdings of cash and cash equivalents, and borrowing arrangements and other funding sources.

The rule also requires the fund to classify its investments as highly liquid, moderately liquid, less liquid or illiquid based on the number of days the fund expects it would take to liquidate the investment, and to review these classifications at least monthly or more often under certain conditions. The periods range from three or fewer business days for a highly liquid investment to greater than seven calendar days for settlement of a less liquid investment. Illiquid investments are those a fund does not expect to be able to sell or dispose of within seven calendar days without significantly changing the market value. The fund is prohibited from acquiring an investment if, after the acquisition, its holdings of illiquid assets will exceed 15% of its net assets. In addition, if a fund permits redemptions in-kind, the rule requires the fund to establish redemption in-kind policies and procedures governing how and when it will engage in such redemptions.

Pursuant to the rule’s requirements, the Liquidity Risk Management Program has been reviewed and approved by the Board. Furthermore, the Board has received a written report prepared by the Program’s Administrator that addresses the operation of the Program, assesses its adequacy and effectiveness and describes any material changes made to the Program.

### *Assessment of Program*

In the opinion of the Program Administrator, the Program approved by the Board continues to be adequate for the fund and the Program has been implemented effectively. The Program Administrator has monitored the fund’s liquidity risk and the liquidity classification of the securities held by the fund and has determined that the Program is operating effectively.

During the period from January 1, 2021 to December 31, 2021, there were no material changes to the Program and no material liquidity events that impacted the fund. During the period, the fund held sufficient highly liquid assets to meet fund redemptions.

Under normal expected foreseeable fund redemption forecasts and foreseeable stressed fund redemption forecasts, the Program Administrator believes that the fund maintains sufficient highly liquid assets to meet expected fund redemptions.

# For More Information

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## **BNY Mellon Investment Portfolios, MidCap Stock Portfolio**

240 Greenwich Street  
New York, NY 10286

### **Adviser**

BNY Mellon Investment Adviser, Inc.  
240 Greenwich Street  
New York, NY 10286

### **Sub-Adviser**

Newton Investment Management  
North America, LLC  
BNY Mellon Center  
201 Washington Street  
Boston, MA 02108

### **Custodian**

The Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286

### **Transfer Agent & Dividend Disbursing Agent**

BNY Mellon Transfer, Inc.  
240 Greenwich Street  
New York, NY 10286

### **Distributor**

BNY Mellon Securities Corporation  
240 Greenwich Street  
New York, NY 10286

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**Telephone** 1-800-258-4260 or 1-800-258-4261

**Mail** The BNY Mellon Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144 Attn: Institutional Services Department

**E-mail** Send your request to [info@bnymellon.com](mailto:info@bnymellon.com)

**Internet** Information can be viewed online or downloaded at [www.im.bnymellon.com](http://www.im.bnymellon.com)

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-PORT. The fund's Forms N-PORT are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

A description of the policies and procedures that the fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the fund voted these proxies for the most recent 12-month period ended June 30 is available at [www.im.bnymellon.com](http://www.im.bnymellon.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov) and without charge, upon request, by calling 1-800-373-9387.



BNY Mellon Sustainable U.S.  
Equity Portfolio, Inc.

**SEMI-ANNUAL REPORT**  
June 30, 2022



**BNY MELLON**  
INVESTMENT MANAGEMENT

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The views expressed in this report reflect those of the portfolio manager(s) only through the end of the period covered and do not necessarily represent the views of BNY Mellon Investment Adviser, Inc. or any other person in the BNY Mellon Investment Adviser, Inc. organization. Any such views are subject to change at any time based upon market or other conditions and BNY Mellon Investment Adviser, Inc. disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a fund in the BNY Mellon Family of Funds are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any fund in the BNY Mellon Family of Funds.

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## THE FUND

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# DISCUSSION OF FUND PERFORMANCE (Unaudited)

*For the period from January 1, 2022, through June 30, 2022, as provided by portfolio manager Nick Pope of Newton Investment Management Limited, sub-adviser*

## **Market and Fund Performance Overview**

For the six-month period ended June 30, 2022, BNY Mellon Sustainable U.S. Equity Portfolio, Inc.'s (the "fund") Initial shares produced a total return of  $-22.37\%$ , and the fund's Service shares returned  $-22.48\%$ .<sup>1</sup> In comparison, the fund's benchmark, the S&P 500® Index (the "Index"), produced a total return of  $-19.96\%$  for the same period.<sup>2</sup>

U.S. stocks lost ground during the reporting period under pressure from sharply increasing inflation, monetary tightening measures undertaken by the U.S. Federal Reserve (the "Fed") and uncertainties related to Russia's invasion of Ukraine. The fund underperformed the Index, largely due to lack of exposure to the energy sector.

## **The Fund's Investment Approach**

The fund seeks long-term capital appreciation. To pursue its goal, the fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of U.S. companies that demonstrate attractive investment attributes and sustainable business practices and have no material, unresolvable, environmental, social and governance (ESG) issues. The fund invests principally in common stocks, focusing on companies with market capitalizations of \$5 billion or more at the time of purchase. The fund may invest up to 20% of its assets in the stocks of foreign companies, including up to 10% in the stocks of companies in emerging-market countries.

We use quantitative and qualitative fundamental analyses to identify attractively priced companies with good products, strong management and strategic direction that have adopted, or are making progress toward, a sustainable business approach. We employ an investment process that combines investment themes with fundamental research and analysis to select stocks for the fund's portfolio.

## **Mounting Inflation Poses an Economic Challenge**

The start of 2022 was the most challenging period faced by equity investors since the outbreak of the COVID-19 pandemic more than two years ago. While Russia's invasion of Ukraine at the end of February was the defining geopolitical and economic event and an obvious catalyst for equity market weakness, equity indices had already been under considerable pressure throughout January. The proximate cause was tightening U.S. monetary policy, as the Fed, having been slow to act in addressing inflationary pressures, signaled that U.S. interest-rate increases would now come earlier, and potentially be more aggressive, than previously indicated. This course of action drove government bond yields steeply higher and, in the equity market, put acute pressure on higher-multiple equities.

Worries regarding a shift in global monetary policy continued to weigh on equities, with stretched valuations a cause for concern in the face of hawkish central banks. Renewed coronavirus-related lockdowns in China also weighed on investor sentiment earlier in the period, given the implications for economic growth and supply chains. The risk of recession loomed toward the end of the review period amid concerns regarding a more aggressive, Fed-led, global tightening cycle in response to heightened inflation.

## **Lack of Energy Exposure Detracts from Returns**

Energy was the only benchmark sector to generate positive returns during the reporting period, gaining nearly 30% on sharply higher oil and gas prices driven by tight supply/demand conditions and exacerbated by the invasion of Ukraine. As most energy companies lacked characteristics consistent with the fund's sustainable mandate, the fund held no exposure to the sector. This position alone more than accounted for the fund's relative underperformance. In addition, stock selection weighed on relative performance in the consumer discretionary, health care and industrials sectors. An overweight position in information technology, disadvantaged by negative investor sentiment toward richly valued, growth-oriented stocks, also detracted. Notably weak individual holdings included athletic footwear



and accessories maker NIKE, professional services company Accenture and financial software company Intuit.

Conversely, overweight exposure to utilities aided relative returns, as did underweight exposure to consumer discretionary. Stock picking proved particularly strong in communication services and information technology. Top individual holdings included beverage maker PepsiCo and electric utility CMS Energy. PepsiCo posted strong financial results for the first quarter of 2022, exhibiting stronger-than-expected sales growth, along with steady gross margins in the face of inflationary pressures. CMS Energy also issued better-than-expected first quarter earnings and raised 2022 guidance. The fund's lack of exposure to Meta Platforms and NVIDIA, two struggling names that were significant components of the benchmark, also bolstered relative returns.

## Seeing Opportunities Amid Current Challenges

The immediate outlook for the U.S. equity market has been clouded by a number of headwinds of late, which include concerns regarding the economic backdrop exacerbated by the impacts of the ongoing conflict in Ukraine, the apparent desire of central banks to persevere in a change in monetary-policy regime, and the spread of COVID-19 in China and consequent lockdowns. As the Fed weighs the need to curb inflation against the risk of plunging the economy into recession, the course policy makers choose to take will continue to be important for valuations.

We believe that the macroeconomic pressures we are witnessing, for all the short-term performance challenges they may present, are likely to support the structural need and demand for the types of products and services offered by the companies that the fund holds. For example, countries and companies are already starting to recognize the need to accelerate their moves toward renewable energy and to more localized supply chains in light of recent disruptions. An enhanced desire for efficient energy solutions strengthens the investment case for the likes of Trane Technologies and Ingersoll Rand, both newly added to the fund this year. We see many strengthening, sustainable themes that should provide the fund with investment opportunities for strong growth. Indeed, we will continue to take the opportunity to selectively add positions in highly sustainable businesses where valuations have come down in response to the current, volatile market environment.

July 15, 2022

<sup>1</sup> Total return includes reinvestment of dividends and any capital gains paid. Past performance is no guarantee of future results. Share price and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. The fund's return reflects the absorption of certain fund expenses by BNY Mellon Investment Adviser, Inc. pursuant to an agreement in effect through April 29, 2023, at which time it may be extended, modified or terminated. Had these expenses not been absorbed, returns would have been lower.

<sup>2</sup> Source: Lipper Inc. — The S&P 500® Index is widely regarded as the best single gauge of large-cap U.S. equities. The Index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Investors cannot invest directly in any index.

Equities are subject generally to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees, all of which are more fully described in the fund's prospectus.

References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be and should not be interpreted as recommendations.

Recent market risks include pandemic risks related to COVID-19. The effects of COVID-19 have contributed to increased volatility in global markets and will likely affect certain countries, companies, industries and market sectors more dramatically than others. To the extent the fund may overweight its investments in certain countries, companies, industries or market sectors, such positions will increase the fund's exposure to risk of loss from adverse developments affecting those countries, companies, industries or sectors.

The fund's consideration of ESG issues in the securities selection process may cause the fund to perform differently from funds that do not integrate consideration of ESG issues when selecting investments.

The fund is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies. Individuals may not purchase shares of the fund directly. A variable annuity is an insurance contract issued by an insurance company that enables investors to accumulate assets on a tax-deferred basis for retirement or other long-term goals. The investment objective and policies of BNY Mellon Sustainable U.S. Equity Portfolio, Inc., made available through insurance products, may be similar to those of other funds managed by BNY Mellon Investment Adviser, Inc. However, the investment results of the fund may be higher or lower than, and may not be comparable to, those of any other BNY Mellon Investment Adviser, Inc. fund.

## UNDERSTANDING YOUR FUND'S EXPENSES (Unaudited)

As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads), redemption fees and expenses associated with variable annuity or insurance contracts, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial adviser.

### Review your fund's expenses

The table below shows the expenses you would have paid on a \$1,000 investment in BNY Mellon Sustainable U.S. Equity Portfolio, Inc. from January 1, 2022 to June 30, 2022. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

| <b>Expenses and Value of a \$1,000 Investment</b>            |                       |                       |
|--|-----------------------|-----------------------|
| Assume actual returns for the six months ended June 30, 2022 |                       |                       |
|  | <b>Initial Shares</b> | <b>Service Shares</b> |
| Expenses paid per \$1,000†                                   | \$2.99                | \$4.09                |
| Ending value (after expenses)                                | \$776.30              | \$775.20              |

## COMPARING YOUR FUND'S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

### Using the SEC's method to compare expenses

The Securities and Exchange Commission ("SEC") has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your fund's expenses based on a \$1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

| <b>Expenses and Value of a \$1,000 Investment</b>                                   |                       |                       |
|---|-----------------------|-----------------------|
| Assuming a hypothetical 5% annualized return for the six months ended June 30, 2022 |                       |                       |
|   | <b>Initial Shares</b> | <b>Service Shares</b> |
| Expenses paid per \$1,000†  | \$3.41                | \$4.66                |
| Ending value (after expenses)   | \$1,021.42            | \$1,020.18            |

† Expenses are equal to the fund's annualized expense ratio of .68% for Initial Shares and .93% for Service Shares, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# STATEMENT OF INVESTMENTS

June 30, 2022 (Unaudited)

| Description   | Shares               | Value (\$)        |
|---|----------------------|-------------------|
| <b>Common Stocks - 98.5%</b>                                    |                      |                   |
| <b>Banks - 4.8%</b>   |                      |                   |
| Citigroup   | 59,873               | 2,753,559         |
| First Republic Bank   | 32,573               | 4,697,027         |
| JPMorgan Chase & Co.  | 49,421               | 5,565,299         |
|   |                      | <b>13,015,885</b> |
| <b>Capital Goods - 4.4%</b>                                     |                      |                   |
| Ingersoll Rand  | 141,501              | 5,954,362         |
| Trane Technologies  | 44,971               | 5,840,384         |
|   |                      | <b>11,794,746</b> |
| <b>Consumer Durables &amp; Apparel - 2.5%</b>                   |                      |                   |
| NIKE, Cl. B   | 66,405               | <b>6,786,591</b>  |
| <b>Diversified Financials - 2.6%</b>                            |                      |                   |
| The Goldman Sachs Group   | 23,353               | <b>6,936,308</b>  |
| <b>Food &amp; Staples Retailing - 3.2%</b>                      |                      |                   |
| Costco Wholesale  | 17,810               | <b>8,535,977</b>  |
| <b>Food, Beverage &amp; Tobacco - 3.6%</b>                      |                      |                   |
| PepsiCo   | 57,676               | <b>9,612,282</b>  |
| <b>Health Care Equipment &amp; Services - 9.8%</b>              |                      |                   |
| Abbott Laboratories   | 57,129               | 6,207,066         |
| Edwards Lifesciences  | 65,416 <sup>a</sup>  | 6,220,407         |
| Medtronic   | 81,979               | 7,357,615         |
| The Cooper Companies  | 21,464               | 6,720,808         |
|   |                      | <b>26,505,896</b> |
| <b>Insurance - 3.0%</b>   |                      |                   |
| Chubb   | 41,546               | <b>8,167,113</b>  |
| <b>Materials - 4.3%</b>   |                      |                   |
| Albemarle   | 32,617               | 6,816,301         |
| Ecolab  | 30,414               | 4,676,457         |
|   |                      | <b>11,492,758</b> |
| <b>Media &amp; Entertainment - 4.4%</b>                         |                      |                   |
| Alphabet, Cl. A   | 5,476 <sup>a</sup>   | <b>11,933,628</b> |
| <b>Pharmaceuticals Biotechnology &amp; Life Sciences - 6.2%</b> |                      |                   |
| AbbVie  | 40,403               | 6,188,123         |
| Eli Lilly & Co.   | 21,925               | 7,108,743         |
| Merck & Co.   | 36,731               | 3,348,765         |
|   |                      | <b>16,645,631</b> |
| <b>Retailing - 4.7%</b>   |                      |                   |
| Amazon.com  | 118,676 <sup>a</sup> | <b>12,604,578</b> |
| <b>Semiconductors &amp; Semiconductor Equipment - 4.7%</b>      |                      |                   |
| Applied Materials   | 27,748               | 2,524,514         |
| SolarEdge Technologies  | 13,394 <sup>a</sup>  | 3,665,670         |

STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description   | Shares              | Value (\$)             |
|---|---------------------|------------------------|
| <b>Common Stocks - 98.5% (continued)</b>  |                     |                        |
| <b>Semiconductors &amp; Semiconductor Equipment - 4.7% (continued)</b>  |                     |                        |
| Texas Instruments   | 42,124              | 6,472,353              |
|   |                     | <b>12,662,537</b>      |
| <b>Software &amp; Services - 20.2%</b>  |                     |                        |
| Accenture, Cl. A  | 33,902              | 9,412,890              |
| Fidelity National Information Services  | 44,904              | 4,116,350              |
| Intuit  | 17,767              | 6,848,112              |
| Mastercard, Cl. A   | 25,077              | 7,911,292              |
| Microsoft   | 75,333              | 19,347,774             |
| Salesforce  | 42,062 <sup>a</sup> | 6,941,912              |
|   |                     | <b>54,578,330</b>      |
| <b>Technology Hardware &amp; Equipment - 9.0%</b>   |                     |                        |
| Apple   | 134,077             | 18,331,007             |
| TE Connectivity   | 52,786              | 5,972,736              |
|   |                     | <b>24,303,743</b>      |
| <b>Telecommunication Services - 2.8%</b>  |                     |                        |
| Verizon Communications  | 149,361             | <b>7,580,071</b>       |
| <b>Transportation - 1.9%</b>  |                     |                        |
| Norfolk Southern  | 22,719              | <b>5,163,801</b>       |
| <b>Utilities - 6.4%</b>   |                     |                        |
| CMS Energy  | 81,370              | 5,492,475              |
| Eversource Energy   | 66,217              | 5,593,350              |
| NextEra Energy  | 80,798              | 6,258,613              |
|   |                     | <b>17,344,438</b>      |
| <b>Total Common Stocks</b> (cost \$200,405,952)   |                     | <b>265,664,313</b>     |
|   | 1-Day<br>Yield (%)  |                        |
| <b>Investment Companies - 1.5%</b>  |                     |                        |
| <b>Registered Investment Companies - 1.5%</b>   |                     |                        |
| Dreyfus Institutional Preferred<br>Government Plus Money Market Fund,<br>Institutional Shares<br>(cost \$3,967,117) | 1.48                | 3,967,117 <sup>b</sup> |
|   |                     | <b>3,967,117</b>       |
| <b>Total Investments</b> (cost \$204,373,069)   | <b>100.0%</b>       | <b>269,631,430</b>     |
| <b>Liabilities, Less Cash and Receivables</b>   | <b>(.0%)</b>        | <b>(20,199)</b>        |
| <b>Net Assets</b>   | <b>100.0%</b>       | <b>269,611,231</b>     |

<sup>a</sup> Non-income producing security.

<sup>b</sup> Investment in affiliated issuer. The investment objective of this investment company is publicly available and can be found within the investment company's prospectus.

| Portfolio Summary (Unaudited) † | Value (%)    |
|---------------------------------|--------------|
| Information Technology          | 34.0         |
| Health Care                     | 16.0         |
| Financials                      | 10.4         |
| Communication Services          | 7.2          |
| Consumer Discretionary          | 7.2          |
| Consumer Staples                | 6.7          |
| Utilities                       | 6.4          |
| Industrials                     | 6.3          |
| Materials                       | 4.3          |
| Investment Companies            | 1.5          |
|                                 | <b>100.0</b> |

† Based on net assets.

See notes to financial statements.

| <b>Affiliated Issuers</b>                     |                          |                             |              |                         |                                  |
|---|--------------------------|-----------------------------|--------------|-------------------------|----------------------------------|
| Description                                   | Value (\$)<br>12/31/2021 | Purchases (\$) <sup>†</sup> | Sales (\$)   | Value (\$)<br>6/30/2022 | Dividends/<br>Distributions (\$) |
| <b>Registered Investment Companies - 1.5%</b> |                          |                             |              |                         |                                  |
| Dreyfus                                       |                          |                             |              |                         |                                  |
| Institutional                                 |                          |                             |              |                         |                                  |
| Preferred                                     |                          |                             |              |                         |                                  |
| Government                                    |                          |                             |              |                         |                                  |
| Plus Money                                    |                          |                             |              |                         |                                  |
| Market Fund,                                  |                          |                             |              |                         |                                  |
| Institutional                                 |                          |                             |              |                         |                                  |
| Shares -                                      |                          |                             |              |                         |                                  |
| 1.5%  | 3,481,838                | 28,700,845                  | (28,215,566) | 3,967,117               | 5,124                            |

† Includes reinvested dividends/ distributions.

See notes to financial statements.

# STATEMENT OF ASSETS AND LIABILITIES

June 30, 2022 (Unaudited)

|   | Cost           | Value              |
|---|----------------|--------------------|
| <b>Assets (\$):</b>   |                |                    |
| Investments in securities—See Statement of Investments              |                |                    |
| Unaffiliated issuers  | 200,405,952    | 265,664,313        |
| Affiliated issuers  | 3,967,117      | 3,967,117          |
| Dividends receivable  |                | 169,798            |
| Receivable for shares of Common Stock subscribed                    |                | 47,824             |
| Prepaid expenses  |                | 11,470             |
|   |                | <b>269,860,522</b> |
| <b>Liabilities (\$):</b>  |                |                    |
| Due to BNY Mellon Investment Adviser, Inc. and affiliates—Note 3(c) |                | 152,217            |
| Payable for shares of Common Stock redeemed                         |                | 23,861             |
| Directors' fees and expenses payable                                |                | 4,327              |
| Other accrued expenses  |                | 68,886             |
|   |                | <b>249,291</b>     |
| <b>Net Assets (\$)</b>  |                | <b>269,611,231</b> |
| <b>Composition of Net Assets (\$):</b>                              |                |                    |
| Paid-in capital   |                | 177,605,436        |
| Total distributable earnings (loss)                                 |                | 92,005,795         |
| <b>Net Assets (\$)</b>  |                | <b>269,611,231</b> |
| <b>Net Asset Value Per Share</b>                                    |                |                    |
|   | Initial Shares | Service Shares     |
| Net Assets (\$)   | 244,557,072    | 25,054,159         |
| Shares Outstanding  | 5,823,028      | 606,454            |
| <b>Net Asset Value Per Share (\$)</b>                               | <b>42.00</b>   | <b>41.31</b>       |

*See notes to financial statements.*

**STATEMENT OF OPERATIONS**  
Six Months Ended June 30, 2022 (Unaudited)

|   |                     |
|---|---------------------|
| <b>Investment Income (\$):</b>  |                     |
| <b>Income:</b>  |                     |
| Cash dividends:   |                     |
| Unaffiliated issuers  | 1,995,277           |
| Affiliated issuers  | 5,124               |
| <b>Total Income</b>   | <b>2,000,401</b>    |
| <b>Expenses:</b>  |                     |
| Management fee—Note 3(a)  | 914,942             |
| Professional fees   | 54,387              |
| Distribution fees—Note 3(b)   | 33,406              |
| Prospectus and shareholders' reports                                      | 26,951              |
| Directors' fees and expenses—Note 3(d)                                    | 13,208              |
| Chief Compliance Officer fees—Note 3(c)                                   | 11,497              |
| Custodian fees—Note 3(c)  | 3,843               |
| Shareholder servicing costs—Note 3(c)                                     | 3,327               |
| Loan commitment fees—Note 2   | 2,924               |
| Miscellaneous   | 11,325              |
| <b>Total Expenses</b>   | <b>1,075,810</b>    |
| <b>Net Investment Income</b>  | <b>924,591</b>      |
| <b>Realized and Unrealized Gain (Loss) on Investments—Note 4 (\$):</b>    |                     |
| Net realized gain (loss) on investments and foreign currency transactions | 26,007,070          |
| Net change in unrealized appreciation (depreciation) on investments       | (106,243,546)       |
| <b>Net Realized and Unrealized Gain (Loss) on Investments</b>             | <b>(80,236,476)</b> |
| <b>Net (Decrease) in Net Assets Resulting from Operations</b>             | <b>(79,311,885)</b> |

*See notes to financial statements.*

## STATEMENT OF CHANGES IN NET ASSETS

|  | Six Months Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31, 2021 |
|--|--|---------------------------------|
| <b>Operations (\$):</b>  |  |                                 |
| Net investment income  | 924,591  | 1,464,941                       |
| Net realized gain (loss) on investments                                      | 26,007,070                                       | 20,900,847                      |
| Net change in unrealized appreciation<br>(depreciation) on investments       | (106,243,546)                                    | 55,727,274                      |
| <b>Net Increase (Decrease) in Net Assets<br/>Resulting from Operations</b>   | <b>(79,311,885)</b>                              | <b>78,093,062</b>               |
| <b>Distributions (\$):</b>   |  |                                 |
| Distributions to shareholders:   |  |                                 |
| Initial Shares   | (20,433,657)                                     | (9,105,383)                     |
| Service Shares   | (1,934,967)                                      | (620,217)                       |
| <b>Total Distributions</b>   | <b>(22,368,624)</b>                              | <b>(9,725,600)</b>              |
| <b>Capital Stock Transactions (\$):</b>                                      |  |                                 |
| Net proceeds from shares sold:   |  |                                 |
| Initial Shares   | 6,482,995  | 14,996,495                      |
| Service Shares   | 3,039,215  | 8,532,661                       |
| Distributions reinvested:  |  |                                 |
| Initial Shares   | 20,433,657                                       | 9,105,383                       |
| Service Shares   | 1,934,967  | 620,217                         |
| Cost of shares redeemed:   |  |                                 |
| Initial Shares   | (17,846,517)                                     | (36,743,574)                    |
| Service Shares   | (1,292,299)                                      | (2,033,408)                     |
| <b>Increase (Decrease) in Net Assets<br/>from Capital Stock Transactions</b> | <b>12,752,018</b>                                | <b>(5,522,226)</b>              |
| <b>Total Increase (Decrease) in Net Assets</b>                               | <b>(88,928,491)</b>                              | <b>62,845,236</b>               |
| <b>Net Assets (\$):</b>  |  |                                 |
| Beginning of Period  | 358,539,722                                      | 295,694,486                     |
| <b>End of Period</b>   | <b>269,611,231</b>                               | <b>358,539,722</b>              |
| <b>Capital Share Transactions (Shares):</b>                                  |  |                                 |
| <b>Initial Shares</b>  |  |                                 |
| Shares sold  | 127,987  | 285,446                         |
| Shares issued for distributions reinvested                                   | 407,126  | 191,290                         |
| Shares redeemed  | (365,069)  | (699,072)                       |
| <b>Net Increase (Decrease) in Shares Outstanding</b>                         | <b>170,044</b>                                   | <b>(222,336)</b>                |
| <b>Service Shares</b>  |  |                                 |
| Shares sold  | 65,349   | 165,009                         |
| Shares issued for distributions reinvested                                   | 39,169   | 13,216                          |
| Shares redeemed  | (26,721)   | (39,340)                        |
| <b>Net Increase (Decrease) in Shares Outstanding</b>                         | <b>77,797</b>                                    | <b>138,885</b>                  |

See notes to financial statements.



## FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information (except portfolio turnover rate) reflects financial results for a single fund share. Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Net asset value total return includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. The fund's total returns do not reflect expenses associated with variable annuity or insurance contracts. These figures have been derived from the fund's financial statements.

| Initial Shares  | Six Months Ended             | Year Ended December 31, |         |         |         |         |
|---|------------------------------|-------------------------|---------|---------|---------|---------|
|   | June 30, 2022<br>(Unaudited) | 2021                    | 2020    | 2019    | 2018    | 2017    |
| <b>Per Share Data (\$):</b>                               |                              |                         |         |         |         |         |
| Net asset value, beginning of period                      | 58.08                        | 47.24                   | 39.30   | 30.73   | 40.27   | 37.86   |
| Investment Operations:                                    |                              |                         |         |         |         |         |
| Net investment income <sup>a</sup>                        | .15                          | .24                     | .39     | .40     | .41     | .38     |
| Net realized and unrealized gain<br>(loss) on investments | (12.54)                      | 12.17                   | 8.47    | 9.85    | (1.69)  | 5.14    |
| Total from Investment Operations                          | (12.39)                      | 12.41                   | 8.86    | 10.25   | (1.28)  | 5.52    |
| Distributions:  |                              |                         |         |         |         |         |
| Dividends from<br>net investment income                   | (.25)                        | (.40)                   | (.44)   | (.52)   | (.71)   | (.46)   |
| Dividends from net realized<br>gain on investments        | (3.44)                       | (1.17)                  | (.48)   | (1.16)  | (7.55)  | (2.65)  |
| Total Distributions                                       | (3.69)                       | (1.57)                  | (.92)   | (1.68)  | (8.26)  | (3.11)  |
| Net asset value, end of period                            | 42.00                        | 58.08                   | 47.24   | 39.30   | 30.73   | 40.27   |
| <b>Total Return (%)</b>                                   | (22.37) <sup>b</sup>         | 27.00                   | 24.14   | 34.36   | (4.41)  | 15.33   |
| <b>Ratios/Supplemental Data (%):</b>                      |                              |                         |         |         |         |         |
| Ratio of total expenses<br>to average net assets          | .68 <sup>c</sup>             | .67                     | .68     | .68     | .74     | .80     |
| Ratio of net expenses<br>to average net assets            | .68 <sup>c</sup>             | .67                     | .68     | .68     | .70     | .77     |
| Ratio of net investment income<br>to average net assets   | .63 <sup>c</sup>             | .46                     | .97     | 1.14    | 1.19    | .99     |
| Portfolio Turnover Rate                                   | 20.28 <sup>b</sup>           | 13.23                   | 24.81   | 25.43   | 51.68   | 119.51  |
| Net Assets, end of period (\$ x 1,000)                    | 244,557                      | 328,328                 | 277,555 | 237,287 | 193,538 | 226,078 |

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Not annualized.

<sup>c</sup> Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

| Service Shares  | Six Months Ended             | Year Ended December 31, |        |        |        |        |
|---|------------------------------|-------------------------|--------|--------|--------|--------|
|   | June 30, 2022<br>(Unaudited) | 2021                    | 2020   | 2019   | 2018   | 2017   |
| <b>Per Share Data (\$):</b>                               |                              |                         |        |        |        |        |
| Net asset value, beginning of period                      | 57.15                        | 46.54                   | 38.71  | 30.30  | 39.80  | 37.46  |
| Investment Operations:                                    |                              |                         |        |        |        |        |
| Net investment income <sup>a</sup>                        | .09                          | .10                     | .29    | .31    | .32    | .28    |
| Net realized and unrealized gain<br>(loss) on investments | (12.35)                      | 11.99                   | 8.38   | 9.71   | (1.66) | 5.08   |
| Total from Investment Operations                          | (12.26)                      | 12.09                   | 8.67   | 10.02  | (1.34) | 5.36   |
| Distributions:  |                              |                         |        |        |        |        |
| Dividends from<br>net investment income                   | (.14)                        | (.31)                   | (.36)  | (.45)  | (.61)  | (.37)  |
| Dividends from net realized<br>gain on investments        | (3.44)                       | (1.17)                  | (.48)  | (1.16) | (7.55) | (2.65) |
| Total Distributions                                       | (3.58)                       | (1.48)                  | (.84)  | (1.61) | (8.16) | (3.02) |
| Net asset value, end of period                            | 41.31                        | 57.15                   | 46.54  | 38.71  | 30.30  | 39.80  |
| <b>Total Return (%)</b>                                   | (22.48) <sup>b</sup>         | 26.68                   | 23.86  | 34.01  | (4.64) | 15.04  |
| <b>Ratios/Supplemental Data (%):</b>                      |                              |                         |        |        |        |        |
| Ratio of total expenses<br>to average net assets          | .93 <sup>c</sup>             | .92                     | .93    | .93    | .99    | 1.05   |
| Ratio of net expenses<br>to average net assets            | .93 <sup>c</sup>             | .92                     | .93    | .93    | .95    | 1.02   |
| Ratio of net investment income<br>to average net assets   | .38 <sup>c</sup>             | .20                     | .72    | .88    | .95    | .74    |
| Portfolio Turnover Rate                                   | 20.28 <sup>b</sup>           | 13.23                   | 24.81  | 25.43  | 51.68  | 119.51 |
| Net Assets, end of period (\$ x 1,000)                    | 25,054                       | 30,211                  | 18,139 | 12,964 | 9,410  | 10,274 |

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Not annualized.

<sup>c</sup> Annualized.

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

### **NOTE 1—Significant Accounting Policies:**

BNY Mellon Sustainable U.S. Equity Portfolio, Inc. (the “fund”), which is registered under the Investment Company Act of 1940, as amended (the “Act”), is a diversified open-end management investment company. The fund is only offered to separate accounts established by insurance companies to fund variable annuity contracts and variable life insurance policies. The fund’s investment objective is to seek long-term capital appreciation. BNY Mellon Investment Adviser, Inc. (the “Adviser”), a wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”), serves as the fund’s investment adviser. Newton Investment Management Limited (the “Sub-Adviser”), a wholly-owned subsidiary of BNY Mellon and an affiliate of the Adviser, serves as the fund’s sub-adviser.

BNY Mellon Securities Corporation (the “Distributor”), a wholly-owned subsidiary of the Adviser, is the distributor of the fund’s shares, which are sold without a sales charge. The fund is authorized to issue 150 million shares of \$.001 par value Common Stock in each of the following classes of shares: Initial and Service. Initial shares are subject to a Shareholder Services Plan fee and Service shares are subject to a Distribution Plan fee. Each class of shares has identical rights and privileges, except with respect to the Distribution Plan, Shareholder Services Plan and the expenses borne by each class, the allocation of certain transfer agency costs, and certain voting rights. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) is the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund is an investment company and applies the accounting and reporting guidance of the FASB ASC Topic 946 Financial Services-Investment Companies. The fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The fund enters into contracts that contain a variety of indemnifications. The fund’s maximum exposure under these arrangements is unknown. The

fund does not anticipate recognizing any loss related to these arrangements.

**(a) Portfolio valuation:** The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This 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).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

Various inputs are used in determining the value of the fund's investments relating to fair value measurements. These inputs are summarized in the three broad levels listed below:

**Level 1**—unadjusted quoted prices in active markets for identical investments.

**Level 2**—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund's investments are as follows:

Investments in equity securities are valued at the last sales price on the securities exchange or national securities market on which such securities are primarily traded. Securities listed on the National Market System for which market quotations are available are valued at the official closing price or, if there is no official closing price that day, at the last sales price. For open short positions, asked prices are used for valuation purposes. Bid price is used when no asked price is available. Registered investment companies that are not traded on an exchange are valued at their net asset

value. All of the preceding securities are generally categorized within Level 1 of the fair value hierarchy.

Securities not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices. These securities are generally categorized within Level 2 of the fair value hierarchy.

Fair valuing of securities may be determined with the assistance of a pricing service using calculations based on indices of domestic securities and other appropriate indicators, such as prices of relevant American Depository Receipts and futures. Utilizing these techniques may result in transfers between Level 1 and Level 2 of the fair value hierarchy.

When market quotations or official closing prices are not readily available, or are determined not to accurately reflect fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the fund's Board of Directors (the "Board"). Certain factors may be considered when fair valuing investments such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. These securities are either categorized within Level 2 or 3 of the fair value hierarchy depending on the relevant inputs used.

For securities where observable inputs are limited, assumptions about market activity and risk are used and such securities are generally categorized within Level 3 of the fair value hierarchy.

Investments denominated in foreign currencies are translated to U.S. dollars at the prevailing rates of exchange.

The following is a summary of the inputs used as of June 30, 2022 in valuing the fund's investments:

NOTES TO FINANCIAL STATEMENTS (Unaudited) (continued)

|                             | Level 1-<br>Unadjusted<br>Quoted Prices | Level 2- Other<br>Significant<br>Observable<br>Inputs | Level 3-<br>Significant<br>Unobservable<br>Inputs | Total              |
|-----------------------------|---|---|---|--------------------|
| <b>Assets (\$)</b>          |   |   |   |                    |
| Investments in Securities:† |   |   |   |                    |
| Equity Securities -         |   |   |   |                    |
| Common Stocks               | 265,664,313                             | -   | -   | <b>265,664,313</b> |
| Investment                  |   |   |   |                    |
| Companies                   | 3,967,117                               | -   | -   | <b>3,967,117</b>   |

† See Statement of Investments for additional detailed categorizations, if any.

**(b) Foreign currency transactions:** The fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized on securities transactions between trade and settlement date, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments resulting from changes in exchange rates. Foreign currency gains and losses on foreign currency transactions are also included with net realized and unrealized gain or loss on investments.

**(c) Securities transactions and investment income:** Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income, including, where applicable, accretion of discount and amortization of premium on investments, is recognized on the accrual basis.

**(d) Affiliated issuers:** Investments in other investment companies advised by the Adviser are considered "affiliated" under the Act.

**(e) Risk:** Certain events particular to the industries in which the fund's investments conduct their operations, as well as general economic, political and public health conditions, may have a significant negative impact on the investee's operations and profitability. In addition, turbulence in financial markets and reduced liquidity in equity, credit and/or fixed income markets may negatively affect many issuers, which could adversely affect the fund. Global economies and financial markets are becoming

increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide. Recent examples include pandemic risks related to COVID-19 and aggressive measures taken world-wide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The effects of COVID-19 have contributed to increased volatility in global markets and will likely affect certain countries, companies, industries and market sectors more dramatically than others. The COVID-19 pandemic has had, and any other outbreak of an infectious disease or other serious public health concern could have, a significant negative impact on economic and market conditions and could trigger a prolonged period of global economic slowdown. To the extent the fund may overweight its investments in certain countries, companies, industries or market sectors, such positions will increase the fund's exposure to risk of loss from adverse developments affecting those countries, companies, industries or sectors.

**(f) Dividends and distributions to shareholders:** Dividends and distributions are recorded on the ex-dividend date. Dividends from net investment income and dividends from net realized capital gains, if any, are normally declared and paid annually, but the fund may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that net realized capital gains can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

**(g) Federal income taxes:** It is the policy of the fund to continue to qualify as a regulated investment company, if such qualification is in the best interests of its shareholders, by complying with the applicable provisions of the Code, and to make distributions of taxable income and net realized capital gain sufficient to relieve it from substantially all federal income and excise taxes.

As of and during the period ended June 30, 2022, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended June 30, 2022, the fund did not incur any interest or penalties.

Each tax year in the three-year period ended December 31, 2021 remains subject to examination by the Internal Revenue Service and state taxing authorities.

The tax character of distributions paid to shareholders during the fiscal year ended December 31, 2021 was as follows: ordinary income \$5,202,309 and long-term capital gains \$4,523,291. The tax character of current year distributions will be determined at the end of the current fiscal year.

**NOTE 2—Bank Lines of Credit:**

The fund participates with other long-term open-end funds managed by the Adviser in a \$823.5 million unsecured credit facility led by Citibank, N.A. (the “Citibank Credit Facility”) and a \$300 million unsecured credit facility provided by BNY Mellon (the “BNYM Credit Facility”), each to be utilized primarily for temporary or emergency purposes, including the financing of redemptions (each, a “Facility”). The Citibank Credit Facility is available in two tranches: (i) Tranche A is in an amount equal to \$688.5 million and is available to all long-term open-ended funds, including the fund, and (ii) Tranche B is an amount equal to \$135 million and is available only to BNY Mellon Floating Rate Income Fund, a series of BNY Mellon Investment Funds IV, Inc. In connection therewith, the fund has agreed to pay its pro rata portion of commitment fees for Tranche A of the Citibank Credit Facility and the BNYM Credit Facility. Interest is charged to the fund based on rates determined pursuant to the terms of the respective Facility at the time of borrowing. During the period ended June 30, 2022, the fund did not borrow under the Facilities.

**NOTE 3—Management Fee, Sub-Advisory Fee and Other Transactions with Affiliates:**

(a) Pursuant to the management agreement with the Adviser, the management fee is computed at an annual rate of .60% of the value of the fund’s average daily net assets and is payable monthly. The Adviser has contractually agreed, from January 1, 2022 through April 29, 2023, to waive receipt of its fees and/or assume the direct expenses of the fund, so that the direct expenses of none of the classes (excluding Rule 12b-1 Distribution Plan fees, Shareholder Services Plan fees, taxes, interest expense, brokerage commission, commitment fees on borrowings and extraordinary expenses) exceed .70% of the value of the fund’s average daily net assets. On or after April 29, 2023, the Adviser may terminate this expense limitation agreement at any time. During the period ended June 30, 2022, there was no expense reimbursement pursuant to the undertaking.



Pursuant to a sub-advisory agreement between the Adviser and the Sub-Adviser, the Sub-Adviser serves as the fund's sub-adviser responsible for the day-to-day management of the fund's portfolio. The Adviser pays the Sub-Adviser a monthly fee at an annual percentage of the value of the fund's average daily net assets. The Adviser has obtained an exemptive order from the SEC (the "Order"), upon which the fund may rely, to use a manager of managers approach that permits the Adviser, subject to certain conditions and approval by the Board, to enter into and materially amend sub-advisory agreements with one or more sub-advisers who are either unaffiliated with the Adviser or are wholly-owned subsidiaries (as defined under the Act) of the Adviser's ultimate parent company, BNY Mellon, without obtaining shareholder approval. The Order also allows the fund to disclose the sub-advisory fee paid by the Adviser to any unaffiliated sub-adviser in the aggregate with other unaffiliated sub-advisers in documents filed with the SEC and provided to shareholders. In addition, pursuant to the Order, it is not necessary to disclose the sub-advisory fee payable by the Adviser separately to a sub-adviser that is a wholly-owned subsidiary of BNY Mellon in documents filed with the SEC and provided to shareholders; such fees are to be aggregated with fees payable to the Adviser. The Adviser has ultimate responsibility (subject to oversight by the Board) to supervise any sub-adviser and recommend the hiring, termination, and replacement of any sub-adviser to the Board.

**(b)** Under the Distribution Plan adopted pursuant to Rule 12b-1 under the Act, Service shares pay the Distributor for distributing its shares, for servicing and/or maintaining Service shares' shareholder accounts and for advertising and marketing for Service shares. The Distribution Plan provides for payments to be made at an annual rate of .25% of the value of the Service shares' average daily net assets. The Distributor may make payments to Participating Insurance Companies and to brokers and dealers acting as principal underwriter for their variable insurance products. The fees payable under the Distribution Plan are payable without regard to actual expenses incurred. During the period ended June 30, 2022, Service shares were charged \$33,406 pursuant to the Distribution Plan.

**(c)** Under the Shareholder Services Plan, Initial shares reimburse the Distributor at an amount not to exceed an annual rate of .25% of the value of its average daily net assets for certain allocated expenses with respect to servicing and/or maintaining Initial shares' shareholder accounts. During the period ended June 30, 2022, Initial shares were charged \$2,170 pursuant to the Shareholder Services Plan.

The fund has an arrangement with BNY Mellon Transfer, Inc., (the "Transfer Agent"), a subsidiary of BNY Mellon and an affiliate of the

Adviser, whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset Transfer Agent fees. For financial reporting purposes, the fund includes net earnings credits, if any, as shareholder servicing costs in the Statement of Operations.

The fund has an arrangement with The Bank of New York Mellon (the “Custodian”), a subsidiary of BNY Mellon and an affiliate of the Adviser, whereby the fund will receive interest income or be charged overdraft fees when cash balances are maintained. For financial reporting purposes, the fund includes this interest income and overdraft fees, if any, as interest income in the Statement of Operations.

The fund compensates the Transfer Agent, under a transfer agency agreement for providing transfer agency and cash management services inclusive of earnings credits, if any, for the fund. The majority of Transfer Agent fees are comprised of amounts paid on a per account basis, while cash management fees are related to fund subscriptions and redemptions. During the period ended June 30, 2022, the fund was charged \$999 for transfer agency services, inclusive of earnings credit, if any. These fees are included in Shareholder servicing costs in the Statement of Operations.

The fund compensates the Custodian under a custody agreement, for providing custodial services for the fund. These fees are determined based on net assets, geographic region and transaction activity. During the period ended June 30, 2022, the fund was charged \$3,843 pursuant to the custody agreement.

During the period ended June 30, 2022, the fund was charged \$11,497 for services performed by the Chief Compliance Officer and his staff. These fees are included in Chief Compliance Officer fees in the Statement of Operations.

The components of “Due to BNY Mellon Investment Adviser, Inc. and affiliates” in the Statement of Assets and Liabilities consist of: management fees of \$136,032, Distribution Plan fees of \$5,177, Shareholder Service Plan fees of \$1,640, Custodian fees of \$2,727, Chief Compliance Officer fees of \$6,243 and Transfer Agent fees of \$398.

**(d)** Each Board member also serves as a Board member of other funds in the BNY Mellon Family of Funds complex. Annual retainer fees and attendance fees are allocated to each fund based on net assets.

#### **NOTE 4—Securities Transactions:**

The aggregate amount of purchases and sales of investment securities, excluding short-term securities during the period ended June 30, 2022, amounted to \$62,540,326 and \$71,710,905, respectively.

At June 30, 2022, accumulated net unrealized appreciation on investments was \$65,258,361, consisting of \$79,439,743 gross unrealized appreciation and \$14,181,382 gross unrealized depreciation.

At June 30, 2022, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

## LIQUIDITY RISK MANAGEMENT PROGRAM (Unaudited)

Effective June 1, 2019, the fund adopted a liquidity risk management program (the “Liquidity Risk Management Program”) pursuant to the requirements of Rule 22e-4 under the Investment Company Act of 1940, as amended. Rule 22e-4 requires registered open-end funds, including mutual funds and exchange-traded funds but not money market funds, to establish liquidity risk management programs in order to effectively manage fund liquidity and shareholder redemptions. The rule is designed to mitigate the risk that a fund could not meet redemption requests without significantly diluting the interests of remaining investors.

The rule requires the fund to assess, manage and review their liquidity risk at least annually considering applicable factors such as investment strategy and liquidity during normal and foreseeable stressed conditions, including whether the strategy is appropriate for an open-end fund and whether the fund has a relatively concentrated portfolio or large positions in particular issuers. The fund must also assess its use of borrowings and derivatives, short-term and long-term cash flow projections in normal and stressed conditions, holdings of cash and cash equivalents, and borrowing arrangements and other funding sources.

The rule also requires the fund to classify its investments as highly liquid, moderately liquid, less liquid or illiquid based on the number of days the fund expects it would take to liquidate the investment, and to review these classifications at least monthly or more often under certain conditions. The periods range from three or fewer business days for a highly liquid investment to greater than seven calendar days for settlement of a less liquid investment. Illiquid investments are those a fund does not expect to be able to sell or dispose of within seven calendar days without significantly changing the market value. The fund is prohibited from acquiring an investment if, after the acquisition, its holdings of illiquid assets will exceed 15% of its net assets. In addition, if a fund permits redemptions in-kind, the rule requires the fund to establish redemption in-kind policies and procedures governing how and when it will engage in such redemptions.

Pursuant to the rule’s requirements, the Liquidity Risk Management Program has been reviewed and approved by the Board. Furthermore, the Board has received a written report prepared by the Program’s Administrator that addresses the operation of the Program, assesses its adequacy and effectiveness and describes any material changes made to the Program.

### *Assessment of Program*

In the opinion of the Program Administrator, the Program approved by the Board continues to be adequate for the fund and the Program has been implemented effectively. The Program Administrator has monitored the fund’s liquidity risk and the liquidity classification of the securities held by the fund and has determined that the Program is operating effectively.

During the period from January 1, 2021 to December 31, 2021, there were no material changes to the Program and no material liquidity events that impacted the fund. During the period, the fund held sufficient highly liquid assets to meet fund redemptions.

Under normal expected foreseeable fund redemption forecasts and foreseeable stressed fund redemption forecasts, the Program Administrator believes that the fund maintains sufficient highly liquid assets to meet expected fund redemptions.

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# For More Information

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## **BNY Mellon Sustainable U.S. Equity Portfolio, Inc.**

240 Greenwich Street  
New York, NY 10286

### **Adviser**

BNY Mellon Investment Adviser, Inc.  
240 Greenwich Street  
New York, NY 10286

### **Sub-Adviser**

Newton Investment Management Limited  
160 Queen Victoria Street  
London, EC4V, 4LA, UK

### **Custodian**

The Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286

### **Transfer Agent & Dividend Disbursing Agent**

BNY Mellon Transfer, Inc.  
240 Greenwich Street  
New York, NY 10286

### **Distributor**

BNY Mellon Securities Corporation  
240 Greenwich Street  
New York, NY 10286

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**Telephone** 1-800-258-4260 or 1-800-258-4261

**Mail** The BNY Mellon Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144 Attn: Institutional Services Department

**E-mail** Send your request to [info@bnymellon.com](mailto:info@bnymellon.com)

**Internet** Information can be viewed online or downloaded at [www.im.bnymellon.com](http://www.im.bnymellon.com)

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-PORT. The fund's Forms N-PORT are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

A description of the policies and procedures that the fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the fund voted these proxies for the most recent 12-month period ended June 30 is available at [www.im.bnymellon.com](http://www.im.bnymellon.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov) and without charge, upon request, by calling 1-800-373-9387.



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**BNY MELLON**  
INVESTMENT MANAGEMENT



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series I

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**DWS Capital Growth VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Stocks may decline in value. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

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NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

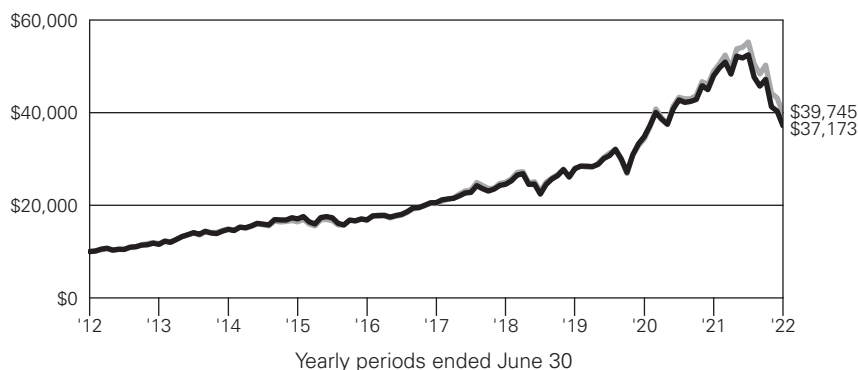
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.48% and 0.75% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS Capital Growth VIP — Class A  
 ■ Russell 1000® Growth Index



Russell 1000® Growth Index is an unmanaged index that consists of those stocks in the Russell 1000® Index that have higher price-to-book ratios and higher forecasted growth values. Russell 1000® Index is an unmanaged price-only index of the 1,000 largest capitalized companies that are domiciled in the U.S. and whose common stocks are traded.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS Capital Growth VIP     |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|----------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                    | Growth of \$10,000          | \$7,081              | \$7,744 | \$13,297 | \$18,064 | \$37,173 |
|                            | Average annual total return | -29.19%              | -22.56% | 9.96%    | 12.55%   | 14.03%   |
| Russell 1000® Growth Index | Growth of \$10,000          | \$7,193              | \$8,123 | \$14,270 | \$19,502 | \$39,745 |
|                            | Average annual total return | -28.07%              | -18.77% | 12.58%   | 14.29%   | 14.80%   |
| DWS Capital Growth VIP     |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
| Class B                    | Growth of \$10,000          | \$7,070              | \$7,721 | \$13,192 | \$17,823 | \$36,164 |
|                            | Average annual total return | -29.30%              | -22.79% | 9.67%    | 12.25%   | 13.72%   |
| Russell 1000® Growth Index | Growth of \$10,000          | \$7,193              | \$8,123 | \$14,270 | \$19,502 | \$39,745 |
|                            | Average annual total return | -28.07%              | -18.77% | 12.58%   | 14.29%   | 14.80%   |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 100%           | 99%             |
| Cash Equivalents   | 0%             | 1%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Information Technology  | 44%            | 45%             |
| Health Care   | 13%            | 12%             |
| Consumer Discretionary  | 12%            | 13%             |
| Communication Services  | 11%            | 12%             |
| Industrials   | 8%             | 8%              |
| Financials  | 6%             | 5%              |
| Consumer Staples  | 3%             | 2%              |
| Real Estate   | 2%             | 2%              |
| Materials   | 1%             | 1%              |
|   | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](https://www.dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](https://www.sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](https://www.dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Manager

Sebastian P. Werner, PhD, Head of Investment Strategy Equity

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares  | Value (\$)        |  | Shares | Value (\$) |
|--|---------|-------------------|--|--------|------------|
| <b>Common Stocks 99.7%</b>                         |         |                   |  |        |            |
| <b>Communication Services 11.4%</b>                |         |                   |  |        |            |
| <b>Entertainment 3.0%</b>                          |         |                   |  |        |            |
| Activision Blizzard, Inc.                          | 64,103  | 4,991,059         |  |        |            |
| Live Nation Entertainment, Inc.*                   | 79,629  | 6,575,763         |  |        |            |
| Netflix, Inc.*                                     | 23,845  | 4,169,775         |  |        |            |
| Spotify Technology SA*                             | 43,342  | 4,066,780         |  |        |            |
| Walt Disney Co.*                                   | 50,160  | 4,735,104         |  |        |            |
|  |         | <b>24,538,481</b> |  |        |            |
| <b>Interactive Media &amp; Services 7.1%</b>       |         |                   |  |        |            |
| Alphabet, Inc. "A"*                                | 10,148  | 22,115,131        |  |        |            |
| Alphabet, Inc. "C"*                                | 10,874  | 23,786,331        |  |        |            |
| Match Group, Inc.*                                 | 83,289  | 5,804,410         |  |        |            |
| Meta Platforms, Inc. "A"*                          | 35,212  | 5,677,935         |  |        |            |
| Snap, Inc. "A"*                                    | 87,759  | 1,152,276         |  |        |            |
|  |         | <b>58,536,083</b> |  |        |            |
| <b>Wireless Telecommunication Services 1.3%</b>    |         |                   |  |        |            |
| T-Mobile U.S., Inc.*                               | 80,959  | 10,892,224        |  |        |            |
| <b>Consumer Discretionary 12.3%</b>                |         |                   |  |        |            |
| <b>Diversified Consumer Services 1.2%</b>          |         |                   |  |        |            |
| Chegg, Inc.*                                       | 102,208 | 1,919,466         |  |        |            |
| Terminix Global Holdings, Inc.*                    | 198,030 | 8,049,920         |  |        |            |
|  |         | <b>9,969,386</b>  |  |        |            |
| <b>Hotels, Restaurants &amp; Leisure 1.3%</b>      |         |                   |  |        |            |
| McDonald's Corp.                                   | 24,811  | 6,125,340         |  |        |            |
| Planet Fitness, Inc. "A"*                          | 72,192  | 4,909,778         |  |        |            |
|  |         | <b>11,035,118</b> |  |        |            |
| <b>Internet &amp; Direct Marketing Retail 4.3%</b> |         |                   |  |        |            |
| Amazon.com, Inc.*                                  | 329,983 | 35,047,494        |  |        |            |
| <b>Multiline Retail 0.8%</b>                       |         |                   |  |        |            |
| Dollar General Corp.                               | 26,422  | 6,485,016         |  |        |            |
| <b>Specialty Retail 3.4%</b>                       |         |                   |  |        |            |
| Burlington Stores, Inc.*                           | 15,654  | 2,132,544         |  |        |            |
| CarMax, Inc.*                                      | 64,125  | 5,802,030         |  |        |            |
| Home Depot, Inc.                                   | 74,066  | 20,314,082        |  |        |            |
|  |         | <b>28,248,656</b> |  |        |            |
| <b>Textiles, Apparel &amp; Luxury Goods 1.3%</b>   |         |                   |  |        |            |
| Lululemon Athletica, Inc.*                         | 20,960  | 5,713,906         |  |        |            |
| NIKE, Inc. "B"                                     | 49,706  | 5,079,953         |  |        |            |
|  |         | <b>10,793,859</b> |  |        |            |
| <b>Consumer Staples 2.7%</b>                       |         |                   |  |        |            |
| <b>Beverages 0.3%</b>                              |         |                   |  |        |            |
| Constellation Brands, Inc. "A"                     | 12,255  | 2,856,151         |  |        |            |
| <b>Food &amp; Staples Retailing 1.7%</b>           |         |                   |  |        |            |
| Costco Wholesale Corp.                             | 28,743  | 13,775,945        |  |        |            |
|  |         |                   |  |        |            |
| <b>Personal Products 0.7%</b>                      |         |                   |  |        |            |
| Estee Lauder Companies, Inc. "A"                   | 23,142  | 5,893,573         |  |        |            |
| <b>Financials 5.7%</b>                             |         |                   |  |        |            |
| <b>Capital Markets 1.4%</b>                        |         |                   |  |        |            |
| Intercontinental Exchange, Inc.                    | 124,053 | 11,665,944        |  |        |            |
| <b>Consumer Finance 0.7%</b>                       |         |                   |  |        |            |
| American Express Co.                               | 30,316  | 4,202,404         |  |        |            |
| SoFi Technologies, Inc.* (a)                       | 394,483 | 2,078,925         |  |        |            |
|  |         | <b>6,281,329</b>  |  |        |            |
| <b>Insurance 3.6%</b>                              |         |                   |  |        |            |
| Progressive Corp.                                  | 252,874 | 29,401,660        |  |        |            |
| <b>Health Care 13.2%</b>                           |         |                   |  |        |            |
| <b>Biotechnology 0.2%</b>                          |         |                   |  |        |            |
| Exact Sciences Corp.*                              | 46,240  | 1,821,394         |  |        |            |
| <b>Health Care Equipment &amp; Supplies 4.0%</b>   |         |                   |  |        |            |
| DexCom, Inc.*                                      | 156,216 | 11,642,778        |  |        |            |
| Hologic, Inc.*                                     | 176,261 | 12,214,887        |  |        |            |
| Intuitive Surgical, Inc.*                          | 26,929  | 5,404,920         |  |        |            |
| The Cooper Companies, Inc.                         | 10,846  | 3,396,100         |  |        |            |
|  |         | <b>32,658,685</b> |  |        |            |
| <b>Health Care Providers &amp; Services 0.6%</b>   |         |                   |  |        |            |
| agilon health, Inc.*                               | 217,526 | 4,748,592         |  |        |            |
| <b>Life Sciences Tools &amp; Services 6.7%</b>     |         |                   |  |        |            |
| Charles River Laboratories International, Inc.*    | 21,552  | 4,611,482         |  |        |            |
| Danaher Corp.                                      | 72,010  | 18,255,975        |  |        |            |
| Thermo Fisher Scientific, Inc.                     | 60,076  | 32,638,089        |  |        |            |
|  |         | <b>55,505,546</b> |  |        |            |
| <b>Pharmaceuticals 1.7%</b>                        |         |                   |  |        |            |
| Zoetis, Inc.                                       | 81,178  | 13,953,686        |  |        |            |
| <b>Industrials 7.7%</b>                            |         |                   |  |        |            |
| <b>Aerospace &amp; Defense 0.4%</b>                |         |                   |  |        |            |
| TransDigm Group, Inc.*                             | 6,149   | 3,299,984         |  |        |            |
| <b>Building Products 0.4%</b>                      |         |                   |  |        |            |
| Trex Co., Inc.*                                    | 60,799  | 3,308,682         |  |        |            |
| <b>Electrical Equipment 2.5%</b>                   |         |                   |  |        |            |
| AMETEK, Inc.                                       | 115,369 | 12,677,900        |  |        |            |
| Generac Holdings, Inc.*                            | 38,678  | 8,144,813         |  |        |            |
|  |         | <b>20,822,713</b> |  |        |            |
| <b>Machinery 0.5%</b>                              |         |                   |  |        |            |
| Deere & Co.  | 14,262  | 4,271,041         |  |        |            |
| <b>Professional Services 2.6%</b>                  |         |                   |  |        |            |
| TransUnion   | 150,122 | 12,008,259        |  |        |            |
| Verisk Analytics, Inc.                             | 55,653  | 9,632,977         |  |        |            |
|  |         | <b>21,641,236</b> |  |        |            |

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

|  | Shares  | Value (\$)         |
|--|---------|--------------------|
| <b>Road &amp; Rail 1.0%</b>                              |         |                    |
| Norfolk Southern Corp.                                   | 26,030  | 5,916,358          |
| Uber Technologies, Inc.*                                 | 108,232 | 2,214,427          |
|  |         | <b>8,130,785</b>   |
| <b>Trading Companies &amp; Distributors 0.3%</b>         |         |                    |
| SiteOne Landscape Supply, Inc.*                          | 18,115  | <b>2,153,330</b>   |
| <b>Information Technology 44.3%</b>                      |         |                    |
| <b>IT Services 6.1%</b>                                  |         |                    |
| Cloudflare, Inc. "A"*                                    | 47,316  | 2,070,075          |
| Global Payments, Inc.                                    | 73,456  | 8,127,172          |
| Mastercard, Inc. "A"                                     | 66,511  | 20,982,890         |
| PayPal Holdings, Inc.*                                   | 41,707  | 2,912,817          |
| Twilio, Inc. "A"*  | 42,727  | 3,580,950          |
| Visa, Inc. "A"   | 62,429  | 12,291,646         |
|  |         | <b>49,965,550</b>  |
| <b>Semiconductors &amp; Semiconductor Equipment 5.7%</b> |         |                    |
| Advanced Micro Devices, Inc.*                            | 107,477 | 8,218,766          |
| Analog Devices, Inc.                                     | 69,315  | 10,126,228         |
| Applied Materials, Inc.                                  | 90,178  | 8,204,395          |
| MKS Instruments, Inc.                                    | 38,861  | 3,988,304          |
| NVIDIA Corp.   | 108,766 | 16,487,838         |
|  |         | <b>47,025,531</b>  |
| <b>Software 21.4%</b>                                    |         |                    |
| Adobe, Inc.*   | 40,875  | 14,962,703         |
| Atlassian Corp. PLC "A"*                                 | 14,476  | 2,712,802          |
| Avalara, Inc.*   | 56,314  | 3,975,768          |
| Box, Inc. "A"*   | 97,744  | 2,457,284          |
| Dynatrace, Inc.*   | 118,148 | 4,659,757          |
| Five9, Inc.*   | 49,204  | 4,484,453          |
| Intuit, Inc.   | 27,154  | 10,466,238         |
| Microsoft Corp.  | 335,288 | 86,112,017         |
| Roper Technologies, Inc.                                 | 18,825  | 7,429,286          |
| Salesforce, Inc.*  | 64,289  | 10,610,257         |
| ServiceNow, Inc.*  | 29,674  | 14,110,580         |
| Synopsys, Inc.*  | 49,081  | 14,905,900         |
|  |         | <b>176,887,045</b> |

|   | Shares  | Value (\$)         |
|---|---------|--------------------|
| <b>Technology Hardware, Storage &amp; Peripherals 11.1%</b> |         |                    |
| Apple, Inc.   | 670,096 | <b>91,615,525</b>  |
| <b>Materials 0.6%</b>                                       |         |                    |
| <b>Construction Materials</b>                               |         |                    |
| Vulcan Materials Co.  | 33,793  | <b>4,801,985</b>   |
| <b>Real Estate 1.8%</b>                                     |         |                    |
| <b>Equity Real Estate Investment Trusts (REITs)</b>         |         |                    |
| Equinix, Inc.   | 10,405  | 6,836,293          |
| Prologis, Inc.  | 67,967  | 7,996,318          |
|   |         | <b>14,832,611</b>  |
| <b>Total Common Stocks</b> (Cost \$379,468,257)             |         | <b>822,864,840</b> |

### Securities Lending Collateral 0.3%

|  |                    |           |                  |
|--|--------------------|-----------|------------------|
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (b) (c) | (Cost \$2,268,272) | 2,268,272 | <b>2,268,272</b> |
|--|--------------------|-----------|------------------|

### Cash Equivalents 0.2%

|  |                    |           |                  |
|--|--------------------|-----------|------------------|
| DWS Central Cash Management Government Fund, 1.36% (b) | (Cost \$1,738,007) | 1,738,007 | <b>1,738,007</b> |
|--|--------------------|-----------|------------------|

|  | % of Net Assets | Value (\$)         |
|--|-----------------|--------------------|
| <b>Total Investment Portfolio</b> (Cost \$383,474,536) | 100.2           | <b>826,871,119</b> |
| <b>Other Assets and Liabilities, Net</b>               | (0.2)           | <b>(1,473,063)</b> |
| <b>Net Assets</b>                                      | 100.0           | <b>825,398,056</b> |

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$)   | Purchases         | Sales             | Net Realized     | Net Change in                               | Capital Gain       | Number                 | Value (\$)       |
|--|-------------------|-------------------|------------------|---|--------------------|------------------------|------------------|
| at 12/31/2021  | Cost (\$)         | Proceeds (\$)     | Gain/(Loss) (\$) | Unrealized Appreciation (Depreciation) (\$) | Distributions (\$) | of Shares at 6/30/2022 | at 6/30/2022     |
| <b>Securities Lending Collateral 0.3%</b>  |                   |                   |                  |   |                    |                        |                  |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (b) (c) |                   |                   |                  |   |                    |                        |                  |
| 33,665,520   | —                 | 31,397,248 (d)    | —                | —   | —                  | 2,268,272              | 2,268,272        |
| <b>Cash Equivalents 0.2%</b>   |                   |                   |                  |   |                    |                        |                  |
| DWS Central Cash Management Government Fund, 1.36% (b)   |                   |                   |                  |   |                    |                        |                  |
| 12,375,306   | 49,294,791        | 59,932,090        | —                | —   | 6,332              | 1,738,007              | 1,738,007        |
| <b>46,040,826</b>  | <b>49,294,791</b> | <b>91,329,338</b> | <b>—</b>         | <b>—</b>                                    | <b>23,473</b>      | <b>4,006,279</b>       | <b>4,006,279</b> |

\* Non-income producing security.

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

- (a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$2,078,920, which is 0.3% of net assets.
- (b) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (c) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- (d) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>              | <b>Level 1</b>        | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
|----------------------------|-----------------------|----------------|----------------|-----------------------|
| Common Stocks (a)          | \$ 822,864,840        | \$ —           | \$ —           | \$ 822,864,840        |
| Short-Term Investments (a) | 4,006,279             | —              | —              | 4,006,279             |
| <b>Total</b>               | <b>\$ 826,871,119</b> | <b>\$ —</b>    | <b>\$ —</b>    | <b>\$ 826,871,119</b> |

- (a) See Investment Portfolio for additional detailed categorizations.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>  |                    |
|--|--------------------|
| Investments in non-affiliated securities, at value (cost \$379,468,257) — including \$2,078,920 of securities loaned | \$ 822,864,840     |
| Investment in DWS Government & Agency Securities Portfolio (cost \$2,268,272)*                                       | 2,268,272          |
| Investment in DWS Central Cash Management Government Fund (cost \$1,738,007)   | 1,738,007          |
| Receivable for investments sold  | 4,050,180          |
| Receivable for Fund shares sold  | 157,464            |
| Dividends receivable   | 92,519             |
| Interest receivable  | 4,139              |
| Other assets   | 12,388             |
| <b>Total assets</b>  | <b>831,187,809</b> |

| <b>Liabilities</b>                       |                       |
|--|-----------------------|
| Payable upon return of securities loaned | 2,268,272             |
| Payable for investments purchased        | 2,860,020             |
| Payable for Fund shares redeemed         | 207,572               |
| Accrued management fee                   | 262,184               |
| Accrued Trustees' fees                   | 7,313                 |
| Other accrued expenses and payables      | 184,392               |
| <b>Total liabilities</b>                 | <b>5,789,753</b>      |
| <b>Net assets, at value</b>              | <b>\$ 825,398,056</b> |

| <b>Net Assets Consist of</b>  |                       |
|-------------------------------|-----------------------|
| Distributable earnings (loss) | 463,875,845           |
| Paid-in capital               | 361,522,211           |
| <b>Net assets, at value</b>   | <b>\$ 825,398,056</b> |

## Net Asset Value

### Class A

|  |                 |
|--|-----------------|
| <b>Net Asset Value</b> , offering and redemption price per share (\$821,170,150 ÷ 28,106,628 outstanding shares of beneficial interest, \$0.01 par value, unlimited number of shares authorized) | <b>\$ 29.22</b> |
|--|-----------------|

### Class B

|   |                 |
|---|-----------------|
| <b>Net Asset Value</b> , offering and redemption price per share (\$4,227,906 ÷ 145,618 outstanding shares of beneficial interest, \$0.01 par value, unlimited number of shares authorized) | <b>\$ 29.03</b> |
|---|-----------------|

\* Represents collateral on securities loaned.

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                        |
|--|------------------------|
| Income:  |                        |
| Dividends  | \$ 2,411,615           |
| Income distributions — DWS Central Cash Management Government Fund     | 6,332                  |
| Securities lending income, net of borrower rebates                     | 17,141                 |
| <b>Total income</b>  | <b>2,435,088</b>       |
| Expenses:  |                        |
| Management fee   | 1,841,224              |
| Administration fee   | 482,659                |
| Services to shareholders   | 1,268                  |
| Record keeping fee (Class B)   | 240                    |
| Distribution service fee (Class B)                                     | 6,559                  |
| Custodian fee  | 6,758                  |
| Professional fees  | 52,155                 |
| Reports to shareholders  | 21,756                 |
| Trustees' fees and expenses  | 29,803                 |
| Other  | 28,577                 |
| <b>Total expenses</b>  | <b>2,470,999</b>       |
| <b>Net investment income (loss)</b>                                    | <b>(35,911)</b>        |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                        |
| Net realized gain (loss) from investments                              | 21,171,607             |
| Change in net unrealized appreciation (depreciation) on investments    | (373,575,301)          |
| <b>Net gain (loss)</b>   | <b>(352,403,694)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(352,439,605)</b> |

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



# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income (loss)  | \$ (35,911)   | \$ 881,402                         |
| Net realized gain (loss)  | 21,171,607  | 149,545,914                        |
| Change in net unrealized appreciation<br>(depreciation)               | (373,575,301)                                       | 90,238,879                         |
| Net increase (decrease) in net assets resulting from operations       | (352,439,605)                                       | 240,666,195                        |
| Distributions to shareholders:  |   |                                    |
| Class A   | (149,876,386)                                       | (65,033,932)                       |
| Class B   | (792,393)   | (342,026)                          |
| Total distributions   | (150,668,779)                                       | (65,375,958)                       |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 15,303,710  | 31,455,362                         |
| Reinvestment of distributions   | 149,876,386   | 65,033,932                         |
| Payments for shares redeemed  | (68,390,968)  | (172,801,537)                      |
| Net increase (decrease) in net assets from Class A share transactions | 96,789,128  | (76,312,243)                       |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 604,452   | 920,421                            |
| Reinvestment of distributions   | 792,393   | 342,026                            |
| Payments for shares redeemed  | (959,154)   | (1,729,958)                        |
| Net increase (decrease) in net assets from Class B share transactions | 437,691   | (467,511)                          |
| <b>Increase (decrease) in net assets</b>                              | (405,881,565)                                       | 98,510,483                         |
| Net assets at beginning of period                                     | 1,231,279,621                                       | 1,132,769,138                      |
| <b>Net assets at end of period</b>                                    | <b>\$ 825,398,056</b>                               | <b>\$1,231,279,621</b>             |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 24,941,174  | 26,599,512                         |
| Shares sold   | 370,894   | 695,893                            |
| Shares issued to shareholders in reinvestment of distributions        | 4,608,745   | 1,495,721                          |
| Shares redeemed   | (1,814,185)   | (3,849,952)                        |
| Net increase (decrease) in Class A shares                             | 3,165,454   | (1,658,338)                        |
| Shares outstanding at end of period                                   | <b>28,106,628</b>                                   | <b>24,941,174</b>                  |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 132,015   | 141,745                            |
| Shares sold   | 15,983  | 20,632                             |
| Shares issued to shareholders in reinvestment of distributions        | 24,509  | 7,890                              |
| Shares redeemed   | (26,889)  | (38,252)                           |
| Net increase (decrease) in Class B shares                             | 13,603  | (9,730)                            |
| Shares outstanding at end of period                                   | <b>145,618</b>                                      | <b>132,015</b>                     |

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

# Financial Highlights

## DWS Capital Growth VIP — Class A

|   | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|---|--|----------------|--------------------------|----------------|----------------|----------------|
|   |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                            |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>               | <b>\$49.11</b>                             | <b>\$42.36</b> | <b>\$33.24</b>           | <b>\$27.27</b> | <b>\$30.86</b> | <b>\$26.70</b> |
| <i>Income (loss) from investment operations:</i>          |  |                |                          |                |                |                |
| Net investment income (loss) <sup>a</sup>                 | (.00)*                                     | .03            | .09                      | .17            | .14            | .20            |
| Net realized and unrealized gain (loss)                   | (13.71)                                    | 9.29           | 11.69                    | 9.53           | (.53)          | 6.47           |
| <b>Total from investment operations</b>                   | <b>(13.71)</b>                             | <b>9.32</b>    | <b>11.78</b>             | <b>9.70</b>    | <b>(.39)</b>   | <b>6.67</b>    |
| <i>Less distributions from:</i>                           |  |                |                          |                |                |                |
| Net investment income                                     | (.03)                                      | (.10)          | (.18)                    | (.14)          | (.23)          | (.22)          |
| Net realized gains  | (6.15)                                     | (2.47)         | (2.48)                   | (3.59)         | (2.97)         | (2.29)         |
| <b>Total distributions</b>                                | <b>(6.18)</b>                              | <b>(2.57)</b>  | <b>(2.66)</b>            | <b>(3.73)</b>  | <b>(3.20)</b>  | <b>(2.51)</b>  |
| <b>Net asset value, end of period</b>                     | <b>\$29.22</b>                             | <b>\$49.11</b> | <b>\$42.36</b>           | <b>\$33.24</b> | <b>\$27.27</b> | <b>\$30.86</b> |
| Total Return (%)  | (29.19)**                                  | 22.78          | 39.04                    | 37.14          | (1.60)         | 26.30          |
| <b>Ratios to Average Net Assets and Supplemental Data</b> |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                   | 821  | 1,225          | 1,127                    | 862            | 725            | 776            |
| Ratio of expenses (%) <sup>b</sup>                        | .50***                                     | .48            | .49                      | .50            | .50            | .50            |
| Ratio of net investment income (loss) (%)                 | (.01)***                                   | .08            | .25                      | .55            | .46            | .70            |
| Portfolio turnover rate (%)                               | 3**  | 12             | 13                       | 11             | 26             | 15             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Amount is less than \$.005.

\*\* Not annualized

\*\*\* Annualized

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

## DWS Capital Growth VIP — Class B

|   | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|---|--|----------------|--------------------------|----------------|----------------|----------------|
|   |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                            |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>               | <b>\$48.87</b>                             | <b>\$42.18</b> | <b>\$33.10</b>           | <b>\$27.16</b> | <b>\$30.75</b> | <b>\$26.61</b> |
| <i>Income (loss) from investment operations:</i>          |  |                |                          |                |                |                |
| Net investment income (loss) <sup>a</sup>                 | (.05)                                      | (.08)          | (.00)*                   | .09            | .07            | .13            |
| Net realized and unrealized gain (loss)                   | (13.64)                                    | 9.24           | 11.66                    | 9.49           | (.54)          | 6.44           |
| <b>Total from investment operations</b>                   | <b>(13.69)</b>                             | <b>9.16</b>    | <b>11.66</b>             | <b>9.58</b>    | <b>(.47)</b>   | <b>6.57</b>    |
| <i>Less distributions from:</i>                           |  |                |                          |                |                |                |
| Net investment income                                     | —  | —              | (.10)                    | (.05)          | (.15)          | (.14)          |
| Net realized gains  | (6.15)                                     | (2.47)         | (2.48)                   | (3.59)         | (2.97)         | (2.29)         |
| <b>Total distributions</b>                                | <b>(6.15)</b>                              | <b>(2.47)</b>  | <b>(2.58)</b>            | <b>(3.64)</b>  | <b>(3.12)</b>  | <b>(2.43)</b>  |
| <b>Net asset value, end of period</b>                     | <b>\$29.03</b>                             | <b>\$48.87</b> | <b>\$42.18</b>           | <b>\$33.10</b> | <b>\$27.16</b> | <b>\$30.75</b> |
| Total Return (%)  | (29.30)**                                  | 22.46          | 38.70                    | 36.79          | (1.87)         | 25.96          |
| <b>Ratios to Average Net Assets and Supplemental Data</b> |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                   | 4  | 6              | 6                        | 4              | 3              | 6              |
| Ratio of expenses (%) <sup>b</sup>                        | .76***                                     | .75            | .75                      | .76            | .76            | .75            |
| Ratio of net investment income (loss) (%)                 | (.27)***                                   | (.19)          | (.01)                    | .29            | .21            | .45            |
| Portfolio turnover rate (%)                               | 3**  | 12             | 13                       | 11             | 26             | 15             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Amount is less than \$.005.

\*\* Not annualized

\*\*\* Annualized

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

## A. Organization and Significant Accounting Policies

Deutsche DWS Variable Series I (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company organized as a Massachusetts business trust. The Trust consists of four diversified funds: DWS Capital Growth VIP, DWS Core Equity VIP, DWS CROCI® International VIP and DWS Global Small Cap VIP (individually or collectively hereinafter referred to as a "Fund" or the "Funds"). These financial statements report on DWS Capital Growth VIP. The Trust is intended to be the underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trustees and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Securities Lending.** Deutsche Bank AG, as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. As of period end, any securities on loan were collateralized by cash. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had a security on loan, which was classified as common stocks in the Investment Portfolio. The value of the related collateral exceeded the value of the security loaned at period end. As of period end, the remaining contractual maturity of the collateral agreements were overnight and continuous.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Federal Income Taxes.** The Fund is treated as a separate taxpayer as provided for in the Internal Revenue Code, as amended. It is the Fund's policy to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to the separate accounts of the Participating Insurance Companies which hold its shares.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$384,021,164. The net unrealized appreciation for all investments based on tax cost was \$442,849,955. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$504,058,439 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$61,208,484.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of

available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to realized tax character on distributions from certain securities and certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Real Estate Investment Trusts.** The Fund at its fiscal year end recharacterizes distributions received from a Real Estate Investment Trust ("REIT") investment based on information provided by the REIT into the following categories: ordinary income, long-term and short-term capital gains, and return of capital. If information is not available timely from a REIT, the recharacterization will be estimated for financial reporting purposes and a recharacterization will be made to the accounting records in the following year when such information becomes available. Distributions received from REITs in excess of income are recorded as either a reduction of cost of investments or realized gains.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## B. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$28,737,631 and \$74,141,825, respectively.

## C. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|   |       |
|---|-------|
| First \$250 million of average daily net assets | .390% |
| Next \$750 million of average daily net assets  | .365% |
| Over \$1 billion of average daily net assets    | .340% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.37% of the Fund's average daily net assets.

For the period from January 1, 2022 through September 30, 2022, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain

the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |      |
|---------|------|
| Class A | .74% |
| Class B | .99% |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$482,659, of which \$68,311 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at June 30, 2022 |
|--------------------------|------------------|-------------------------|
| Class A                  | \$ 549           | \$ 174                  |
| Class B                  | 117              | 33                      |
|                          | <b>\$ 666</b>    | <b>\$ 207</b>           |

**Distribution Service Agreement.** DWS Distributors, Inc. (“DDI”), also an affiliate of the Advisor, is the Trust’s Distributor. In accordance with the Master Distribution Plan, DDI receives 12b-1 fees of up to 0.25% of the average daily net assets of Class B shares. Pursuant to the Master Distribution Plan, DDI remits these fees to the Participating Insurance Companies for various costs incurred or paid by these companies in connection with marketing and distribution of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee aggregated \$6,559, of which \$920 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$440, of which \$40 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

**Securities Lending Agent Fees.** Deutsche Bank AG serves as securities lending agent for the Fund. For the six months ended June 30, 2022, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of \$1,290.

#### D. Ownership of the Fund

At June 30, 2022, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 63% and 21%, respectively. Three participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 47%, 27% and 11%, respectively.

## **E. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

## **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund’s accounting and financial reporting.



## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 708.10      | \$ 707.00      |
| Expenses Paid per \$1,000*     | \$ 2.12        | \$ 3.22        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,022.32    | \$ 1,021.03    |
| Expenses Paid per \$1,000*         | \$ 2.51        | \$ 3.81        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                        | <b>Class A</b> | <b>Class B</b> |
|---|----------------|----------------|
| Deutsche DWS Variable Series I — DWS Capital Growth VIP | .50%           | .76%           |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Capital Growth VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 2nd quartile of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being

the worst performers). The Board also observed that the Fund has outperformed its benchmark in the one- and three-year periods and has underperformed its benchmark in the five-year period ended December 31, 2020.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (1st quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (1st quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds") and considered differences between the Fund and the comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the

substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes

# Notes



VS1capgro-3 (R-028374-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series I

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**DWS Core Equity VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Stocks may decline in value. Fund management could be wrong in its analysis of industries, companies, economic trends and favor a security that underperforms the market. The Fund may lend securities to approved institutions. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE  
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

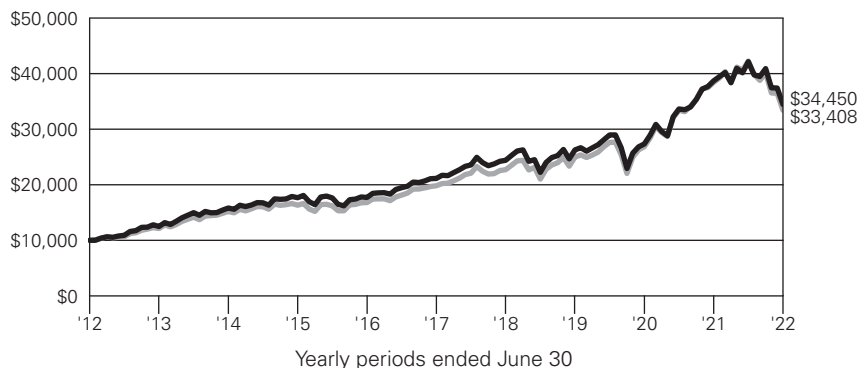
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.59% and 0.91% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS Core Equity VIP – Class A  
 ■ Russell 1000® Index



The Russell 1000® Index is an unmanaged index that measures the performance of the 1,000 largest companies in the Russell 3000® Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS Core Equity VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|---------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A             | Growth of \$10,000          | \$8,173              | \$8,902 | \$13,110 | \$16,296 | \$34,450 |
|                     | Average annual total return | -18.27%              | -10.98% | 9.45%    | 10.26%   | 13.17%   |
| Russell 1000® Index | Growth of \$10,000          | \$7,906              | \$8,696 | \$13,373 | \$16,852 | \$33,408 |
|                     | Average annual total return | -20.94%              | -13.04% | 10.17%   | 11.00%   | 12.82%   |

| DWS Core Equity VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|---------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class B             | Growth of \$10,000          | \$8,162              | \$8,872 | \$12,979 | \$16,035 | \$33,488 |
|                     | Average annual total return | -18.38%              | -11.28% | 9.08%    | 9.90%    | 12.85%   |
| Russell 1000® Index | Growth of \$10,000          | \$7,906              | \$8,696 | \$13,373 | \$16,852 | \$33,408 |
|                     | Average annual total return | -20.94%              | -13.04% | 10.17%   | 11.00%   | 12.82%   |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 99%            | 99%             |
| Cash Equivalents   | 1%             | 1%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Information Technology  | 26%            | 29%             |
| Health Care   | 17%            | 13%             |
| Consumer Discretionary  | 11%            | 13%             |
| Financials  | 10%            | 11%             |
| Industrials   | 9%             | 9%              |
| Communication Services  | 8%             | 9%              |
| Consumer Staples  | 6%             | 5%              |
| Energy  | 5%             | 3%              |
| Real Estate   | 3%             | 4%              |
| Utilities   | 3%             | 2%              |
| Materials   | 2%             | 2%              |
|   | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Management Team

Pankaj Bhatnagar, PhD, Head of Investment Strategy Equity

Di Kumble, CFA, Senior Portfolio Manager Equity

Arno V. Puskar, Senior Portfolio Manager Equity

Portfolio Managers

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares | Value (\$)       |  | Shares | Value (\$) |
|--|--------|------------------|--|--------|------------|
| <b>Common Stocks 98.8%</b>                         |        |                  |  |        |            |
| <b>Communication Services 8.2%</b>                 |        |                  |  |        |            |
| <b>Entertainment 1.5%</b>                          |        |                  |  |        |            |
| Activision Blizzard, Inc.                          | 3,718  | 289,483          |  |        |            |
| Electronic Arts, Inc.                              | 3,212  | 390,740          |  |        |            |
| Roku, Inc.*  | 4,949  | 406,511          |  |        |            |
| Walt Disney Co.*                                   | 4,483  | 423,195          |  |        |            |
|  |        | <b>1,509,929</b> |  |        |            |
| <b>Interactive Media &amp; Services 5.1%</b>       |        |                  |  |        |            |
| Alphabet, Inc. "A"*                                | 817    | 1,780,456        |  |        |            |
| Alphabet, Inc. "C"*                                | 1,292  | 2,826,185        |  |        |            |
| Meta Platforms, Inc. "A"*                          | 2,300  | 370,875          |  |        |            |
|  |        | <b>4,977,516</b> |  |        |            |
| <b>Wireless Telecommunication Services 1.6%</b>    |        |                  |  |        |            |
| T-Mobile U.S., Inc.*                               | 11,935 | 1,605,735        |  |        |            |
| <b>Consumer Discretionary 11.1%</b>                |        |                  |  |        |            |
| <b>Auto Components 1.5%</b>                        |        |                  |  |        |            |
| BorgWarner, Inc.                                   | 8,977  | 299,563          |  |        |            |
| Lear Corp.   | 9,214  | 1,159,950        |  |        |            |
|  |        | <b>1,459,513</b> |  |        |            |
| <b>Automobiles 0.7%</b>                            |        |                  |  |        |            |
| Ford Motor Co.                                     | 29,746 | 331,073          |  |        |            |
| Tesla, Inc.*                                       | 533    | 358,933          |  |        |            |
|  |        | <b>690,006</b>   |  |        |            |
| <b>Distributors 0.9%</b>                           |        |                  |  |        |            |
| Pool Corp.   | 2,578  | 905,471          |  |        |            |
| <b>Diversified Consumer Services 1.1%</b>          |        |                  |  |        |            |
| Terminix Global Holdings, Inc.*                    | 26,136 | 1,062,428        |  |        |            |
| <b>Hotels, Restaurants &amp; Leisure 1.9%</b>      |        |                  |  |        |            |
| Churchill Downs, Inc.                              | 2,123  | 406,618          |  |        |            |
| Darden Restaurants, Inc.                           | 3,209  | 363,002          |  |        |            |
| Hilton Worldwide Holdings, Inc.                    | 3,791  | 422,469          |  |        |            |
| Vail Resorts, Inc.                                 | 937    | 204,313          |  |        |            |
| Wendy's Co.  | 24,357 | 459,860          |  |        |            |
|  |        | <b>1,856,262</b> |  |        |            |
| <b>Household Durables 0.4%</b>                     |        |                  |  |        |            |
| Mohawk Industries, Inc.*                           | 2,975  | 369,168          |  |        |            |
| <b>Internet &amp; Direct Marketing Retail 1.6%</b> |        |                  |  |        |            |
| Amazon.com, Inc.*                                  | 15,400 | 1,635,634        |  |        |            |
| <b>Leisure Products 0.2%</b>                       |        |                  |  |        |            |
| Peloton Interactive, Inc. "A"*                     | 20,854 | 191,440          |  |        |            |
| <b>Specialty Retail 1.2%</b>                       |        |                  |  |        |            |
| Bath & Body Works, Inc.                            | 12,542 | 337,631          |  |        |            |
| Five Below, Inc.*                                  | 4,837  | 548,661          |  |        |            |
| RH*  | 1,689  | 358,507          |  |        |            |
|  |        | <b>1,244,799</b> |  |        |            |
| <b>Textiles, Apparel &amp; Luxury Goods 1.6%</b>   |        |                  |  |        |            |
| NIKE, Inc. "B"                                     | 12,146 | 1,241,321        |  |        |            |
| PVH Corp.  | 6,142  | 349,480          |  |        |            |
|  |        | <b>1,590,801</b> |  |        |            |
| <b>Consumer Staples 6.0%</b>                       |        |                  |  |        |            |
| <b>Beverages 4.1%</b>                              |        |                  |  |        |            |
| Coca-Cola Co.                                      | 24,504 | 1,541,547        |  |        |            |
| Constellation Brands, Inc. "A"                     | 3,417  | 796,366          |  |        |            |
| PepsiCo, Inc.                                      | 10,097 | 1,682,766        |  |        |            |
|  |        | <b>4,020,679</b> |  |        |            |
| <b>Food &amp; Staples Retailing 1.0%</b>           |        |                  |  |        |            |
| Costco Wholesale Corp.                             | 874    | 418,891          |  |        |            |
| Kroger Co.   | 13,235 | 626,412          |  |        |            |
|  |        | <b>1,045,303</b> |  |        |            |
| <b>Personal Products 0.9%</b>                      |        |                  |  |        |            |
| Coty, Inc. "A"*                                    | 65,533 | 524,919          |  |        |            |
| Herbalife Nutrition Ltd.*                          | 17,959 | 367,262          |  |        |            |
|  |        | <b>892,181</b>   |  |        |            |
| <b>Energy 4.6%</b>                                 |        |                  |  |        |            |
| <b>Oil, Gas &amp; Consumable Fuels</b>             |        |                  |  |        |            |
| Cheniere Energy, Inc.                              | 4,232  | 562,983          |  |        |            |
| Devon Energy Corp.                                 | 18,609 | 1,025,542        |  |        |            |
| Hess Corp.   | 7,756  | 821,671          |  |        |            |
| Occidental Petroleum Corp.                         | 20,587 | 1,212,162        |  |        |            |
| Valero Energy Corp.                                | 9,090  | 966,085          |  |        |            |
|  |        | <b>4,588,443</b> |  |        |            |
| <b>Financials 10.2%</b>                            |        |                  |  |        |            |
| <b>Banks 4.2%</b>                                  |        |                  |  |        |            |
| Bank of America Corp.                              | 21,094 | 656,657          |  |        |            |
| Huntington Bancshares, Inc.                        | 54,738 | 658,498          |  |        |            |
| JPMorgan Chase & Co.                               | 18,479 | 2,080,920        |  |        |            |
| Wells Fargo & Co.                                  | 20,695 | 810,623          |  |        |            |
|  |        | <b>4,206,698</b> |  |        |            |
| <b>Capital Markets 3.5%</b>                        |        |                  |  |        |            |
| Ameriprise Financial, Inc.                         | 3,621  | 860,639          |  |        |            |
| Intercontinental Exchange, Inc.                    | 3,901  | 366,850          |  |        |            |
| MSCI, Inc.   | 2,795  | 1,151,959        |  |        |            |
| S&P Global, Inc.                                   | 1,231  | 414,921          |  |        |            |
| Tradeweb Markets, Inc. "A"                         | 9,455  | 645,304          |  |        |            |
|  |        | <b>3,439,673</b> |  |        |            |
| <b>Diversified Financial Services 0.4%</b>         |        |                  |  |        |            |
| Apollo Global Management, Inc.                     | 8,133  | 394,288          |  |        |            |
| <b>Insurance 2.1%</b>                              |        |                  |  |        |            |
| Everest Re Group Ltd.                              | 1,683  | 471,711          |  |        |            |

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

|  | Shares | Value (\$)       |  | Shares | Value (\$)        |
|--|--------|------------------|--|--------|-------------------|
| Hartford Financial Services Group, Inc.          | 6,652  | 435,240          | Ingersoll Rand, Inc.                                       | 8,206  | 345,308           |
| MetLife, Inc.                                    | 18,188 | 1,142,025        | Oshkosh Corp.  | 5,035  | 413,575           |
|  |        | <b>2,048,976</b> |  |        | <b>1,673,874</b>  |
| <b>Health Care 16.4%</b>                         |        |                  | <b>Professional Services 0.6%</b>                          |        |                   |
| <b>Biotechnology 5.2%</b>                        |        |                  | TransUnion   | 5,005  | 400,350           |
| AbbVie, Inc.                                     | 8,560  | 1,311,050        | Verisk Analytics, Inc.                                     | 1,347  | 233,152           |
| Amgen, Inc.                                      | 5,838  | 1,420,385        |  |        | <b>633,502</b>    |
| Biogen, Inc.*                                    | 3,346  | 682,383          | <b>Road &amp; Rail 0.5%</b>                                |        |                   |
| Gilead Sciences, Inc.                            | 8,311  | 513,703          | J.B. Hunt Transport Services, Inc.                         | 1,208  | 190,224           |
| Moderna, Inc.*                                   | 5,932  | 847,386          | Norfolk Southern Corp.                                     | 1,178  | 267,747           |
| Vertex Pharmaceuticals, Inc.*                    | 1,229  | 346,320          |  |        | <b>457,971</b>    |
|  |        | <b>5,121,227</b> | <b>Information Technology 25.2%</b>                        |        |                   |
| <b>Health Care Providers &amp; Services 7.7%</b> |        |                  | <b>Communications Equipment 0.5%</b>                       |        |                   |
| Centene Corp.*                                   | 19,102 | 1,616,220        | Cisco Systems, Inc.  | 12,146 | <b>517,905</b>    |
| Cigna Corp.                                      | 3,320  | 874,886          | <b>IT Services 2.4%</b>                                    |        |                   |
| Elevance Health, Inc.                            | 5,597  | 2,701,000        | Accenture PLC "A"  | 1,656  | 459,788           |
| Humana, Inc.                                     | 1,166  | 545,770          | Visa, Inc. "A"   | 9,495  | 1,869,471         |
| McKesson Corp.                                   | 2,695  | 879,136          |  |        | <b>2,329,259</b>  |
| Molina Healthcare, Inc.*                         | 3,604  | 1,007,715        | <b>Semiconductors &amp; Semiconductor Equipment 4.3%</b>   |        |                   |
|  |        | <b>7,624,727</b> | Advanced Micro Devices, Inc.*                              | 8,957  | 684,942           |
| <b>Life Sciences Tools &amp; Services 0.2%</b>   |        |                  | Intel Corp.  | 27,752 | 1,038,202         |
| Danaher Corp.                                    | 919    | <b>232,985</b>   | NVIDIA Corp.   | 6,549  | 992,763           |
| <b>Pharmaceuticals 3.3%</b>                      |        |                  | QUALCOMM, Inc.   | 12,286 | 1,569,414         |
| AstraZeneca PLC (ADR)                            | 7,060  | 466,454          |  |        | <b>4,285,321</b>  |
| Bristol-Myers Squibb Co.                         | 14,325 | 1,103,025        | <b>Software 10.3%</b>                                      |        |                   |
| Johnson & Johnson                                | 7,210  | 1,279,847        | Dynatrace, Inc.*   | 8,908  | 351,331           |
| Zoetis, Inc.                                     | 2,266  | 389,503          | Microsoft Corp.  | 26,674 | 6,850,683         |
|  |        | <b>3,238,829</b> | Oracle Corp.   | 27,457 | 1,918,421         |
| <b>Industrials 8.8%</b>                          |        |                  | Salesforce, Inc.*  | 3,421  | 564,602           |
| <b>Aerospace &amp; Defense 2.6%</b>              |        |                  | Synopsys, Inc.*  | 1,804  | 547,875           |
| General Dynamics Corp.                           | 4,595  | 1,016,644        |  |        | <b>10,232,912</b> |
| Northrop Grumman Corp.                           | 2,266  | 1,084,439        | <b>Technology Hardware, Storage &amp; Peripherals 7.7%</b> |        |                   |
| Raytheon Technologies Corp.                      | 4,399  | 422,788          | Apple, Inc.  | 55,657 | <b>7,609,425</b>  |
|  |        | <b>2,523,871</b> | <b>Materials 2.1%</b>                                      |        |                   |
| <b>Building Products 0.8%</b>                    |        |                  | <b>Chemicals 1.6%</b>                                      |        |                   |
| Owens Corning                                    | 11,283 | <b>838,440</b>   | Corteva, Inc.  | 7,203  | 389,970           |
| <b>Commercial Services &amp; Supplies 1.9%</b>   |        |                  | DuPont de Nemours, Inc.                                    | 5,794  | 322,031           |
| Republic Services, Inc.                          | 2,689  | 351,910          | Linde PLC  | 1,627  | 467,811           |
| Waste Management, Inc.                           | 9,887  | 1,512,513        | The Mosaic Co.   | 9,318  | 440,089           |
|  |        | <b>1,864,423</b> |  |        | <b>1,619,901</b>  |
| <b>Electrical Equipment 0.4%</b>                 |        |                  | <b>Metals &amp; Mining 0.5%</b>                            |        |                   |
| Emerson Electric Co.                             | 4,892  | <b>389,110</b>   | Cleveland-Cliffs, Inc.*                                    | 19,496 | 299,654           |
| <b>Industrial Conglomerates 0.3%</b>             |        |                  | United States Steel Corp.                                  | 10,675 | 191,189           |
| 3M Co.   | 2,373  | <b>307,090</b>   |  |        | <b>490,843</b>    |
| <b>Machinery 1.7%</b>                            |        |                  | <b>Real Estate 3.3%</b>                                    |        |                   |
| AGCO Corp.                                       | 5,341  | 527,157          | <b>Equity Real Estate Investment Trusts (REITs)</b>        |        |                   |
| Cummins, Inc.                                    | 2,004  | 387,834          | AvalonBay Communities, Inc.                                | 5,189  | 1,007,963         |

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

|  | Shares | Value (\$)        |
|--|--------|-------------------|
| Iron Mountain, Inc.                            | 23,673 | 1,152,639         |
| Prologis, Inc.                                 | 9,660  | 1,136,499         |
|  |        | <b>3,297,101</b>  |
| <b>Utilities 2.9%</b>                          |        |                   |
| <b>Electric Utilities 1.2%</b>                 |        |                   |
| NextEra Energy, Inc.                           | 9,703  | 751,595           |
| NRG Energy, Inc.                               | 10,784 | 411,625           |
|  |        | <b>1,163,220</b>  |
| <b>Multi-Utilities 0.7%</b>                    |        |                   |
| Public Service Enterprise Group, Inc.          | 10,461 | <b>661,972</b>    |
| <b>Water Utilities 1.0%</b>                    |        |                   |
| American Water Works Co., Inc.                 | 6,594  | <b>980,989</b>    |
| <b>Total Common Stocks</b> (Cost \$70,184,696) |        | <b>97,829,840</b> |

### Cash Equivalents 1.3%

|  | Shares      | Value (\$)        |
|--|-------------|-------------------|
| DWS Central Cash Management Government Fund, 1.36% (a)<br>(Cost \$1,332,507) | 1,332,507   | <b>1,332,507</b>  |
|  | <b>% of</b> | <b>Value (\$)</b> |
| <b>Total Investment Portfolio</b><br>(Cost \$71,517,203)                     | 100.1       | <b>99,162,347</b> |
| <b>Other Assets and Liabilities, Net</b>                                     | (0.1)       | <b>(116,278)</b>  |
| <b>Net Assets</b>  | 100.0       | <b>99,046,069</b> |

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at 12/31/2021   | Purchases Cost (\$) | Sales Proceeds (\$) | Net Realized Gain/(Loss) (\$) | Net Change in Unrealized Appreciation (Depreciation) (\$) | Income (\$)  | Capital Gain Distributions (\$) | Number of Shares at 6/30/2022 | Value (\$) at 6/30/2022 |
|--|---------------------|---------------------|-------------------------------|---|--------------|---------------------------------|-------------------------------|-------------------------|
| <b>Securities Lending Collateral 0.0%</b>  |                     |                     |                               |   |              |                                 |                               |                         |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (a) (b) |                     |                     |                               |   |              |                                 |                               |                         |
| 3,050,235  | —                   | 3,050,235 (c)       | —                             | —   | 968          | —                               | —                             | —                       |
| <b>Cash Equivalents 1.3%</b>   |                     |                     |                               |   |              |                                 |                               |                         |
| DWS Central Cash Management Government Fund, 1.36% (a)   |                     |                     |                               |   |              |                                 |                               |                         |
| 1,168,134  | 5,678,346           | 5,513,973           | —                             | —   | 1,419        | —                               | 1,332,507                     | 1,332,507               |
| <b>4,218,369</b>   | <b>5,678,346</b>    | <b>8,564,208</b>    | <b>—</b>                      | <b>—</b>  | <b>2,387</b> | <b>—</b>                        | <b>1,332,507</b>              | <b>1,332,507</b>        |

\* Non-income producing security.

- (a) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (b) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- (c) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

ADR: American Depositary Receipt

### Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| Assets                 | Level 1              | Level 2     | Level 3     | Total                |
|------------------------|----------------------|-------------|-------------|----------------------|
| Common Stocks (a)      | \$ 97,829,840        | \$ —        | \$ —        | \$ 97,829,840        |
| Short-Term Investments | 1,332,507            | —           | —           | 1,332,507            |
| <b>Total</b>           | <b>\$ 99,162,347</b> | <b>\$ —</b> | <b>\$ —</b> | <b>\$ 99,162,347</b> |

(a) See Investment Portfolio for additional detailed categorizations.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>   |                      |
|---|----------------------|
| Investments in non-affiliated securities, at value (cost \$70,184,696)  | \$ 97,829,840        |
| Investment in DWS Central Cash Management Government Fund (cost \$1,332,507)  | 1,332,507            |
| Cash  | 15,649               |
| Receivable for Fund shares sold   | 3,574                |
| Dividends receivable  | 70,498               |
| Interest receivable   | 45                   |
| Other assets  | 830                  |
| <b>Total assets</b>   | <b>99,252,943</b>    |
| <b>Liabilities</b>  |                      |
| Payable for Fund shares redeemed  | 100,403              |
| Accrued management fee  | 32,840               |
| Accrued Trustees' fees  | 278                  |
| Other accrued expenses and payables   | 73,353               |
| <b>Total liabilities</b>  | <b>206,874</b>       |
| <b>Net assets, at value</b>   | <b>\$ 99,046,069</b> |
| <b>Net Assets Consist of</b>  |                      |
| Distributable earnings (loss)   | 33,151,084           |
| Paid-in capital   | 65,894,985           |
| <b>Net assets, at value</b>   | <b>\$ 99,046,069</b> |
| <b>Net Asset Value</b>  |                      |
| <b>Class A</b>  |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$96,226,048 ÷ 9,499,823 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized) | <b>\$ 10.13</b>      |
| <b>Class B</b>  |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$2,820,021 ÷ 278,342 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)    | <b>\$ 10.13</b>      |

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                       |
|--|-----------------------|
| Income:  |                       |
| Dividends  | \$ 806,227            |
| Income distributions — DWS Central Cash Management Government Fund     | 1,419                 |
| Securities lending income, net of borrower rebates                     | 968                   |
| <b>Total income</b>  | <b>808,614</b>        |
| Expenses:  |                       |
| Management fee   | 217,755               |
| Administration fee   | 54,160                |
| Services to shareholders   | 710                   |
| Record keeping fee (Class B)   | 1,056                 |
| Distribution service fee (Class B)                                     | 4,050                 |
| Custodian fee  | 2,474                 |
| Audit fee  | 26,763                |
| Legal fees   | 7,779                 |
| Tax fees   | 4,158                 |
| Reports to shareholders  | 13,786                |
| Trustees' fees and expenses  | 3,526                 |
| Other  | 2,895                 |
| <b>Total expenses</b>  | <b>339,112</b>        |
| <b>Net investment income</b>   | <b>469,502</b>        |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                       |
| Net realized gain (loss) from investments                              | 5,311,789             |
| Change in net unrealized appreciation (depreciation) on investments    | (28,213,359)          |
| <b>Net gain (loss)</b>   | <b>(22,901,570)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(22,432,068)</b> |

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



# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 469,502  | \$ 768,431                         |
| Net realized gain (loss)  | 5,311,789   | 15,289,288                         |
| Change in net unrealized appreciation<br>(depreciation)               | (28,213,359)  | 10,515,608                         |
| Net increase (decrease) in net assets resulting from operations       | (22,432,068)  | 26,573,327                         |
| Distributions to shareholders:  |   |                                    |
| Class A   | (15,513,224)  | (6,046,519)                        |
| Class B   | (453,487)   | (170,977)                          |
| Total distributions   | (15,966,711)  | (6,217,496)                        |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 3,574,011   | 5,044,139                          |
| Reinvestment of distributions   | 15,513,224  | 6,046,519                          |
| Payments for shares redeemed  | (6,390,423)   | (17,124,502)                       |
| Net increase (decrease) in net assets from Class A share transactions | 12,696,812  | (6,033,844)                        |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 4,770   | 141,029                            |
| Reinvestment of distributions   | 453,487   | 170,977                            |
| Payments for shares redeemed  | (169,939)   | (790,942)                          |
| Net increase (decrease) in net assets from Class B share transactions | 288,318   | (478,936)                          |
| <b>Increase (decrease) in net assets</b>                              | (25,413,649)  | 13,843,051                         |
| Net assets at beginning of period                                     | 124,459,718   | 110,616,667                        |
| <b>Net assets at end of period</b>                                    | <b>\$ 99,046,069</b>                                | <b>\$124,459,718</b>               |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 8,323,929   | 8,760,193                          |
| Shares sold   | 279,024   | 376,354                            |
| Shares issued to shareholders in reinvestment of distributions        | 1,398,848   | 469,450                            |
| Shares redeemed   | (501,978)   | (1,282,068)                        |
| Net increase (decrease) in Class A shares                             | 1,175,894   | (436,264)                          |
| Shares outstanding at end of period                                   | <b>9,499,823</b>                                    | <b>8,323,929</b>                   |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 251,030   | 288,118                            |
| Shares sold   | 408   | 10,402                             |
| Shares issued to shareholders in reinvestment of distributions        | 40,855  | 13,265                             |
| Shares redeemed   | (13,951)  | (60,755)                           |
| Net increase (decrease) in Class B shares                             | 27,312  | (37,088)                           |
| Shares outstanding at end of period                                   | <b>278,342</b>                                      | <b>251,030</b>                     |

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

# Financial Highlights

## DWS Core Equity VIP — Class A

|   | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|---|--|----------------|--------------------------|----------------|----------------|----------------|
|   |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                            |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>               | <b>\$14.52</b>                             | <b>\$12.23</b> | <b>\$11.31</b>           | <b>\$9.83</b>  | <b>\$14.64</b> | <b>\$13.16</b> |
| <i>Income (loss) from investment operations:</i>          |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                        | .05  | .09            | .11                      | .14            | .14            | .17            |
| Net realized and unrealized gain (loss)                   | (2.54)                                     | 2.91           | 1.47                     | 2.70           | (.71)          | 2.44           |
| <b>Total from investment operations</b>                   | <b>(2.49)</b>                              | <b>3.00</b>    | <b>1.58</b>              | <b>2.84</b>    | <b>(.57)</b>   | <b>2.61</b>    |
| <i>Less distributions from:</i>                           |  |                |                          |                |                |                |
| Net investment income                                     | (.10)                                      | (.10)          | (.15)                    | (.12)          | (.27)          | (.17)          |
| Net realized gains  | (1.80)                                     | (.61)          | (.51)                    | (1.24)         | (3.97)         | (.96)          |
| <b>Total distributions</b>                                | <b>(1.90)</b>                              | <b>(.71)</b>   | <b>(.66)</b>             | <b>(1.36)</b>  | <b>(4.24)</b>  | <b>(1.13)</b>  |
| <b>Net asset value, end of period</b>                     | <b>\$10.13</b>                             | <b>\$14.52</b> | <b>\$12.23</b>           | <b>\$11.31</b> | <b>\$9.83</b>  | <b>\$14.64</b> |
| Total Return (%)  | (18.27)*                                   | 25.30          | 16.13                    | 30.30          | (5.69)         | 21.02          |
| <b>Ratios to Average Net Assets and Supplemental Data</b> |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                   | 96   | 121            | 107                      | 107            | 92             | 105            |
| Ratio of expenses (%) <sup>b</sup>                        | .60**                                      | .59            | .62                      | .62            | .61            | .57            |
| Ratio of net investment income (%)                        | .85**                                      | .66            | 1.01                     | 1.32           | 1.14           | 1.22           |
| Portfolio turnover rate (%)                               | 15*  | 34             | 45                       | 40             | 43             | 39             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## DWS Core Equity VIP — Class B

|   | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|---|--|----------------|--------------------------|----------------|----------------|----------------|
|   |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                            |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>               | <b>\$14.49</b>                             | <b>\$12.21</b> | <b>\$11.29</b>           | <b>\$9.81</b>  | <b>\$14.62</b> | <b>\$13.14</b> |
| <i>Income (loss) from investment operations:</i>          |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                        | .03  | .05            | .07                      | .11            | .10            | .13            |
| Net realized and unrealized gain (loss)                   | (2.53)                                     | 2.90           | 1.48                     | 2.70           | (.72)          | 2.44           |
| <b>Total from investment operations</b>                   | <b>(2.50)</b>                              | <b>2.95</b>    | <b>1.55</b>              | <b>2.81</b>    | <b>(.62)</b>   | <b>2.57</b>    |
| <i>Less distributions from:</i>                           |  |                |                          |                |                |                |
| Net investment income                                     | (.06)                                      | (.06)          | (.12)                    | (.09)          | (.22)          | (.13)          |
| Net realized gains  | (1.80)                                     | (.61)          | (.51)                    | (1.24)         | (3.97)         | (.96)          |
| <b>Total distributions</b>                                | <b>(1.86)</b>                              | <b>(.67)</b>   | <b>(.63)</b>             | <b>(1.33)</b>  | <b>(4.19)</b>  | <b>(1.09)</b>  |
| <b>Net asset value, end of period</b>                     | <b>\$10.13</b>                             | <b>\$14.49</b> | <b>\$12.21</b>           | <b>\$11.29</b> | <b>\$9.81</b>  | <b>\$14.62</b> |
| Total Return (%)  | (18.38)*                                   | 24.94          | 15.67                    | 29.92          | (6.02)         | 20.68          |
| <b>Ratios to Average Net Assets and Supplemental Data</b> |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                   | 3  | 4              | 4                        | 3              | 3              | 3              |
| Ratio of expenses (%) <sup>b</sup>                        | .92**                                      | .91            | .94                      | .94            | .93            | .86            |
| Ratio of net investment income (%)                        | .53**                                      | .34            | .69                      | 1.00           | .82            | .94            |
| Portfolio turnover rate (%)                               | 15*  | 34             | 45                       | 40             | 43             | 39             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## A. Organization and Significant Accounting Policies

Deutsche DWS Variable Series I (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company organized as a Massachusetts business trust. The Trust consists of four diversified funds: DWS Capital Growth VIP, DWS Core Equity VIP, DWS CROCI® International VIP and DWS Global Small Cap VIP (individually or collectively hereinafter referred to as a "Fund" or the "Funds"). These financial statements report on DWS Core Equity VIP. The Trust is intended to be the underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities and exchange-traded funds ("ETFs") are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Equity securities or ETFs for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities or ETFs are generally categorized as Level 1.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trustees and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Securities Lending.** Deutsche Bank AG, as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. As of period end, any securities on loan were collateralized by cash. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had no securities on loan.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Federal Income Taxes.** The Fund is treated as a separate taxpayer as provided for in the Internal Revenue Code, as amended. It is the Fund's policy to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to the separate accounts of the Participating Insurance Companies which hold its shares.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$71,831,442. The net unrealized appreciation for all investments based on tax cost was \$27,330,905. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$35,036,162 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$7,705,257.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## B. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$16,452,868 and \$19,238,000, respectively.

## C. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|   |       |
|---|-------|
| First \$250 million of average daily net assets | .390% |
| Next \$750 million of average daily net assets  | .365% |
| Over \$1 billion of average daily net assets    | .340% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.39% of the Fund's average daily net assets.

For the period from January 1, 2022 through September 30, 2022, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |      |
|---------|------|
| Class A | .66% |
| Class B | .98% |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee ("Administration Fee") of 0.097% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$54,160, of which \$8,168 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| <b>Services to Shareholders</b> | <b>Total Aggregated</b> | <b>Unpaid at June 30, 2022</b> |
|---------------------------------|-------------------------|--------------------------------|
| Class A                         | \$ 387                  | \$ 120                         |
| Class B                         | 80                      | 26                             |
|                                 | <b>\$ 467</b>           | <b>\$ 146</b>                  |

**Distribution Service Agreement.** DWS Distributors, Inc. (“DDI”), also an affiliate of the Advisor, is the Trust’s Distributor. In accordance with the Master Distribution Plan, DDI receives 12b-1 fees of up to 0.25% of the average daily net assets of Class B shares. Pursuant to the Master Distribution Plan, DDI remits these fees to the Participating Insurance Companies for various costs incurred or paid by these companies in connection with marketing and distribution of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee aggregated \$4,050, of which \$603 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$430, of which \$40 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

**Securities Lending Agent Fees.** Deutsche Bank AG serves as securities lending agent for the Fund. For the six months ended June 30, 2022, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of \$73.

#### **D. Ownership of the Fund**

At June 30, 2022, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 50% and 16%, respectively. Two participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 50% and 35%, respectively.

#### **E. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

## **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund's accounting and financial reporting.



## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 817.30      | \$ 816.20      |
| Expenses Paid per \$1,000*     | \$ 2.70        | \$ 4.14        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,021.82    | \$ 1,020.23    |
| Expenses Paid per \$1,000*         | \$ 3.01        | \$ 4.61        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                     | <b>Class A</b> | <b>Class B</b> |
|--|----------------|----------------|
| Deutsche DWS Variable Series I — DWS Core Equity VIP | .60%           | .92%           |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Core Equity VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 3rd quartile of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has underperformed its benchmark in the

one-, three- and five-year periods ended December 31, 2020. The Board noted the disappointing investment performance of the Fund in recent periods and continued to discuss with senior management of DIMA the factors contributing to such underperformance and actions being taken to improve performance. The Board recognized the efforts by DIMA in recent years to enhance its investment platform and improve long-term performance across the DWS fund complex.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (1st quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (2nd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to a comparable DWS U.S. registered fund ("DWS Funds") and considered differences between the Fund and the comparable DWS Fund. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes

# Notes



VS1coreq-3 (R-028376-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series I

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**DWS CROCI® International VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Investing in foreign securities, presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Stocks may decline in value. The Fund will be managed on the premise that stocks with lower CROCI® Economic P/E Ratios may outperform stocks with higher CROCI® Economic P/E Ratios over time. This premise may not always be correct and prospective investors should evaluate this assumption prior to investing in the Fund. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

On January 31, 2020, the United Kingdom officially withdrew from the European Union (EU) pursuant to a withdrawal agreement, providing for a transition period in which the United Kingdom negotiated and finalized a trade deal with the EU, the EU-UK Trade and Cooperation Agreement, provisionally applied effective January 1, 2021. As a result, as of January 1, 2021 the United Kingdom is no longer part of the EU customs union and single market, nor is it subject to EU policies and international agreements. The long-term impact of the United Kingdom's withdrawal from the EU is still unknown and could have adverse economic and political effects on the United Kingdom, the EU and its member countries, and the global economy, including financial markets and asset valuations.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

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# Performance Summary

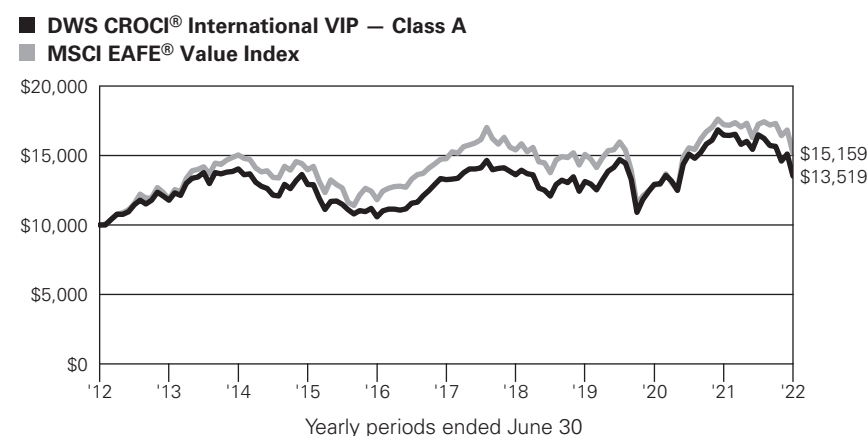
June 30, 2022 (Unaudited)

Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.93% and 1.21% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment



MSCI EAFE (Europe, Australasia and the Far East) Value Index captures large and mid-capitalization securities exhibiting overall value style characteristics across developed markets countries around the world, excluding the U.S. and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS CROCI® International VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|------------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                      | Growth of \$10,000          | \$8,200              | \$8,210 | \$10,298 | \$10,192 | \$13,519 |
|                              | Average annual total return | -18.00%              | -17.90% | 0.98%    | 0.38%    | 3.06%    |
| MSCI EAFE Value Index        | Growth of \$10,000          | \$8,788              | \$8,805 | \$10,053 | \$10,261 | \$15,159 |
|                              | Average annual total return | -12.12%              | -11.95% | 0.18%    | 0.52%    | 4.25%    |
| DWS CROCI® International VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
| Class B                      | Growth of \$10,000          | \$8,183              | \$8,193 | \$10,220 | \$10,065 | \$13,188 |
|                              | Average annual total return | -18.17%              | -18.07% | 0.73%    | 0.13%    | 2.81%    |
| MSCI EAFE Value Index        | Growth of \$10,000          | \$8,788              | \$8,805 | \$10,053 | \$10,261 | \$15,159 |
|                              | Average annual total return | -12.12%              | -11.95% | 0.18%    | 0.52%    | 4.25%    |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 99%            | 99%             |
| Cash Equivalents   | 1%             | 1%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Health Care   | 23%            | 19%             |
| Financials  | 17%            | 19%             |
| Materials   | 15%            | 13%             |
| Industrials   | 14%            | 15%             |
| Information Technology  | 10%            | 9%              |
| Consumer Discretionary  | 8%             | 9%              |
| Consumer Staples  | 5%             | 9%              |
| Communication Services  | 4%             | 5%              |
| Energy  | 4%             | —               |
| Utilities   | —              | 2%              |
|   | 100%           | 100%            |

| <b>Geographical Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Japan   | 33%            | 27%             |
| Switzerland   | 13%            | 13%             |
| France  | 11%            | 10%             |
| United Kingdom  | 8%             | 14%             |
| Australia   | 8%             | 10%             |
| Germany   | 6%             | 7%              |
| Denmark   | 4%             | 4%              |
| Netherlands   | 3%             | 5%              |
| Belgium   | 3%             | 3%              |
| Spain   | 2%             | 2%              |
| Finland   | 2%             | 2%              |
| Other   | 7%             | 3%              |
|   | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Management Team

Di Kumble, CFA, Senior Portfolio Manager Equity

John Moody, Portfolio Manager Equity

Portfolio Managers

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares  | Value (\$)       |  | Shares  | Value (\$)        |
|--|---------|------------------|--|---------|-------------------|
| <b>Common Stocks 98.4%</b>                   |         |                  |  |         |                   |
| <b>Australia 8.2%</b>                        |         |                  |  |         |                   |
| BHP Group Ltd.                               | 110,820 | 3,145,210        | Mitsubishi UFJ Financial Group, Inc.                   | 130,800 | 698,012           |
| BlueScope Steel Ltd.                         | 84,294  | 919,277          | Murata Manufacturing Co., Ltd.                         | 12,200  | 667,654           |
| Sonic Healthcare Ltd.                        | 41,598  | 948,682          | NEC Corp.  | 10,500  | 406,961           |
| Woodside Energy Group Ltd.                   | 20,025  | 439,564          | Nintendo Co., Ltd.                                     | 4,200   | 1,821,916         |
| (Cost \$5,019,759)                           |         | <b>5,452,733</b> | Nitto Denko Corp.                                      | 10,400  | 672,241           |
| <b>Austria 0.9%</b>                          |         |                  | Ono Pharmaceutical Co., Ltd.                           | 85,200  | 2,181,346         |
| OMV AG (Cost \$745,553)                      | 12,933  | <b>608,093</b>   | Sekisui House Ltd.                                     | 103,100 | 1,834,068         |
| <b>Belgium 2.5%</b>                          |         |                  | Shin-Etsu Chemical Co., Ltd.                           | 7,409   | 833,866           |
| UCB SA (Cost \$2,296,276)                    | 19,683  | <b>1,663,526</b> | Sony Group Corp.                                       | 9,600   | 780,947           |
| <b>Denmark 3.8%</b>                          |         |                  | Sumitomo Chemical Co., Ltd.                            | 92,000  | 358,187           |
| AP Moller - Maersk AS "B"                    | 885     | 2,071,378        | Sumitomo Corp.   | 22,300  | 305,537           |
| Pandora A/S                                  | 7,656   | 486,160          | Sumitomo Metal Mining Co., Ltd.                        | 7,200   | 225,459           |
| (Cost \$2,399,077)                           |         | <b>2,557,538</b> | Sumitomo Mitsui Financial Group, Inc.                  | 112,956 | 3,340,230         |
| <b>Finland 1.7%</b>                          |         |                  | Takeda Pharmaceutical Co., Ltd.                        | 35,000  | 984,574           |
| Nokia Oyj (Cost \$970,220)                   | 242,166 | <b>1,122,645</b> | Tokyo Electron Ltd.                                    | 6,000   | 1,973,459         |
| <b>France 11.1%</b>                          |         |                  | Toyota Industries Corp.                                | 35,332  | 2,180,356         |
| Arkema SA                                    | 3,456   | 308,558          | (Cost \$23,570,264)                                    |         | <b>21,345,701</b> |
| BNP Paribas SA                               | 54,885  | 2,630,525        | <b>Luxembourg 0.6%</b>                                 |         |                   |
| Cie de Saint-Gobain                          | 5,936   | 255,477          | ArcelorMittal SA (Cost \$609,080)                      | 18,571  | <b>418,455</b>    |
| Cie Generale des Etablissements Michelin SCA | 11,696  | 318,507          | <b>Netherlands 2.5%</b>                                |         |                   |
| Credit Agricole SA                           | 129,562 | 1,188,690        | PostNL NV  | 147,784 | 447,991           |
| Kering SA                                    | 862     | 443,568          | QIAGEN NV*   | 19,257  | 904,948           |
| Societe Generale SA                          | 36,256  | 796,796          | Randstad NV  | 6,647   | 322,606           |
| Television Francaise 1                       | 148,599 | 1,054,779        | (Cost \$1,908,332)                                     |         | <b>1,675,545</b>  |
| TotalEnergies SE                             | 6,873   | 361,844          | <b>Norway 1.5%</b>                                     |         |                   |
| (Cost \$8,280,279)                           |         | <b>7,358,744</b> | Equinor ASA (Cost \$807,660)                           | 27,574  | <b>962,235</b>    |
| <b>Germany 5.5%</b>                          |         |                  | <b>Singapore 0.8%</b>                                  |         |                   |
| adidas AG                                    | 1,923   | 340,152          | Venture Corp., Ltd.                                    |         |                   |
| BASF SE                                      | 8,654   | 377,341          | (Cost \$560,681)                                       | 43,500  | <b>521,476</b>    |
| Bayer AG (Registered)                        | 22,643  | 1,346,355        | <b>Spain 2.4%</b>                                      |         |                   |
| Brenntag SE                                  | 5,032   | 328,223          | Banco Bilbao Vizcaya Argentaria SA                     | 112,405 | 509,858           |
| Deutsche Post AG (Registered)                | 33,075  | 1,242,782        | Banco Santander SA                                     | 384,222 | 1,084,264         |
| (Cost \$4,375,944)                           |         | <b>3,634,853</b> | (Cost \$1,758,870)                                     |         | <b>1,594,122</b>  |
| <b>Ireland 1.3%</b>                          |         |                  | <b>Sweden 1.0%</b>                                     |         |                   |
| CRH PLC                                      | 15,848  | 549,008          | Telefonaktiebolaget LM Ericsson "B" (Cost \$1,039,737) | 93,244  | <b>695,309</b>    |
| DCC PLC                                      | 5,175   | 321,952          | <b>Switzerland 13.2%</b>                               |         |                   |
| (Cost \$947,036)                             |         | <b>870,960</b>   | Holcim AG  | 35,213  | 1,506,774         |
| <b>Italy 1.2%</b>                            |         |                  | Kuehne & Nagel International AG (Registered)           | 1,306   | 308,496           |
| Intesa Sanpaolo SpA                          | 156,811 | 293,033          | Novartis AG (Registered)                               | 35,884  | 3,032,669         |
| UniCredit SpA                                | 51,779  | 494,129          | Roche Holding AG (Genusschein)                         | 9,721   | 3,244,081         |
| (Cost \$1,018,073)                           |         | <b>787,162</b>   | STMicroelectronics NV                                  | 22,749  | 715,905           |
| <b>Japan 32.0%</b>                           |         |                  | (Cost \$10,035,844)                                    |         | <b>8,807,925</b>  |
| Astellas Pharma, Inc.                        | 61,900  | 963,985          | <b>United Kingdom 8.2%</b>                             |         |                   |
| ITOCHU Corp.                                 | 29,200  | 790,953          | Anglo American PLC                                     | 7,823   | 279,804           |
| Kyocera Corp.                                | 6,100   | 325,950          | British American Tobacco PLC                           | 46,468  | 1,988,707         |

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

|   | Shares  | Value (\$)        |  | % of<br>Net Assets | Value (\$)        |
|---|---------|-------------------|--|--------------------|-------------------|
| Ferguson PLC                                      | 4,964   | 550,133           |  |                    |                   |
| Imperial Brands PLC                               | 62,372  | 1,394,962         |  |                    |                   |
| Kingfisher PLC                                    | 200,826 | 596,246           |  |                    |                   |
| Lloyds Banking Group PLC                          | 552,050 | 284,296           |  |                    |                   |
| Next PLC  | 5,140   | 366,859           |  |                    |                   |
| (Cost \$5,288,065)                                |         | <b>5,461,007</b>  |  |                    |                   |
| <b>Total Common Stocks</b><br>(Cost \$71,630,750) |         | <b>65,538,029</b> |  |                    |                   |
|   |         |                   | <b>Total Investment Portfolio</b><br>(Cost \$72,421,136) | 99.6               | <b>66,328,415</b> |
|   |         |                   | <b>Other Assets and Liabilities, Net</b>                 | 0.4                | <b>284,459</b>    |
|   |         |                   | <b>Net Assets</b>  | 100.0              | <b>66,612,874</b> |

### Cash Equivalents 1.2%

|  |         |                |
|--|---------|----------------|
| DWS Central Cash Management Government Fund, 1.36% (a)<br>(Cost \$790,386) | 790,386 | <b>790,386</b> |
|--|---------|----------------|

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at<br>12/31/2021  | Purchases<br>Cost (\$) | Sales<br>Proceeds (\$) | Net Realized<br>Gain/<br>(Loss) (\$) | Net Change in<br>Unrealized<br>Appreciation<br>(Depreciation)<br>(\$) | Income (\$)   | Capital Gain<br>Distributions<br>(\$) | Number<br>of Shares<br>at<br>6/30/2022 | Value (\$) at<br>6/30/2022 |
|--|------------------------|------------------------|--------------------------------------|---|---------------|---------------------------------------|--|----------------------------|
| <b>Securities Lending Collateral 0.0%</b>  |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (a) (b) |                        |                        |                                      |   |               |                                       |  |                            |
| 3,317,912  | —                      | 3,317,912 (c)          | —                                    | —   | 18,810        | —                                     | —                                      | —                          |
| <b>Cash Equivalents 1.2%</b>   |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Central Cash Management Government Fund, 1.36% (a)   |                        |                        |                                      |   |               |                                       |  |                            |
| 615,058  | 5,199,146              | 5,023,818              | —                                    | —   | 1,241         | —                                     | 790,386                                | 790,386                    |
| <b>3,932,970</b>   | <b>5,199,146</b>       | <b>8,341,730</b>       | <b>—</b>                             | <b>—</b>  | <b>20,051</b> | <b>—</b>                              | <b>790,386</b>                         | <b>790,386</b>             |

\* Non-income producing security.

- (a) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (b) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- (c) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

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

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| Assets                 | Level 1          | Level 2             | Level 3     | Total               |
|------------------------|------------------|---------------------|-------------|---------------------|
| Common Stocks          |                  |                     |             |                     |
| Australia              | \$ —             | \$ 5,452,733        | \$ —        | \$ 5,452,733        |
| Austria                | —                | 608,093             | —           | 608,093             |
| Belgium                | —                | 1,663,526           | —           | 1,663,526           |
| Denmark                | —                | 2,557,538           | —           | 2,557,538           |
| Finland                | —                | 1,122,645           | —           | 1,122,645           |
| France                 | —                | 7,358,744           | —           | 7,358,744           |
| Germany                | —                | 3,634,853           | —           | 3,634,853           |
| Ireland                | —                | 870,960             | —           | 870,960             |
| Italy                  | —                | 787,162             | —           | 787,162             |
| Japan                  | —                | 21,345,701          | —           | 21,345,701          |
| Luxembourg             | —                | 418,455             | —           | 418,455             |
| Netherlands            | —                | 1,675,545           | —           | 1,675,545           |
| Norway                 | —                | 962,235             | —           | 962,235             |
| Singapore              | —                | 521,476             | —           | 521,476             |
| Spain                  | —                | 1,594,122           | —           | 1,594,122           |
| Sweden                 | —                | 695,309             | —           | 695,309             |
| Switzerland            | —                | 8,807,925           | —           | 8,807,925           |
| United Kingdom         | —                | 5,461,007           | —           | 5,461,007           |
| Short-Term Investments | 790,386          | —                   | —           | 790,386             |
| <b>Total</b>           | <b>\$790,386</b> | <b>\$65,538,029</b> | <b>\$ —</b> | <b>\$66,328,415</b> |

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>  |                      |
|--|----------------------|
| Investments in non-affiliated securities, at value (cost \$71,630,750)   | \$ 65,538,029        |
| Investment in DWS Central Cash Management Government Fund (cost \$790,386)   | 790,386              |
| Foreign currency, at value (cost \$70,195)   | 69,581               |
| Receivable for Fund shares sold  | 738                  |
| Dividends receivable   | 11,238               |
| Interest receivable  | 3,506                |
| Foreign taxes recoverable  | 328,563              |
| Other assets   | 792                  |
| <b>Total assets</b>  | <b>66,742,833</b>    |
| <b>Liabilities</b>   |                      |
| Payable for Fund shares redeemed   | 14,062               |
| Accrued management fee   | 29,882               |
| Accrued Trustees' fees   | 190                  |
| Other accrued expenses and payables  | 85,825               |
| <b>Total liabilities</b>   | <b>129,959</b>       |
| <b>Net assets, at value</b>  | <b>\$ 66,612,874</b> |
| <b>Net Assets Consist of</b>   |                      |
| Distributable earnings (loss)  | (34,381,859)         |
| Paid-in capital  | 100,994,733          |
| <b>Net assets, at value</b>  | <b>\$ 66,612,874</b> |
| <b>Net Asset Value</b>   |                      |
| <b>Class A</b>   |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$66,310,156 ÷ 10,817,368 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized) | <b>\$ 6.13</b>       |
| <b>Class B</b>   |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$302,718 ÷ 49,218 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)        | <b>\$ 6.15</b>       |

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                       |
|--|-----------------------|
| Income:  |                       |
| Dividends (net of foreign taxes withheld of \$266,573)                 | \$ 2,155,935          |
| Income distributions — DWS Central Cash Management Government Fund     | 1,241                 |
| Securities lending income, net of borrower rebates                     | 18,810                |
| <b>Total income</b>  | <b>2,175,986</b>      |
| Expenses:  |                       |
| Management fee   | 247,036               |
| Administration fee   | 36,865                |
| Services to shareholders   | 752                   |
| Distribution service fee (Class B)                                     | 433                   |
| Custodian fee  | 8,172                 |
| Audit fee  | 29,701                |
| Legal fees   | 8,801                 |
| Tax fees   | 3,603                 |
| Reports to shareholders  | 18,525                |
| Trustees' fees and expenses  | 2,262                 |
| Other  | 5,561                 |
| <b>Total expenses before expense reductions</b>                        | <b>361,711</b>        |
| Expense reductions   | (34,380)              |
| <b>Total expenses after expense reductions</b>                         | <b>327,331</b>        |
| <b>Net investment income</b>   | <b>1,848,655</b>      |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                       |
| Net realized gain (loss) from:   |                       |
| Investments  | 1,180,737             |
| Foreign currency   | (17,331)              |
|  | 1,163,406             |
| Change in net unrealized appreciation (depreciation) on:               |                       |
| Investments  | (17,732,494)          |
| Foreign currency   | (29,864)              |
|  | (17,762,358)          |
| <b>Net gain (loss)</b>   | <b>(16,598,952)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(14,750,297)</b> |

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



# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 1,848,655  | \$ 2,293,388                       |
| Net realized gain (loss)  | 1,163,406   | 6,054,489                          |
| Change in net unrealized appreciation<br>(depreciation)               | (17,762,358)  | (1,179,844)                        |
| Net increase (decrease) in net assets resulting from operations       | (14,750,297)  | 7,168,033                          |
| Distributions to shareholders:  |   |                                    |
| Class A   | (2,284,310)   | (2,001,186)                        |
| Class B   | (9,492)   | (8,123)                            |
| Total distributions   | (2,293,802)   | (2,009,309)                        |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 1,338,754   | 5,592,996                          |
| Reinvestment of distributions   | 2,284,310   | 2,001,186                          |
| Payments for shares redeemed  | (3,344,768)   | (8,759,770)                        |
| Net increase (decrease) in net assets from Class A share transactions | 278,296   | (1,165,588)                        |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 3,022   | 20,913                             |
| Reinvestment of distributions   | 9,492   | 8,123                              |
| Payments for shares redeemed  | (15,651)  | (27,757)                           |
| Net increase (decrease) in net assets from Class B share transactions | (3,137)   | 1,279                              |
| <b>Increase (decrease) in net assets</b>                              | (16,768,940)  | 3,994,415                          |
| Net assets at beginning of period                                     | 83,381,814  | 79,387,399                         |
| <b>Net assets at end of period</b>                                    | <b>\$ 66,612,874</b>                                | <b>\$83,381,814</b>                |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 10,751,199  | 10,909,190                         |
| Shares sold   | 186,852   | 734,747                            |
| Shares issued to shareholders in reinvestment of distributions        | 345,062   | 263,661                            |
| Shares redeemed   | (465,745)   | (1,156,399)                        |
| Net increase (decrease) in Class A shares                             | 66,169  | (157,991)                          |
| Shares outstanding at end of period                                   | <b>10,817,368</b>                                   | <b>10,751,199</b>                  |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 49,491  | 49,324                             |
| Shares sold   | 441   | 2,757                              |
| Shares issued to shareholders in reinvestment of distributions        | 1,430   | 1,066                              |
| Shares redeemed   | (2,144)   | (3,656)                            |
| Net increase (decrease) in Class B shares                             | (273)   | 167                                |
| Shares outstanding at end of period                                   | <b>49,218</b>                                       | <b>49,491</b>                      |

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

# Financial Highlights

## DWS CROCI® International VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021          | 2020          | 2019          | 2018          | 2017          |
|--|--|---------------|---------------|---------------|---------------|---------------|
| <b>Selected Per Share Data</b>                               |  |               |               |               |               |               |
| <b>Net asset value, beginning of period</b>                  | <b>\$7.72</b>                              | <b>\$7.24</b> | <b>\$7.35</b> | <b>\$6.22</b> | <b>\$7.34</b> | <b>\$6.47</b> |
| <i>Income (loss) from investment operations:</i>             |  |               |               |               |               |               |
| Net investment income <sup>a</sup>                           | .17  | .21           | .12           | .22           | .20           | .16           |
| Net realized and unrealized gain (loss)                      | (1.54)                                     | .46           | .00*          | 1.11          | (1.25)        | 1.21          |
| <b>Total from investment operations</b>                      | <b>(1.37)</b>                              | <b>.67</b>    | <b>.12</b>    | <b>1.33</b>   | <b>(1.05)</b> | <b>1.37</b>   |
| <i>Less distributions from:</i>                              |  |               |               |               |               |               |
| Net investment income  | (.22)                                      | (.19)         | (.23)         | (.20)         | (.07)         | (.50)         |
| <b>Net asset value, end of period</b>                        | <b>\$6.13</b>                              | <b>\$7.72</b> | <b>\$7.24</b> | <b>\$7.35</b> | <b>\$6.22</b> | <b>\$7.34</b> |
| Total Return (%) <sup>b</sup>                                | (18.00)**                                  | 9.24          | 2.61          | 21.77         | (14.39)       | 21.96         |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |               |               |               |               |               |
| Net assets, end of period (\$ millions)                      | 66   | 83            | 79            | 81            | 72            | 92            |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .95***                                     | .93           | .99           | 1.11          | 1.13          | 1.10          |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .86***                                     | .87           | .87           | .87           | .87           | .84           |
| Ratio of net investment income (%)                           | 4.87***                                    | 2.76          | 1.88          | 3.22          | 2.78          | 2.24          |
| Portfolio turnover rate (%)                                  | 32**                                       | 66            | 67            | 101           | 59            | 73            |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Amount is less than \$.005.

\*\* Not annualized

\*\*\* Annualized

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

## DWS CROCI® International VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021          | 2020          | 2019          | 2018          | 2017          |
|--|--|---------------|---------------|---------------|---------------|---------------|
| <b>Selected Per Share Data</b>                               |  |               |               |               |               |               |
| <b>Net asset value, beginning of period</b>                  | <b>\$7.74</b>                              | <b>\$7.26</b> | <b>\$7.36</b> | <b>\$6.24</b> | <b>\$7.36</b> | <b>\$6.48</b> |
| <i>Income (loss) from investment operations:</i>             |  |               |               |               |               |               |
| Net investment income <sup>a</sup>                           | .16  | .19           | .10           | .20           | .18           | .13           |
| Net realized and unrealized gain (loss)                      | (1.55)                                     | .46           | .01           | 1.11          | (1.24)        | 1.23          |
| <b>Total from investment operations</b>                      | <b>(1.39)</b>                              | <b>.65</b>    | <b>.11</b>    | <b>1.31</b>   | <b>(1.06)</b> | <b>1.36</b>   |
| <i>Less distributions from:</i>                              |  |               |               |               |               |               |
| Net investment income  | (.20)                                      | (.17)         | (.21)         | (.19)         | (.06)         | (.48)         |
| <b>Net asset value, end of period</b>                        | <b>\$6.15</b>                              | <b>\$7.74</b> | <b>\$7.26</b> | <b>\$7.36</b> | <b>\$6.24</b> | <b>\$7.36</b> |
| Total Return (%) <sup>b</sup>                                | (18.17)*                                   | 8.94          | 2.49          | 21.24         | (14.57)       | 21.76         |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |               |               |               |               |               |
| Net assets, end of period (\$ millions)                      | .30  | .38           | .36           | .33           | .28           | .33           |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | 1.23**                                     | 1.21          | 1.27          | 1.39          | 1.41          | 1.38          |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | 1.14**                                     | 1.13          | 1.12          | 1.12          | 1.12          | 1.09          |
| Ratio of net investment income (%)                           | 4.57**                                     | 2.50          | 1.62          | 2.96          | 2.54          | 1.86          |
| Portfolio turnover rate (%)                                  | 32*  | 66            | 67            | 101           | 59            | 73            |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## A. Organization and Significant Accounting Policies

Deutsche DWS Variable Series I (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company organized as a Massachusetts business trust. The Trust consists of four diversified funds: DWS Capital Growth VIP, DWS Core Equity VIP, DWS CROCI® International VIP and DWS Global Small Cap VIP (individually or collectively hereinafter referred to as a "Fund" or the "Funds"). These financial statements report on DWS CROCI® International VIP. The Trust is intended to be the underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1. For certain international equity securities, in order to adjust for events which may occur between the close of the foreign exchanges and the close of the New York Stock Exchange, a fair valuation model may be used. This fair valuation model takes into account comparisons to the valuation of American Depositary Receipts (ADRs), exchange-traded funds, futures contracts and certain indices and these securities are categorized as Level 2.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trustees and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which

the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Securities Lending.** Brown Brothers Harriman & Co., as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the six months ended June 30, 2022, the Fund may invest the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had no securities on loan.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Taxes.** The Fund is treated as a separate taxpayer as provided for in the Internal Revenue Code, as amended. It is the Fund's policy to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to the separate accounts of the Participating Insurance Companies which hold its shares.

Additionally, the Fund may be subject to taxes imposed by the governments of countries in which it invests and are generally based on income and/or capital gains earned or repatriated, a portion of which may be recoverable. Based upon the current interpretation of the tax rules and regulations, estimated tax liabilities and recoveries on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized gain/loss on investments. Tax liabilities realized as a result of security sales are reflected as a component of net realized gain/loss on investments.

At December 31, 2021, the Fund had net tax basis capital loss carryforwards of approximately \$30,408,000, including short-term losses (\$10,049,000) and long-term losses (\$20,359,000), which may be applied against realized net taxable capital gains indefinitely.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$73,246,413. The net unrealized depreciation for all investments based on tax cost was \$6,917,998. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax

cost of \$2,663,625 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$9,581,623.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provisions for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to investments in foreign denominated investments, passive foreign investment companies and certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific Fund are allocated to that Fund. Other Trust expenses which cannot be directly attributed to a Fund are apportioned among the Funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis net of foreign withholding taxes. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Certain dividends from foreign securities may be recorded subsequent to the ex-dividend date as soon as the Fund is informed of such dividends. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## B. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$24,478,851 and \$24,457,240, respectively.

## C. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|   |       |
|---|-------|
| First \$500 million of average daily net assets | .650% |
| Over \$500 million of average daily net assets  | .600% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.65% of the Fund's average daily net assets.

For the period from January 1, 2022 through April 30, 2023 (through April 30, 2022 for Class B shares), the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |       |
|---------|-------|
| Class A | .86%  |
| Class B | 1.13% |

Effective May 1, 2022 through September 30, 2022, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of Class B shares to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) at 1.31%.

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for each class are as follows:

|         |                  |
|---------|------------------|
| Class A | \$ 34,225        |
| Class B | 155              |
|         | <b>\$ 34,380</b> |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$36,865, of which \$5,592 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| <b>Services to Shareholders</b> | <b>Total Aggregated</b> | <b>Unpaid at June 30, 2022</b> |
|---------------------------------|-------------------------|--------------------------------|
| Class A                         | \$ 407                  | \$ 130                         |
| Class B                         | 51                      | 16                             |
|                                 | <b>\$ 458</b>           | <b>\$ 146</b>                  |

**Distribution Service Agreement.** DWS Distributors, Inc. (“DDI”), also an affiliate of the Advisor, is the Trusts’ Distributor. In accordance with the Master Distribution Plan, DDI receives 12b-1 fees of up to 0.25% of the average daily net assets of Class B shares. Pursuant to the Master Distribution Plan, DDI remits these fees to the Participating Insurance Companies for various costs incurred or paid by these companies in connection with marketing and distribution of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee aggregated \$433, of which \$65 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$440, of which \$40 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the

extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund's assets invested in DWS ESG Liquidity Fund.

#### **D. Ownership of the Fund**

At June 30, 2022, four participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 28%, 17%, 12% and 12%, respectively. Two participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 87% and 10%, respectively.

#### **E. Line of Credit**

The Fund and other affiliated funds (the "Participants") share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

#### **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund's accounting and financial reporting.



# Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

## Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 820.00      | \$ 818.30      |
| Expenses Paid per \$1,000*     | \$ 3.88        | \$ 5.14        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,020.53    | \$ 1,019.14    |
| Expenses Paid per \$1,000*         | \$ 4.31        | \$ 5.71        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                              | <b>Class A</b> | <b>Class B</b> |
|---|----------------|----------------|
| Deutsche DWS Variable Series I — DWS CROCI® International VIP | .86%           | 1.14%          |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS CROCI® International VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 2nd quartile, 1st quartile and 1st quartile, respectively, of the applicable Morningstar universe (the 1st quartile

being the best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has outperformed its benchmark in the one-, three-, and five-year periods ended December 31, 2020.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (2nd quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that, effective October 1, 2019, in connection with the 2019 contract renewal process, DIMA agreed to reduce the Fund's contractual management fee at each breakpoint by 0.14% and 0.04%, respectively. The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be higher than the median (3rd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds") and considered differences between the Fund and the comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board noted that DIMA pays a licensing fee to an affiliate related to the Fund's use of the CROCI® strategy. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes

# Notes



VS1cint-3 (R-028378-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series II

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**DWS CROCI<sup>®</sup> U.S. VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Stocks may decline in value. The Fund will be managed using the CROCI® Investment Process which is based on portfolio management's belief that, over time, stocks which display more favorable financial metrics (for example, the CROCI® Economic P/E Ratio) as generated by this process may outperform stocks which display less favorable metrics. This premise may not prove to be correct and prospective investors should evaluate this assumption prior to investing in the Fund. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE  
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

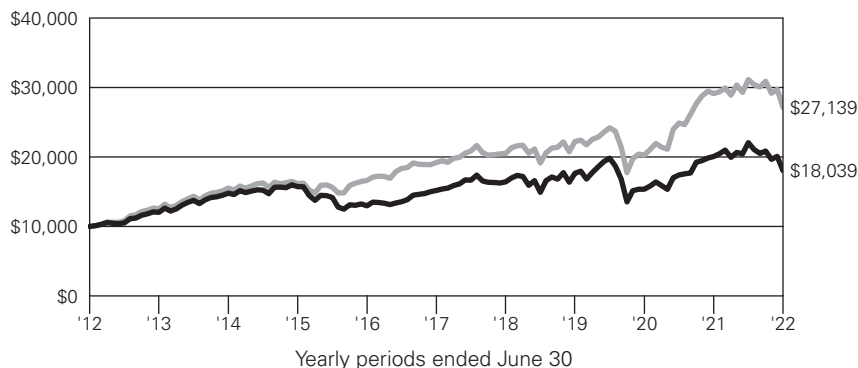
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.78% and 1.10% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS CROCI® U.S. VIP — Class A  
■ Russell 1000® Value Index



Russell 1000® Value Index is an unmanaged market capitalization-weighted index of value-oriented stocks of the largest U.S. domiciled companies that are included in the Russell 1000 Index. Value-oriented stocks tend to have lower price-to-book ratios and lower forecasted growth values. Russell 1000 Index is an unmanaged price-only index of the 1,000 largest capitalized companies that are domiciled in the U.S. and whose common stocks are traded.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

Prior to May 1, 2017, the Fund operated with a different investment strategy. Prior to October 3, 2016, the Fund had a team that operated with a different investment strategy. Performance would have been different if the Fund's current strategy had been in effect.

## Comparative Results

| DWS CROCI® U.S. VIP       |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|---------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                   | Growth of \$10,000          | \$8,177              | \$8,989 | \$10,215 | \$11,885 | \$18,039 |
|                           | Average annual total return | -18.23%              | -10.11% | 0.71%    | 3.51%    | 6.08%    |
| Russell 1000® Value Index | Growth of \$10,000          | \$8,714              | \$9,318 | \$12,205 | \$14,135 | \$27,139 |
|                           | Average annual total return | -12.86%              | -6.82%  | 6.87%    | 7.17%    | 10.50%   |
| DWS CROCI® U.S. VIP       |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
| Class B                   | Growth of \$10,000          | \$8,158              | \$8,953 | \$10,111 | \$11,690 | \$17,485 |
|                           | Average annual total return | -18.42%              | -10.47% | 0.37%    | 3.17%    | 5.75%    |
| Russell 1000® Value Index | Growth of \$10,000          | \$8,714              | \$9,318 | \$12,205 | \$14,135 | \$27,139 |
|                           | Average annual total return | -12.86%              | -6.82%  | 6.87%    | 7.17%    | 10.50%   |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 99%            | 100%            |
| Cash Equivalents   | 1%             | 0%              |
|  | 100%           | 100%            |

## **Sector Diversification**

| (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Information Technology  | 28%            | 30%             |
| Health Care   | 26%            | 23%             |
| Financials  | 12%            | 12%             |
| Consumer Discretionary  | 10%            | 10%             |
| Communication Services  | 8%             | 8%              |
| Materials   | 6%             | 2%              |
| Consumer Staples  | 4%             | 9%              |
| Industrials   | 3%             | 5%              |
| Energy  | 3%             | 1%              |
|   | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## **Portfolio Management Team**

Di Kumble, CFA, Senior Portfolio Manager Equity

John Moody, Portfolio Manager Equity

Portfolio Managers

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares  | Value (\$)       |  | Shares | Value (\$)        |
|--|---------|------------------|--|--------|-------------------|
| <b>Common Stocks 99.5%</b>                         |         |                  | <b>Capital Markets 1.5%</b>                                    |        |                   |
| <b>Communication Services 8.0%</b>                 |         |                  | Bank of New York Mellon Corp.                                  | 17,891 | 746,234           |
| <b>Interactive Media &amp; Services 5.2%</b>       |         |                  | State Street Corp.   | 18,006 | 1,110,070         |
| Alphabet, Inc. "A"*                                | 2,839   | 6,186,919        |  |        | <b>1,856,304</b>  |
| <b>Media 2.8%</b>                                  |         |                  | <b>Consumer Finance 5.9%</b>                                   |        |                   |
| Fox Corp. "A"                                      | 103,898 | 3,341,360        | Capital One Financial Corp.                                    | 26,986 | 2,811,671         |
| <b>Consumer Discretionary 10.5%</b>                |         |                  | Discover Financial Services                                    | 29,016 | 2,744,333         |
| <b>Hotels, Restaurants &amp; Leisure 1.1%</b>      |         |                  | Synchrony Financial  | 52,661 | 1,454,497         |
| Boyd Gaming Corp.                                  | 26,046  | 1,295,788        |  |        | <b>7,010,501</b>  |
| <b>Household Durables 4.3%</b>                     |         |                  | <b>Health Care 25.8%</b>                                       |        |                   |
| D.R. Horton, Inc.                                  | 46,905  | 3,104,642        | <b>Biotechnology 7.3%</b>                                      |        |                   |
| Garmin Ltd.  | 21,344  | 2,097,048        | AbbVie, Inc.   | 16,721 | 2,560,988         |
|  |         | <b>5,201,690</b> | Biogen, Inc.*  | 3,789  | 772,729           |
| <b>Internet &amp; Direct Marketing Retail 0.9%</b> |         |                  | Gilead Sciences, Inc.  | 18,899 | 1,168,147         |
| eBay, Inc.   | 25,213  | 1,050,626        | Regeneron Pharmaceuticals, Inc.*                               | 5,769  | 3,410,229         |
| <b>Specialty Retail 3.7%</b>                       |         |                  | Vertex Pharmaceuticals, Inc.*                                  | 2,807  | 790,985           |
| AutoNation, Inc.*                                  | 10,239  | 1,144,311        |  |        | <b>8,703,078</b>  |
| Bath & Body Works, Inc.                            | 16,871  | 454,167          | <b>Health Care Equipment &amp; Supplies 0.6%</b>               |        |                   |
| Best Buy Co., Inc.                                 | 9,653   | 629,279          | Hologic, Inc.*   | 11,235 | 778,586           |
| Lowe's Companies, Inc.                             | 8,577   | 1,498,145        | <b>Health Care Providers &amp; Services 3.5%</b>               |        |                   |
| Signet Jewelers Ltd.                               | 13,238  | 707,703          | HCA Healthcare, Inc.   | 5,855  | 983,991           |
|  |         | <b>4,433,605</b> | Laboratory Corp. of America Holdings                           | 7,807  | 1,829,649         |
| <b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>   |         |                  | Quest Diagnostics, Inc.  | 8,128  | 1,080,861         |
| Capri Holdings Ltd.*                               | 13,699  | 561,796          | Tenet Healthcare Corp.*  | 5,220  | 274,363           |
| <b>Consumer Staples 3.8%</b>                       |         |                  |  |        | <b>4,168,864</b>  |
| <b>Food &amp; Staples Retailing 1.0%</b>           |         |                  | <b>Pharmaceuticals 14.4%</b>                                   |        |                   |
| Kroger Co.   | 24,682  | 1,168,199        | Bristol-Myers Squibb Co.                                       | 82,802 | 6,375,754         |
| <b>Food Products 1.5%</b>                          |         |                  | Johnson & Johnson  | 35,367 | 6,277,996         |
| The J.M. Smucker Co.                               | 3,697   | 473,253          | Merck & Co., Inc.  | 5,774  | 526,416           |
| Tyson Foods, Inc. "A"                              | 15,522  | 1,335,823        | Pfizer, Inc.   | 78,154 | 4,097,614         |
|  |         | <b>1,809,076</b> |  |        | <b>17,277,780</b> |
| <b>Tobacco 1.3%</b>                                |         |                  | <b>Industrials 3.2%</b>  |        |                   |
| Altria Group, Inc.                                 | 36,661  | 1,531,330        | <b>Air Freight &amp; Logistics</b>                             |        |                   |
| <b>Energy 2.6%</b>                                 |         |                  | C.H. Robinson Worldwide, Inc.                                  | 3,851  | 390,376           |
| <b>Oil, Gas &amp; Consumable Fuels</b>             |         |                  | Expeditors International of Washington, Inc.                   | 34,804 | 3,391,998         |
| ConocoPhillips                                     | 6,906   | 620,228          |  |        | <b>3,782,374</b>  |
| Coterra Energy, Inc.                               | 11,491  | 296,353          | <b>Information Technology 27.7%</b>                            |        |                   |
| EOG Resources, Inc.                                | 7,674   | 847,516          | <b>Communications Equipment 1.5%</b>                           |        |                   |
| ONEOK, Inc.  | 7,172   | 398,046          | Cisco Systems, Inc.  | 41,945 | 1,788,535         |
| Pioneer Natural Resources Co.                      | 4,388   | 978,875          |  |        |                   |
|  |         | <b>3,141,018</b> | <b>Electronic Equipment, Instruments &amp; Components 1.1%</b> |        |                   |
| <b>Financials 12.2%</b>                            |         |                  | Flex Ltd.*   | 21,107 | 305,418           |
| <b>Banks 4.8%</b>                                  |         |                  | Jabil, Inc.  | 18,459 | 945,286           |
| Bank of America Corp.                              | 39,264  | 1,222,288        |  |        | <b>1,250,704</b>  |
| JPMorgan Chase & Co.                               | 24,931  | 2,807,480        |  |        |                   |
| U.S. Bancorp.                                      | 38,505  | 1,772,000        |  |        |                   |
|  |         | <b>5,801,768</b> |  |        |                   |

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

|  | Shares | Value (\$)        |  | Shares                 | Value (\$)         |
|--|--------|-------------------|--|------------------------|--------------------|
| <b>IT Services 8.5%</b>                                    |        |                   | <b>Materials 5.7%</b>                                  |                        |                    |
| Amdocs Ltd.  | 40,141 | 3,344,147         | <b>Chemicals 3.5%</b>                                  |                        |                    |
| Cognizant Technology Solutions Corp. "A"                   | 34,582 | 2,333,939         | LyondellBasell Industries NV "A"                       | 32,494                 | 2,841,925          |
| International Business Machines Corp.                      | 10,776 | 1,521,463         | Olin Corp.   | 24,016                 | 1,111,461          |
| SS&C Technologies Holdings, Inc.                           | 50,970 | 2,959,828         | The Mosaic Co.   | 5,622                  | 265,527            |
|  |        | <b>10,159,377</b> |  |                        | <b>4,218,913</b>   |
| <b>Semiconductors &amp; Semiconductor Equipment 7.4%</b>   |        |                   | <b>Containers &amp; Packaging 0.3%</b>                 |                        |                    |
| Applied Materials, Inc.                                    | 16,681 | 1,517,638         | Westrock Co.   | 8,118                  | 323,421            |
| Broadcom, Inc.   | 3,615  | 1,756,203         | <b>Metals &amp; Mining 1.9%</b>                        |                        |                    |
| KLA Corp.  | 3,164  | 1,009,569         | Freeport-McMoRan, Inc.                                 | 22,840                 | 668,298            |
| Lam Research Corp.   | 1,919  | 817,782           | Nucor Corp.  | 15,575                 | 1,626,186          |
| Micron Technology, Inc.                                    | 31,012 | 1,714,343         |  |                        | <b>2,294,484</b>   |
| QUALCOMM, Inc.   | 13,181 | 1,683,741         | <b>Total Common Stocks</b> (Cost \$125,474,658)        |                        | <b>119,063,633</b> |
| Teradyne, Inc.   | 4,427  | 396,438           |  |                        |                    |
|  |        | <b>8,895,714</b>  | <b>Cash Equivalents 0.5%</b>                           |                        |                    |
| <b>Software 5.3%</b>                                       |        |                   | DWS Central Cash Management Government Fund, 1.36% (a) | 614,674                | 614,674            |
| Microsoft Corp.  | 16,961 | 4,356,094         | (Cost \$614,674)                                       |                        |                    |
| Oracle Corp.   | 28,708 | 2,005,828         |  |                        |                    |
|  |        | <b>6,361,922</b>  |  |                        |                    |
| <b>Technology Hardware, Storage &amp; Peripherals 3.9%</b> |        |                   |  |                        |                    |
| Apple, Inc.  | 27,930 | 3,818,589         |  |                        |                    |
| Hewlett Packard Enterprise Co.                             | 24,999 | 331,487           |  |                        |                    |
| HP, Inc.   | 15,858 | 519,825           |  |                        |                    |
|  |        | <b>4,669,901</b>  |  |                        |                    |
|  |        |                   |  | <b>% of Net Assets</b> | <b>Value (\$)</b>  |
|  |        |                   | <b>Total Investment Portfolio</b> (Cost \$126,089,332) | 100.0                  | <b>119,678,307</b> |
|  |        |                   | <b>Other Assets and Liabilities, Net</b>               | 0.0                    | <b>2,110</b>       |
|  |        |                   | <b>Net Assets</b>                                      | 100.0                  | <b>119,680,417</b> |

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$)   | Purchases        | Sales            | Net Realized | Net Change in  | Capital Gain  | Number         | Value (\$)     |
|--|------------------|------------------|--------------|----------------|---------------|----------------|----------------|
| at   | Cost (\$)        | Proceeds (\$)    | Gain/        | Unrealized     | Distributions | of Shares      | at             |
| 12/31/2021   |                  |                  | (Loss) (\$)  | Appreciation   | (\$)          | at             | 6/30/2022      |
|  |                  |                  |              | (Depreciation) | Income (\$)   | 6/30/2022      | 6/30/2022      |
|  |                  |                  |              | (\$)           |               |                |                |
| <b>Securities Lending Collateral 0.0%</b>  |                  |                  |              |                |               |                |                |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (a) (b) |                  |                  |              |                |               |                |                |
| 763,000  | —                | 763,000 (c)      | —            | —              | 97            | —              | —              |
| <b>Cash Equivalents 0.5%</b>   |                  |                  |              |                |               |                |                |
| DWS Central Cash Management Government Fund, 1.36% (a)   |                  |                  |              |                |               |                |                |
| 572,173  | 4,899,595        | 4,857,094        | —            | —              | 1,327         | 614,674        | 614,674        |
| <b>1,335,173</b>   | <b>4,899,595</b> | <b>5,620,094</b> | <b>—</b>     | <b>—</b>       | <b>1,424</b>  | <b>614,674</b> | <b>614,674</b> |

\* Non-income producing security.

(a) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.

(b) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

(c) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

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

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>          | <b>Level 1</b>        | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
|------------------------|-----------------------|----------------|----------------|-----------------------|
| Common Stocks (a)      | \$ 119,063,633        | \$ —           | \$ —           | \$ 119,063,633        |
| Short-Term Investments | 614,674               | —              | —              | 614,674               |
| <b>Total</b>           | <b>\$ 119,678,307</b> | <b>\$ —</b>    | <b>\$ —</b>    | <b>\$ 119,678,307</b> |

(a) See Investment Portfolio for additional detailed categorizations.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>   |                       |
|---|-----------------------|
| Investments in non-affiliated securities, at value (cost \$125,474,658)   | \$ 119,063,633        |
| Investment in DWS Central Cash Management Government Fund (cost \$614,674)  | 614,674               |
| Cash  | 10,000                |
| Receivable for Fund shares sold   | 4,431                 |
| Dividends receivable  | 162,508               |
| Interest receivable   | 598                   |
| Other assets  | 1,556                 |
| <b>Total assets</b>   | <b>119,857,400</b>    |
| <b>Liabilities</b>  |                       |
| Payable for Fund shares redeemed  | 55,465                |
| Accrued management fee  | 44,110                |
| Accrued Trustees' fees  | 30                    |
| Other accrued expenses and payables   | 77,378                |
| <b>Total liabilities</b>  | <b>176,983</b>        |
| <b>Net assets, at value</b>   | <b>\$ 119,680,417</b> |
| <b>Net Assets Consist of</b>  |                       |
| Distributable earnings (loss)   | (6,748,571)           |
| Paid-in capital   | 126,428,988           |
| <b>Net assets, at value</b>   | <b>\$ 119,680,417</b> |
| <b>Net Asset Value</b>  |                       |
| <b>Class A</b>  |                       |
| <b>Net Asset Value</b> , offering and redemption price per share (\$117,086,266 ÷ 9,222,152 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 12.70</b>       |
| <b>Class B</b>  |                       |
| <b>Net Asset Value</b> , offering and redemption price per share (\$2,594,151 ÷ 203,227 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)     | <b>\$ 12.76</b>       |

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                       |
|--|-----------------------|
| <b>Income:</b>   |                       |
| Dividends  | \$ 1,625,094          |
| Income distributions — DWS Central Cash Management Government Fund     | 1,327                 |
| Securities lending income, net of borrower rebates                     | 97                    |
| <b>Total income</b>  | <b>1,626,518</b>      |
| <b>Expenses:</b>   |                       |
| Management fee   | 408,898               |
| Administration fee   | 66,105                |
| Services to shareholders   | 590                   |
| Record keeping fee (Class B)   | 953                   |
| Distribution service fee (Class B)                                     | 3,716                 |
| Custodian fee  | 2,110                 |
| Professional fees  | 40,109                |
| Reports to shareholders  | 14,149                |
| Trustees' fees and expenses  | 3,287                 |
| Other  | 3,574                 |
| <b>Total expenses before expense reductions</b>                        | <b>543,491</b>        |
| Expense reductions   | (95,761)              |
| <b>Total expenses after expense reductions</b>                         | <b>447,730</b>        |
| <b>Net investment income</b>   | <b>1,178,788</b>      |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                       |
| Net realized gain (loss) from investments                              | (1,320,337)           |
| Change in net unrealized appreciation (depreciation) on investments    | (27,007,525)          |
| <b>Net gain (loss)</b>   | <b>(28,327,862)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(27,149,074)</b> |

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



# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 1,178,788  | \$ 2,352,177                       |
| Net realized gain (loss)  | (1,320,337)   | 18,442,647                         |
| Change in net unrealized appreciation<br>(depreciation)               | (27,007,525)  | 13,221,244                         |
| Net increase (decrease) in net assets resulting from operations       | (27,149,074)  | 34,016,068                         |
| Distributions to shareholders:  |   |                                    |
| Class A   | (4,211,106)   | (2,764,720)                        |
| Class B   | (84,944)  | (57,047)                           |
| Total distributions   | (4,296,050)   | (2,821,767)                        |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 1,252,412   | 2,809,896                          |
| Reinvestment of distributions   | 4,211,106   | 2,764,720                          |
| Payments for shares redeemed  | (6,387,429)   | (16,851,304)                       |
| Net increase (decrease) in net assets from Class A share transactions | (923,911)   | (11,276,688)                       |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 148,429   | 275,751                            |
| Reinvestment of distributions   | 84,944  | 57,047                             |
| Payments for shares redeemed  | (196,520)   | (927,960)                          |
| Net increase (decrease) in net assets from Class B share transactions | 36,853  | (595,162)                          |
| <b>Increase (decrease) in net assets</b>                              | <b>(32,332,182)</b>                                 | <b>19,322,451</b>                  |
| Net assets at beginning of period                                     | 152,012,599   | 132,690,148                        |
| <b>Net assets at end of period</b>                                    | <b>\$119,680,417</b>                                | <b>\$152,012,599</b>               |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 9,269,906   | 10,025,875                         |
| Shares sold   | 88,065  | 195,672                            |
| Shares issued to shareholders in reinvestment of distributions        | 301,655   | 194,562                            |
| Shares redeemed   | (437,474)   | (1,146,203)                        |
| Net increase (decrease) in Class A shares                             | (47,754)  | (755,969)                          |
| Shares outstanding at end of period                                   | <b>9,222,152</b>                                    | <b>9,269,906</b>                   |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 201,242   | 240,926                            |
| Shares sold   | 9,518   | 19,004                             |
| Shares issued to shareholders in reinvestment of distributions        | 6,050   | 3,989                              |
| Shares redeemed   | (13,583)  | (62,677)                           |
| Net increase (decrease) in Class B shares                             | 1,985   | (39,684)                           |
| Shares outstanding at end of period                                   | <b>203,227</b>                                      | <b>201,242</b>                     |

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

# Financial Highlights

## DWS CROCI® U.S. VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                    |
|--|--|----------------|--------------------------|----------------|----------------|--------------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017               |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                    |
| <b>Net asset value, beginning of period</b>                  | <b>\$16.05</b>                             | <b>\$12.92</b> | <b>\$16.12</b>           | <b>\$13.46</b> | <b>\$16.64</b> | <b>\$13.75</b>     |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                    |
| Net investment income <sup>a</sup>                           | .13  | .24            | .28                      | .31            | .29            | .24                |
| Net realized and unrealized gain (loss)                      | (3.02)                                     | 3.17           | (2.47)                   | 3.92           | (1.89)         | 2.88               |
| <b>Total from investment operations</b>                      | <b>(2.89)</b>                              | <b>3.41</b>    | <b>(2.19)</b>            | <b>4.23</b>    | <b>(1.60)</b>  | <b>3.12</b>        |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                    |
| Net investment income  | (.25)                                      | (.28)          | (.31)                    | (.30)          | (.41)          | (.23)              |
| Net realized gains   | (.21)                                      | —              | (.70)                    | (1.27)         | (1.17)         | —                  |
| <b>Total distributions</b>                                   | <b>(.46)</b>                               | <b>(.28)</b>   | <b>(1.01)</b>            | <b>(1.57)</b>  | <b>(1.58)</b>  | <b>(.23)</b>       |
| <b>Net asset value, end of period</b>                        | <b>\$12.70</b>                             | <b>\$16.05</b> | <b>\$12.92</b>           | <b>\$16.12</b> | <b>\$13.46</b> | <b>\$16.64</b>     |
| Total Return (%) <sup>b</sup>                                | (18.23) <sup>*</sup>                       | 26.69          | (12.16)                  | 32.95          | (10.50)        | 22.88 <sup>c</sup> |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                    |
| Net assets, end of period (\$ millions)                      | 117  | 149            | 130                      | 153            | 125            | 153                |
| Ratio of expenses before expense reductions (%) <sup>d</sup> | .79 <sup>**</sup>                          | .78            | .84                      | .84            | .84            | .82                |
| Ratio of expenses after expense reductions (%) <sup>d</sup>  | .65 <sup>**</sup>                          | .71            | .69                      | .70            | .72            | .72                |
| Ratio of net investment income (%)                           | 1.74 <sup>**</sup>                         | 1.62           | 2.28                     | 2.13           | 1.89           | 1.59               |
| Portfolio turnover rate (%)                                  | 29 <sup>*</sup>                            | 99             | 122                      | 111            | 100            | 97                 |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> The Fund's total return includes a reimbursement by the Adviser for commission costs incurred in connection with purchases and sales of portfolio assets due to the change in investment strategy, which otherwise would have reduced total return by 0.03%.

<sup>d</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

<sup>\*</sup> Not annualized

<sup>\*\*</sup> Annualized

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

## DWS CROCI® U.S. VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                    |
|--|--|----------------|--------------------------|----------------|----------------|--------------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017               |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                    |
| <b>Net asset value, beginning of period</b>                  | <b>\$16.11</b>                             | <b>\$12.97</b> | <b>\$16.17</b>           | <b>\$13.50</b> | <b>\$16.67</b> | <b>\$13.78</b>     |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                    |
| Net investment income <sup>a</sup>                           | .10  | .19            | .24                      | .27            | .24            | .20                |
| Net realized and unrealized gain (loss)                      | (3.03)                                     | 3.19           | (2.47)                   | 3.92           | (1.88)         | 2.87               |
| <b>Total from investment operations</b>                      | <b>(2.93)</b>                              | <b>3.38</b>    | <b>(2.23)</b>            | <b>4.19</b>    | <b>(1.64)</b>  | <b>3.07</b>        |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                    |
| Net investment income  | (.21)                                      | (.24)          | (.27)                    | (.25)          | (.36)          | (.18)              |
| Net realized gains   | (.21)                                      | —              | (.70)                    | (1.27)         | (1.17)         | —                  |
| <b>Total distributions</b>                                   | <b>(.42)</b>                               | <b>(.24)</b>   | <b>(.97)</b>             | <b>(1.52)</b>  | <b>(1.53)</b>  | <b>(.18)</b>       |
| <b>Net asset value, end of period</b>                        | <b>\$12.76</b>                             | <b>\$16.11</b> | <b>\$12.97</b>           | <b>\$16.17</b> | <b>\$13.50</b> | <b>\$16.67</b>     |
| Total Return (%) <sup>b</sup>                                | (18.42)*                                   | 26.27          | (12.41)                  | 32.49          | (10.71)        | 22.45 <sup>c</sup> |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                    |
| Net assets, end of period (\$ millions)                      | 3  | 3              | 3                        | 4              | 3              | 4                  |
| Ratio of expenses before expense reductions (%) <sup>d</sup> | 1.11**                                     | 1.10           | 1.16                     | 1.16           | 1.16           | 1.15               |
| Ratio of expenses after expense reductions (%) <sup>d</sup>  | .97**                                      | 1.02           | 1.00                     | 1.02           | 1.04           | 1.03               |
| Ratio of net investment income (%)                           | 1.42**                                     | 1.33           | 1.96                     | 1.82           | 1.55           | 1.31               |
| Portfolio turnover rate (%)                                  | 29*  | 99             | 122                      | 111            | 100            | 97                 |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> The Fund's total return includes a reimbursement by the Adviser for commission costs incurred in connection with purchases and sales of portfolio assets due to the change in investment strategy, which otherwise would have reduced total return by 0.03%.

<sup>d</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## A. Organization and Significant Accounting Policies

DWS CROCI® U.S. VIP (the “Fund”) is a diversified series of Deutsche DWS Variable Series II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company organized as a Massachusetts business trust.

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund’s valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security’s disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company’s or issuer’s financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund’s Investment Portfolio.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at

the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Securities Lending.** Deutsche Bank AG, as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. As of period end, any securities on loan were collateralized by cash. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had no securities on loan.

**Federal Income Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$126,223,013. The net unrealized depreciation for all investments based on tax cost was \$6,544,706. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$8,163,698 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$14,708,404.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## B. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$39,968,664 and \$44,154,901, respectively.

## C. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|                     |       |
|---------------------|-------|
| First \$250 million | .600% |
| Next \$750 million  | .575% |
| Next \$1.5 billion  | .550% |
| Next \$2.5 billion  | .525% |
| Next \$2.5 billion  | .500% |
| Next \$2.5 billion  | .475% |
| Next \$2.5 billion  | .450% |
| Over \$12.5 billion | .425% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.60% of the Fund's average daily net assets.

For the period from January 1, 2022 through April 30, 2023, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |      |
|---------|------|
| Class A | .65% |
| Class B | .97% |

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for each class are as follows:

|         |                  |
|---------|------------------|
| Class A | \$ 93,616        |
| Class B | 2,145            |
|         | <b>\$ 95,761</b> |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$66,105, of which \$9,973 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at June 30, 2022 |
|--------------------------|------------------|-------------------------|
| Class A                  | \$ 247           | \$ 79                   |
| Class B                  | 151              | 48                      |
|                          | <b>\$ 398</b>    | <b>\$ 127</b>           |

**Distribution Service Agreement.** Under the Fund’s Class B 12b-1 plan, DWS Distributors, Inc. (“DDI”) received a fee (“Distribution Service Fee”) of up to 0.25% of average daily net assets of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee aggregated \$3,716, of which \$559 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$504, of which \$31 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

**Securities Lending Agent Fees.** Deutsche Bank AG serves as securities lending agent for the Fund. For the six months ended June 30, 2022, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of \$7.

#### D. Ownership of the Fund

At June 30, 2022, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 58% and 37%, respectively. Two participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 58% and 17%, respectively.

## **E. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

## **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund’s accounting and financial reporting.



## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 817.70      | \$ 815.80      |
| Expenses Paid per \$1,000*     | \$ 2.93        | \$ 4.37        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,021.57    | \$ 1,019.98    |
| Expenses Paid per \$1,000*         | \$ 3.26        | \$ 4.86        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                      | <b>Class A</b> | <b>Class B</b> |
|---|----------------|----------------|
| Deutsche DWS Variable Series II — DWS CROCI® U.S. VIP | .65%           | .97%           |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS CROCI® U.S. VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 4th quartile of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has underperformed its benchmark in the

one-, three- and five-year periods ended December 31, 2020. The Board noted the disappointing investment performance of the Fund in recent periods and continued to discuss with senior management of DIMA the factors contributing to such underperformance and actions being taken to improve performance. The Board noted changes in the Fund's management process that were made effective May 25, 2021. The Board recognized the efforts by DIMA in recent years to enhance its investment platform and improve long-term performance across the DWS fund complex.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were higher than the median (3rd quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that, effective October 1, 2020, in connection with the 2020 contract renewal process, DIMA agreed to reduce the Fund's contractual management fee at each breakpoint by 0.05%. The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (2nd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds") and considered differences between the Fund and the comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board noted that DIMA pays a licensing fee to an affiliate related to the Fund's use of the CROCI® strategy. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public

relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes

# Notes



VS2CUS-3 (R-028386-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Investments VIT Funds

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**DWS Equity 500 Index VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Stocks may decline in value. Various factors, including costs, cash flows and security selection, may cause the Fund's performance to differ from that of the index. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE  
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

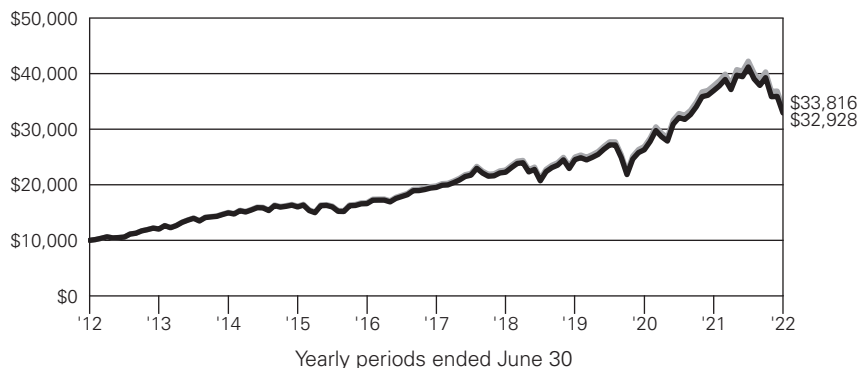
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance figures for Classes A, B and B2 differ because each class maintains a distinct expense structure. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.32%, 0.71% and 0.72% for Class A, Class B and Class B2 shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS Equity 500 Index VIP – Class A  
 ■ S&P 500® Index



S&P 500® Index is an unmanaged, capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS Equity 500 Index VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|--------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                  | Growth of \$10,000          | \$7,992              | \$8,915 | \$13,424 | \$16,869 | \$32,928 |
|                          | Average annual total return | -20.08%              | -10.85% | 10.31%   | 11.02%   | 12.66%   |
| S&P 500 Index            | Growth of \$10,000          | \$8,004              | \$8,938 | \$13,529 | \$17,086 | \$33,816 |
|                          | Average annual total return | -19.96%              | -10.62% | 10.60%   | 11.31%   | 12.96%   |
| DWS Equity 500 Index VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
| Class B                  | Growth of \$10,000          | \$7,979              | \$8,882 | \$13,274 | \$16,562 | \$31,912 |
|                          | Average annual total return | -20.21%              | -11.18% | 9.90%    | 10.62%   | 12.30%   |
| S&P 500 Index            | Growth of \$10,000          | \$8,004              | \$8,938 | \$13,529 | \$17,086 | \$33,816 |
|                          | Average annual total return | -19.96%              | -10.62% | 10.60%   | 11.31%   | 12.96%   |
| DWS Equity 500 Index VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
| Class B2                 | Growth of \$10,000          | \$7,977              | \$8,878 | \$13,265 | \$16,537 | \$31,688 |
|                          | Average annual total return | -20.23%              | -11.22% | 9.88%    | 10.58%   | 12.23%   |
| S&P 500 Index            | Growth of \$10,000          | \$8,004              | \$8,938 | \$13,529 | \$17,086 | \$33,816 |
|                          | Average annual total return | -19.96%              | -10.62% | 10.60%   | 11.31%   | 12.96%   |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 99%            | 100%            |
| Cash Equivalents   | 1%             | 0%              |
| Government & Agency Obligations  | 0%             | 0%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Common Stocks) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Information Technology                                  | 27%            | 29%             |
| Health Care   | 15%            | 13%             |
| Financials  | 11%            | 11%             |
| Consumer Discretionary                                  | 10%            | 12%             |
| Communication Services                                  | 9%             | 10%             |
| Industrials   | 8%             | 8%              |
| Consumer Staples  | 7%             | 6%              |
| Energy  | 4%             | 3%              |
| Utilities   | 3%             | 2%              |
| Real Estate   | 3%             | 3%              |
| Materials   | 3%             | 3%              |
|   | 100%           | 100%            |

## Ten Largest Equity Holdings at June 30, 2022 (27.9% of Net Assets)

|   |             |
|---|-------------|
| <b>1 Apple, Inc.</b><br>Designs, manufactures and markets personal computers and related computing and mobile-communication devices                   | <b>6.5%</b> |
| <b>2 Microsoft Corp.</b><br>Develops, manufactures, licenses, sells and supports software products  | <b>6.0%</b> |
| <b>3 Alphabet, Inc.</b><br>Holding company with subsidiaries that provide Web-based search, maps, hardware products and various software applications | <b>3.9%</b> |
| <b>4 Amazon.com, Inc.</b><br>Online retailer offering a wide range of products  | <b>2.9%</b> |
| <b>5 Tesla, Inc.</b><br>Designs, manufactures and sells high-performance electric vehicles and electric vehicle powertrain components                 | <b>1.8%</b> |
| <b>6 Berkshire Hathaway, Inc.</b><br>Holding company of insurance business and a variety of other businesses  | <b>1.5%</b> |
| <b>7 UnitedHealth Group, Inc.</b><br>Operator of organized health systems   | <b>1.5%</b> |
| <b>8 Johnson &amp; Johnson</b><br>Provider of health care products  | <b>1.5%</b> |
| <b>9 NVIDIA Corp.</b><br>Designs, develops and markets three dimensional (3D) graphic processors  | <b>1.2%</b> |
| <b>10 Meta Platforms, Inc.</b><br>Operator of social networking Web site  | <b>1.1%</b> |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Manager

Brent Reeder

Senior Vice President, Northern Trust Investments, Inc., Subadvisor to the Fund

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares  | Value (\$)        |  | Shares  | Value (\$)        |
|--|---------|-------------------|--|---------|-------------------|
| <b>Common Stocks 99.2%</b>                         |         |                   |  |         |                   |
| <b>Communication Services 8.8%</b>                 |         |                   | General Motors Co.*                                | 27,490  | 873,083           |
| <b>Diversified Telecommunication Services 1.2%</b> |         |                   | Tesla, Inc.*                                       | 15,829  | 10,659,565        |
| AT&T, Inc.   | 134,740 | 2,824,150         |  |         | <b>12,357,904</b> |
| Lumen Technologies, Inc.                           | 17,196  | 187,608           | <b>Distributors 0.2%</b>                           |         |                   |
| Verizon Communications, Inc.                       | 79,226  | 4,020,720         | Genuine Parts Co.                                  | 2,705   | 359,765           |
|  |         | <b>7,032,478</b>  | LKQ Corp.  | 4,979   | 244,419           |
|  |         |                   | Pool Corp.   | 755     | 265,179           |
| <b>Entertainment 1.3%</b>                          |         |                   |  |         | <b>869,363</b>    |
| Activision Blizzard, Inc.                          | 14,739  | 1,147,578         | <b>Hotels, Restaurants &amp; Leisure 1.8%</b>      |         |                   |
| Electronic Arts, Inc.                              | 5,318   | 646,935           | Booking Holdings, Inc.*                            | 767     | 1,341,475         |
| Live Nation Entertainment, Inc.*                   | 2,601   | 214,791           | Caesars Entertainment, Inc.*                       | 3,984   | 152,587           |
| Netflix, Inc.*                                     | 8,350   | 1,460,164         | Carnival Corp.*                                    | 15,321  | 132,527           |
| Take-Two Interactive Software, Inc.*               | 3,002   | 367,835           | Chipotle Mexican Grill, Inc.*                      | 532     | 695,462           |
| Walt Disney Co.*                                   | 34,335  | 3,241,224         | Darden Restaurants, Inc.                           | 2,383   | 269,565           |
| Warner Bros Discovery, Inc.*                       | 41,880  | 562,030           | Domino's Pizza, Inc.                               | 675     | 263,054           |
|  |         | <b>7,640,557</b>  | Expedia Group, Inc.*                               | 2,851   | 270,360           |
|  |         |                   | Hilton Worldwide Holdings, Inc.                    | 5,227   | 582,497           |
| <b>Interactive Media &amp; Services 5.2%</b>       |         |                   | Las Vegas Sands Corp.*                             | 6,651   | 223,407           |
| Alphabet, Inc. "A"*                                | 5,673   | 12,362,942        | Marriott International, Inc. "A"                   | 5,219   | 709,836           |
| Alphabet, Inc. "C"*                                | 5,203   | 11,381,302        | McDonald's Corp.                                   | 13,937  | 3,440,767         |
| Match Group, Inc.*                                 | 5,347   | 372,633           | MGM Resorts International                          | 6,578   | 190,433           |
| Meta Platforms, Inc. "A"*                          | 43,261  | 6,975,836         | Norwegian Cruise Line Holdings Ltd.*               | 7,626   | 84,801            |
| Twitter, Inc.*                                     | 14,382  | 537,743           | Penn National Gaming, Inc.*                        | 3,036   | 92,355            |
|  |         | <b>31,630,456</b> | Royal Caribbean Cruises Ltd.*                      | 4,208   | 146,901           |
|  |         |                   | Starbucks Corp.                                    | 21,653  | 1,654,073         |
| <b>Media 0.9%</b>                                  |         |                   | Wynn Resorts Ltd.*                                 | 2,070   | 117,949           |
| Charter Communications, Inc. "A"*                  | 2,189   | 1,025,612         | Yum! Brands, Inc.                                  | 5,348   | 607,052           |
| Comcast Corp. "A"                                  | 84,297  | 3,307,814         |  |         | <b>10,975,101</b> |
| DISH Network Corp. "A"*                            | 4,574   | 82,012            | <b>Household Durables 0.3%</b>                     |         |                   |
| Fox Corp. "A"                                      | 5,788   | 186,142           | D.R. Horton, Inc.                                  | 6,096   | 403,494           |
| Fox Corp. "B"                                      | 2,731   | 81,111            | Garmin Ltd.  | 2,910   | 285,907           |
| Interpublic Group of Companies, Inc.               | 7,486   | 206,089           | Lennar Corp. "A"                                   | 4,907   | 346,287           |
| News Corp. "A"                                     | 7,160   | 111,553           | Mohawk Industries, Inc.*                           | 953     | 118,258           |
| News Corp. "B"                                     | 2,595   | 41,234            | Newell Brands, Inc.                                | 6,800   | 129,472           |
| Omnicom Group, Inc.                                | 3,947   | 251,069           | NVR, Inc.*   | 58      | 232,240           |
| Paramount Global "B"                               | 11,413  | 281,673           | PulteGroup, Inc.                                   | 4,331   | 171,638           |
|  |         | <b>5,574,309</b>  | Whirlpool Corp.                                    | 1,090   | 168,808           |
|  |         |                   |  |         | <b>1,856,104</b>  |
| <b>Wireless Telecommunication Services 0.2%</b>    |         |                   | <b>Internet &amp; Direct Marketing Retail 3.0%</b> |         |                   |
| T-Mobile U.S., Inc.*                               | 11,070  | 1,489,358         | Amazon.com, Inc.*                                  | 165,073 | 17,532,403        |
| <b>Consumer Discretionary 10.5%</b>                |         |                   | eBay, Inc.   | 10,531  | 438,827           |
| <b>Auto Components 0.1%</b>                        |         |                   | Etsy, Inc.*  | 2,378   | 174,093           |
| Aptiv PLC*   | 5,130   | 456,929           |  |         | <b>18,145,323</b> |
| BorgWarner, Inc.                                   | 4,557   | 152,067           | <b>Leisure Products 0.0%</b>                       |         |                   |
|  |         | <b>608,996</b>    | Hasbro, Inc.                                       | 2,495   | 204,291           |
| <b>Automobiles 2.0%</b>                            |         |                   | <b>Multiline Retail 0.5%</b>                       |         |                   |
| Ford Motor Co.                                     | 74,147  | 825,256           | Dollar General Corp.                               | 4,311   | 1,058,092         |

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

|  | Shares | Value (\$)        |   | Shares  | Value (\$)        |
|--|--------|-------------------|---|---------|-------------------|
| Dollar Tree, Inc.*                               | 4,262  | 664,233           | Mondelez International, Inc.<br>"A"         | 26,102  | 1,620,673         |
| Target Corp.                                     | 8,684  | 1,226,441         | The Hershey Co.                             | 2,761   | 594,057           |
|  |        | <b>2,948,766</b>  | The J.M. Smucker Co.                        | 2,084   | 266,773           |
| <b>Specialty Retail 2.1%</b>                     |        |                   | Tyson Foods, Inc. "A"                       | 5,539   | 476,686           |
| Advance Auto Parts, Inc.                         | 1,142  | 197,669           |   |         | <b>6,824,915</b>  |
| AutoZone, Inc.*                                  | 374    | 803,771           | <b>Household Products 1.5%</b>              |         |                   |
| Bath & Body Works, Inc.                          | 4,489  | 120,844           | Church & Dwight Co., Inc.                   | 4,587   | 425,032           |
| Best Buy Co., Inc.                               | 3,804  | 247,983           | Clorox Co.                                  | 2,360   | 332,713           |
| CarMax, Inc.*                                    | 3,052  | 276,145           | Colgate-Palmolive Co.                       | 15,724  | 1,260,121         |
| Home Depot, Inc.                                 | 19,493 | 5,346,345         | Kimberly-Clark Corp.                        | 6,392   | 863,879           |
| Lowe's Companies, Inc.                           | 12,471 | 2,178,309         | Procter & Gamble Co.                        | 45,218  | 6,501,896         |
| O'Reilly Automotive, Inc.*                       | 1,239  | 782,751           |   |         | <b>9,383,641</b>  |
| Ross Stores, Inc.                                | 6,700  | 470,541           | <b>Personal Products 0.2%</b>               |         |                   |
| TJX Companies, Inc.                              | 22,132 | 1,236,072         | Estee Lauder Companies,<br>Inc. "A"         | 4,365   | <b>1,111,635</b>  |
| Tractor Supply Co.                               | 2,102  | 407,473           | <b>Tobacco 0.7%</b>                         |         |                   |
| Ulta Beauty, Inc.*                               | 980    | 377,770           | Altria Group, Inc.                          | 34,141  | 1,426,070         |
|  |        | <b>12,445,673</b> | Philip Morris International,<br>Inc.        | 29,237  | 2,886,861         |
| <b>Textiles, Apparel &amp; Luxury Goods 0.5%</b> |        |                   |   |         | <b>4,312,931</b>  |
| NIKE, Inc. "B"                                   | 23,902 | 2,442,784         | <b>Energy 4.3%</b>                          |         |                   |
| PVH Corp.  | 1,229  | 69,930            | <b>Energy Equipment &amp; Services 0.3%</b> |         |                   |
| Ralph Lauren Corp.                               | 858    | 76,920            | Baker Hughes Co.                            | 17,664  | 509,960           |
| Tapestry, Inc.                                   | 4,931  | 150,494           | Halliburton Co.                             | 16,873  | 529,137           |
| VF Corp.   | 6,209  | 274,252           | Schlumberger NV                             | 26,717  | 955,400           |
|  |        | <b>3,014,380</b>  |   |         | <b>1,994,497</b>  |
| <b>Consumer Staples 6.9%</b>                     |        |                   | <b>Oil, Gas &amp; Consumable Fuels 4.0%</b> |         |                   |
| <b>Beverages 1.9%</b>                            |        |                   | APA Corp.                                   | 6,386   | 222,871           |
| Brown-Forman Corp. "B"                           | 3,454  | 242,333           | Chevron Corp.                               | 37,068  | 5,366,705         |
| Coca-Cola Co.                                    | 73,540 | 4,626,401         | ConocoPhillips                              | 24,411  | 2,192,352         |
| Constellation Brands, Inc. "A"                   | 3,060  | 713,163           | Coterra Energy, Inc.                        | 15,338  | 395,567           |
| Keurig Dr Pepper, Inc.                           | 13,835 | 489,621           | Devon Energy Corp.                          | 11,587  | 638,560           |
| Molson Coors Beverage Co.<br>"B"                 | 3,543  | 193,129           | Diamondback Energy, Inc.                    | 3,145   | 381,017           |
| Monster Beverage Corp.*                          | 7,017  | 650,476           | EOG Resources, Inc.                         | 11,046  | 1,219,920         |
| PepsiCo, Inc.                                    | 26,079 | 4,346,326         | Exxon Mobil Corp.                           | 79,407  | 6,800,416         |
|  |        | <b>11,261,449</b> | Hess Corp.                                  | 5,219   | 552,901           |
| <b>Food &amp; Staples Retailing 1.5%</b>         |        |                   | Kinder Morgan, Inc.                         | 36,482  | 611,438           |
| Costco Wholesale Corp.                           | 8,361  | 4,007,260         | Marathon Oil Corp.                          | 13,350  | 300,108           |
| Kroger Co.                                       | 12,352 | 584,620           | Marathon Petroleum Corp.                    | 10,210  | 839,364           |
| Sysco Corp.                                      | 9,632  | 815,927           | Occidental Petroleum Corp.                  | 16,746  | 986,004           |
| Walgreens Boots Alliance,<br>Inc.                | 13,587 | 514,947           | ONEOK, Inc.                                 | 8,444   | 468,642           |
| Walmart, Inc.                                    | 26,464 | 3,217,493         | Phillips 66                                 | 9,075   | 744,059           |
|  |        | <b>9,140,247</b>  | Pioneer Natural Resources<br>Co.            | 4,245   | 946,975           |
| <b>Food Products 1.1%</b>                        |        |                   | Valero Energy Corp.                         | 7,722   | 820,694           |
| Archer-Daniels-Midland Co.                       | 10,632 | 825,043           | Williams Companies, Inc.                    | 23,028  | 718,704           |
| Campbell Soup Co.                                | 3,769  | 181,100           |   |         | <b>24,206,297</b> |
| Conagra Brands, Inc.                             | 9,211  | 315,385           | <b>Financials 10.8%</b>                     |         |                   |
| General Mills, Inc.                              | 11,268 | 850,171           | <b>Banks 3.7%</b>                           |         |                   |
| Hormel Foods Corp.                               | 5,405  | 255,981           | Bank of America Corp.                       | 133,865 | 4,167,217         |
| Kellogg Co.                                      | 4,706  | 335,726           | Citigroup, Inc.                             | 36,631  | 1,684,660         |
| Kraft Heinz Co.                                  | 13,549 | 516,759           | Citizens Financial Group, Inc.              | 9,398   | 335,414           |
| Lamb Weston Holdings, Inc.                       | 2,713  | 193,871           |   |         |                   |
| McCormick & Co., Inc.                            | 4,717  | 392,690           |   |         |                   |

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

|  | Shares | Value (\$)        |  | Shares | Value (\$)        |
|--|--------|-------------------|--|--------|-------------------|
| Comerica, Inc.                             | 2,428  | 178,167           | Allstate Corp.                                   | 5,178  | 656,208           |
| Fifth Third Bancorp.                       | 12,738 | 427,997           | American International Group, Inc.               | 14,925 | 763,115           |
| First Republic Bank                        | 3,385  | 488,117           | Aon PLC "A"                                      | 4,009  | 1,081,147         |
| Huntington Bancshares, Inc.                | 26,658 | 320,696           | Arthur J. Gallagher & Co.                        | 3,935  | 641,562           |
| JPMorgan Chase & Co.                       | 55,386 | 6,237,017         | Assurant, Inc.                                   | 1,011  | 174,751           |
| KeyCorp.                                   | 17,468 | 300,973           | Brown & Brown, Inc.                              | 4,524  | 263,930           |
| M&T Bank Corp.                             | 3,393  | 540,810           | Chubb Ltd.                                       | 7,990  | 1,570,674         |
| PNC Financial Services Group, Inc.         | 7,797  | 1,230,133         | Cincinnati Financial Corp.                       | 2,789  | 331,835           |
| Regions Financial Corp.                    | 17,681 | 331,519           | Everest Re Group Ltd.                            | 748    | 209,650           |
| Signature Bank                             | 1,184  | 212,185           | Globe Life, Inc.                                 | 1,763  | 171,840           |
| SVB Financial Group*                       | 1,109  | 438,044           | Hartford Financial Services Group, Inc.          | 6,187  | 404,815           |
| Truist Financial Corp.                     | 25,064 | 1,188,785         | Lincoln National Corp.                           | 3,089  | 144,473           |
| U.S. Bancorp.                              | 25,445 | 1,170,979         | Loews Corp.                                      | 3,600  | 213,336           |
| Wells Fargo & Co.                          | 71,534 | 2,801,987         | Marsh & McLennan Companies, Inc.                 | 9,471  | 1,470,373         |
| Zions Bancorp. NA                          | 2,813  | 143,182           | MetLife, Inc.                                    | 13,023 | 817,714           |
|  |        | <b>22,197,882</b> | Principal Financial Group, Inc.                  | 4,381  | 292,607           |
| <b>Capital Markets 2.9%</b>                |        |                   | Progressive Corp.                                | 11,065 | 1,286,528         |
| Ameriprise Financial, Inc.                 | 2,094  | 497,702           | Prudential Financial, Inc.                       | 7,093  | 678,658           |
| Bank of New York Mellon Corp.              | 13,988 | 583,440           | Travelers Companies, Inc.                        | 4,514  | 763,453           |
| BlackRock, Inc.                            | 2,684  | 1,634,663         | W.R. Berkley Corp.                               | 3,946  | 269,354           |
| Cboe Global Markets, Inc.                  | 2,033  | 230,115           | Willis Towers Watson PLC                         | 2,094  | 413,335           |
| Charles Schwab Corp.                       | 28,444 | 1,797,092         |  |        | <b>13,243,591</b> |
| CME Group, Inc.                            | 6,766  | 1,385,000         |  |        |                   |
| FactSet Research Systems, Inc.             | 712    | 273,814           | <b>Health Care 15.0%</b>                         |        |                   |
| Franklin Resources, Inc.                   | 5,380  | 125,408           | <b>Biotechnology 2.2%</b>                        |        |                   |
| Intercontinental Exchange, Inc.            | 10,520 | 989,301           | AbbVie, Inc.                                     | 33,352 | 5,108,192         |
| Invesco Ltd.                               | 6,280  | 101,296           | Amgen, Inc.                                      | 10,069 | 2,449,788         |
| MarketAxess Holdings, Inc.                 | 728    | 186,375           | Biogen, Inc.*                                    | 2,780  | 566,953           |
| Moody's Corp.                              | 3,029  | 823,797           | Gilead Sciences, Inc.                            | 23,607 | 1,459,149         |
| Morgan Stanley                             | 26,406 | 2,008,440         | Incyte Corp.*                                    | 3,584  | 272,276           |
| MSCI, Inc.                                 | 1,537  | 633,475           | Moderna, Inc.*                                   | 6,524  | 931,953           |
| Nasdaq, Inc.                               | 2,165  | 330,249           | Regeneron Pharmaceuticals, Inc.*                 | 2,035  | 1,202,950         |
| Northern Trust Corp.                       | 3,876  | 373,957           | Vertex Pharmaceuticals, Inc.*                    | 4,816  | 1,357,101         |
| Raymond James Financial, Inc.              | 3,692  | 330,102           |  |        | <b>13,348,362</b> |
| S&P Global, Inc.                           | 6,546  | 2,206,395         | <b>Health Care Equipment &amp; Supplies 2.7%</b> |        |                   |
| State Street Corp.                         | 6,913  | 426,186           | Abbott Laboratories                              | 33,012 | 3,586,754         |
| T. Rowe Price Group, Inc.                  | 4,322  | 491,022           | ABIOMED, Inc.*                                   | 870    | 215,334           |
| The Goldman Sachs Group, Inc.              | 6,478  | 1,924,096         | Align Technology, Inc.*                          | 1,387  | 328,261           |
|  |        | <b>17,351,925</b> | Baxter International, Inc.                       | 9,510  | 610,827           |
| <b>Consumer Finance 0.5%</b>               |        |                   | Becton, Dickinson & Co.                          | 5,351  | 1,319,182         |
| American Express Co.                       | 11,509 | 1,595,378         | Boston Scientific Corp.*                         | 26,735 | 996,413           |
| Capital One Financial Corp.                | 7,387  | 769,652           | DENTSPLY SIRONA, Inc.                            | 4,151  | 148,315           |
| Discover Financial Services                | 5,297  | 500,990           | DexCom, Inc.*                                    | 7,364  | 548,839           |
| Synchrony Financial                        | 9,433  | 260,539           | Edwards Lifesciences Corp.*                      | 11,742 | 1,116,547         |
|  |        | <b>3,126,559</b>  | Hologic, Inc.*                                   | 4,725  | 327,443           |
| <b>Diversified Financial Services 1.5%</b> |        |                   | IDEXX Laboratories, Inc.*                        | 1,580  | 554,153           |
| Berkshire Hathaway, Inc. "B"*              | 34,138 | <b>9,320,356</b>  | Intuitive Surgical, Inc.*                        | 6,757  | 1,356,197         |
| <b>Insurance 2.2%</b>                      |        |                   | Medtronic PLC                                    | 25,356 | 2,275,701         |
| Aflac, Inc.                                | 11,282 | 624,233           | ResMed, Inc.                                     | 2,731  | 572,500           |
|  |        |                   | STERIS PLC                                       | 1,880  | 387,562           |
|  |        |                   | Stryker Corp.                                    | 6,309  | 1,255,049         |
|  |        |                   | Teleflex, Inc.                                   | 890    | 218,807           |

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

|  | Shares  | Value (\$)        |
|--|---------|-------------------|
| The Cooper Companies, Inc.                       | 947     | 296,525           |
| Zimmer Biomet Holdings, Inc.                     | 3,923   | 412,150           |
|  |         | <b>16,526,559</b> |
| <b>Health Care Providers &amp; Services 3.4%</b> |         |                   |
| AmerisourceBergen Corp.                          | 2,834   | 400,954           |
| Cardinal Health, Inc.                            | 5,166   | 270,027           |
| Centene Corp.*                                   | 11,073  | 936,886           |
| Cigna Corp.                                      | 5,982   | 1,576,377         |
| CVS Health Corp.                                 | 24,747  | 2,293,057         |
| DaVita, Inc.*                                    | 1,151   | 92,034            |
| Elevance Health, Inc.                            | 4,548   | 2,194,774         |
| HCA Healthcare, Inc.                             | 4,276   | 718,625           |
| Henry Schein, Inc.*                              | 2,618   | 200,905           |
| Humana, Inc.                                     | 2,384   | 1,115,879         |
| Laboratory Corp. of America Holdings             | 1,769   | 414,583           |
| McKesson Corp.                                   | 2,738   | 893,163           |
| Molina Healthcare, Inc.*                         | 1,113   | 311,206           |
| Quest Diagnostics, Inc.                          | 2,241   | 298,008           |
| UnitedHealth Group, Inc.                         | 17,684  | 9,083,033         |
| Universal Health Services, Inc. "B"              | 1,245   | 125,384           |
|  |         | <b>20,924,895</b> |
| <b>Life Sciences Tools &amp; Services 1.9%</b>   |         |                   |
| Agilent Technologies, Inc.                       | 5,703   | 677,345           |
| Bio-Rad Laboratories, Inc. "A"*                  | 413     | 204,435           |
| Bio-Techne Corp.                                 | 730     | 253,047           |
| Charles River Laboratories International, Inc.*  | 969     | 207,337           |
| Danaher Corp.                                    | 12,208  | 3,094,972         |
| Illumina, Inc.*                                  | 2,976   | 548,656           |
| IQVIA Holdings, Inc.*                            | 3,560   | 772,485           |
| Mettler-Toledo International, Inc.*              | 425     | 488,227           |
| PerkinElmer, Inc.                                | 2,422   | 344,457           |
| Thermo Fisher Scientific, Inc.                   | 7,382   | 4,010,493         |
| Waters Corp.*                                    | 1,134   | 375,331           |
| West Pharmaceutical Services, Inc.               | 1,392   | 420,899           |
|  |         | <b>11,397,684</b> |
| <b>Pharmaceuticals 4.8%</b>                      |         |                   |
| Bristol-Myers Squibb Co.                         | 40,117  | 3,089,009         |
| Catalent, Inc.*                                  | 3,379   | 362,533           |
| Eli Lilly & Co.                                  | 14,873  | 4,822,273         |
| Johnson & Johnson                                | 49,617  | 8,807,513         |
| Merck & Co., Inc.                                | 47,670  | 4,346,074         |
| Organon & Co.                                    | 4,721   | 159,334           |
| Pfizer, Inc.                                     | 105,940 | 5,554,434         |
| Viatrix, Inc.                                    | 23,183  | 242,726           |
| Zoetis, Inc.                                     | 8,892   | 1,528,446         |
|  |         | <b>28,912,342</b> |

## Industrials 7.7%

### Aerospace & Defense 1.7%

|                                     | Shares | Value (\$)        |
|-------------------------------------|--------|-------------------|
| Boeing Co.*                         | 10,487 | 1,433,783         |
| General Dynamics Corp.              | 4,322  | 956,243           |
| Howmet Aerospace, Inc.              | 7,046  | 221,597           |
| Huntington Ingalls Industries, Inc. | 782    | 170,335           |
| L3Harris Technologies, Inc.         | 3,630  | 877,371           |
| Lockheed Martin Corp.               | 4,465  | 1,919,772         |
| Northrop Grumman Corp.              | 2,765  | 1,323,246         |
| Raytheon Technologies Corp.         | 28,102 | 2,700,883         |
| Textron, Inc.                       | 4,020  | 245,501           |
| TransDigm Group, Inc.*              | 975    | 523,253           |
|                                     |        | <b>10,371,984</b> |

### Air Freight & Logistics 0.7%

|  | Shares | Value (\$)       |
|--|--------|------------------|
| C.H. Robinson Worldwide, Inc.                | 2,437  | 247,038          |
| Expeditors International of Washington, Inc. | 3,182  | 310,118          |
| FedEx Corp.                                  | 4,493  | 1,018,608        |
| United Parcel Service, Inc. "B"              | 13,844 | 2,527,084        |
|  |        | <b>4,102,848</b> |

### Airlines 0.2%

|                                 | Shares | Value (\$)       |
|---------------------------------|--------|------------------|
| Alaska Air Group, Inc.*         | 2,403  | 96,240           |
| American Airlines Group, Inc.*  | 12,005 | 152,223          |
| Delta Air Lines, Inc.*          | 12,146 | 351,870          |
| Southwest Airlines Co.*         | 11,241 | 406,025          |
| United Airlines Holdings, Inc.* | 6,080  | 215,354          |
|                                 |        | <b>1,221,712</b> |

### Building Products 0.4%

|                                      | Shares | Value (\$)       |
|--------------------------------------|--------|------------------|
| A.O. Smith Corp.                     | 2,445  | 133,693          |
| Allegion PLC                         | 1,702  | 166,626          |
| Carrier Global Corp.                 | 15,975 | 569,669          |
| Fortune Brands Home & Security, Inc. | 2,431  | 145,568          |
| Johnson Controls International PLC   | 13,181 | 631,106          |
| Masco Corp.                          | 4,500  | 227,700          |
| Trane Technologies PLC               | 4,420  | 574,025          |
|                                      |        | <b>2,448,387</b> |

### Commercial Services & Supplies 0.5%

|                         | Shares | Value (\$)       |
|-------------------------|--------|------------------|
| Cintas Corp.            | 1,640  | 612,589          |
| Copart, Inc.*           | 3,972  | 431,598          |
| Republic Services, Inc. | 3,904  | 510,916          |
| Rollins, Inc.           | 4,154  | 145,058          |
| Waste Management, Inc.  | 7,224  | 1,105,127        |
|                         |        | <b>2,805,288</b> |

### Construction & Engineering 0.0%

|                       | Shares | Value (\$)     |
|-----------------------|--------|----------------|
| Quanta Services, Inc. | 2,698  | <b>338,167</b> |

### Electrical Equipment 0.5%

|                 | Shares | Value (\$) |
|-----------------|--------|------------|
| AMETEK, Inc.    | 4,312  | 473,846    |
| Eaton Corp. PLC | 7,554  | 951,729    |

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



|  | Shares | Value (\$)       |  | Shares | Value (\$)        |
|--|--------|------------------|--|--------|-------------------|
| Emerson Electric Co.   | 11,139 | 885,996          |  |        |                   |
| Generac Holdings, Inc.*  | 1,192  | 251,011          |  |        |                   |
| Rockwell Automation, Inc.                                      | 2,169  | 432,303          |  |        |                   |
|  |        | <b>2,994,885</b> |  |        |                   |
| <b>Industrial Conglomerates 0.8%</b>                           |        |                  |  |        |                   |
| 3M Co.   | 10,736 | 1,389,346        |  |        |                   |
| General Electric Co.   | 20,706 | 1,318,351        |  |        |                   |
| Honeywell International, Inc.                                  | 12,837 | 2,231,199        |  |        |                   |
|  |        | <b>4,938,896</b> |  |        |                   |
| <b>Machinery 1.5%</b>  |        |                  |  |        |                   |
| Caterpillar, Inc.  | 10,061 | 1,798,504        |  |        |                   |
| Cummins, Inc.  | 2,648  | 512,467          |  |        |                   |
| Deere & Co.  | 5,267  | 1,577,309        |  |        |                   |
| Dover Corp.  | 2,719  | 329,869          |  |        |                   |
| Fortive Corp.  | 6,866  | 373,373          |  |        |                   |
| IDEX Corp.   | 1,442  | 261,910          |  |        |                   |
| Illinois Tool Works, Inc.                                      | 5,339  | 973,033          |  |        |                   |
| Ingersoll Rand, Inc.   | 7,606  | 320,060          |  |        |                   |
| Nordson Corp.  | 1,030  | 208,513          |  |        |                   |
| Otis Worldwide Corp.   | 8,026  | 567,197          |  |        |                   |
| PACCAR, Inc.   | 6,573  | 541,221          |  |        |                   |
| Parker-Hannifin Corp.  | 2,432  | 598,394          |  |        |                   |
| Pentair PLC  | 3,145  | 143,947          |  |        |                   |
| Snap-on, Inc.  | 1,021  | 201,168          |  |        |                   |
| Stanley Black & Decker, Inc.                                   | 2,832  | 296,964          |  |        |                   |
| Westinghouse Air Brake Technologies Corp.                      | 3,422  | 280,878          |  |        |                   |
| Xylem, Inc.  | 3,326  | 260,027          |  |        |                   |
|  |        | <b>9,244,834</b> |  |        |                   |
| <b>Professional Services 0.3%</b>                              |        |                  |  |        |                   |
| Equifax, Inc.  | 2,305  | 421,308          |  |        |                   |
| Jacobs Engineering Group, Inc.                                 | 2,392  | 304,095          |  |        |                   |
| Leidos Holdings, Inc.  | 2,570  | 258,824          |  |        |                   |
| Nielsen Holdings PLC   | 6,732  | 156,317          |  |        |                   |
| Robert Half International, Inc.                                | 2,047  | 153,300          |  |        |                   |
| Verisk Analytics, Inc.   | 2,975  | 514,943          |  |        |                   |
|  |        | <b>1,808,787</b> |  |        |                   |
| <b>Road &amp; Rail 0.9%</b>                                    |        |                  |  |        |                   |
| CSX Corp.  | 40,872 | 1,187,740        |  |        |                   |
| J.B. Hunt Transport Services, Inc.                             | 1,614  | 254,157          |  |        |                   |
| Norfolk Southern Corp.   | 4,470  | 1,015,986        |  |        |                   |
| Old Dominion Freight Line, Inc.                                | 1,756  | 450,028          |  |        |                   |
| Union Pacific Corp.  | 11,830 | 2,523,102        |  |        |                   |
|  |        | <b>5,431,013</b> |  |        |                   |
| <b>Trading Companies &amp; Distributors 0.2%</b>               |        |                  |  |        |                   |
| Fastenal Co.   | 10,884 | 543,329          |  |        |                   |
| United Rentals, Inc.*  | 1,350  | 327,929          |  |        |                   |
| W.W. Grainger, Inc.  | 810    | 368,088          |  |        |                   |
|  |        | <b>1,239,346</b> |  |        |                   |
| <b>Information Technology 26.6%</b>                            |        |                  |  |        |                   |
| <b>Communications Equipment 0.8%</b>                           |        |                  |  |        |                   |
| Arista Networks, Inc.*   | 4,242  | 397,645          |  |        |                   |
| Cisco Systems, Inc.  | 78,239 | 3,336,111        |  |        |                   |
| F5, Inc.*  | 1,152  | 176,302          |  |        |                   |
| Juniper Networks, Inc.   | 6,233  | 177,641          |  |        |                   |
| Motorola Solutions, Inc.                                       | 3,134  | 656,886          |  |        |                   |
|  |        |                  |  |        | <b>4,744,585</b>  |
| <b>Electronic Equipment, Instruments &amp; Components 0.6%</b> |        |                  |  |        |                   |
| Amphenol Corp. "A"   | 11,172 | 719,253          |  |        |                   |
| CDW Corp.  | 2,524  | 397,681          |  |        |                   |
| Corning, Inc.  | 14,166 | 446,371          |  |        |                   |
| Keysight Technologies, Inc.*                                   | 3,467  | 477,926          |  |        |                   |
| TE Connectivity Ltd.   | 6,042  | 683,652          |  |        |                   |
| Teledyne Technologies, Inc.*                                   | 887    | 332,723          |  |        |                   |
| Trimble, Inc.*   | 4,655  | 271,061          |  |        |                   |
| Zebra Technologies Corp. "A"*                                  | 1,001  | 294,244          |  |        |                   |
|  |        |                  |  |        | <b>3,622,911</b>  |
| <b>IT Services 4.3%</b>  |        |                  |  |        |                   |
| Accenture PLC "A"  | 11,922 | 3,310,143        |  |        |                   |
| Akamai Technologies, Inc.*                                     | 3,065  | 279,927          |  |        |                   |
| Automatic Data Processing, Inc.                                | 7,905  | 1,660,366        |  |        |                   |
| Broadridge Financial Solutions, Inc.                           | 2,242  | 319,597          |  |        |                   |
| Cognizant Technology Solutions Corp. "A"                       | 9,802  | 661,537          |  |        |                   |
| DXC Technology Co.*  | 4,778  | 144,821          |  |        |                   |
| EPAM Systems, Inc.*  | 1,090  | 321,310          |  |        |                   |
| Fidelity National Information Services, Inc.                   | 11,549 | 1,058,697        |  |        |                   |
| Fiserv, Inc.*  | 10,957 | 974,844          |  |        |                   |
| FleetCor Technologies, Inc.*                                   | 1,448  | 304,239          |  |        |                   |
| Gartner, Inc.*   | 1,544  | 373,386          |  |        |                   |
| Global Payments, Inc.  | 5,297  | 586,060          |  |        |                   |
| International Business Machines Corp.                          | 16,962 | 2,394,865        |  |        |                   |
| Jack Henry & Associates, Inc.                                  | 1,373  | 247,168          |  |        |                   |
| Mastercard, Inc. "A"   | 16,198 | 5,110,145        |  |        |                   |
| Paychex, Inc.  | 6,061  | 690,166          |  |        |                   |
| PayPal Holdings, Inc.*   | 21,836 | 1,525,026        |  |        |                   |
| VeriSign, Inc.*  | 1,789  | 299,353          |  |        |                   |
| Visa, Inc. "A"   | 31,039 | 6,111,269        |  |        |                   |
|  |        |                  |  |        | <b>26,372,919</b> |
| <b>Semiconductors &amp; Semiconductor Equipment 5.2%</b>       |        |                  |  |        |                   |
| Advanced Micro Devices, Inc.*                                  | 30,554 | 2,336,464        |  |        |                   |
| Analog Devices, Inc.   | 9,885  | 1,444,100        |  |        |                   |
| Applied Materials, Inc.  | 16,705 | 1,519,821        |  |        |                   |
| Broadcom, Inc.   | 7,698  | 3,739,765        |  |        |                   |
| Enphase Energy, Inc.*  | 2,525  | 492,981          |  |        |                   |
| Intel Corp.  | 77,080 | 2,883,563        |  |        |                   |
| KLA Corp.  | 2,808  | 895,977          |  |        |                   |

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

|  | Shares  | Value (\$)        |  | Shares | Value (\$)        |
|--|---------|-------------------|--|--------|-------------------|
| Lam Research Corp.   | 2,628   | 1,119,922         | Dow, Inc.  | 13,708 | 707,470           |
| Microchip Technology, Inc.                                 | 10,522  | 611,118           | DuPont de Nemours, Inc.                                  | 9,568  | 531,789           |
| Micron Technology, Inc.                                    | 21,101  | 1,166,463         | Eastman Chemical Co.                                     | 2,398  | 215,269           |
| Monolithic Power Systems, Inc.                             | 810     | 311,072           | Ecolab, Inc.   | 4,676  | 718,982           |
| NVIDIA Corp.   | 47,225  | 7,158,838         | FMC Corp.  | 2,425  | 259,499           |
| NXP Semiconductors NV                                      | 4,938   | 730,972           | International Flavors & Fragrances, Inc.                 | 4,816  | 573,682           |
| ON Semiconductor Corp.*                                    | 8,174   | 411,234           | Linde PLC  | 9,487  | 2,727,797         |
| Qorvo, Inc.*   | 2,052   | 193,545           | LyondellBasell Industries NV "A"                         | 4,863  | 425,318           |
| QUALCOMM, Inc.   | 21,118  | 2,697,613         | PPG Industries, Inc.                                     | 4,490  | 513,387           |
| Skyworks Solutions, Inc.                                   | 3,094   | 286,628           | Sherwin-Williams Co.                                     | 4,514  | 1,010,730         |
| SolarEdge Technologies, Inc.*                              | 1,042   | 285,175           | The Mosaic Co.   | 6,825  | 322,345           |
| Teradyne, Inc.   | 3,082   | 275,993           |  |        |                   |
| Texas Instruments, Inc.                                    | 17,378  | 2,670,130         |  |        | <b>10,794,708</b> |
|  |         | <b>31,231,374</b> | <b>Construction Materials 0.1%</b>                       |        |                   |
| <b>Software 8.9%</b>                                       |         |                   | Martin Marietta Materials, Inc.                          | 1,171  | 350,410           |
| Adobe, Inc.*   | 8,895   | 3,256,104         | Vulcan Materials Co.                                     | 2,542  | 361,218           |
| ANSYS, Inc.*   | 1,621   | 387,889           |  |        | <b>711,628</b>    |
| Autodesk, Inc.*  | 4,097   | 704,520           | <b>Containers &amp; Packaging 0.3%</b>                   |        |                   |
| Cadence Design Systems, Inc.*                              | 5,236   | 785,557           | Amcort PLC   | 28,493 | 354,168           |
| Ceridian HCM Holding, Inc.*                                | 2,668   | 125,609           | Avery Dennison Corp.                                     | 1,520  | 246,042           |
| Citrix Systems, Inc.                                       | 2,346   | 227,961           | Ball Corp.   | 6,119  | 420,804           |
| Fortinet, Inc.*  | 12,550  | 710,079           | International Paper Co. (a)                              | 6,881  | 287,832           |
| Intuit, Inc.   | 5,333   | 2,055,551         | Packaging Corp. of America                               | 1,792  | 246,400           |
| Microsoft Corp.  | 141,067 | 36,230,238        | Sealed Air Corp.   | 2,783  | 160,635           |
| NortonLifeLock, Inc.                                       | 11,193  | 245,798           | Westrock Co.   | 4,725  | 188,244           |
| Oracle Corp.   | 29,702  | 2,075,279         |  |        | <b>1,904,125</b>  |
| Paycom Software, Inc.*                                     | 921     | 257,991           | <b>Metals &amp; Mining 0.4%</b>                          |        |                   |
| PTC, Inc.*   | 1,954   | 207,788           | Freeport-McMoRan, Inc.                                   | 27,325 | 799,529           |
| Roper Technologies, Inc.                                   | 1,997   | 788,116           | Newmont Corp.  | 14,974 | 893,499           |
| Salesforce, Inc.*  | 18,732  | 3,091,529         | Nucor Corp.  | 5,020  | 524,138           |
| ServiceNow, Inc.*  | 3,776   | 1,795,564         |  |        | <b>2,217,166</b>  |
| Synopsys, Inc.*  | 2,881   | 874,960           | <b>Real Estate 2.9%</b>                                  |        |                   |
| Tyler Technologies, Inc.*                                  | 786     | 261,329           | <b>Equity Real Estate Investment Trusts (REITs) 2.8%</b> |        |                   |
|  |         | <b>54,081,862</b> | Alexandria Real Estate Equities, Inc.                    | 2,780  | 403,183           |
| <b>Technology Hardware, Storage &amp; Peripherals 6.8%</b> |         |                   | American Tower Corp.                                     | 8,771  | 2,241,780         |
| Apple, Inc.  | 290,034 | 39,653,448        | AvalonBay Communities, Inc.                              | 2,607  | 506,410           |
| Hewlett Packard Enterprise Co.                             | 24,504  | 324,923           | Boston Properties, Inc.                                  | 2,719  | 241,936           |
| HP, Inc.   | 19,823  | 649,798           | Camden Property Trust                                    | 2,039  | 274,205           |
| NetApp, Inc.   | 4,282   | 279,358           | Crown Castle International Corp.                         | 8,147  | 1,371,792         |
| Seagate Technology Holdings PLC                            | 3,716   | 265,471           | Digital Realty Trust, Inc.                               | 5,385  | 699,134           |
| Western Digital Corp.*                                     | 5,847   | 262,121           | Duke Realty Corp.  | 7,280  | 400,036           |
|  |         | <b>41,435,119</b> | Equinix, Inc.  | 1,721  | 1,130,731         |
| <b>Materials 2.6%</b>                                      |         |                   | Equity Residential                                       | 6,432  | 464,519           |
| <b>Chemicals 1.8%</b>                                      |         |                   | Essex Property Trust, Inc.                               | 1,231  | 321,919           |
| Air Products & Chemicals, Inc.                             | 4,205   | 1,011,218         | Extra Space Storage, Inc.                                | 2,515  | 427,852           |
| Albemarle Corp.  | 2,204   | 460,592           | Federal Realty OP LP                                     | 1,331  | 127,430           |
| Celanese Corp.   | 1,997   | 234,867           | Healthpeak Properties, Inc.                              | 10,175 | 263,634           |
| CF Industries Holdings, Inc.                               | 3,933   | 337,176           | Host Hotels & Resorts, Inc.                              | 13,376 | 209,736           |
| Corteva, Inc.  | 13,753  | 744,587           | Iron Mountain, Inc.                                      | 5,404  | 263,121           |
|  |         |                   | Kimco Realty Corp.                                       | 11,449 | 226,347           |

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

|   | Shares | Value (\$)        |
|---|--------|-------------------|
| Mid-America Apartment Communities, Inc. | 2,151  | 375,715           |
| Prologis, Inc.                          | 13,942 | 1,640,276         |
| Public Storage                          | 2,882  | 901,115           |
| Realty Income Corp.                     | 11,380 | 776,799           |
| Regency Centers Corp.                   | 2,941  | 174,431           |
| SBA Communications Corp.                | 2,057  | 658,343           |
| Simon Property Group, Inc.              | 6,228  | 591,162           |
| UDR, Inc.                               | 5,635  | 259,435           |
| Ventas, Inc.                            | 7,563  | 388,965           |
| VICI Properties, Inc.                   | 18,182 | 541,642           |
| Vornado Realty Trust                    | 2,966  | 84,798            |
| Welltower, Inc.                         | 8,590  | 707,386           |
| Weyerhaeuser Co.                        | 14,124 | 467,787           |
|   |        | <b>17,141,619</b> |

**Real Estate Management & Development 0.1%**

|                      |       |                |
|----------------------|-------|----------------|
| CBRE Group, Inc. "A" | 6,190 | <b>455,646</b> |
|----------------------|-------|----------------|

**Utilities 3.1%**

**Electric Utilities 2.0%**

|                                   |        |                   |
|-----------------------------------|--------|-------------------|
| Alliant Energy Corp.              | 4,622  | 270,895           |
| American Electric Power Co., Inc. | 9,696  | 930,234           |
| Constellation Energy Corp.        | 6,188  | 354,325           |
| Duke Energy Corp.                 | 14,489 | 1,553,366         |
| Edison International              | 7,137  | 451,344           |
| Entergy Corp.                     | 3,831  | 431,524           |
| Eversource Energy                 | 6,431  | 543,227           |
| Exelon Corp.                      | 18,566 | 841,411           |
| FirstEnergy Corp.                 | 10,807 | 414,881           |
| NextEra Energy, Inc.              | 37,054 | 2,870,203         |
| NRG Energy, Inc.                  | 4,565  | 174,246           |
| Pinnacle West Capital Corp.       | 2,126  | 155,453           |
| PPL Corp.                         | 14,058 | 381,393           |
| Southern Co.                      | 20,115 | 1,434,401         |
| Xcel Energy, Inc.                 | 10,213 | 722,672           |
|                                   |        | <b>11,813,412</b> |

**Gas Utilities 0.0%**

|                    |       |                |
|--------------------|-------|----------------|
| Atmos Energy Corp. | 2,587 | <b>290,003</b> |
|--------------------|-------|----------------|

**Independent Power & Renewable Electricity Producers 0.0%**

|           |        |                |
|-----------|--------|----------------|
| AES Corp. | 12,729 | <b>267,436</b> |
|-----------|--------|----------------|

**Multi-Utilities 1.0%**

|                          |        |         |
|--------------------------|--------|---------|
| Ameren Corp.             | 4,872  | 440,234 |
| CenterPoint Energy, Inc. | 11,880 | 351,410 |

|                                       | Shares | Value (\$)       |
|---------------------------------------|--------|------------------|
| CMS Energy Corp.                      | 5,555  | 374,963          |
| Consolidated Edison, Inc.             | 6,715  | 638,596          |
| Dominion Energy, Inc.                 | 15,358 | 1,225,722        |
| DTE Energy Co.                        | 3,668  | 464,919          |
| NiSource, Inc.                        | 7,373  | 217,430          |
| Public Service Enterprise Group, Inc. | 9,418  | 595,971          |
| Sempra Energy                         | 5,928  | 890,801          |
| WEC Energy Group, Inc.                | 5,960  | 599,814          |
|                                       |        | <b>5,799,860</b> |

**Water Utilities 0.1%**

|                                |       |                |
|--------------------------------|-------|----------------|
| American Water Works Co., Inc. | 3,387 | <b>503,884</b> |
|--------------------------------|-------|----------------|

**Total Common Stocks** (Cost \$252,725,967) **601,713,230**

|  | Principal Amount (\$) | Value (\$) |
|--|-----------------------|------------|
|--|-----------------------|------------|

**Government & Agency Obligations 0.2%**

**U.S. Treasury Obligations**

|  |         |                |
|--|---------|----------------|
| U.S. Treasury Bills, 1.82% (b), 11/25/2022 (c)<br>(Cost \$918,125) | 925,000 | <b>917,333</b> |
|--|---------|----------------|

|  | Shares | Value (\$) |
|--|--------|------------|
|--|--------|------------|

**Securities Lending Collateral 0.0%**

|   |        |               |
|---|--------|---------------|
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (d) (e)<br>(Cost \$49,155) | 49,155 | <b>49,155</b> |
|---|--------|---------------|

**Cash Equivalents 0.6%**

|  |           |                  |
|--|-----------|------------------|
| DWS Central Cash Management Government Fund, 1.36% (d)<br>(Cost \$3,497,660) | 3,497,660 | <b>3,497,660</b> |
|--|-----------|------------------|

|  | % of Net Assets | Value (\$) |
|--|-----------------|------------|
|--|-----------------|------------|

**Total Investment Portfolio** (Cost \$257,190,907) 100.0 **606,177,378**

**Other Assets and Liabilities, Net** 0.0 **89,676**

**Net Assets** 100.0 **606,267,054**

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

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at<br>12/31/2021  | Purchases<br>Cost (\$) | Sales<br>Proceeds (\$) | Net Realized<br>Gain/<br>(Loss) (\$) | Net Change in<br>Unrealized<br>Appreciation<br>(Depreciation)<br>(\$) | Income (\$)  | Capital Gain<br>Distributions<br>(\$) | Number<br>of Shares<br>at<br>6/30/2022 | Value (\$) at<br>6/30/2022 |
|--|------------------------|------------------------|--------------------------------------|---|--------------|---------------------------------------|--|----------------------------|
| <b>Securities Lending Collateral 0.0%</b>  |                        |                        |                                      |   |              |                                       |  |                            |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (d) (e) |                        |                        |                                      |   |              |                                       |  |                            |
| 6,745,286  | —                      | 6,696,131 (f)          | —                                    | —   | 772          | —                                     | 49,155                                 | 49,155                     |
| <b>Cash Equivalents 0.6%</b>   |                        |                        |                                      |   |              |                                       |  |                            |
| DWS Central Cash Management Government Fund, 1.36% (d)   |                        |                        |                                      |   |              |                                       |  |                            |
| 2,447,900  | 41,182,521             | 40,132,761             | —                                    | —   | 5,378        | —                                     | 3,497,660                              | 3,497,660                  |
| <b>9,193,186</b>   | <b>41,182,521</b>      | <b>46,828,892</b>      | <b>—</b>                             | <b>—</b>  | <b>6,150</b> | <b>—</b>                              | <b>3,546,815</b>                       | <b>3,546,815</b>           |

\* Non-income producing security.

- (a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$47,268, which is 0.0% of net assets.
- (b) Annualized yield at time of purchase; not a coupon rate.
- (c) At June 30, 2022, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.
- (d) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (e) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- (f) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

S&P: Standard & Poor's

At June 30, 2022, open futures contracts purchased were as follows:

| Futures              | Currency | Expiration<br>Date | Contracts | Notional<br>Amount (\$) | Notional<br>Value (\$) | Unrealized<br>Appreciation (\$) |
|----------------------|----------|--------------------|-----------|-------------------------|------------------------|---------------------------------|
| S&P 500 E-Mini Index | USD      | 9/16/2022          | 24        | 4,525,864               | 4,547,400              | <b>21,536</b>                   |

#### Currency Abbreviation(s)

USD United States Dollar

For information on the Fund's policy and additional disclosures regarding futures contracts, please refer to the Derivatives section of Note B in the accompanying Notes to Financial Statements.

#### Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| Assets                          | Level 1               | Level 2           | Level 3     | Total                 |
|---------------------------------|-----------------------|-------------------|-------------|-----------------------|
| Common Stocks (a)               | \$ 601,713,230        | \$ —              | \$ —        | \$ 601,713,230        |
| Government & Agency Obligations | —                     | 917,333           | —           | 917,333               |
| Short-Term Investments (a)      | 3,546,815             | —                 | —           | 3,546,815             |
| Derivatives (b)                 |                       |                   |             |                       |
| Futures Contracts               | 21,536                | —                 | —           | 21,536                |
| <b>Total</b>                    | <b>\$ 605,281,581</b> | <b>\$ 917,333</b> | <b>\$ —</b> | <b>\$ 606,198,914</b> |

(a) See Investment Portfolio for additional detailed categorizations.

(b) Derivatives include unrealized appreciation (depreciation) on open futures contracts.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>   |                    |
|---|--------------------|
| Investments in non-affiliated securities, at value (cost \$253,644,092) — including \$47,268 of securities loaned | \$ 602,630,563     |
| Investment in DWS Government & Agency Securities Portfolio (cost \$49,155)*                                       | 49,155             |
| Investment in DWS Central Cash Management Government Fund (cost \$3,497,660)                                      | 3,497,660          |
| Receivable for investments sold   | 925,000            |
| Receivable for Fund shares sold   | 41,187             |
| Dividends receivable  | 476,030            |
| Interest receivable   | 1,983              |
| Other assets  | 5,877              |
| <b>Total assets</b>   | <b>607,627,455</b> |

| <b>Liabilities</b>                                |                       |
|---|-----------------------|
| Cash overdraft                                    | 906,154               |
| Payable upon return of securities loaned          | 49,155                |
| Payable for Fund shares redeemed                  | 140,147               |
| Payable for variation margin on futures contracts | 38,059                |
| Accrued management fee                            | 63,125                |
| Accrued Trustees' fees                            | 2,757                 |
| Other accrued expenses and payables               | 161,004               |
| <b>Total liabilities</b>                          | <b>1,360,401</b>      |
| <b>Net assets, at value</b>                       | <b>\$ 606,267,054</b> |

| <b>Net Assets Consist of</b>  |                       |
|-------------------------------|-----------------------|
| Distributable earnings (loss) | 367,749,509           |
| Paid-in capital               | 238,517,545           |
| <b>Net assets, at value</b>   | <b>\$ 606,267,054</b> |

## **Net Asset Value**

### **Class A**

|  |                 |
|--|-----------------|
| <b>Net Asset Value</b> , offering and redemption price per share (\$547,541,287 ÷ 24,355,950 outstanding shares of beneficial interest, \$.001 par value, unlimited number of shares authorized) | <b>\$ 22.48</b> |
|--|-----------------|

### **Class B**

|  |                 |
|--|-----------------|
| <b>Net Asset Value</b> , offering and redemption price per share (\$43,261,296 ÷ 1,920,970 outstanding shares of beneficial interest, \$.001 par value, unlimited number of shares authorized) | <b>\$ 22.52</b> |
|--|-----------------|

### **Class B2**

|  |                 |
|--|-----------------|
| <b>Net Asset Value</b> , offering and redemption price per share (\$15,464,471 ÷ 685,954 outstanding shares of beneficial interest, \$.001 par value, unlimited number of shares authorized) | <b>\$ 22.54</b> |
|--|-----------------|

\* Represents collateral on securities loaned.

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                        |
|--|------------------------|
| Income:  |                        |
| Dividends (net of foreign taxes withheld of \$1,280)                   | \$ 5,203,855           |
| Interest   | 397                    |
| Income distributions — DWS Central Cash Management Government Fund     | 5,378                  |
| Securities lending income, net of borrower rebates                     | 772                    |
| <b>Total income</b>  | <b>5,210,402</b>       |
| Expenses:  |                        |
| Management fee   | 691,426                |
| Administration fee   | 335,342                |
| Services to shareholders   | 748                    |
| Record keeping fee (Class B and Class B-2)                             | 46,830                 |
| Distribution service fees (Class B and Class B-2)                      | 83,328                 |
| Custodian fee  | 6,579                  |
| Professional fees  | 36,931                 |
| Reports to shareholders  | 22,987                 |
| Trustees' fees and expenses  | 18,162                 |
| Other  | 19,400                 |
| <b>Total expenses before expense reductions</b>                        | <b>1,261,733</b>       |
| Expense reductions   | (232,574)              |
| <b>Total expenses after expense reductions</b>                         | <b>1,029,159</b>       |
| <b>Net investment income</b>   | <b>4,181,243</b>       |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                        |
| Net realized gain (loss) from:   |                        |
| Investments  | 24,368,836             |
| Futures  | (1,127,804)            |
|  | 23,241,032             |
| Change in net unrealized appreciation (depreciation) on:               |                        |
| Investments  | (182,425,640)          |
| Futures  | (82,648)               |
|  | (182,508,288)          |
| <b>Net gain (loss)</b>   | <b>(159,267,256)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(155,086,013)</b> |

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

# Statements of Changes in Net Assets

|  | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|--|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                               |   |                                    |
| Operations:  |   |                                    |
| Net investment income  | \$ 4,181,243  | \$ 8,114,613                       |
| Net realized gain (loss)   | 23,241,032  | 38,974,537                         |
| Change in net unrealized appreciation<br>(depreciation)                | (182,508,288)                                       | 135,118,220                        |
| Net increase (decrease) in net assets resulting from operations        | (155,086,013)                                       | 182,207,370                        |
| Distributions to shareholders:   |   |                                    |
| Class A  | (42,243,291)  | (37,893,566)                       |
| Class B  | (3,161,213)   | (2,473,191)                        |
| Class B2   | (1,142,904)   | (1,024,797)                        |
| Total distributions  | (46,547,408)  | (41,391,554)                       |
| Fund share transactions:   |   |                                    |
| <b>Class A</b>   |   |                                    |
| Proceeds from shares sold  | 10,363,477  | 19,492,366                         |
| Reinvestment of distributions  | 42,243,291  | 37,893,566                         |
| Payments for shares redeemed   | (41,631,127)  | (73,018,437)                       |
| Net increase (decrease) in net assets from Class A share transactions  | 10,975,641  | (15,632,505)                       |
| <b>Class B</b>   |   |                                    |
| Proceeds from shares sold  | 4,913,121   | 10,287,704                         |
| Reinvestment of distributions  | 3,161,213   | 2,473,191                          |
| Payments for shares redeemed   | (5,412,907)   | (9,108,205)                        |
| Net increase (decrease) in net assets from Class B share transactions  | 2,661,427   | 3,652,690                          |
| <b>Class B2</b>  |   |                                    |
| Proceeds from shares sold  | 43,610  | 23,964                             |
| Reinvestment of distributions  | 1,142,904   | 1,024,797                          |
| Payments for shares redeemed   | (979,793)   | (2,589,893)                        |
| Net increase (decrease) in net assets from Class B2 share transactions | 206,721   | (1,541,132)                        |
| <b>Increase (decrease) in net assets</b>                               | (187,789,632)                                       | 127,294,869                        |
| Net assets at beginning of period                                      | 794,056,686   | 666,761,817                        |
| <b>Net assets at end of period</b>                                     | <b>\$ 606,267,054</b>                               | <b>\$794,056,686</b>               |

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

# Statements of Changes in Net Assets

| <b>Other Information</b>                                       | <b>Six Months<br/>Ended<br/>June 30, 2022<br/>(Unaudited)</b> | <b>Year Ended<br/>December 31,<br/>2021</b> |
|--|---|---|
| <b>Class A</b>   |   |   |
| Shares outstanding at beginning of period                      | 23,787,108  | 24,298,803                                  |
| Shares sold  | 377,679   | 723,150                                     |
| Shares issued to shareholders in reinvestment of distributions | 1,708,871   | 1,439,178                                   |
| Shares redeemed  | (1,517,708)   | (2,674,023)                                 |
| Net increase (decrease) in Class A shares                      | 568,842   | (511,695)                                   |
| Shares outstanding at end of period                            | <b>24,355,950</b>   | <b>23,787,108</b>                           |
| <b>Class B</b>   |   |   |
| Shares outstanding at beginning of period                      | 1,814,686   | 1,675,259                                   |
| Shares sold  | 178,778   | 378,603                                     |
| Shares issued to shareholders in reinvestment of distributions | 127,571   | 93,717                                      |
| Shares redeemed  | (200,065)   | (332,893)                                   |
| Net increase (decrease) in Class B shares                      | 106,284   | 139,427                                     |
| Shares outstanding at end of period                            | <b>1,920,970</b>  | <b>1,814,686</b>                            |
| <b>Class B2</b>  |   |   |
| Shares outstanding at beginning of period                      | 676,257   | 730,615                                     |
| Shares sold  | 1,783   | 864   |
| Shares issued to shareholders in reinvestment of distributions | 46,067  | 38,789                                      |
| Shares redeemed  | (38,153)  | (94,011)                                    |
| Net increase (decrease) in Class B2 shares                     | 9,697   | (54,358)                                    |
| Shares outstanding at end of period                            | <b>685,954</b>  | <b>676,257</b>                              |

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

# Financial Highlights

## DWS Equity 500 Index VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|--|--|----------------|--------------------------|----------------|----------------|----------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$30.22</b>                             | <b>\$24.97</b> | <b>\$23.14</b>           | <b>\$18.90</b> | <b>\$22.19</b> | <b>\$19.58</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                           | .16  | .31            | .34                      | .35            | .37            | .34            |
| Net realized and unrealized gain (loss)                      | (6.07)                                     | 6.55           | 3.23                     | 5.37           | (1.31)         | 3.69           |
| <b>Total from investment operations</b>                      | <b>(5.91)</b>                              | <b>6.86</b>    | <b>3.57</b>              | <b>5.72</b>    | <b>(.94)</b>   | <b>4.03</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                |
| Net investment income  | (.32)                                      | (.41)          | (.39)                    | (.43)          | (.38)          | (.37)          |
| Net realized gains   | (1.51)                                     | (1.20)         | (1.35)                   | (1.05)         | (1.97)         | (1.05)         |
| <b>Total distributions</b>                                   | <b>(1.83)</b>                              | <b>(1.61)</b>  | <b>(1.74)</b>            | <b>(1.48)</b>  | <b>(2.35)</b>  | <b>(1.42)</b>  |
| <b>Net asset value, end of period</b>                        | <b>\$22.48</b>                             | <b>\$30.22</b> | <b>\$24.97</b>           | <b>\$23.14</b> | <b>\$18.90</b> | <b>\$22.19</b> |
| Total Return (%) <sup>b</sup>                                | (20.08) <sup>*</sup>                       | 28.40          | 18.10                    | 31.19          | (4.65)         | 21.53          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                      | 548  | 719            | 607                      | 561            | 472            | 541            |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .33 <sup>**</sup>                          | .32            | .33                      | .35            | .34            | .34            |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .26 <sup>**</sup>                          | .26            | .26                      | .27            | .30            | .33            |
| Ratio of net investment income (%)                           | 1.25 <sup>**</sup>                         | 1.14           | 1.56                     | 1.68           | 1.73           | 1.67           |
| Portfolio turnover rate (%)                                  | 1 <sup>*</sup>                             | 2              | 4                        | 3              | 3              | 3              |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

<sup>\*</sup> Not annualized

<sup>\*\*</sup> Annualized

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



## DWS Equity 500 Index VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|--|--|----------------|--------------------------|----------------|----------------|----------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$30.20</b>                             | <b>\$24.95</b> | <b>\$23.12</b>           | <b>\$18.89</b> | <b>\$22.17</b> | <b>\$19.58</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                           | .11  | .21            | .26                      | .28            | .29            | .28            |
| Net realized and unrealized gain (loss)                      | (6.06)                                     | 6.54           | 3.23                     | 5.35           | (1.29)         | 3.67           |
| <b>Total from investment operations</b>                      | <b>(5.95)</b>                              | <b>6.75</b>    | <b>3.49</b>              | <b>5.63</b>    | <b>(1.00)</b>  | <b>3.95</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                |
| Net investment income  | (.22)                                      | (.30)          | (.31)                    | (.35)          | (.31)          | (.31)          |
| Net realized gains   | (1.51)                                     | (1.20)         | (1.35)                   | (1.05)         | (1.97)         | (1.05)         |
| <b>Total distributions</b>                                   | <b>(1.73)</b>                              | <b>(1.50)</b>  | <b>(1.66)</b>            | <b>(1.40)</b>  | <b>(2.28)</b>  | <b>(1.36)</b>  |
| <b>Net asset value, end of period</b>                        | <b>\$22.52</b>                             | <b>\$30.20</b> | <b>\$24.95</b>           | <b>\$23.12</b> | <b>\$18.89</b> | <b>\$22.17</b> |
| Total Return (%) <sup>b</sup>                                | (20.21)*                                   | 27.91          | 17.63                    | 30.66          | (4.94)         | 21.07          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                      | 43   | 55             | 42                       | 33             | 21             | 25             |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .72**                                      | .71            | .71                      | .72            | .71            | .71            |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .64**                                      | .64            | .64                      | .65            | .65            | .65            |
| Ratio of net investment income (%)                           | .87**                                      | .76            | 1.17                     | 1.31           | 1.38           | 1.35           |
| Portfolio turnover rate (%)                                  | 1*   | 2              | 4                        | 3              | 3              | 3              |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## DWS Equity 500 Index VIP — Class B2

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                | 2017           |
|--|--|----------------|--------------------------|----------------|----------------|----------------|
|  |  |                | 2020                     | 2019           | 2018           |                |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$30.23</b>                             | <b>\$24.98</b> | <b>\$23.14</b>           | <b>\$18.90</b> | <b>\$22.18</b> | <b>\$19.57</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                           | .11  | .21            | .25                      | .27            | .28            | .26            |
| Net realized and unrealized gain (loss)                      | (6.07)                                     | 6.54           | 3.24                     | 5.36           | (1.30)         | 3.69           |
| <b>Total from investment operations</b>                      | <b>(5.96)</b>                              | <b>6.75</b>    | <b>3.49</b>              | <b>5.63</b>    | <b>(1.02)</b>  | <b>3.95</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                |
| Net investment income  | (.22)                                      | (.30)          | (.30)                    | (.34)          | (.29)          | (.29)          |
| Net realized gains   | (1.51)                                     | (1.20)         | (1.35)                   | (1.05)         | (1.97)         | (1.05)         |
| <b>Total distributions</b>                                   | <b>(1.73)</b>                              | <b>(1.50)</b>  | <b>(1.65)</b>            | <b>(1.39)</b>  | <b>(2.26)</b>  | <b>(1.34)</b>  |
| <b>Net asset value, end of period</b>                        | <b>\$22.54</b>                             | <b>\$30.23</b> | <b>\$24.98</b>           | <b>\$23.14</b> | <b>\$18.90</b> | <b>\$22.18</b> |
| Total Return (%) <sup>b</sup>                                | (20.23)*                                   | 27.86          | 17.64                    | 30.64          | (5.00)         | 21.06          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                      | 15   | 20             | 18                       | 17             | 15             | 17             |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .72**                                      | .72            | .72                      | .74            | .73            | .74            |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .65**                                      | .65            | .65                      | .67            | .70            | .72            |
| Ratio of net investment income (%)                           | .85**                                      | .75            | 1.17                     | 1.28           | 1.32           | 1.27           |
| Portfolio turnover rate (%)                                  | 1*   | 2              | 4                        | 3              | 3              | 3              |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

# Notes to Financial Statements

(Unaudited)

## A. Organization and Significant Accounting Policies

Deutsche DWS Investments VIT Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Trust is organized as a Massachusetts business trust. DWS Equity 500 Index VIP (the "Fund") is a diversified series of the Trust offered to investors. The Fund is an underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers three classes of shares (Class A shares, Class B shares and Class B2 shares). Class B and Class B2 shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B and Class B2 shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1.

Debt securities are valued at prices supplied by independent pricing services approved by the Fund's Board. If the pricing services are unable to provide valuations, securities are valued at the most recent bid quotation or evaluated price, as applicable, obtained from one or more broker-dealers. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. These securities are generally categorized as Level 2.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Futures contracts are generally valued at the settlement prices established each day on the exchange on which they are traded and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or

evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Securities Lending.** Deutsche Bank AG, as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. As of period end, any securities on loan were collateralized by cash. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had securities on loan, which were classified as common stocks in the Investment Portfolio. The value of the related collateral exceeded the value of the securities loaned at period end. As of period end, the remaining contractual maturity of the collateral agreements was overnight and continuous.

**Federal Income Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$265,701,701. The net unrealized appreciation for all investments based on tax cost was \$340,475,677. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$363,665,579 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$23,189,902.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to investments in futures contracts, certain

securities sold at a loss, and the realized tax character on distributions from certain securities. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Real Estate Investment Trusts.** The Fund at its fiscal year end recharacterizes distributions received from a Real Estate Investment Trust ("REIT") investment based on information provided by the REIT into the following categories: ordinary income, long-term and short-term capital gains, and return of capital. If information is not available timely from a REIT, the recharacterization will be estimated for financial reporting purposes and a recharacterization will be made to the accounting records in the following year when such information becomes available. Distributions received from REITs in excess of income are recorded as either a reduction of cost of investments or realized gains.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## **B. Derivative Instruments**

A futures contract is an agreement between a buyer or seller and an established futures exchange or its clearinghouse in which the buyer or seller agrees to take or make a delivery of a specific amount of a financial instrument at a specified price on a specific date (settlement date). For the six months ended June 30, 2022, the Fund invested in futures to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the stock market.

Upon entering into a futures contract, the Fund is required to deposit with a financial intermediary cash or securities ("initial margin") in an amount equal to a certain percentage of the face value indicated in the futures contract. Subsequent payments ("variation margin") are made or received by the Fund dependent upon the daily fluctuations in the value and are recorded for financial reporting purposes as unrealized gains or losses by the Fund. Gains or losses are realized when the contract expires or is closed. Since all futures contracts are exchange-traded, counterparty risk is minimized as the exchange's clearinghouse acts as the counterparty, and guarantees the futures against default. Upon a futures contract close out or expiration, realized gain or loss is recognized.

Certain risks may arise upon entering into futures contracts, including the risk that an illiquid market will limit the Fund's ability to close out a futures contract prior to the settlement date and the risk that the futures contract is not well correlated with the security, index or currency to which it relates. Risk of loss may exceed amounts recognized in the Statement of Assets and Liabilities.

A summary of the open futures contracts as of June 30, 2022, is included in a table following the Fund's Investment Portfolio. For the six months ended June 30, 2022, the investment in futures contracts purchased had a total notional value generally indicative of a range from approximately \$3,569,000 to \$4,547,000.

The following tables summarize the value of the Fund's derivative instruments held as of June 30, 2022 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

| <b>Assets Derivative</b> | <b>Futures Contracts</b> |
|--------------------------|--------------------------|
| Equity Contracts (a)     | \$ 21,536                |

The above derivative is located in the following Statement of Assets and Liabilities account:

- (a) Includes cumulative appreciation of futures contracts as disclosed in the Investment Portfolio. Unsettled variation margin is disclosed separately within the Statement of Assets and Liabilities.

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Fund earnings during the six months ended June 30, 2022 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

| <b>Realized Gain (Loss)</b> | <b>Futures Contracts</b> |
|-----------------------------|--------------------------|
| Equity Contracts (a)        | \$ (1,127,804)           |

The above derivative is located in the following Statement of Operations account:

- (a) Net realized gain (loss) from futures contracts

| <b>Change in Net Unrealized Appreciation (Depreciation)</b> | <b>Futures Contracts</b> |
|---|--------------------------|
| Equity Contracts (a)  | \$ (82,648)              |

The above derivative is located in the following Statement of Operations account:

- (a) Change in net unrealized appreciation (depreciation) on futures contracts

### C. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$4,644,736 and \$35,436,666, respectively.

### D. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund or delegates such responsibility to the Fund's subadvisor. Northern Trust Investments, Inc. ("NTI") serves as subadvisor. As a subadvisor to the Fund, NTI makes investment decisions and buys and sells securities for the Fund. NTI is paid by the Advisor for the services NTI provides to the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays the Advisor an annual fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|  |       |
|--|-------|
| First \$1 billion of the Fund's average daily net assets | .200% |
| Next \$1 billion of such net assets                      | .175% |
| Over \$2 billion of such net assets                      | .150% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.20% of the Fund's average daily net assets.

For the period from January 1, 2022 through April 30, 2023, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total

annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|          |      |
|----------|------|
| Class A  | .26% |
| Class B  | .64% |
| Class B2 | .65% |

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for each class are as follows:

|          |                   |
|----------|-------------------|
| Class A  | \$ 207,739        |
| Class B  | 18,402            |
| Class B2 | 6,433             |
|          | <b>\$ 232,574</b> |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$335,342, of which \$49,999 is unpaid.

**Distribution Service Agreement.** DWS Distributors, Inc. (“DDI”), an affiliate of the Advisor, is the Fund’s distributor. In accordance with the Distribution Plan, DDI receives 12b-1 fees of up to 0.25% of the average daily net assets of Class B and B2 shares. For the six months ended June 30, 2022, the Distribution Service Fees were as follows:

| Distribution Service Fees | Total Aggregated | Unpaid at June 30, 2022 |
|---------------------------|------------------|-------------------------|
| Class B                   | \$ 60,934        | \$ 9,216                |
| Class B2                  | 22,394           | 3,284                   |
|                           | <b>\$ 83,328</b> | <b>\$ 12,500</b>        |

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at June 30, 2022 |
|--------------------------|------------------|-------------------------|
| Class A                  | \$ 297           | \$ 95                   |
| Class B                  | 53               | 17                      |
| Class B2                 | 36               | 12                      |
|                          | <b>\$ 386</b>    | <b>\$ 124</b>           |

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$2,745, of which \$170 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its

proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund's assets invested in DWS ESG Liquidity Fund.

**Securities Lending Agent Fees.** Deutsche Bank AG serves as securities lending agent for the Fund. For the six months ended June 30, 2022, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of \$58.

### **E. Ownership of the Fund**

At June 30, 2022, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 51% and 15%, respectively. One participating insurance company was owner of record of 10% or more of the total outstanding Class B shares of the Fund, owning 90%. Two participating insurance companies were the owners of record of 10% or more of the total outstanding Class B2 shares of the Fund, each owning 84% and 16%, respectively.

### **F. Line of Credit**

The Fund and other affiliated funds (the "Participants") share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

### **G. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund's accounting and financial reporting.



## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> | <b>Class B2</b> |
|--------------------------------|----------------|----------------|-----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    | \$ 1,000.00     |
| Ending Account Value 6/30/22   | \$ 799.20      | \$ 797.90      | \$ 797.70       |
| Expenses Paid per \$1,000*     | \$ 1.16        | \$ 2.85        | \$ 2.90         |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> | <b>Class B2</b> |
|------------------------------------|----------------|----------------|-----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    | \$ 1,000.00     |
| Ending Account Value 6/30/22       | \$ 1,023.51    | \$ 1,021.62    | \$ 1,021.57     |
| Expenses Paid per \$1,000*         | \$ 1.30        | \$ 3.21        | \$ 3.26         |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b> | <b>Class A</b> | <b>Class B</b> | <b>Class B2</b> |
|----------------------------------|----------------|----------------|-----------------|
| DWS Equity 500 Index VIP         | .26%           | .64%           | .65%            |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Equity 500 Index VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) and sub-advisory agreement (the “Sub-Advisory Agreement” and together with the Agreement, the “Agreements”) between DIMA and Northern Trust Investments, Inc. (“NTI”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreements, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreements, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s and NTI’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreements, including the scope of advisory services provided under the Agreements. The Board noted that, under the Agreements, DIMA and NTI provide portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. Throughout the course of the year, the Board also received information regarding DIMA’s oversight of fund sub-advisors, including NTI. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that,

for the one-, three- and five-year periods ended December 31, 2020, the Fund's performance (Class A shares) was in the 2nd quartile of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers).

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, sub-advisory fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were higher than the median (3rd quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). With respect to the sub-advisory fee paid to NTI, the Board noted that the fee is paid by DIMA out of its fee and not directly by the Fund. The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be higher than the median (3rd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds") and considered differences between the Fund and the comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA and NTI.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available. The Board did not consider the profitability of NTI with respect to the Fund. The Board noted that DIMA pays NTI's fee out of its management fee, and its understanding that the Fund's sub-advisory fee schedule was the product of an arm's length negotiation with DIMA.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and NTI and Their Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and NTI and their affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-

selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel. The Board also considered the attention and resources dedicated by DIMA to the oversight of the investment sub-advisor's compliance program and compliance with the applicable fund policies and procedures.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreements is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreements.

# Notes

# Notes



vit-equ500-3 (R-028371-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series II

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**DWS International Growth VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Investing in foreign securities, particularly those of emerging markets, presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. Stocks may decline in value. Smaller company stocks tend to be more volatile than medium-sized or large company stocks. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

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NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

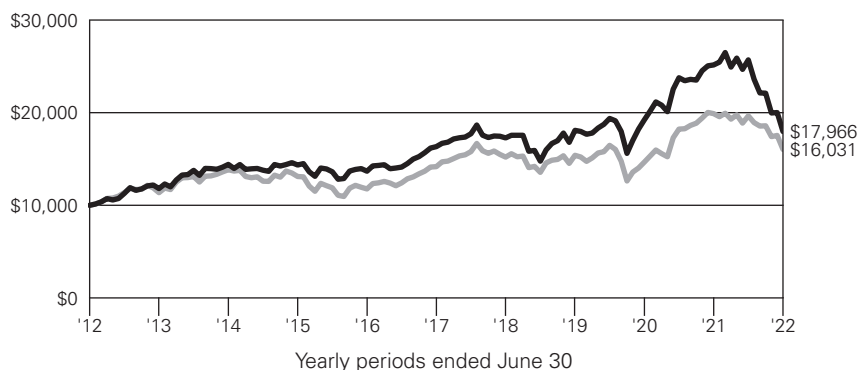
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 1.33% and 1.62% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS International Growth VIP — Class A  
 ■ MSCI All Country World ex-USA Index



MSCI All Country World ex-USA Index is an unmanaged equity index which captures large and mid-capitalization representation across 22 of 23 developed markets countries excluding the U.S. and 24 emerging markets countries. It covers approximately 85% of the global equity opportunity set outside of the U.S.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

Prior to October 1, 2017, the fund was named Deutsche Global Growth VIP and operated with a different investment strategy. Performance would have been different if the fund's current investment strategy had been in effect.

## Comparative Results

| DWS International Growth VIP        |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|-------------------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| <b>Class A</b>                      | Growth of \$10,000          | \$6,991              | \$7,143 | \$9,931  | \$11,000 | \$17,966 |
|                                     | Average annual total return | -30.09%              | -28.57% | -0.23%   | 1.92%    | 6.03%    |
| MSCI All Country World ex-USA Index | Growth of \$10,000          | \$8,158              | \$8,058 | \$10,411 | \$11,313 | \$16,031 |
|                                     | Average annual total return | -18.42%              | -19.42% | 1.35%    | 2.50%    | 4.83%    |
| DWS International Growth VIP        |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
| <b>Class B</b>                      | Growth of \$10,000          | \$6,983              | \$7,127 | \$9,850  | \$10,847 | \$17,451 |
|                                     | Average annual total return | -30.17%              | -28.73% | -0.50%   | 1.64%    | 5.73%    |
| MSCI All Country World ex-USA Index | Growth of \$10,000          | \$8,158              | \$8,058 | \$10,411 | \$11,313 | \$16,031 |
|                                     | Average annual total return | -18.42%              | -19.42% | 1.35%    | 2.50%    | 4.83%    |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 95%            | 98%             |
| Cash Equivalents   | 4%             | 1%              |
| Preferred Stocks   | 1%             | 1%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Information Technology  | 22%            | 25%             |
| Industrials   | 21%            | 22%             |
| Financials  | 18%            | 14%             |
| Health Care   | 13%            | 14%             |
| Consumer Discretionary  | 7%             | 8%              |
| Consumer Staples  | 7%             | 6%              |
| Materials   | 5%             | 5%              |
| Communication Services  | 4%             | 4%              |
| Energy  | 3%             | 2%              |
|   | 100%           | 100%            |

| <b>Geographical Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Germany   | 14%            | 13%             |
| France  | 12%            | 12%             |
| Canada  | 10%            | 8%              |
| Switzerland   | 10%            | 8%              |
| Netherlands   | 9%             | 10%             |
| United States   | 9%             | 8%              |
| Japan   | 9%             | 9%              |
| China   | 6%             | 4%              |
| Ireland   | 4%             | 5%              |
| United Kingdom  | 4%             | 4%              |
| Singapore   | 3%             | 2%              |
| Argentina   | 3%             | 4%              |
| Taiwan  | 2%             | 2%              |
| Sweden  | 2%             | 4%              |
| Korea   | 1%             | 2%              |
| Other   | 2%             | 5%              |
|   | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Manager

Sebastian P. Werner, PhD, Head of Investment Strategy Equity  
Portfolio Manager

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares | Value (\$)       |  | Shares | Value (\$)       |
|--|--------|------------------|--|--------|------------------|
| <b>Common Stocks 93.1%</b>                       |        |                  |  |        |                  |
| <b>Argentina 2.7%</b>                            |        |                  |  |        |                  |
| Globant SA*                                      | 2,901  | 504,774          |  |        |                  |
| MercadoLibre, Inc.*                              | 106    | 67,508           |  |        |                  |
| (Cost \$519,904)                                 |        | <b>572,282</b>   |  |        |                  |
| <b>Brazil 0.4%</b>                               |        |                  |  |        |                  |
| Pagseguro Digital Ltd. "A"*                      | 8,599  | <b>88,054</b>    |  |        |                  |
| (Cost \$261,752)                                 |        |                  |  |        |                  |
| <b>Canada 9.1%</b>                               |        |                  |  |        |                  |
| Agnico Eagle Mines Ltd.                          | 5,466  | 250,199          |  |        |                  |
| Alimentation Couche-Tard, Inc. "B"               | 7,354  | 286,859          |  |        |                  |
| Brookfield Asset Management, Inc. "A"            | 20,056 | 892,174          |  |        |                  |
| Canadian National Railway Co.                    | 3,801  | 427,553          |  |        |                  |
| Nuvei Corp. 144A*                                | 1,023  | 36,972           |  |        |                  |
| (Cost \$1,345,434)                               |        | <b>1,893,757</b> |  |        |                  |
| <b>China 5.4%</b>                                |        |                  |  |        |                  |
| Alibaba Group Holding Ltd. (ADR)*                | 1,932  | 219,630          |  |        |                  |
| ANTA Sports Products Ltd.                        | 6,800  | 83,621           |  |        |                  |
| Dada Nexus Ltd. (ADR)*                           | 635    | 5,150            |  |        |                  |
| JD.com, Inc. "A"                                 | 295    | 9,434            |  |        |                  |
| Minh Group Ltd.                                  | 22,870 | 62,438           |  |        |                  |
| Ping An Insurance (Group) Co. of China Ltd. "H"  | 55,000 | 373,177          |  |        |                  |
| Tencent Holdings Ltd.                            | 8,300  | 372,428          |  |        |                  |
| (Cost \$1,181,486)                               |        | <b>1,125,878</b> |  |        |                  |
| <b>France 11.5%</b>                              |        |                  |  |        |                  |
| Capgemini SE                                     | 1,744  | 298,358          |  |        |                  |
| Cie de Saint-Gobain                              | 3,081  | 132,602          |  |        |                  |
| LVMH Moët Hennessy Louis Vuitton SE              | 690    | 420,729          |  |        |                  |
| Orpea SA (a)                                     | 1,669  | 40,709           |  |        |                  |
| Schneider Electric SE                            | 1,385  | 163,632          |  |        |                  |
| Teleperformance                                  | 1,445  | 445,826          |  |        |                  |
| TotalEnergies SE                                 | 10,041 | 528,630          |  |        |                  |
| Vinci SA   | 4,168  | 371,671          |  |        |                  |
| (Cost \$2,258,338)                               |        | <b>2,402,157</b> |  |        |                  |
| <b>Germany 12.0%</b>                             |        |                  |  |        |                  |
| adidas AG  | 580    | 102,594          |  |        |                  |
| Allianz SE (Registered)                          | 2,062  | 394,268          |  |        |                  |
| Auto1 Group SE 144A*                             | 3,181  | 23,324           |  |        |                  |
| BASF SE  | 1,310  | 57,120           |  |        |                  |
| Brenntag SE                                      | 2,428  | 158,372          |  |        |                  |
| Deutsche Boerse AG                               | 3,478  | 582,497          |  |        |                  |
| Deutsche Post AG (Registered)                    | 4,962  | 186,445          |  |        |                  |
| Evonik Industries AG                             | 9,898  | 211,502          |  |        |                  |
| Evotec SE*                                       | 6,090  | 147,556          |  |        |                  |
| KION Group AG                                    | 515    | 21,515           |  |        |                  |
| SAP SE   | 2,643  | 240,044          |  |        |                  |
|  |        |                  |  |        |                  |
| Siemens Healthineers AG 144A                     | 2,160  | 109,822          |  |        |                  |
| TeamViewer AG 144A*                              | 10,437 | 103,511          |  |        |                  |
| Wacker Chemie AG                                 | 865    | 125,093          |  |        |                  |
| Zalando SE 144A*                                 | 1,700  | 44,558           |  |        |                  |
| (Cost \$3,435,893)                               |        |                  |  |        | <b>2,508,221</b> |
| <b>Hong Kong 1.3%</b>                            |        |                  |  |        |                  |
| Techtronic Industries Co., Ltd. (Cost \$216,384) | 26,097 | <b>272,500</b>   |  |        |                  |
| <b>Ireland 4.2%</b>                              |        |                  |  |        |                  |
| Experian PLC                                     | 12,717 | 371,983          |  |        |                  |
| ICON PLC* (b)                                    | 993    | 215,183          |  |        |                  |
| Kerry Group PLC "A"                              | 3,086  | 295,759          |  |        |                  |
| (Cost \$839,538)                                 |        | <b>882,925</b>   |  |        |                  |
| <b>Israel 0.3%</b>                               |        |                  |  |        |                  |
| Kornit Digital Ltd.* (b) (Cost \$239,759)        | 2,234  | <b>70,818</b>    |  |        |                  |
| <b>Japan 7.9%</b>                                |        |                  |  |        |                  |
| Daikin Industries Ltd.                           | 2,500  | 399,904          |  |        |                  |
| Fast Retailing Co., Ltd.                         | 330    | 172,669          |  |        |                  |
| Hoya Corp.                                       | 2,800  | 240,893          |  |        |                  |
| Keyence Corp.                                    | 900    | 305,552          |  |        |                  |
| Lasertec Corp.                                   | 600    | 71,635           |  |        |                  |
| MISUMI Group, Inc.                               | 6,011  | 128,005          |  |        |                  |
| Shimadzu Corp.                                   | 6,600  | 209,208          |  |        |                  |
| Shiseido Co., Ltd.                               | 3,100  | 124,575          |  |        |                  |
| (Cost \$1,589,622)                               |        | <b>1,652,441</b> |  |        |                  |
| <b>Korea 1.3%</b>                                |        |                  |  |        |                  |
| Samsung Electronics Co., Ltd. (Cost \$262,946)   | 5,942  | <b>261,170</b>   |  |        |                  |
| <b>Luxembourg 1.0%</b>                           |        |                  |  |        |                  |
| Eurofins Scientific SE (Cost \$189,508)          | 2,554  | <b>201,241</b>   |  |        |                  |
| <b>Netherlands 8.3%</b>                          |        |                  |  |        |                  |
| Adyen NV 144A*                                   | 90     | 130,958          |  |        |                  |
| Airbus SE  | 1,760  | 171,321          |  |        |                  |
| ASML Holding NV                                  | 801    | 381,233          |  |        |                  |
| ING Groep NV                                     | 28,950 | 287,090          |  |        |                  |
| Koninklijke DSM NV                               | 1,842  | 265,362          |  |        |                  |
| NXP Semiconductors NV (b)                        | 1,330  | 196,880          |  |        |                  |
| Prosus NV  | 2,066  | 134,741          |  |        |                  |
| Universal Music Group NV                         | 7,981  | 160,328          |  |        |                  |
| (Cost \$1,958,990)                               |        | <b>1,727,913</b> |  |        |                  |
| <b>Singapore 2.9%</b>                            |        |                  |  |        |                  |
| DBS Group Holdings Ltd. (Cost \$547,652)         | 28,500 | <b>609,859</b>   |  |        |                  |
| <b>Sweden 1.9%</b>                               |        |                  |  |        |                  |
| Assa Abloy AB "B"                                | 6,090  | 129,740          |  |        |                  |
| Hexagon AB "B"                                   | 13,100 | 136,198          |  |        |                  |
| Spotify Technology SA* (c)                       | 1,352  | 126,858          |  |        |                  |
| (Cost \$525,637)                                 |        | <b>392,796</b>   |  |        |                  |

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

|  | Shares | Value (\$)        |
|--|--------|-------------------|
| <b>Switzerland 9.0%</b>  |        |                   |
| Alcon, Inc.  | 2,160  | 150,394           |
| Lonza Group AG (Registered)                                      | 1,143  | 608,788           |
| Nestle SA (Registered)   | 5,419  | 632,373           |
| Roche Holding AG (Genusschein)                                   | 1,187  | 396,124           |
| Sportradar Holding AG "A"* (a) (b)                               | 6,100  | 48,190            |
| Zur Rose Group AG*   | 628    | 47,067            |
| (Cost \$1,628,498)   |        | <b>1,882,936</b>  |
| <b>Taiwan 2.1%</b>   |        |                   |
| Taiwan Semiconductor Manufacturing Co., Ltd.<br>(Cost \$274,548) | 27,000 | <b>431,931</b>    |
| <b>United Kingdom 3.7%</b>                                       |        |                   |
| Clarivate PLC* (c)   | 10,909 | 151,199           |
| Farfetch Ltd. "A"* (c)   | 4,164  | 29,814            |
| Halma PLC  | 6,001  | 146,562           |
| Rentokil Initial PLC   | 76,200 | 440,626           |
| VTEX "A"* (a) (c)  | 3,204  | 9,868             |
| (Cost \$1,074,404)   |        | <b>778,069</b>    |
| <b>United States 8.1%</b>  |        |                   |
| Activision Blizzard, Inc.  | 1,560  | 121,462           |
| EPAM Systems, Inc.*  | 1,050  | 309,519           |
| Marsh & McLennan Companies, Inc.                                 | 2,434  | 377,879           |
| Mastercard, Inc. "A"   | 826    | 260,586           |
| NVIDIA Corp.   | 1,504  | 227,991           |
| Schlumberger NV  | 4,015  | 143,576           |
| Thermo Fisher Scientific, Inc.                                   | 460    | 249,909           |
| (Cost \$1,045,622)   |        | <b>1,690,922</b>  |
| <b>Total Common Stocks</b><br>(Cost \$19,395,915)                |        | <b>19,445,870</b> |

|  | Shares                 | Value (\$)        |
|--|------------------------|-------------------|
| <b>Preferred Stocks 1.0%</b>   |                        |                   |
| <b>Germany</b>   |                        |                   |
| Sartorius AG (Cost \$214,661)  | 600                    | <b>210,110</b>    |
| <b>Securities Lending Collateral 0.5%</b>  |                        |                   |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (d) (e)<br>(Cost \$103,386) | 103,386                | <b>103,386</b>    |
| <b>Cash Equivalents 3.9%</b>   |                        |                   |
| DWS Central Cash Management Government Fund, 1.36% (d)<br>(Cost \$821,695)   | 821,695                | <b>821,695</b>    |
|  | <b>% of Net Assets</b> | <b>Value (\$)</b> |
| <b>Total Investment Portfolio</b><br>(Cost \$20,535,657)   | 98.5                   | <b>20,581,061</b> |
| <b>Other Assets and Liabilities, Net</b>   | 1.5                    | <b>321,310</b>    |
| <b>Net Assets</b>  | 100.0                  | <b>20,902,371</b> |

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$)   | Purchases        | Sales            | Net Realized     | Net Change in                               | Capital Gain       | Number                 | Value (\$)     |
|--|------------------|------------------|------------------|---|--------------------|------------------------|----------------|
| at 12/31/2021  | Cost (\$)        | Proceeds (\$)    | Gain/(Loss) (\$) | Unrealized Appreciation (Depreciation) (\$) | Distributions (\$) | of Shares at 6/30/2022 | at 6/30/2022   |
| <b>Securities Lending Collateral 0.5%</b>  |                  |                  |                  |   |                    |                        |                |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (d) (e) |                  |                  |                  |   |                    |                        |                |
| 631,412  | —                | 528,026 (f)      | —                | —   | 886                | 103,386                | 103,386        |
| <b>Cash Equivalents 3.9%</b>   |                  |                  |                  |   |                    |                        |                |
| DWS Central Cash Management Government Fund, 1.36% (d)   |                  |                  |                  |   |                    |                        |                |
| 236,102  | 9,330,547        | 8,744,954        | —                | —   | 1,248              | 821,695                | 821,695        |
| <b>867,514</b>   | <b>9,330,547</b> | <b>9,272,980</b> | <b>—</b>         | <b>—</b>                                    | <b>2,134</b>       | <b>925,081</b>         | <b>925,081</b> |

\* Non-income producing security.

- (a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$97,243, which is 0.5% of net assets.
- (b) Listed on the NASDAQ Stock Market, Inc.
- (c) Listed on the New York Stock Exchange.
- (d) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (e) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

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

(f) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

ADR: American Depositary Receipt

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>              | <b>Level 1</b>     | <b>Level 2</b>      | <b>Level 3</b> | <b>Total</b>        |
|----------------------------|--------------------|---------------------|----------------|---------------------|
| Common Stocks              |                    |                     |                |                     |
| Argentina                  | \$ 572,282         | \$ —                | \$ —           | \$ 572,282          |
| Brazil                     | 88,054             | —                   | —              | 88,054              |
| Canada                     | 1,893,757          | —                   | —              | 1,893,757           |
| China                      | 224,780            | 901,098             | —              | 1,125,878           |
| France                     | —                  | 2,402,157           | —              | 2,402,157           |
| Germany                    | —                  | 2,508,221           | —              | 2,508,221           |
| Hong Kong                  | —                  | 272,500             | —              | 272,500             |
| Ireland                    | 215,183            | 667,742             | —              | 882,925             |
| Israel                     | 70,818             | —                   | —              | 70,818              |
| Japan                      | —                  | 1,652,441           | —              | 1,652,441           |
| Korea                      | —                  | 261,170             | —              | 261,170             |
| Luxembourg                 | —                  | 201,241             | —              | 201,241             |
| Netherlands                | 196,880            | 1,531,033           | —              | 1,727,913           |
| Singapore                  | —                  | 609,859             | —              | 609,859             |
| Sweden                     | 126,858            | 265,938             | —              | 392,796             |
| Switzerland                | 48,190             | 1,834,746           | —              | 1,882,936           |
| Taiwan                     | —                  | 431,931             | —              | 431,931             |
| United Kingdom             | 190,881            | 587,188             | —              | 778,069             |
| United States              | 1,690,922          | —                   | —              | 1,690,922           |
| Preferred Stocks           | —                  | 210,110             | —              | 210,110             |
| Short-Term Investments (a) | 925,081            | —                   | —              | 925,081             |
| <b>Total</b>               | <b>\$6,243,686</b> | <b>\$14,337,375</b> | <b>\$ —</b>    | <b>\$20,581,061</b> |

(a) See Investment Portfolio for additional detailed categorizations.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>  |                      |
|--|----------------------|
| Investments in non-affiliated securities, at value (cost \$19,610,576) — including \$97,243 of securities loaned   | \$ 19,655,980        |
| Investment in DWS Government & Agency Securities Portfolio (cost \$103,386)*   | 103,386              |
| Investment in DWS Central Cash Management Government Fund (cost \$821,695)   | 821,695              |
| Foreign currency, at value (cost \$232,789)  | 224,587              |
| Receivable for investments sold  | 327,908              |
| Receivable for Fund shares sold  | 2,765                |
| Dividends receivable   | 13,811               |
| Interest receivable  | 764                  |
| Foreign taxes recoverable  | 32,588               |
| Other assets   | 240                  |
| <b>Total assets</b>  | <b>21,183,724</b>    |
| <b>Liabilities</b>   |                      |
| Payable upon return of securities loaned   | 103,386              |
| Payable for investments purchased  | 106,568              |
| Payable for Fund shares redeemed   | 8,639                |
| Accrued Trustees' fees   | 416                  |
| Other accrued expenses and payables  | 62,344               |
| <b>Total liabilities</b>   | <b>281,353</b>       |
| <b>Net assets, at value</b>  | <b>\$ 20,902,371</b> |
| <b>Net Assets Consist of</b>   |                      |
| Distributable earnings (loss)  | (330,929)            |
| Paid-in capital  | 21,233,300           |
| <b>Net assets, at value</b>  | <b>\$ 20,902,371</b> |
| <b>Net Asset Value</b>   |                      |
| <b>Class A</b>   |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$20,823,168 ÷ 1,622,578 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 12.83</b>      |
| <b>Class B</b>   |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$79,203 ÷ 6,150 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)         | <b>\$ 12.88</b>      |

\* Represents collateral on securities loaned.

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                      |
|--|----------------------|
| Income:  |                      |
| Dividends (net of foreign taxes withheld of \$38,924)                  | \$ 272,397           |
| Income distributions — DWS Central Cash Management Government Fund     | 1,248                |
| Securities lending income, net of borrower rebates                     | 886                  |
| <b>Total income</b>  | <b>274,531</b>       |
| Expenses:  |                      |
| Management fee   | 74,748               |
| Administration fee   | 11,695               |
| Services to shareholders   | 353                  |
| Record keeping fee (Class B)   | 9                    |
| Distribution service fee (Class B)                                     | 108                  |
| Custodian fee  | 7,060                |
| Audit fee  | 29,309               |
| Legal fees   | 9,664                |
| Tax fees   | 3,603                |
| Reports to shareholders  | 12,127               |
| Trustees' fees and expenses  | 2,077                |
| Other  | 6,517                |
| <b>Total expenses before expense reductions</b>                        | <b>157,270</b>       |
| Expense reductions   | (45,873)             |
| <b>Total expenses after expense reductions</b>                         | <b>111,397</b>       |
| <b>Net investment income</b>   | <b>163,134</b>       |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                      |
| Net realized gain (loss) from:   |                      |
| Investments  | (474,616)            |
| Foreign currency   | (5,760)              |
|  | (480,376)            |
| Change in net unrealized appreciation (depreciation) on:               |                      |
| Investments  | (8,344,915)          |
| Foreign currency   | (7,880)              |
|  | (8,352,795)          |
| <b>Net gain (loss)</b>   | <b>(8,833,171)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(8,670,037)</b> |

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



# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 163,134  | \$ 85,743                          |
| Net realized gain (loss)  | (480,376)   | 453,819                            |
| Change in net unrealized appreciation<br>(depreciation)               | (8,352,795)   | 987,523                            |
| Net increase (decrease) in net assets resulting from operations       | (8,670,037)   | 1,527,085                          |
| Distributions to shareholders:  |   |                                    |
| Class A   | (549,151)   | (300,260)                          |
| Class B   | (1,661)   | (1,284)                            |
| Total distributions   | (550,812)   | (301,544)                          |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 8,555,337   | 3,858,747                          |
| Reinvestment of distributions   | 549,151   | 300,260                            |
| Payments for shares redeemed  | (1,540,794)   | (2,223,148)                        |
| Net increase (decrease) in net assets from Class A share transactions | 7,563,694   | 1,935,859                          |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 9,362   | 69,880                             |
| Reinvestment of distributions   | 1,661   | 1,284                              |
| Payments for shares redeemed  | (3,264)   | (79,732)                           |
| Net increase (decrease) in net assets from Class B share transactions | 7,759   | (8,568)                            |
| <b>Increase (decrease) in net assets</b>                              | (1,649,396)   | 3,152,832                          |
| Net assets at beginning of period                                     | 22,551,767  | 19,398,935                         |
| <b>Net assets at end of period</b>                                    | <b>\$20,902,371</b>                                 | <b>\$22,551,767</b>                |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 1,193,724   | 1,093,246                          |
| Shares sold   | 493,388   | 205,692                            |
| Shares issued to shareholders in reinvestment of distributions        | 38,864  | 16,498                             |
| Shares redeemed   | (103,398)   | (121,712)                          |
| Net increase (decrease) in Class A shares                             | 428,854   | 100,478                            |
| Shares outstanding at end of period                                   | <b>1,622,578</b>                                    | <b>1,193,724</b>                   |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 5,576   | 6,025                              |
| Shares sold   | 672   | 3,808                              |
| Shares issued to shareholders in reinvestment of distributions        | 117   | 70                                 |
| Shares redeemed   | (215)   | (4,327)                            |
| Net increase (decrease) in Class B shares                             | 574   | (449)                              |
| Shares outstanding at end of period                                   | <b>6,150</b>  | <b>5,576</b>                       |

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

# Financial Highlights

## DWS International Growth VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|--|--|----------------|--------------------------|----------------|----------------|----------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$18.80</b>                             | <b>\$17.65</b> | <b>\$14.64</b>           | <b>\$11.47</b> | <b>\$13.90</b> | <b>\$11.12</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                           | .10  | .08            | .06                      | .22            | .16            | .08            |
| Net realized and unrealized gain (loss)                      | (5.73)                                     | 1.34           | 3.17                     | 3.32           | (2.46)         | 2.75           |
| <b>Total from investment operations</b>                      | <b>(5.63)</b>                              | <b>1.42</b>    | <b>3.23</b>              | <b>3.54</b>    | <b>(2.30)</b>  | <b>2.83</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                |
| Net investment income  | (.15)                                      | (.06)          | (.22)                    | (.17)          | (.13)          | (.05)          |
| Net realized gains   | (.19)                                      | (.21)          | —                        | (.20)          | —              | —              |
| <b>Total distributions</b>                                   | <b>(.34)</b>                               | <b>(.27)</b>   | <b>(.22)</b>             | <b>(.37)</b>   | <b>(.13)</b>   | <b>(.05)</b>   |
| <b>Net asset value, end of period</b>                        | <b>\$12.83</b>                             | <b>\$18.80</b> | <b>\$17.65</b>           | <b>\$14.64</b> | <b>\$11.47</b> | <b>\$13.90</b> |
| Total Return (%) <sup>b</sup>                                | (30.09)*                                   | 8.11           | 22.69                    | 31.22          | (16.69)        | 25.47          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                      | 21   | 22             | 19                       | 18             | 14             | 19             |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | 1.30**                                     | 1.33           | 1.50                     | 1.64           | 1.72           | 1.56           |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .92**                                      | .90            | .87                      | .86            | .81            | .92            |
| Ratio of net investment income (%)                           | 1.35**                                     | .41            | .42                      | 1.63           | 1.21           | .61            |
| Portfolio turnover rate (%)                                  | 6*   | 20             | 10                       | 16             | 38             | 62             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## DWS International Growth VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|--|--|----------------|--------------------------|----------------|----------------|----------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$18.84</b>                             | <b>\$17.67</b> | <b>\$14.66</b>           | <b>\$11.49</b> | <b>\$13.93</b> | <b>\$11.13</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                           | .08  | .03            | .01                      | .18            | .12            | .02            |
| Net realized and unrealized gain (loss)                      | (5.74)                                     | 1.36           | 3.18                     | 3.33           | (2.46)         | 2.79           |
| <b>Total from investment operations</b>                      | <b>(5.66)</b>                              | <b>1.39</b>    | <b>3.19</b>              | <b>3.51</b>    | <b>(2.34)</b>  | <b>2.81</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                |
| Net investment income  | (.11)                                      | (.01)          | (.18)                    | (.14)          | (.10)          | (.01)          |
| Net realized gains   | (.19)                                      | (.21)          | —                        | (.20)          | —              | —              |
| <b>Total distributions</b>                                   | <b>(.30)</b>                               | <b>(.22)</b>   | <b>(.18)</b>             | <b>(.34)</b>   | <b>(.10)</b>   | <b>(.01)</b>   |
| <b>Net asset value, end of period</b>                        | <b>\$12.88</b>                             | <b>\$18.84</b> | <b>\$17.67</b>           | <b>\$14.66</b> | <b>\$11.49</b> | <b>\$13.93</b> |
| Total Return (%) <sup>b</sup>                                | (30.17)*                                   | 7.88           | 22.29                    | 30.84          | (16.92)        | 25.26          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                      | .1   | .1             | .1                       | .2             | .2             | .2             |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | 1.63**                                     | 1.62           | 1.81                     | 1.95           | 2.07           | 1.90           |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | 1.18**                                     | 1.17           | 1.18                     | 1.16           | 1.06           | 1.15           |
| Ratio of net investment income (%)                           | 1.04**                                     | .18            | .07                      | 1.31           | .92            | .12            |
| Portfolio turnover rate (%)                                  | 6*   | 20             | 10                       | 16             | 38             | 62             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## A. Organization and Significant Accounting Policies

DWS International Growth VIP (the “Fund”) is a diversified series of Deutsche DWS Variable Series II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company organized as a Massachusetts business trust.

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities and exchange-traded funds (“ETFs”) are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Equity securities or ETFs for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities or ETFs are generally categorized as Level 1. For certain international equity securities, in order to adjust for events which may occur between the close of the foreign exchanges and the close of the New York Stock Exchange, a fair valuation model may be used. This fair valuation model takes into account comparisons to the valuation of American Depositary Receipts (ADRs), exchange-traded funds, futures contracts and certain indices and these securities are categorized as Level 2.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund’s valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security’s disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company’s or issuer’s financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Securities Lending.** Brown Brothers Harriman & Co., as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash and/or U.S. Treasury Securities having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had securities on loan, which were classified as common stocks in the Investment Portfolio. The value of the related collateral exceeded the value of the securities loaned at period end. As of period end, the remaining contractual maturity of the collateral agreements were overnight and continuous.

**Taxes.** The Fund's policy to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

Additionally, the Fund may be subject to taxes imposed by the governments of countries in which it invests and are generally based on income and/or capital gains earned or repatriated, a portion of which may be recoverable. Based upon the current interpretation of the tax rules and regulations, estimated tax liabilities and recoveries on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized gain/loss on investments. Tax liabilities realized as a result of security sales are reflected as a component of net realized gain/loss on investments.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$20,567,494. The net unrealized appreciation for all investments based on tax cost was \$13,567. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$3,082,141 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$3,068,574.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to investments in foreign denominated investments and certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## B. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$7,626,089 and \$1,445,814, respectively.

## C. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly at the annual rate (exclusive of any applicable waivers/reimbursements) of 0.62%.

For the period from January 1, 2022 through April 30, 2022, the Advisor had contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |       |
|---------|-------|
| Class A | .92%  |
| Class B | 1.17% |

Effective May 1, 2022 through April 30, 2023, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual

operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |       |
|---------|-------|
| Class A | .93%  |
| Class B | 1.20% |

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for each class are as follows:

|         |                  |
|---------|------------------|
| Class A | \$ 45,680        |
| Class B | 193              |
|         | <b>\$ 45,873</b> |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$11,695, of which \$1,742 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at June 30, 2022 |
|--------------------------|------------------|-------------------------|
| Class A                  | \$ 136           | \$ 39                   |
| Class B                  | 22               | 7                       |
|                          | <b>\$ 158</b>    | <b>\$ 46</b>            |

**Distribution Service Agreement.** Under the Fund’s Class B 12b-1 plan, DWS Distributors, Inc. (“DDI”) received a fee (“Distribution Service Fee”) of up to 0.25% of the average daily net assets of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee aggregated \$108, of which \$17 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$604, of which \$31 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

#### D. Ownership of the Fund

At June 30, 2022, two participating insurance companies were owners of record of 10% or more of the total

outstanding Class A shares of the Fund, each owning 60% and 27%, respectively. Two participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 88% and 12%, respectively.

#### **E. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

#### **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund’s accounting and financial reporting.



# Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

## Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 699.10      | \$ 698.30      |
| Expenses Paid per \$1,000*     | \$ 3.88        | \$ 4.97        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,020.23    | \$ 1,018.94    |
| Expenses Paid per \$1,000*         | \$ 4.61        | \$ 5.91        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                               | <b>Class A</b> | <b>Class B</b> |
|--|----------------|----------------|
| Deutsche DWS Variable Series II — DWS International Growth VIP | .92%           | 1.18%          |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS International Growth VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 2nd quartile of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being

the worst performers). The Board also observed that the Fund has outperformed its benchmark in the one-, three- and five-year periods ended December 31, 2020.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (1st quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be higher than the median (3rd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to a comparable DWS U.S. registered fund ("DWS Funds") and considered differences between the Fund and the comparable DWS Fund. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. In this regard, the Board observed that while the Fund's current investment management fee schedule does not include breakpoints, the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the

substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes

# Notes



VS2IG-3 (R-028383-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series II

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**DWS Global Income Builder VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Although allocation among different asset categories generally limits risk, fund management may favor an asset category that underperforms other assets or markets as a whole. Stocks may decline in value. Investing in foreign securities, particularly those of emerging markets, presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Bond investments are subject to interest-rate, credit, liquidity and market risks to varying degrees. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

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# Performance Summary

June 30, 2022 (Unaudited)

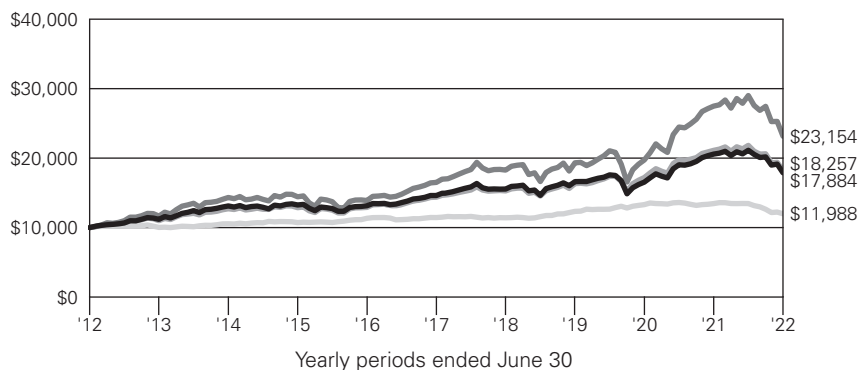
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.62% and 1.06% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

- DWS Global Income Builder VIP — Class A
- MSCI All Country World Index
- Blended Index 60/40
- Bloomberg U.S. Universal Index



MSCI All Country World Index is an unmanaged equity index which captures large and mid-capitalization representation across 23 developed markets and 24 emerging markets countries. It covers approximately 85% of the global investable equity opportunity set.

The Blended Index 60/40 consists of a blend of 60% MSCI All Country World Index and 40% Bloomberg U.S. Universal Index.

Bloomberg U.S. Universal Index measures the performance of U.S. dollar-denominated taxable bonds that are rated either investment grade or high yield. The index includes U.S. Treasury bonds, investment-grade and high yield U.S. corporate bonds, mortgage-backed securities, and Eurodollar bonds.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS Global Income Builder VIP  |                             | 6-Month* | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|--------------------------------|-----------------------------|----------|---------|----------|----------|----------|
| Class A                        | Growth of \$10,000          | \$8,464  | \$8,691 | \$10,763 | \$12,236 | \$17,884 |
|                                | Average annual total return | -15.36%  | -13.09% | 2.48%    | 4.12%    | 5.99%    |
| MSCI All Country World Index   | Growth of \$10,000          | \$7,982  | \$8,425 | \$11,981 | \$14,028 | \$23,154 |
|                                | Average annual total return | -20.18%  | -15.75% | 6.21%    | 7.00%    | 8.76%    |
| Blended Index 60/40            | Growth of \$10,000          | \$8,361  | \$8,645 | \$11,180 | \$12,702 | \$18,257 |
|                                | Average annual total return | -16.39%  | -13.55% | 3.79%    | 4.90%    | 6.20%    |
| Bloomberg U.S. Universal Index | Growth of \$10,000          | \$8,907  | \$8,911 | \$9,720  | \$10,476 | \$11,988 |
|                                | Average annual total return | -10.93%  | -10.89% | -0.94%   | 0.94%    | 1.83%    |

## Comparative Results

| <b>DWS Global Income Builder VIP</b> |                             | <b>6-Month<sup>‡</sup></b> | <b>1-Year</b> | <b>3-Year</b> | <b>Life of Class*</b> |
|--------------------------------------|-----------------------------|----------------------------|---------------|---------------|-----------------------|
| <b>Class B</b>                       | Growth of \$10,000          | \$8,455                    | \$8,662       | \$10,672      | \$11,383              |
|                                      | Average annual total return | -15.45%                    | -13.38%       | 2.19%         | 3.16%                 |
| MSCI All Country World Index         | Growth of \$10,000          | \$7,982                    | \$8,425       | \$11,981      | \$12,616              |
|                                      | Average annual total return | -20.18%                    | -15.75%       | 6.21%         | 5.74%                 |
| Blended Index 60/40                  | Growth of \$10,000          | \$8,361                    | \$8,645       | \$11,180      | \$11,940              |
|                                      | Average annual total return | -16.39%                    | -13.55%       | 3.79%         | 6.66%                 |
| Bloomberg<br>U.S. Universal Index    | Growth of \$10,000          | \$8,907                    | \$8,911       | \$9,720       | \$10,547              |
|                                      | Average annual total return | -10.93%                    | -10.89%       | -0.94%        | 1.29%                 |

The growth of \$10,000 is cumulative.

\* Class B commenced operations on May 1, 2018.

‡ Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| <b>Equity</b>  | <b>64%</b>     | <b>65%</b>      |
| Common Stocks  | 59%            | 60%             |
| Exchange-Traded Funds  | 3%             | 3%              |
| Preferred Stocks   | 2%             | 2%              |
| Warrants   | 0%             | 0%              |
| <b>Fixed Income</b>  | <b>34%</b>     | <b>32%</b>      |
| Corporate Bonds  | 18%            | 23%             |
| Government & Agency Obligations  | 7%             | 1%              |
| Asset-Backed   | 5%             | 3%              |
| Commercial Mortgage-Backed Securities  | 2%             | 2%              |
| Short-Term U.S. Treasury Obligation  | 1%             | 1%              |
| Collateralized Mortgage Obligations  | 1%             | 2%              |
| Mortgage-Backed Securities Pass-Throughs   | 0%             | 0%              |
| <b>Cash Equivalents</b>  | <b>2%</b>      | <b>3%</b>       |
| Cash Equivalents   | 2%             | 3%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Equities, Preferred Securities, Warrants and Corporate Bonds) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Financials   | 21%            | 23%             |
| Information Technology   | 17%            | 20%             |
| Health Care  | 11%            | 9%              |
| Energy   | 9%             | 6%              |
| Communication Services   | 8%             | 10%             |
| Industrials  | 8%             | 6%              |
| Consumer Staples   | 7%             | 5%              |
| Consumer Discretionary   | 7%             | 8%              |
| Utilities  | 5%             | 5%              |
| Materials  | 4%             | 4%              |
| Real Estate  | 3%             | 4%              |
|  | 100%           | 100%            |

| <b>Geographical Diversification</b> (As a % of Investment Portfolio excluding Exchange-Traded Funds, Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| United States  | 64%            | 63%             |
| Canada   | 5%             | 4%              |
| Japan  | 4%             | 5%              |
| United Kingdom   | 3%             | 4%              |
| Cayman Islands   | 3%             | 1%              |
| Switzerland  | 2%             | 3%              |
| Germany  | 2%             | 2%              |
| France   | 2%             | 2%              |
| Netherlands  | 1%             | 2%              |
| Australia  | 1%             | 1%              |
| Hong Kong  | 1%             | 0%              |
| Ireland  | 1%             | 1%              |
| Other  | 11%            | 12%             |
|  | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 7.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## **Portfolio Management Team**

Dokyoung Lee, CFA, Regional Head of Multi Asset & Solutions

Di Kumble, CFA, Senior Portfolio Manager Equity

Thomas M. Farina, CFA, Head of Investment Strategy Fixed Income

Darwei Kung, Head of Investment Strategy Liquid Real Assets

Portfolio Managers

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares | Value (\$)       |  | Shares | Value (\$) |
|--|--------|------------------|--|--------|------------|
| <b>Common Stocks 59.1%</b>                         |        |                  |  |        |            |
| <b>Communication Services 4.4%</b>                 |        |                  |  |        |            |
| <b>Diversified Telecommunication Services 1.4%</b> |        |                  |  |        |            |
| BCE, Inc.  | 4,450  | 218,732          |  |        |            |
| Deutsche Telekom AG (Registered)                   | 7,238  | 143,757          |  |        |            |
| Telefonica Brasil SA (ADR)                         | 9,700  | 87,882           |  |        |            |
| Telefonica Deutschland Holding AG                  | 70,226 | 201,449          |  |        |            |
| Telenor ASA  | 11,090 | 147,223          |  |        |            |
| Telstra Corp., Ltd.                                | 62,904 | 166,876          |  |        |            |
| TELUS Corp.  | 7,778  | 173,241          |  |        |            |
| Verizon Communications, Inc.                       | 6,894  | 349,870          |  |        |            |
|  |        | <b>1,489,030</b> |  |        |            |
| <b>Entertainment 0.3%</b>                          |        |                  |  |        |            |
| AMC Entertainment Holdings, Inc. "A"* (a)          | 2,800  | 37,940           |  |        |            |
| Embracer Group AB*                                 | 3,880  | 29,688           |  |        |            |
| iQIYI, Inc. (ADR)*                                 | 8,600  | 36,120           |  |        |            |
| Koei Tecmo Holdings Co., Ltd.                      | 3,500  | 112,745          |  |        |            |
| Netflix, Inc.*                                     | 400    | 69,948           |  |        |            |
| Nintendo Co., Ltd.                                 | 156    | 67,671           |  |        |            |
|  |        | <b>354,112</b>   |  |        |            |
| <b>Interactive Media &amp; Services 2.0%</b>       |        |                  |  |        |            |
| Alphabet, Inc. "A"*                                | 300    | 653,778          |  |        |            |
| Alphabet, Inc. "C"*                                | 289    | 632,173          |  |        |            |
| JOYY, Inc. (ADR)                                   | 5,200  | 155,272          |  |        |            |
| Kanzhun Ltd. (ADR)*                                | 3,700  | 97,236           |  |        |            |
| Match Group, Inc.*                                 | 1,200  | 83,628           |  |        |            |
| Meta Platforms, Inc. "A"*                          | 2,100  | 338,625          |  |        |            |
| Snap, Inc. "A"*                                    | 4,800  | 63,024           |  |        |            |
| Twitter, Inc.*                                     | 3,400  | 127,126          |  |        |            |
| Zillow Group, Inc. "C"*                            | 2,000  | 63,500           |  |        |            |
|  |        | <b>2,214,362</b> |  |        |            |
| <b>Media 0.4%</b>                                  |        |                  |  |        |            |
| Comcast Corp. "A"                                  | 7,638  | 299,715          |  |        |            |
| Interpublic Group of Companies, Inc.               | 3,992  | 109,900          |  |        |            |
|  |        | <b>409,615</b>   |  |        |            |
| <b>Wireless Telecommunication Services 0.3%</b>    |        |                  |  |        |            |
| SoftBank Corp.                                     | 20,601 | 228,705          |  |        |            |
| Vodafone Group PLC                                 | 39,347 | 60,875           |  |        |            |
|  |        | <b>289,580</b>   |  |        |            |
| <b>Consumer Discretionary 4.4%</b>                 |        |                  |  |        |            |
| <b>Automobiles 1.0%</b>                            |        |                  |  |        |            |
| Ford Motor Co.                                     | 2,600  | 28,938           |  |        |            |
| Tesla, Inc.*                                       | 1,018  | 685,542          |  |        |            |
| Volkswagen AG                                      | 2,704  | 389,139          |  |        |            |
|  |        | <b>1,103,619</b> |  |        |            |
| <b>Hotels, Restaurants &amp; Leisure 0.5%</b>      |        |                  |  |        |            |
| Airbnb, Inc. "A"*                                  | 1,000  | 89,080           |  |        |            |
| Caesars Entertainment, Inc.*                       | 700    | 26,810           |  |        |            |
| Evolution AB 144A                                  | 339    | 30,765           |  |        |            |
| McDonald's Corp.                                   | 710    | 175,285          |  |        |            |
| Restaurant Brands International, Inc.              | 1,812  | 90,895           |  |        |            |
| Starbucks Corp.                                    | 889    | 67,911           |  |        |            |
|  |        | <b>480,746</b>   |  |        |            |
| <b>Household Durables 0.2%</b>                     |        |                  |  |        |            |
| Garmin Ltd.  | 942    | 92,551           |  |        |            |
| Open House Group Co., Ltd.                         | 3,800  | 150,961          |  |        |            |
|  |        | <b>243,512</b>   |  |        |            |
| <b>Internet &amp; Direct Marketing Retail 1.3%</b> |        |                  |  |        |            |
| Amazon.com, Inc.*                                  | 7,720  | 819,941          |  |        |            |
| DoorDash, Inc. "A"*                                | 700    | 44,919           |  |        |            |
| Meituan (ADR)*                                     | 3,900  | 194,766          |  |        |            |
| Pinduoduo, Inc. (ADR)*                             | 4,400  | 271,920          |  |        |            |
|  |        | <b>1,331,546</b> |  |        |            |
| <b>Multiline Retail 0.2%</b>                       |        |                  |  |        |            |
| Target Corp.                                       | 941    | 132,898          |  |        |            |
| Wesfarmers Ltd.                                    | 3,780  | 109,276          |  |        |            |
|  |        | <b>242,174</b>   |  |        |            |
| <b>Specialty Retail 0.9%</b>                       |        |                  |  |        |            |
| Hikari Tsushin, Inc.                               | 600    | 61,367           |  |        |            |
| Home Depot, Inc.                                   | 1,112  | 304,988          |  |        |            |
| Lowe's Companies, Inc.                             | 1,139  | 198,949          |  |        |            |
| TJX Companies, Inc.                                | 3,700  | 206,645          |  |        |            |
| USS Co., Ltd.                                      | 11,400 | 197,165          |  |        |            |
|  |        | <b>969,114</b>   |  |        |            |
| <b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>   |        |                  |  |        |            |
| Kering SA  | 350    | 180,103          |  |        |            |
| NIKE, Inc. "B"                                     | 500    | 51,100           |  |        |            |
| Pandora A/S  | 1,156  | 73,407           |  |        |            |
|  |        | <b>304,610</b>   |  |        |            |
| <b>Consumer Staples 5.1%</b>                       |        |                  |  |        |            |
| <b>Beverages 0.6%</b>                              |        |                  |  |        |            |
| Coca-Cola Co.                                      | 5,382  | 338,581          |  |        |            |
| Kirin Holdings Co., Ltd.                           | 7,900  | 124,374          |  |        |            |
| PepsiCo, Inc.                                      | 806    | 134,328          |  |        |            |
|  |        | <b>597,283</b>   |  |        |            |
| <b>Food &amp; Staples Retailing 0.4%</b>           |        |                  |  |        |            |
| Walgreens Boots Alliance, Inc.                     | 3,920  | 148,568          |  |        |            |
| Walmart, Inc.                                      | 1,643  | 199,756          |  |        |            |
| Woolworths Group Ltd.                              | 1,560  | 38,298           |  |        |            |
|  |        | <b>386,622</b>   |  |        |            |

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

|  | Shares | Value (\$)       |   | Shares | Value (\$)       |
|--|--------|------------------|---|--------|------------------|
| <b>Food Products 0.2%</b>                  |        |                  | Signature Bank  | 200    | 35,842           |
| Nestle SA (Registered)                     | 1,218  | 142,135          | Toronto-Dominion Bank                                     | 6,410  | 420,345          |
| Wilmar International Ltd.                  | 46,039 | 134,081          | Truist Financial Corp.                                    | 2,980  | 141,342          |
|  |        | <b>276,216</b>   | U.S. Bancorp.   | 1,620  | 74,553           |
| <b>Household Products 0.4%</b>             |        |                  | United Overseas Bank Ltd.                                 | 2,582  | 48,828           |
| Kimberly-Clark Corp.                       | 855    | 115,553          | Westpac Banking Corp.                                     | 9,850  | 132,360          |
| Procter & Gamble Co.                       | 2,240  | 322,090          |   |        | <b>4,067,567</b> |
|  |        | <b>437,643</b>   | <b>Capital Markets 1.7%</b>                               |        |                  |
| <b>Personal Products 0.2%</b>              |        |                  | BlackRock, Inc.   | 237    | 144,342          |
| Unilever PLC                               | 5,441  | 247,855          | Blackstone, Inc.  | 8,633  | 787,589          |
| <b>Tobacco 3.3%</b>                        |        |                  | Charles Schwab Corp.                                      | 1,500  | 94,770           |
| Altria Group, Inc.                         | 29,200 | 1,219,684        | CME Group, Inc.   | 1,200  | 245,640          |
| British American Tobacco PLC               | 20,209 | 864,891          | Daiwa Securities Group, Inc.                              | 35,100 | 156,456          |
| Japan Tobacco, Inc.                        | 52,700 | 910,629          | Franklin Resources, Inc.                                  | 5,018  | 116,970          |
| Philip Morris International, Inc.          | 5,002  | 493,897          | Macquarie Group Ltd.                                      | 309    | 35,080           |
|  |        | <b>3,489,101</b> | Morgan Stanley  | 1,200  | 91,272           |
|  |        |                  | State Street Corp.  | 1,700  | 104,805          |
| <b>Energy 4.8%</b>                         |        |                  |   |        | <b>1,776,924</b> |
| <b>Oil, Gas &amp; Consumable Fuels</b>     |        |                  | <b>Consumer Finance 0.0%</b>                              |        |                  |
| Aker BP ASA                                | 1,603  | 55,331           | 360 DigiTech, Inc.  | 2,900  | 50,170           |
| Chevron Corp.                              | 3,153  | 456,491          | <b>Diversified Financial Services 1.6%</b>                |        |                  |
| Enbridge, Inc.                             | 33,400 | 1,410,522        | Apollo Global Management, Inc.                            | 6,056  | 293,595          |
| Eni SpA                                    | 55,965 | 665,827          | Investor AB "B"   | 63,097 | 1,038,891        |
| Exxon Mobil Corp.                          | 7,800  | 667,992          | Mitsubishi HC Capital, Inc.                               | 81,200 | 374,235          |
| ONEOK, Inc.                                | 3,400  | 188,700          |   |        | <b>1,706,721</b> |
| Phillips 66                                | 2,000  | 163,980          | <b>Insurance 2.5%</b>                                     |        |                  |
| Suncor Energy, Inc.                        | 3,500  | 122,794          | Ageas SV  | 5,739  | 252,185          |
| TC Energy Corp.                            | 4,795  | 248,392          | Assicurazioni Generali SpA                                | 4,041  | 64,556           |
| TotalEnergies SE                           | 11,353 | 597,703          | AXA SA  | 8,698  | 198,666          |
| Valero Energy Corp.                        | 3,200  | 340,096          | Erie Indemnity Co. "A"                                    | 1,300  | 249,847          |
| Williams Companies, Inc.                   | 9,000  | 280,890          | Hannover Rueck SE   | 2,473  | 359,769          |
|  |        | <b>5,198,718</b> | Manulife Financial Corp.                                  | 10,007 | 173,521          |
| <b>Financials 9.6%</b>                     |        |                  | Muenchener Ruckversicherungs-Gesellschaft AG (Registered) | 805    | 189,429          |
| <b>Banks 3.8%</b>                          |        |                  | Poste Italiane SpA 144A                                   | 30,908 | 289,269          |
| Australia & New Zealand Banking Group Ltd. | 5,466  | 83,094           | Swiss Re AG   | 5,127  | 397,306          |
| Banco Bradesco SA (ADR)                    | 44,600 | 145,396          | Zurich Insurance Group AG                                 | 1,088  | 472,691          |
| Bank Leumi Le-Israel BM                    | 63,441 | 563,948          |   |        | <b>2,647,239</b> |
| Bank of Montreal                           | 2,184  | 210,018          | <b>Health Care 7.3%</b>                                   |        |                  |
| Bank of Nova Scotia                        | 3,515  | 208,027          | <b>Biotechnology 0.9%</b>                                 |        |                  |
| Canadian Imperial Bank of Commerce         | 3,340  | 162,200          | AbbVie, Inc.  | 3,660  | 560,565          |
| Commonwealth Bank of Australia             | 2,571  | 160,314          | Amgen, Inc.   | 1,292  | 314,344          |
| HSBC Holdings PLC                          | 61,172 | 399,940          | Zai Lab Ltd. (ADR)*                                       | 1,600  | 55,488           |
| Huntington Bancshares, Inc.                | 65,776 | 791,285          |   |        | <b>930,397</b>   |
| JPMorgan Chase & Co.                       | 545    | 61,373           | <b>Health Care Equipment &amp; Supplies 0.6%</b>          |        |                  |
| KB Financial Group, Inc. (ADR)*            | 700    | 26,040           | Abbott Laboratories                                       | 2,058  | 223,602          |
| M&T Bank Corp.                             | 200    | 31,878           | Coloplast AS "B"  | 311    | 35,652           |
| Mizrahi Tefahot Bank Ltd.                  | 7,401  | 244,726          | Intuitive Surgical, Inc.*                                 | 200    | 40,142           |
| PNC Financial Services Group, Inc.         | 799    | 126,058          |   |        |                  |

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



|  | Shares | Value (\$)       |  | Shares | Value (\$) |
|--|--------|------------------|--|--------|------------|
| Masimo Corp.*  | 1,300  | 169,871          |  |        |            |
| Medtronic PLC  | 1,489  | 133,638          |  |        |            |
|  |        | <b>602,905</b>   |  |        |            |
| <b>Health Care Providers &amp; Services 0.8%</b>               |        |                  |  |        |            |
| Cigna Corp.  | 700    | 184,464          |  |        |            |
| CVS Health Corp.   | 2,169  | 200,980          |  |        |            |
| Elevance Health, Inc.  | 100    | 48,258           |  |        |            |
| UnitedHealth Group, Inc.                                       | 894    | 459,185          |  |        |            |
|  |        | <b>892,887</b>   |  |        |            |
| <b>Life Sciences Tools &amp; Services 0.0%</b>                 |        |                  |  |        |            |
| Danaher Corp.  | 200    | 50,704           |  |        |            |
| <b>Pharmaceuticals 5.0%</b>                                    |        |                  |  |        |            |
| AstraZeneca PLC  | 4,390  | 577,513          |  |        |            |
| Bayer AG (Registered)  | 4,486  | 266,738          |  |        |            |
| Bristol-Myers Squibb Co.                                       | 4,939  | 380,303          |  |        |            |
| Chugai Pharmaceutical Co., Ltd.                                | 5,117  | 130,771          |  |        |            |
| Eli Lilly & Co.  | 579    | 187,729          |  |        |            |
| GlaxoSmithKline PLC  | 17,120 | 368,768          |  |        |            |
| Hikma Pharmaceuticals PLC                                      | 4,202  | 82,937           |  |        |            |
| Johnson & Johnson  | 2,156  | 382,711          |  |        |            |
| Merck & Co., Inc.  | 8,486  | 773,669          |  |        |            |
| Novartis AG (Registered)                                       | 2,698  | 228,016          |  |        |            |
| Novo Nordisk AS "B"  | 2,998  | 333,530          |  |        |            |
| Pfizer, Inc.   | 14,467 | 758,505          |  |        |            |
| Roche Holding AG (Genusschein)                                 | 703    | 234,604          |  |        |            |
| Sanofi   | 2,526  | 253,890          |  |        |            |
| Takeda Pharmaceutical Co., Ltd.                                | 13,473 | 379,005          |  |        |            |
|  |        | <b>5,338,689</b> |  |        |            |
| <b>Industrials 4.6%</b>  |        |                  |  |        |            |
| <b>Aerospace &amp; Defense 0.3%</b>                            |        |                  |  |        |            |
| Lockheed Martin Corp.  | 200    | 85,992           |  |        |            |
| Raytheon Technologies Corp.                                    | 2,115  | 203,273          |  |        |            |
|  |        | <b>289,265</b>   |  |        |            |
| <b>Air Freight &amp; Logistics 0.4%</b>                        |        |                  |  |        |            |
| Deutsche Post AG (Registered)                                  | 3,775  | 141,844          |  |        |            |
| United Parcel Service, Inc. "B"                                | 1,602  | 292,429          |  |        |            |
|  |        | <b>434,273</b>   |  |        |            |
| <b>Commercial Services &amp; Supplies 0.1%</b>                 |        |                  |  |        |            |
| Quad Graphics, Inc.*   | 2      | 5                |  |        |            |
| Secom Co., Ltd.  | 1,900  | 117,335          |  |        |            |
|  |        | <b>117,340</b>   |  |        |            |
| <b>Electrical Equipment 0.3%</b>                               |        |                  |  |        |            |
| ABB Ltd. (Registered)  | 2,939  | 78,052           |  |        |            |
| Eaton Corp. PLC  | 1,016  | 128,006          |  |        |            |
| Emerson Electric Co.   | 1,626  | 129,332          |  |        |            |
| Plug Power, Inc.*  | 2,100  | 34,797           |  |        |            |
|  |        | <b>370,187</b>   |  |        |            |
| <b>Industrial Conglomerates 0.5%</b>                           |        |                  |  |        |            |
| 3M Co.   | 1,704  | 220,515          |  |        |            |
| Honeywell International, Inc.                                  | 699    | 121,493          |  |        |            |
| Siemens AG (Registered)  | 1,391  | 141,198          |  |        |            |
|  |        | <b>483,206</b>   |  |        |            |
| <b>Machinery 1.1%</b>  |        |                  |  |        |            |
| Caterpillar, Inc.  | 1,300  | 232,388          |  |        |            |
| Cummins, Inc.  | 1,879  | 363,643          |  |        |            |
| Deere & Co.  | 100    | 29,947           |  |        |            |
| PACCAR, Inc.   | 5,600  | 461,104          |  |        |            |
| Techtronic Industries Co., Ltd.                                | 7,000  | 73,093           |  |        |            |
|  |        | <b>1,160,175</b> |  |        |            |
| <b>Professional Services 0.8%</b>                              |        |                  |  |        |            |
| Adecco Group AG (Registered)                                   | 11,591 | 393,436          |  |        |            |
| CoStar Group, Inc.*  | 2,700  | 163,107          |  |        |            |
| Nihon M&A Center Holdings, Inc.                                | 23,700 | 251,551          |  |        |            |
| Thomson Reuters Corp.  | 473    | 49,310           |  |        |            |
|  |        | <b>857,404</b>   |  |        |            |
| <b>Road &amp; Rail 0.5%</b>                                    |        |                  |  |        |            |
| Canadian National Railway Co.                                  | 1,000  | 112,484          |  |        |            |
| Lyft, Inc. "A"*  | 2,100  | 27,888           |  |        |            |
| Nippon Express Holdings, Inc.                                  | 3,200  | 172,903          |  |        |            |
| Uber Technologies, Inc.*                                       | 3,000  | 61,380           |  |        |            |
| Union Pacific Corp.  | 941    | 200,697          |  |        |            |
|  |        | <b>575,352</b>   |  |        |            |
| <b>Trading Companies &amp; Distributors 0.6%</b>               |        |                  |  |        |            |
| Fastenal Co.   | 4,618  | 230,531          |  |        |            |
| Mitsubishi Corp.   | 5,609  | 167,239          |  |        |            |
| Mitsui & Co., Ltd.   | 10,105 | 222,801          |  |        |            |
|  |        | <b>620,571</b>   |  |        |            |
| <b>Information Technology 12.6%</b>                            |        |                  |  |        |            |
| <b>Communications Equipment 0.3%</b>                           |        |                  |  |        |            |
| Cisco Systems, Inc.  | 7,724  | 329,351          |  |        |            |
| <b>Electronic Equipment, Instruments &amp; Components 0.4%</b> |        |                  |  |        |            |
| CDW Corp.  | 2,300  | 362,388          |  |        |            |
| Corning, Inc.  | 2,005  | 63,178           |  |        |            |
|  |        | <b>425,566</b>   |  |        |            |
| <b>IT Services 2.1%</b>  |        |                  |  |        |            |
| Adyen NV 144A*   | 65     | 94,581           |  |        |            |
| Automatic Data Processing, Inc.                                | 841    | 176,644          |  |        |            |
| Block, Inc.*   | 1,358  | 83,463           |  |        |            |
| Cloudflare, Inc. "A"*  | 1,800  | 78,750           |  |        |            |
| Fidelity National Information Services, Inc.                   | 400    | 36,668           |  |        |            |
| International Business Machines Corp.                          | 2,702  | 381,495          |  |        |            |
| Mastercard, Inc. "A"   | 676    | 213,264          |  |        |            |
| MongoDB, Inc.*   | 500    | 129,750          |  |        |            |

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

|  | Shares | Value (\$)       |  | Shares | Value (\$)       |
|--|--------|------------------|--|--------|------------------|
| Paychex, Inc.  | 3,595  | 409,363          |  |        |                  |
| PayPal Holdings, Inc.*                                   | 965    | 67,395           |  |        |                  |
| Shopify, Inc. "A"*                                       | 3,720  | 116,235          |  |        |                  |
| Snowflake, Inc. "A"*                                     | 300    | 41,718           |  |        |                  |
| Twilio, Inc. "A"*  | 1,207  | 101,159          |  |        |                  |
| Visa, Inc. "A"   | 1,400  | 275,646          |  |        |                  |
|  |        | <b>2,206,131</b> |  |        |                  |
| <b>Semiconductors &amp; Semiconductor Equipment 3.6%</b> |        |                  | <b>Technology Hardware, Storage &amp; Peripherals 2.7%</b> |        |                  |
| Advanced Micro Devices, Inc.*                            | 4,300  | 328,821          | Apple, Inc.  | 17,609 | 2,407,502        |
| Analog Devices, Inc.                                     | 1,144  | 167,127          | Canon, Inc.  | 1,400  | 31,743           |
| Applied Materials, Inc.                                  | 609    | 55,407           | HP, Inc.   | 4,493  | 147,281          |
| ASML Holding NV  | 172    | 81,863           | Samsung Electronics Co., Ltd. (GDR) REG S                  | 235    | 256,385          |
| Broadcom, Inc.   | 949    | 461,034          |  |        |                  |
| Enphase Energy, Inc.*                                    | 855    | 166,930          |  |        |                  |
| Intel Corp.  | 1,871  | 69,994           |  |        |                  |
| KLA Corp.  | 479    | 152,839          |  |        |                  |
| Lam Research Corp.                                       | 256    | 109,094          |  |        |                  |
| Marvell Technology, Inc.                                 | 3,400  | 148,002          |  |        |                  |
| Micron Technology, Inc.                                  | 800    | 44,224           |  |        |                  |
| Monolithic Power Systems, Inc.                           | 700    | 268,828          |  |        |                  |
| NVIDIA Corp.   | 2,548  | 386,251          |  |        |                  |
| QUALCOMM, Inc.   | 5,484  | 700,526          |  |        |                  |
| STMicroelectronics NV                                    | 2,708  | 85,220           |  |        |                  |
| Taiwan Semiconductor Manufacturing Co., Ltd. (ADR)       | 800    | 65,400           |  |        |                  |
| Texas Instruments, Inc.                                  | 2,204  | 338,645          |  |        |                  |
| Tokyo Electron Ltd.                                      | 626    | 205,898          |  |        |                  |
|  |        | <b>3,836,103</b> |  |        | <b>2,842,911</b> |
| <b>Software 3.5%</b>                                     |        |                  | <b>Materials 2.5%</b>                                      |        |                  |
| Adobe, Inc.*   | 500    | 183,030          | <b>Chemicals 1.2%</b>                                      |        |                  |
| Autodesk, Inc.*  | 200    | 34,392           | Air Products & Chemicals, Inc.                             | 488    | 117,354          |
| Bill.com Holdings, Inc.*                                 | 500    | 54,970           | BASF SE  | 3,229  | 140,794          |
| Crowdstrike Holdings, Inc. "A"*                          | 961    | 161,986          | Dow, Inc.  | 4,934  | 254,644          |
| Datadog, Inc. "A"*                                       | 400    | 38,096           | Linde PLC  | 406    | 116,737          |
| DocuSign, Inc.*  | 400    | 22,952           | Nutrien Ltd.   | 1,970  | 156,887          |
| HubSpot, Inc.*   | 200    | 60,130           | Yara International ASA                                     | 11,796 | 493,288          |
| Intuit, Inc.   | 430    | 165,739          |  |        |                  |
| Microsoft Corp.  | 7,766  | 1,994,542        |  |        |                  |
| Open Text Corp.  | 3,800  | 143,740          |  |        |                  |
| Oracle Corp.   | 2,614  | 182,640          |  |        |                  |
| Palantir Technologies, Inc. "A"*                         | 4,400  | 39,908           |  |        |                  |
| RingCentral, Inc. "A"*                                   | 2,300  | 120,198          |  |        |                  |
| Salesforce, Inc.*  | 800    | 132,032          |  |        |                  |
| ServiceNow, Inc.*  | 558    | 265,340          |  |        |                  |
| Trade Desk, Inc. "A"*                                    | 2,950  | 123,576          |  |        |                  |
| Unity Software, Inc.*                                    | 900    | 33,138           |  |        |                  |
| Zscaler, Inc.*   | 300    | 44,853           |  |        |                  |
|  |        | <b>3,801,262</b> |  |        | <b>1,279,704</b> |
|  |        |                  | <b>Construction Materials 0.2%</b>                         |        |                  |
|  |        |                  | Holcim AG  | 3,989  | <b>170,690</b>   |
|  |        |                  | <b>Containers &amp; Packaging 0.3%</b>                     |        |                  |
|  |        |                  | Amcor PLC  | 15,493 | 192,578          |
|  |        |                  | International Paper Co.                                    | 1,131  | 47,310           |
|  |        |                  | Packaging Corp. of America                                 | 600    | 82,500           |
|  |        |                  |  |        | <b>322,388</b>   |
|  |        |                  | <b>Metals &amp; Mining 0.8%</b>                            |        |                  |
|  |        |                  | Anglo American PLC   | 9,636  | 344,649          |
|  |        |                  | Antofagasta PLC  | 7,160  | 100,537          |
|  |        |                  | Boliden AB   | 883    | 28,051           |
|  |        |                  | Mineral Resources Ltd.                                     | 4,431  | 147,173          |
|  |        |                  | Newmont Corp.  | 2,900  | 173,043          |
|  |        |                  | Nucor Corp.  | 600    | 62,646           |
|  |        |                  | Steel Dynamics, Inc.                                       | 400    | 26,460           |
|  |        |                  |  |        | <b>882,559</b>   |
|  |        |                  | <b>Real Estate 1.7%</b>                                    |        |                  |
|  |        |                  | <b>Equity Real Estate Investment Trusts (REITs) 1.6%</b>   |        |                  |
|  |        |                  | Ascendas Real Estate Investment Trust                      | 39,865 | 81,870           |
|  |        |                  | Crown Castle International Corp.                           | 873    | 146,996          |
|  |        |                  | Iron Mountain, Inc.  | 5,900  | 287,271          |
|  |        |                  | Klepierre SA   | 3,508  | 67,400           |
|  |        |                  | Medical Properties Trust, Inc.                             | 44,392 | 677,866          |
|  |        |                  | Nomura Real Estate Master Fund, Inc.                       | 31     | 38,658           |
|  |        |                  | Realty Income Corp.  | 2,648  | 180,752          |
|  |        |                  | VICI Properties, Inc.                                      | 8,562  | 255,062          |
|  |        |                  |  |        | <b>1,735,875</b> |
|  |        |                  | <b>Real Estate Management &amp; Development 0.1%</b>       |        |                  |
|  |        |                  | Swire Pacific Ltd. "A"                                     | 17,000 | <b>101,349</b>   |

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

|   | Shares | Value (\$)        |  | Principal Amount (\$) (c) | Value (\$)       |
|---|--------|-------------------|--|---------------------------|------------------|
| <b>Utilities 2.1%</b>   |        |                   | <b>Corporate Bonds 17.5%</b>                       |                           |                  |
| <b>Electric Utilities 1.9%</b>                                    |        |                   | <b>Communication Services 1.9%</b>                 |                           |                  |
| American Electric Power Co., Inc.                                 | 767    | 73,586            | America Movil SAB de CV, 4.375%, 4/22/2049         | 300,000                   | 278,322          |
| Enel SpA  | 28,493 | 156,139           | AT&T, Inc.:  |                           |                  |
| Hk Electric Investments & Hk Electric Investments Ltd.            | 92,000 | 84,425            | 2.25%, 2/1/2032                                    | 80,000                    | 65,359           |
| Iberdrola SA  | 10,910 | 113,122           | 3.65%, 6/1/2051                                    | 100,000                   | 78,213           |
| Power Assets Holdings Ltd.  | 56,500 | 355,546           | Charter Communications Operating LLC:              |                           |                  |
| PPL Corp.   | 31,235 | 847,406           | 2.25%, 1/15/2029                                   | 120,000                   | 98,600           |
| Southern Co.  | 3,569  | 254,505           | 3.5%, 3/1/2042                                     | 57,000                    | 39,555           |
| SSE PLC   | 7,530  | 148,219           | 3.7%, 4/1/2051                                     | 34,000                    | 23,008           |
| Verbund AG  | 459    | 44,764            | Discovery Communications LLC, 4.0%, 9/15/2055      | 40,000                    | 28,020           |
|   |        | <b>2,077,712</b>  | Grupo Televisa SAB, 5.25%, 5/24/2049               | 300,000                   | 294,780          |
| <b>Multi-Utilities 0.2%</b>                                       |        |                   | Netflix, Inc.:                                     |                           |                  |
| Dominion Energy, Inc.   | 2,104  | 167,920           | 4.375%, 11/15/2026                                 | 100,000                   | 96,351           |
| Sempra Energy   | 259    | 38,920            | 5.875%, 11/15/2028                                 | 140,000                   | 136,879          |
|   |        | <b>206,840</b>    | Rogers Communications, Inc., 144A, 3.8%, 3/15/2032 | 145,000                   | 132,590          |
| <b>Total Common Stocks (Cost \$59,449,944)</b>                    |        |                   | Sirius XM Radio, Inc., 144A, 3.125%, 9/1/2026      | 100,000                   | 89,223           |
|   |        | <b>63,255,875</b> | Tencent Holdings Ltd., REG S, 2.39%, 6/3/2030      | 300,000                   | 251,109          |
| <b>Preferred Stocks 2.6%</b>                                      |        |                   | T-Mobile U.S.A., Inc.:                             |                           |                  |
| <b>Financials 1.7%</b>  |        |                   | 2.625%, 4/15/2026                                  | 90,000                    | 81,675           |
| AGNC Investment Corp., Series C, 7.0%                             | 14,427 | 323,453           | 3.3%, 2/15/2051                                    | 125,000                   | 91,023           |
| Fifth Third Bancorp., Series I, 6.625%                            | 10,000 | 252,100           | 3.375%, 4/15/2029                                  | 115,000                   | 100,625          |
| KeyCorp., Series E, 6.125%  | 10,000 | 251,700           | 3.6%, 11/15/2060                                   | 25,000                    | 18,217           |
| Morgan Stanley, Series K, 5.85%                                   | 10,000 | 247,300           | 4.375%, 4/15/2040                                  | 60,000                    | 53,558           |
| The Goldman Sachs Group, Inc., Series J, 5.5%                     | 17,000 | 415,480           | Verizon Communications, Inc.:                      |                           |                  |
| Wells Fargo & Co., Series Y, 5.625%                               | 15,000 | 356,550           | 2.65%, 11/20/2040                                  | 40,000                    | 29,343           |
|   |        | <b>1,846,583</b>  | 3.7%, 3/22/2061                                    | 100,000                   | 78,542           |
| <b>Real Estate 0.9%</b>   |        |                   |  |                           | <b>2,064,992</b> |
| Kimco Realty Corp., Series L, 5.125%                              | 15,000 | 362,250           | <b>Consumer Discretionary 1.0%</b>                 |                           |                  |
| Prologis, Inc., Series Q, 8.54%                                   | 164    | 10,537            | Dollar General Corp., 4.125%, 4/3/2050             | 20,000                    | 16,672           |
| Simon Property Group, Inc., Series J, 8.375%                      | 8,000  | 524,000           | Ford Motor Co., 3.25%, 2/12/2032                   | 210,000                   | 157,059          |
|   |        | <b>896,787</b>    | Ford Motor Credit Co. LLC:                         |                           |                  |
| <b>Total Preferred Stocks (Cost \$3,039,895)</b>                  |        |                   | 2.7%, 8/10/2026                                    | 230,000                   | 195,994          |
|   |        | <b>2,743,370</b>  | 2.9%, 2/16/2028                                    | 200,000                   | 161,152          |
| <b>Warrants 0.0%</b>  |        |                   | General Motors Co., 5.4%, 4/1/2048                 | 60,000                    | 52,194           |
| <b>Materials</b>  |        |                   | General Motors Financial Co., Inc.:                |                           |                  |
| Hercules Trust II, Expiration Date 3/31/2029* (b) (Cost \$30,283) | 170    | <b>14,335</b>     | 2.35%, 1/8/2031                                    | 80,000                    | 62,023           |
|   |        |                   | 3.1%, 1/12/2032                                    | 90,000                    | 72,338           |
|   |        |                   | Hilton Domestic Operating Co., Inc.:               |                           |                  |
|   |        |                   | 144A, 3.625%, 2/15/2032                            | 175,000                   | 139,016          |
|   |        |                   | 144A, 4.0%, 5/1/2031                               | 125,000                   | 103,875          |

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|                              | Principal<br>Amount (\$) (c) | Value (\$)       |                               | Principal<br>Amount (\$) (c) | Value (\$)       |
|------------------------------|------------------------------|------------------|-------------------------------|------------------------------|------------------|
| Magallanes, Inc.:            |                              |                  | Banco Nacional de Panama,     |                              |                  |
| 144A, 5.05%, 3/15/2042       | 50,000                       | 42,539           | 144A, 2.5%, 8/11/2030         | 200,000                      | 158,750          |
| 144A, 5.141%, 3/15/2052      | 60,000                       | 50,361           | Bank of America Corp.:        |                              |                  |
|                              |                              | <b>1,053,223</b> | 2.676%, 6/19/2041             | 60,000                       | 43,171           |
| <b>Consumer Staples 0.4%</b> |                              |                  | 2.972%, 2/4/2033              | 200,000                      | 170,385          |
| Altria Group, Inc.:          |                              |                  | 4.375%, Perpetual (d)         | 530,000                      | 439,778          |
| 3.7%, 2/4/2051               | 50,000                       | 31,958           | Bank of New York              |                              |                  |
| 3.875%, 9/16/2046            | 20,000                       | 13,454           | Mellon Corp.:                 |                              |                  |
| Anheuser-Busch Companies     |                              |                  | 3.7%, Perpetual (d)           | 180,000                      | 159,276          |
| LLC, 4.9%, 2/1/2046          | 28,000                       | 26,317           | 3.75%, Perpetual (d)          | 345,000                      | 281,634          |
| Anheuser-Busch InBev         |                              |                  | Blackstone Secured            |                              |                  |
| Worldwide, Inc.,             |                              |                  | Lending Fund:                 |                              |                  |
| 5.55%, 1/23/2049             | 121,000                      | 123,580          | 2.85%, 9/30/2028              | 110,000                      | 88,707           |
| JBS Finance Luxembourg       |                              |                  | 3.625%, 1/15/2026             | 155,000                      | 141,240          |
| Sarl, 144A,                  |                              |                  | Capital One Financial Corp.,  |                              |                  |
| 2.5%, 1/15/2027              | 260,000                      | 226,164          | 3.95%, Perpetual (d)          | 350,000                      | 280,875          |
|                              |                              | <b>421,473</b>   | Citigroup, Inc.:              |                              |                  |
| <b>Energy 2.1%</b>           |                              |                  | 2.561%, 5/1/2032              | 40,000                       | 32,934           |
| Cenovus Energy, Inc.,        |                              |                  | 4.91%, 5/24/2033              | 70,000                       | 69,071           |
| 2.65%, 1/15/2032             | 63,000                       | 52,101           | Corebridge Financial, Inc.,   |                              |                  |
| Cheniere Corpus Christi      |                              |                  | 144A, 4.35%, 4/5/2042         | 60,000                       | 51,167           |
| Holdings LLC,                |                              |                  | Enstar Finance LLC,           |                              |                  |
| 5.875%, 3/31/2025            | 200,000                      | 204,774          | 5.5%, 1/15/2042               | 200,000                      | 163,446          |
| Cheniere Energy Partners LP, |                              |                  | JPMorgan Chase & Co.,         |                              |                  |
| 4.5%, 10/1/2029              | 175,000                      | 156,223          | 3.328%, 4/22/2052             | 27,000                       | 20,525           |
| Ecopetrol SA,                |                              |                  | KKR Group Finance Co., XII    |                              |                  |
| 6.875%, 4/29/2030            | 300,000                      | 265,200          | LLC, 144A,                    |                              |                  |
| Enterprise Products          |                              |                  | 4.85%, 5/17/2032              | 130,000                      | 128,345          |
| Operating LLC:               |                              |                  | Liberty Mutual Group, Inc.,   |                              |                  |
| 3.3%, 2/15/2053              | 90,000                       | 65,465           | 5.5%, 6/15/2052               | 50,000                       | 47,359           |
| 4.2%, 1/31/2050              | 144,000                      | 120,078          | Morgan Stanley:               |                              |                  |
| Hess Corp., 5.8%, 4/1/2047   | 70,000                       | 69,812           | 2.484%, 9/16/2036             | 141,000                      | 108,418          |
| Petroleos Mexicanos,         |                              |                  | 3.217%, 4/22/2042             | 30,000                       | 23,611           |
| 6.7%, 2/16/2032              | 622,000                      | 474,275          | PNC Financial Services        |                              |                  |
| Plains All American Pipeline |                              |                  | Group, Inc., 3.4%,            |                              |                  |
| LP, 3.8%, 9/15/2030          | 50,000                       | 44,196           | Perpetual (d)                 | 320,000                      | 242,983          |
| Saudi Arabian Oil Co.:       |                              |                  | REC Ltd., 144A,               |                              |                  |
| 144A, 2.25%, 11/24/2030      | 625,000                      | 531,900          | 4.75%, 5/19/2023              | 200,000                      | 200,768          |
| REG S, 3.5%, 4/16/2029       | 300,000                      | 285,872          | Societe Generale SA:          |                              |                  |
|                              |                              | <b>2,269,896</b> | 144A, 5.375%,                 |                              |                  |
| <b>Financials 5.0%</b>       |                              |                  | Perpetual (d)                 | 250,000                      | 193,750          |
| AerCap Ireland Capital DAC:  |                              |                  | 144A, 6.221%, 6/15/2033       | 225,000                      | 214,753          |
| 1.75%, 1/30/2026             | 150,000                      | 131,105          | The Charles Schwab Corp.,     |                              |                  |
| 3.4%, 10/29/2033             | 150,000                      | 118,441          | Series I, 4.0%,               |                              |                  |
| Air Lease Corp., 4.125%,     |                              |                  | Perpetual (d)                 | 265,000                      | 224,630          |
| Perpetual (d)                | 200,000                      | 143,500          | The Goldman Sachs             |                              |                  |
| Aircastle Ltd., 144A, 5.25%, |                              |                  | Group, Inc.:                  |                              |                  |
| Perpetual (d)                | 130,000                      | 107,293          | 2.908%, 7/21/2042             | 80,000                       | 58,414           |
| Ally Financial, Inc., 4.7%,  |                              |                  | 3.8%, Perpetual (d)           | 170,000                      | 132,597          |
| Perpetual (d)                | 500,000                      | 396,507          | Truist Financial Corp., 4.8%, |                              |                  |
| Ares Capital Corp.,          |                              |                  | Perpetual (d)                 | 300,000                      | 268,470          |
| 2.875%, 6/15/2027            | 150,000                      | 125,201          | UBS Group AG, 144A,           |                              |                  |
| Avolon Holdings              |                              |                  | 4.375%, Perpetual (d)         | 200,000                      | 146,320          |
| Funding Ltd.:                |                              |                  | Westpac Banking Corp.,        |                              |                  |
| 144A, 2.528%, 11/18/2027     | 10,000                       | 8,151            | 5.0%, Perpetual (d)           | 200,000                      | 174,858          |
| 144A, 4.25%, 4/15/2026       | 40,000                       | 37,042           |                               |                              | <b>5,333,475</b> |

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

|  | Principal<br>Amount (\$) (c) | Value (\$)       |  | Principal<br>Amount (\$) (c) | Value (\$)       |
|--|------------------------------|------------------|--|------------------------------|------------------|
| <b>Health Care 1.7%</b>  |                              |                  | MSCI, Inc.:  |                              |                  |
| AstraZeneca PLC,<br>2.125%, 8/6/2050   | 32,000                       | 21,366           | 144A, 3.25%, 8/15/2033   | 40,000                       | 31,884           |
| Bausch Health Companies,<br>Inc., 144A,<br>4.875%, 6/1/2028                  | 90,000                       | 70,429           | 144A, 3.625%, 9/1/2030   | 90,000                       | 75,031           |
| Centene Corp.:   |                              |                  | NXP BV:  |                              |                  |
| 2.45%, 7/15/2028   | 60,000                       | 50,042           | 2.65%, 2/15/2032   | 58,000                       | 47,644           |
| 2.625%, 8/1/2031   | 130,000                      | 103,415          | 3.125%, 2/15/2042  | 60,000                       | 43,636           |
| Charles River Laboratories<br>International, Inc., 144A,<br>3.75%, 3/15/2029 | 300,000                      | 260,355          | Open Text Corp., 144A,<br>3.875%, 2/15/2028                          | 175,000                      | 155,650          |
| CVS Health Corp.,<br>5.05%, 3/25/2048  | 175,000                      | 167,518          | Oracle Corp.:  |                              |                  |
| DaVita, Inc., 144A,<br>4.625%, 6/1/2030                                      | 140,000                      | 109,181          | 3.6%, 4/1/2050   | 7,000                        | 4,863            |
| HCA, Inc., 5.25%, 6/15/2026  | 300,000                      | 298,476          | 3.65%, 3/25/2041   | 118,000                      | 87,936           |
| Pfizer, Inc.,<br>2.55%, 5/28/2040  | 38,000                       | 29,750           | SK Hynix, Inc., 144A,<br>1.5%, 1/19/2026                             | 200,000                      | 179,754          |
| Teva Pharmaceutical Finance<br>Netherlands III BV,<br>3.15%, 10/1/2026       | 925,000                      | 758,500          |  |                              | <b>1,189,827</b> |
|  |                              | <b>1,869,032</b> | <b>Materials 0.7%</b>  |                              |                  |
| <b>Industrials 1.3%</b>  |                              |                  | AngloGold Ashanti Holdings<br>PLC, 3.75%, 10/1/2030                  | 200,000                      | 164,654          |
| Adani Ports & Special<br>Economic Zone Ltd.,<br>144A, 4.2%, 8/4/2027         | 200,000                      | 186,212          | Berry Global, Inc.,<br>1.65%, 1/15/2027                              | 300,000                      | 262,587          |
| American Airlines, Inc.,<br>144A, 5.5%, 4/20/2026                            | 105,000                      | 96,472           | MEGlobal Canada ULC,<br>144A, 5.0%, 5/18/2025                        | 256,000                      | 258,234          |
| Boeing Co.:  |                              |                  | Suzano Austria GmbH,<br>2.5%, 9/15/2028                              | 80,000                       | 65,000           |
| 2.196%, 2/4/2026   | 237,000                      | 213,624          |  |                              | <b>750,475</b>   |
| 5.04%, 5/1/2027  | 60,000                       | 59,266           | <b>Real Estate 0.1%</b>  |                              |                  |
| Delta Air Lines, Inc.:   |                              |                  | Boston Properties LP, (REIT),<br>2.55%, 4/1/2032                     | 75,000                       | 59,688           |
| 3.75%, 10/28/2029 (a)  | 135,000                      | 106,984          | MPT Operating Partnership<br>LP, (REIT),<br>3.5%, 3/15/2031          | 80,000                       | 63,053           |
| 144A, 4.5%, 10/20/2025   | 30,000                       | 29,150           |  |                              | <b>122,741</b>   |
| JBS USA, 5.75%, 4/1/2033   | 180,000                      | 171,412          | <b>Utilities 2.2%</b>  |                              |                  |
| Mileage Plus Holdings LLC,<br>144A, 6.5%, 6/20/2027                          | 200,000                      | 196,560          | CMS Energy Corp.,<br>3.75%, 12/1/2050                                | 400,000                      | 305,772          |
| O Reilly Automotive, Inc.,<br>4.7%, 6/15/2032                                | 90,000                       | 89,632           | Duke Energy Corp.,<br>3.25%, 1/15/2082                               | 250,000                      | 195,406          |
| Prime Security Services<br>Borrower LLC, 144A,<br>5.25%, 4/15/2024           | 250,000                      | 244,375          | Enel Finance International<br>NV, 144A, 5.0%, 6/15/2032              | 210,000                      | 202,741          |
|  |                              | <b>1,393,687</b> | Eskom Holdings SOC Ltd.,<br>REG S, 6.35%, 8/10/2028                  | 200,000                      | 179,000          |
| <b>Information Technology 1.1%</b>   |                              |                  | Nextera Energy Capital<br>Holdings, Inc.,<br>5.0%, 7/15/2032         | 70,000                       | 71,715           |
| Block, Inc., 144A,<br>2.75%, 6/1/2026  | 30,000                       | 26,617           | NextEra Energy Operating<br>Partners LP:<br>144A, 3.875%, 10/15/2026 | 190,000                      | 173,850          |
| Broadcom, Inc., 144A,<br>2.6%, 2/15/2033                                     | 70,000                       | 53,823           | 144A, 4.25%, 7/15/2024   | 275,000                      | 263,065          |
| Dell International LLC:  |                              |                  | Pacific Gas and Electric Co.:  |                              |                  |
| 144A, 3.45%, 12/15/2051  | 51,000                       | 34,506           | 2.5%, 2/1/2031   | 20,000                       | 15,299           |
| 5.3%, 10/1/2029  | 85,000                       | 83,795           | 3.25%, 6/1/2031  | 80,000                       | 64,613           |
| HP, Inc.:  |                              |                  | 3.3%, 8/1/2040   | 70,000                       | 48,262           |
| 4.2%, 4/15/2032  | 110,000                      | 98,190           | 5.45%, 6/15/2027   | 90,000                       | 87,096           |
| 5.5%, 1/15/2033  | 200,000                      | 195,088          | Perusahaan Listrik Negara PT,<br>144A, 2.875%, 10/25/2025            | EUR 260,000                  | 264,974          |
| KLA Corp., 4.65%, 7/15/2032  | 70,000                       | 71,410           |  |                              |                  |

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

|  | Principal<br>Amount (\$) (c) | Value (\$)        |
|--|------------------------------|-------------------|
| Sempra Energy,<br>4.125%, 4/1/2052               | 310,000                      | 248,549           |
| Southern Co.,<br>3.75%, 9/15/2051                | 215,000                      | 182,679           |
|  |                              | <b>2,303,021</b>  |
| <b>Total Corporate Bonds</b> (Cost \$22,262,544) |                              | <b>18,771,842</b> |

### Asset-Backed 4.6%

#### Automobile Receivables 0.3%

|   |         |                |
|---|---------|----------------|
| JPMorgan Chase Bank NA,<br>"E", Series 2021-1, 144A,<br>2.365%, 9/25/2028 | 289,445 | <b>281,269</b> |
|---|---------|----------------|

#### Miscellaneous 4.3%

|   |           |                  |
|---|-----------|------------------|
| CF Hippolyta Issuer LLC,<br>"B1", Series 2021-1A,<br>144A, 1.98%, 3/15/2061   | 532,407   | 459,543          |
| DB Master Finance LLC,<br>"A23", Series 2021-1A,<br>144A, 2.791%, 11/20/2051  | 1,119,375 | 922,212          |
| Domino's Pizza Master<br>Issuer LLC, "A23",<br>Series 2017-1A, 144A,<br>4.118%, 7/25/2047                                   | 325,550   | 311,074          |
| Madison Park Funding XXVI<br>Ltd., "AR", Series 2007-4A,<br>144A, 3-month USD-<br>LIBOR + 1.2%, 2.439%<br>(e), 7/29/2030    | 1,100,000 | 1,086,601        |
| Octagon Investment<br>Partners XX, "A1R",<br>Series 2019-4A, 144A,<br>3-month USD-LIBOR +<br>1.15%, 2.55%<br>(e), 5/12/2031 | 750,000   | 731,171          |
| Venture 37 CLO Ltd., "A1R",<br>Series 2019-37A, 144A,<br>3-month USD-LIBOR +<br>1.15%, 2.194%<br>(e), 7/15/2032             | 800,000   | 774,564          |
| Wendy's Funding LLC, "A2II",<br>Series 2021-1A, 144A,<br>2.775%, 6/15/2051  | 417,780   | 348,278          |
|   |           | <b>4,633,443</b> |

**Total Asset-Backed** (Cost \$5,330,737) **4,914,712**

### Mortgage-Backed Securities Pass-Throughs 0.0%

|   |       |       |
|---|-------|-------|
| Federal Home Loan<br>Mortgage Corp.,<br>6.0%, 3/1/2038      | 1,687 | 1,780 |
| Federal National<br>Mortgage Association:<br>4.5%, 9/1/2035 | 2,888 | 2,997 |

|   | Principal<br>Amount (\$) (c) | Value (\$)   |
|---|------------------------------|--------------|
| 6.0%, 1/1/2024  | 1,411                        | 1,423        |
| <b>Total Mortgage-Backed Securities Pass-Throughs</b><br>(Cost \$5,872) |                              | <b>6,200</b> |

### Commercial Mortgage-Backed Securities 2.2%

|  |         |         |
|--|---------|---------|
| Citigroup Commercial<br>Mortgage Trust, "D",<br>Series 2019-PRM, 144A,<br>4.35%, 5/10/2036   | 500,000 | 499,297 |
| Credit Suisse Commercial<br>Mortgage Trust, "B",<br>Series 2020-TMIC, 144A,<br>1-month USD-LIBOR +<br>5.0%, 6.324%<br>(e), 12/15/2035          | 700,000 | 691,646 |
| Credit Suisse Mortgage<br>Trust, "A", Series 2020-<br>TMIC, 144A, 1-month<br>USD-LIBOR + 3.0%,<br>4.324% (e), 12/15/2035                       | 700,000 | 691,513 |
| Freddie Mac Multifamily<br>Structured Credit Risk,<br>"M2", Series 2021-MN1,<br>144A, 30-day average<br>SOFR + 3.75%, 4.676%<br>(e), 1/25/2051 | 194,000 | 167,957 |
| GMAC Commercial<br>Mortgage Securities, Inc.,<br>"G", Series 2004-C1, 144A,<br>5.455%, 3/10/2038   | 394,448 | 236,669 |
| Multifamily Connecticut<br>Avenue Securities Trust,<br>"M7", Series 2019-01,<br>144A, 1-month USD-<br>LIBOR + 1.7%, 3.324%<br>(e), 10/15/2049  | 25,552  | 25,015  |

**Total Commercial Mortgage-Backed Securities**  
(Cost \$2,533,434) **2,312,097**

### Collateralized Mortgage Obligations 1.3%

|   |        |        |
|---|--------|--------|
| Connecticut Avenue<br>Securities Trust:<br>"1M2", Series 2019-R03,<br>144A, 1-month USD-<br>LIBOR + 2.15%,<br>3.774% (e), 9/25/2031 | 13,605 | 13,581 |
| "1M2", Series 2019-R02,<br>144A, 1-month USD-<br>LIBOR + 2.3%, 3.924%<br>(e), 8/25/2031   | 18,993 | 18,993 |
| Fannie Mae Connecticut<br>Avenue Securities:<br>"1M2", Series 2018-C06,<br>1-month USD-LIBOR +<br>2.0%, 3.624% (e),<br>3/25/2031    | 90,946 | 89,941 |

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

|   | Principal<br>Amount (\$) (c) | Value (\$)       |
|---|------------------------------|------------------|
| "1M2", Series 2018-C01,<br>1-month USD-LIBOR +<br>2.25%, 3.874% (e),<br>7/25/2030   | 94,391                       | 94,391           |
| Federal National Mortgage<br>Association, "1",<br>Series 2003-84, Interest<br>Only, 6.0%, 9/25/2033   | 61,417                       | 10,917           |
| Freddie Mac Structured<br>Agency Credit Risk<br>Debt Notes:<br>"M2", Series 2020-DNA2,<br>144A, 1-month USD-<br>LIBOR + 1.85%,<br>3.474% (e), 2/25/2050 | 506,925                      | 501,935          |
| "M2", Series 2019-DNA3,<br>144A, 1-month USD-<br>LIBOR + 2.05%,<br>3.674% (e), 7/25/2049  | 184,348                      | 183,315          |
| "M2", Series 2019-DNA2,<br>144A, 1-month USD-<br>LIBOR + 2.45%,<br>4.074% (e), 3/25/2049  | 302,247                      | 301,093          |
| JPMorgan Mortgage Trust,<br>"AM", Series 2016-3, 144A,<br>3.242%, 10/25/2046  | 149,551                      | 139,461          |
| <b>Total Collateralized Mortgage Obligations</b><br>(Cost \$1,364,494)  |                              | <b>1,353,627</b> |

## Government & Agency Obligations 6.8%

### Sovereign Bonds 1.1%

|  |         |                  |
|--|---------|------------------|
| Brazilian Government<br>International Bond,<br>3.875%, 6/12/2030 (a) | 200,000 | 167,506          |
| Indonesia Government<br>International Bond:<br>2.85%, 2/14/2030      | 625,000 | 557,798          |
| 3.85%, 10/15/2030 (a)  | 300,000 | 285,433          |
| Perusahaan Penerbit SBSN<br>Indonesia III, 144A,<br>2.8%, 6/23/2030  | 200,000 | 175,300          |
|  |         | <b>1,186,037</b> |

### U.S. Treasury Obligations 5.7%

|  |         |         |
|--|---------|---------|
| U.S. Treasury Bonds:<br>1.875%, 11/15/2051 | 131,500 | 98,666  |
| 2.0%, 11/15/2041                           | 117,700 | 93,480  |
| U.S. Treasury Notes:<br>1.25%, 12/31/2026  | 218,200 | 201,682 |

|  | Principal<br>Amount (\$) (c) | Value (\$)       |
|--|------------------------------|------------------|
| 1.875%, 2/15/2032  | 81,700                       | 74,015           |
| 2.625%, 5/31/2027  | 1,253,500                    | 1,229,801        |
| 2.75%, 5/31/2029   | 2,818,000                    | 2,762,521        |
| 2.875%, 5/15/2032  | 1,654,000                    | 1,635,392        |
|  |                              | <b>6,095,557</b> |
| <b>Total Government &amp; Agency Obligations</b><br>(Cost \$7,496,381) |                              | <b>7,281,594</b> |

## Short-Term U.S. Treasury Obligation 1.4%

|   |           |                  |
|---|-----------|------------------|
| U.S. Treasury Bills, 1.998%<br>(f), 4/20/2023 (g) (h)<br>(Cost \$1,475,608) | 1,500,000 | <b>1,469,036</b> |
|---|-----------|------------------|

|   | Shares | Value (\$)       |
|---|--------|------------------|
| <b>Exchange-Traded Funds 2.6%</b><br>SPDR Bloomberg Convertible<br>Securities ETF<br>(Cost \$2,340,555) | 43,880 | <b>2,832,893</b> |

## Securities Lending Collateral 0.6%

|  |         |                |
|--|---------|----------------|
| DWS Government & Agency<br>Securities Portfolio "DWS<br>Government Cash<br>Institutional Shares", 1.28%<br>(i) (j)<br>(Cost \$611,916) | 611,916 | <b>611,916</b> |
|--|---------|----------------|

## Cash Equivalents 2.0%

|  |           |                  |
|--|-----------|------------------|
| DWS Central Cash<br>Management Government<br>Fund, 1.36% (i)<br>(Cost \$2,199,714) | 2,199,714 | <b>2,199,714</b> |
|--|-----------|------------------|

|   | % of<br>Net Assets | Value (\$)         |
|---|--------------------|--------------------|
| <b>Total Investment Portfolio</b><br>(Cost \$108,141,377) | 100.7              | <b>107,767,211</b> |
| <b>Other Assets and<br/>Liabilities, Net</b>              | (0.7)              | <b>(771,776)</b>   |
| <b>Net Assets</b>   | 100.0              | <b>106,995,435</b> |

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

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at<br>12/31/2021  | Purchases<br>Cost (\$) | Sales<br>Proceeds (\$) | Net Realized<br>Gain/<br>(Loss) (\$) | Net Change in<br>Unrealized<br>Appreciation<br>(Depreciation)<br>(\$) | Income (\$)   | Capital Gain<br>Distributions<br>(\$) | Number<br>of Shares<br>at<br>6/30/2022 | Value (\$) at<br>6/30/2022 |
|--|------------------------|------------------------|--------------------------------------|---|---------------|---------------------------------------|--|----------------------------|
| <b>Securities Lending Collateral 0.6%</b>  |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (i) (j) |                        |                        |                                      |   |               |                                       |  |                            |
| 4,062,127  | —                      | 3,450,211 (k)          | —                                    | —   | 14,062        | —                                     | 611,916                                | 611,916                    |
| <b>Cash Equivalents 2.0%</b>   |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Central Cash Management Government Fund, 1.36% (i)   |                        |                        |                                      |   |               |                                       |  |                            |
| 1,914,561  | 25,805,841             | 25,520,688             | —                                    | —   | 7,724         | —                                     | 2,199,714                              | 2,199,714                  |
| <b>5,976,688</b>   | <b>25,805,841</b>      | <b>28,970,899</b>      | <b>—</b>                             | <b>—</b>  | <b>21,786</b> | <b>—</b>                              | <b>2,811,630</b>                       | <b>2,811,630</b>           |

\* Non-income producing security.

- (a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$596,249, which is 0.6% of net assets.
- (b) Investment was valued using significant unobservable inputs.
- (c) Principal amount stated in U.S. dollars unless otherwise noted.
- (d) Perpetual, callable security with no stated maturity date.
- (e) Variable or floating rate security. These securities are shown at their current rate as of June 30, 2022. For securities based on a published reference rate and spread, the reference rate and spread are indicated within the description above. Certain variable rate securities are not based on a published reference rate and spread but adjust periodically based on current market conditions, prepayment of underlying positions and/or other variables. Securities with a floor or ceiling feature are disclosed at the inherent rate, where applicable.
- (f) Annualized yield at time of purchase; not a coupon rate.
- (g) At June 30, 2022, this security has been pledged, in whole or in part, to cover initial margin requirements for open centrally cleared swap contracts.
- (h) At June 30, 2022, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.
- (i) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (j) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- (k) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

ADR: American Depositary Receipt

CLO: Collateralized Loan Obligation

GDR: Global Depositary Receipt

Interest Only: Interest Only (IO) bonds represent the "interest only" portion of payments on a pool of underlying mortgages or mortgage-backed securities. IO securities are subject to prepayment risk of the pool of underlying mortgages.

MSCI: Morgan Stanley Capital International

REG S: Securities sold under Regulation S may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

REIT: Real Estate Investment Trust

S&P: Standard & Poor's

SBSN: Surat Berharga Syariah Negara (Islamic Based Government Securities)

SOC: State Owned Company

SOFR: Secured Overnight Financing Rate

SPDR: Standard & Poor's Depositary Receipt

LIBOR: London Interbank Offered Rate, the benchmark rate for certain floating rate securities, has been phased out as of the end of 2021 for most maturities and currencies, although certain widely used US Dollar LIBOR rates are expected to continue to be published through June of 2023 to assist with the transition. The Fund or the instruments in which the Fund invests may be adversely affected by the phase out by, among other things, increased volatility or illiquidity. There remains uncertainty regarding the future use of LIBOR and the nature of any replacement reference rate and, accordingly, it is difficult to predict the impact to the Fund of the transition away from LIBOR.

Included in the portfolio are investments in mortgage or asset-backed securities which are interests in separate pools of mortgages or assets. Effective maturities of these investments may be shorter than stated maturities due to prepayments.

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



At June 30, 2022, open futures contracts purchased were as follows:

| Futures                                  | Currency | Expiration Date | Contracts | Notional Amount (\$) | Notional Value (\$) | Unrealized Appreciation/ (Depreciation) (\$) |
|--|----------|-----------------|-----------|----------------------|---------------------|--|
| 10 Year U.S. Treasury Note               | USD      | 9/21/2022       | 11        | 1,296,758            | 1,303,844           | 7,086  |
| MSCI E-Mini Emerging Market Index        | USD      | 9/16/2022       | 75        | 3,763,256            | 3,760,125           | (3,131)                                      |
| Ultra 10 Year U.S. Treasury Note         | USD      | 9/21/2022       | 10        | 1,276,182            | 1,273,750           | (2,432)                                      |
| Ultra Long U.S. Treasury Bond            | USD      | 9/21/2022       | 36        | 5,709,873            | 5,556,375           | (153,498)                                    |
| <b>Total net unrealized depreciation</b> |          |                 |           |                      |                     | <b>(151,975)</b>                             |

At June 30, 2022, open futures contracts sold were as follows:

| Futures                                  | Currency | Expiration Date | Contracts | Notional Amount (\$) | Notional Value (\$) | Unrealized Appreciation/ (Depreciation) (\$) |
|--|----------|-----------------|-----------|----------------------|---------------------|--|
| 5 Year U.S. Treasury Note                | USD      | 9/30/2022       | 20        | 2,265,419            | 2,245,000           | 20,419                                       |
| Euro Stoxx 50 Index                      | EUR      | 9/16/2022       | 66        | 2,389,179            | 2,379,957           | 9,222  |
| Euro-Schatz                              | EUR      | 9/8/2022        | 34        | 3,891,232            | 3,888,869           | 2,363  |
| S&P 500 E-Mini Index                     | USD      | 9/16/2022       | 39        | 7,318,036            | 7,389,525           | (71,489)                                     |
| TOPIX Index                              | JPY      | 9/8/2022        | 1         | 142,983              | 137,861             | 5,122  |
| <b>Total net unrealized depreciation</b> |          |                 |           |                      |                     | <b>(34,363)</b>                              |

At June 30, 2022, open interest rate swap contracts were as follows:

#### Centrally Cleared Swaps

| Cash Flows Paid by the Fund/ Frequency | Cash Flows Received by the Fund/ Frequency | Effective/ Expiration Date | Notional Amount (\$) | Currency | Value (\$) | Upfront Payments Paid/ (Received) (\$) | Unrealized Appreciation (\$) |
|--|--|----------------------------|----------------------|----------|------------|--|------------------------------|
| Fixed — 0.25% Semi-Annually            | Floating — 3-Month LIBOR Quarterly β       | 3/16/2021/ 3/16/2023       | 3,200,000            | USD      | 62,513     | 108                                    | 62,405                       |
| Fixed — 0.45% Semi-Annually            | Floating — 3-Month LIBOR Quarterly β       | 3/16/2021/ 3/16/2024       | 2,100,000            | USD      | 96,781     | (28)                                   | 96,809                       |
| Fixed — 1.3% Semi-Annually             | Floating — 3-Month LIBOR Quarterly β       | 3/16/2021/ 3/16/2028       | 400,000              | USD      | 35,022     | 77                                     | 34,945                       |
| Fixed — 1.63% Semi-Annually            | Floating — 3-Month LIBOR Quarterly β       | 3/16/2021/ 3/16/2031       | 300,000              | USD      | 31,028     | 311                                    | 30,717                       |
| <b>Total unrealized appreciation</b>   |  |                            |                      |          |            |  | <b>224,876</b>               |

β 3-month LIBOR rate as of June 30, 2022 is 2.935%.

At June 30, 2022, the Fund had the following open forward foreign currency contracts:

| Contracts to Deliver | In Exchange For | Settlement Date | Unrealized Appreciation (\$) | Counterparty                |
|----------------------|-----------------|-----------------|------------------------------|-----------------------------|
| EUR 274,000          | USD 289,785     | 8/4/2022        | <b>2,081</b>                 | State Street Bank and Trust |

#### Currency Abbreviation(s)

EUR Euro  
JPY Japanese Yen  
USD United States Dollar

For information on the Fund's policy and additional disclosures regarding futures contracts, interest rate swap contracts and forward foreign currency contracts, please refer to the Derivatives section of Note B in the accompanying Notes to Financial Statements.

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

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>                            | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b>  | <b>Total</b>         |
|--|---------------------|---------------------|-----------------|----------------------|
| Common Stocks                            |                     |                     |                 |                      |
| Communication Services                   | \$ 3,597,710        | \$ 1,158,989        | \$ —            | \$ 4,756,699         |
| Consumer Discretionary                   | 3,483,138           | 1,192,183           | —               | 4,675,321            |
| Consumer Staples                         | 2,972,457           | 2,462,263           | —               | 5,434,720            |
| Energy                                   | 3,879,857           | 1,318,861           | —               | 5,198,718            |
| Financials                               | 4,786,878           | 5,461,743           | —               | 10,248,621           |
| Health Care                              | 4,924,158           | 2,891,424           | —               | 7,815,582            |
| Industrials                              | 3,148,321           | 1,759,452           | —               | 4,907,773            |
| Information Technology                   | 12,942,019          | 499,305             | —               | 13,441,324           |
| Materials                                | 1,230,159           | 1,425,182           | —               | 2,655,341            |
| Real Estate                              | 1,547,947           | 289,277             | —               | 1,837,224            |
| Utilities                                | 1,382,337           | 902,215             | —               | 2,284,552            |
| Preferred Stocks (a)                     | 2,743,370           | —                   | —               | 2,743,370            |
| Warrants                                 | —                   | —                   | 14,335          | 14,335               |
| Corporate Bonds (a)                      | —                   | 18,771,842          | —               | 18,771,842           |
| Asset-Backed (a)                         | —                   | 4,914,712           | —               | 4,914,712            |
| Mortgage-Backed Securities Pass-Throughs | —                   | 6,200               | —               | 6,200                |
| Commercial Mortgage-Backed Securities    | —                   | 2,312,097           | —               | 2,312,097            |
| Collateralized Mortgage Obligations      | —                   | 1,353,627           | —               | 1,353,627            |
| Government & Agency Obligations (a)      | —                   | 7,281,594           | —               | 7,281,594            |
| Short-Term U.S. Treasury Obligation      | —                   | 1,469,036           | —               | 1,469,036            |
| Exchange-Traded Funds                    | 2,832,893           | —                   | —               | 2,832,893            |
| Short-Term Investments (a)               | 2,811,630           | —                   | —               | 2,811,630            |
| Derivatives (b)                          |                     |                     |                 |                      |
| Futures Contracts                        | 44,212              | —                   | —               | 44,212               |
| Interest Rate Swap Contracts             | —                   | 224,876             | —               | 224,876              |
| Forward Foreign Currency Contracts       | —                   | 2,081               | —               | 2,081                |
| <b>Total</b>                             | <b>\$52,327,086</b> | <b>\$55,696,959</b> | <b>\$14,335</b> | <b>\$108,038,380</b> |
| <b>Liabilities</b>                       | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b>  | <b>Total</b>         |
| Derivatives (b)                          |                     |                     |                 |                      |
| Futures Contracts                        | \$ (230,550)        | \$ —                | \$ —            | \$ (230,550)         |
| <b>Total</b>                             | <b>\$ (230,550)</b> | <b>\$ —</b>         | <b>\$ —</b>     | <b>\$ (230,550)</b>  |

(a) See Investment Portfolio for additional detailed categorizations.

(b) Derivatives include unrealized appreciation (depreciation) on open futures contracts, interest rate swap contracts and forward foreign currency contracts.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

## Assets

|  |                    |
|--|--------------------|
| Investments in non-affiliated securities, at value (cost \$105,329,747) — including \$596,249 of securities loaned | \$ 104,955,581     |
| Investment in DWS Government & Agency Securities Portfolio (cost \$611,916)*                                       | 611,916            |
| Investment in DWS Central Cash Management Government Fund (cost \$2,199,714)                                       | 2,199,714          |
| Cash   | 20,000             |
| Foreign currency, at value (cost \$97,912)   | 96,815             |
| Receivable for Fund shares sold  | 8,382              |
| Dividends receivable   | 176,794            |
| Interest receivable  | 263,306            |
| Receivable for variation margin on futures contracts   | 157,571            |
| Unrealized appreciation on forward foreign currency contracts  | 2,081              |
| Foreign taxes recoverable  | 114,763            |
| Other assets   | 1,385              |
| <b>Total assets</b>  | <b>108,608,308</b> |

## Liabilities

|   |                  |
|---|------------------|
| Payable upon return of securities loaned                | 611,916          |
| Payable for investments purchased                       | 758,649          |
| Payable for Fund shares redeemed                        | 79,900           |
| Payable for variation margin on centrally cleared swaps | 11,833           |
| Accrued management fee                                  | 33,469           |
| Accrued Trustees' fees                                  | 987              |
| Other accrued expenses and payables                     | 116,119          |
| <b>Total liabilities</b>                                | <b>1,612,873</b> |

**Net assets, at value** **\$ 106,995,435**

## Net Assets Consist of

|                               |             |
|-------------------------------|-------------|
| Distributable earnings (loss) | 1,872,794   |
| Paid-in capital               | 105,122,641 |

**Net assets, at value** **\$ 106,995,435**

## Net Asset Value

### Class A

**Net Asset Value**, offering and redemption price per share ( $\$106,984,053 \div 5,313,219$  outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 20.14**

### Class B

**Net Asset Value**, offering and redemption price per share ( $\$11,382 \div 566$  outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)\*\* **\$ 20.12**

\* Represents collateral on securities loaned.

\*\* Net asset value and redemption price per share may not recalculate due to rounding of net assets and/or shares outstanding.

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

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

## Investment Income

|  |                  |
|--|------------------|
| Income:  |                  |
| Dividends (net of foreign taxes withheld of \$106,062)             | \$ 1,423,524     |
| Interest   | 638,709          |
| Income distributions — DWS Central Cash Management Government Fund | 7,724            |
| Securities lending income, net of borrower rebates                 | 14,062           |
| Total income   | 2,084,019        |
| Expenses:  |                  |
| Management fee   | 219,464          |
| Administration fee   | 57,535           |
| Services to shareholders   | 450              |
| Distribution service fee (Class B)                                 | 16               |
| Custodian fee  | 10,106           |
| Audit fee  | 37,176           |
| Legal fees   | 11,745           |
| Tax fees   | 4,846            |
| Reports to shareholders  | 23,676           |
| Trustees' fees and expenses  | 4,696            |
| Other  | 11,224           |
| Total expenses before expense reductions                           | 380,934          |
| Expense reductions   | (8)              |
| Total expenses after expense reductions                            | 380,926          |
| <b>Net investment income</b>                                       | <b>1,703,093</b> |

## Realized and Unrealized Gain (Loss)

|  |                       |
|--|-----------------------|
| Net realized gain (loss) from:   |                       |
| Investments  | 474,092               |
| Swap contracts   | 39,073                |
| Futures  | 407,502               |
| Forward foreign currency contracts                                     | 26,205                |
| Foreign currency   | (17,647)              |
|  | 929,225               |
| Change in net unrealized appreciation (depreciation) on:               |                       |
| Investments  | (22,399,251)          |
| Swap contracts   | 193,863               |
| Futures  | (200,422)             |
| Forward foreign currency contracts                                     | (1,029)               |
| Foreign currency   | 76,793                |
|  | (22,330,046)          |
| <b>Net gain (loss)</b>   | <b>(21,400,821)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(19,697,728)</b> |

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

# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 1,703,093  | \$ 3,073,408                       |
| Net realized gain (loss)  | 929,225   | 9,810,558                          |
| Change in net unrealized appreciation<br>(depreciation)               | (22,330,046)  | 554,839                            |
| Net increase (decrease) in net assets resulting from operations       | (19,697,728)  | 13,438,805                         |
| Distributions to shareholders:  |   |                                    |
| Class A   | (12,945,935)  | (4,841,632)                        |
| Class B   | (1,320)   | (443)                              |
| Total distributions   | (12,947,255)  | (4,842,075)                        |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 2,777,445   | 7,428,971                          |
| Reinvestment of distributions   | 12,945,935  | 4,841,632                          |
| Payments for shares redeemed  | (7,476,309)   | (16,230,213)                       |
| Net increase (decrease) in net assets from Class A share transactions | 8,247,071   | (3,959,610)                        |
| <b>Class B</b>  |   |                                    |
| Reinvestment of distributions   | 1,320   | 443                                |
| Net increase (decrease) in net assets from Class B share transactions | 1,320   | 443                                |
| <b>Increase (decrease) in net assets</b>                              | (24,396,592)  | 4,637,563                          |
| Net assets at beginning of period                                     | 131,392,027   | 126,754,464                        |
| <b>Net assets at end of period</b>                                    | <b>\$106,995,435</b>                                | <b>\$131,392,027</b>               |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 4,905,426   | 5,056,269                          |
| Shares sold   | 121,222   | 282,829                            |
| Shares issued to shareholders in reinvestment of distributions        | 602,697   | 189,422                            |
| Shares redeemed   | (316,126)   | (623,094)                          |
| Net increase (decrease) in Class A shares                             | 407,793   | (150,843)                          |
| Shares outstanding at end of period                                   | <b>5,313,219</b>                                    | <b>4,905,426</b>                   |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 504   | 487                                |
| Shares issued to shareholders in reinvestment of distributions        | 62  | 17                                 |
| Net increase (decrease) in Class B shares                             | 62  | 17                                 |
| Shares outstanding at end of period                                   | <b>566</b>  | <b>504</b>                         |

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

# Financial Highlights

## DWS Global Income Builder VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                     |                |
|--|--|----------------|--------------------------|----------------|---------------------|----------------|
|  |  |                | 2020                     | 2019           | 2018                | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                     |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$26.78</b>                             | <b>\$25.07</b> | <b>\$24.63</b>           | <b>\$21.33</b> | <b>\$26.56</b>      | <b>\$23.50</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                     |                |
| Net investment income <sup>a</sup>                           | .34  | .62            | .57                      | .69            | .80                 | .71            |
| Net realized and unrealized gain (loss)                      | (4.28)                                     | 2.08           | 1.16                     | 3.54           | (2.67)              | 3.10           |
| <b>Total from investment operations</b>                      | <b>(3.94)</b>                              | <b>2.70</b>    | <b>1.73</b>              | <b>4.23</b>    | <b>(1.87)</b>       | <b>3.81</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                     |                |
| Net investment income  | (.69)                                      | (.62)          | (.74)                    | (.90)          | (.98)               | (.75)          |
| Net realized gains   | (2.01)                                     | (.37)          | (.55)                    | (.03)          | (2.38)              | —              |
| <b>Total distributions</b>                                   | <b>(2.70)</b>                              | <b>(.99)</b>   | <b>(1.29)</b>            | <b>(.93)</b>   | <b>(3.36)</b>       | <b>(.75)</b>   |
| <b>Net asset value, end of period</b>                        | <b>\$20.14</b>                             | <b>\$26.78</b> | <b>\$25.07</b>           | <b>\$24.63</b> | <b>\$21.33</b>      | <b>\$26.56</b> |
| Total Return (%)   | (15.36) <sup>*</sup>                       | 10.95          | 8.28                     | 20.16          | (7.66) <sup>b</sup> | 16.54          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                     |                |
| Net assets, end of period (\$ millions)                      | 107  | 131            | 127                      | 130            | 120                 | 147            |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .64 <sup>**</sup>                          | .61            | .64                      | .68            | .69                 | .63            |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .64 <sup>**</sup>                          | .61            | .64                      | .68            | .68                 | .63            |
| Ratio of net investment income (%)                           | 2.87 <sup>**</sup>                         | 2.36           | 2.51                     | 2.96           | 3.34                | 2.85           |
| Portfolio turnover rate (%)                                  | 51 <sup>*</sup>                            | 104            | 137                      | 182            | 70                  | 122            |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

<sup>\*</sup> Not annualized

<sup>\*\*</sup> Annualized

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

## DWS Global Income Builder VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | Years Ended December 31, |                |                | Period<br>Ended<br>12/31/18 <sup>a</sup> |
|--|--|--------------------------|----------------|----------------|--|
|  |  | 2021                     | 2020           | 2019           |  |
| <b>Selected Per Share Data</b>                               |  |                          |                |                |  |
| <b>Net asset value, beginning of period</b>                  | <b>\$26.70</b>                             | <b>\$25.01</b>           | <b>\$24.61</b> | <b>\$21.30</b> | <b>\$22.65</b>                           |
| <i>Income (loss) from investment operations:</i>             |  |                          |                |                |  |
| Net investment income <sup>b</sup>                           | .30  | .52                      | .50            | .65            | .50                                      |
| Net realized and unrealized gain (loss)                      | (4.26)                                     | 2.08                     | 1.15           | 3.55           | (1.85)                                   |
| <b>Total from investment operations</b>                      | <b>(3.96)</b>                              | <b>2.60</b>              | <b>1.65</b>    | <b>4.20</b>    | <b>(1.35)</b>                            |
| <i>Less distributions from:</i>                              |  |                          |                |                |  |
| Net investment income  | (.61)                                      | (.54)                    | (.70)          | (.86)          | —  |
| Net realized gains   | (2.01)                                     | (.37)                    | (.55)          | (.03)          | —  |
| <b>Total distributions</b>                                   | <b>(2.62)</b>                              | <b>(.91)</b>             | <b>(1.25)</b>  | <b>(.89)</b>   | <b>—</b>                                 |
| <b>Net asset value, end of period</b>                        | <b>\$20.12</b>                             | <b>\$26.70</b>           | <b>\$25.01</b> | <b>\$24.61</b> | <b>\$21.30</b>                           |
| Total Return (%) <sup>c</sup>                                | (15.45)*                                   | 10.56                    | 7.90           | 20.01          | (5.96)*                                  |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                          |                |                |  |
| Net assets, end of period (\$ thousands)                     | 11   | 13                       | 12             | 11             | 9  |
| Ratio of expenses before expense reductions (%) <sup>d</sup> | 1.09**                                     | 1.05                     | 1.10           | 1.10           | 1.15**                                   |
| Ratio of expenses after expense reductions (%) <sup>d</sup>  | .96**                                      | .96                      | .93            | .86            | .86**                                    |
| Ratio of net investment income (%)                           | 2.57**                                     | 1.99                     | 2.20           | 2.77           | 3.30**                                   |
| Portfolio turnover rate (%)                                  | 51*  | 104                      | 137            | 182            | 70 <sup>e</sup>                          |

<sup>a</sup> For the period from May 1, 2018 (commencement of operations) to December 31, 2018.

<sup>b</sup> Based on average shares outstanding during the period.

<sup>c</sup> Total return would have been lower had certain expenses not been reduced.

<sup>d</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

<sup>e</sup> Represents the Fund's portfolio turnover rate for the year ended December 31, 2018.

\* Not annualized

\*\* Annualized

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

## A. Organization and Significant Accounting Policies

DWS Global Income Builder VIP (the “Fund”) is a diversified series of Deutsche DWS Variable Series II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company organized as a Massachusetts business trust.

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities and exchange-traded funds (“ETFs”) are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Equity securities or ETFs for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities or ETFs are generally categorized as Level 1. For certain international equity securities, in order to adjust for events which may occur between the close of the foreign exchanges and the close of the New York Stock Exchange, a fair valuation model may be used. This fair valuation model takes into account comparisons to the valuation of American Depositary Receipts (ADRs), exchange-traded funds, futures contracts and certain indices and these securities are categorized as Level 2.

Debt securities are valued at prices supplied by independent pricing services approved by the Fund’s Board. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, prepayment speeds and other data, as well as broker quotes. If the pricing services are unable to provide valuations, debt securities are valued at the average of the most recent reliable bid quotations or evaluated prices, as applicable, obtained from broker-dealers. These securities are generally categorized as Level 2.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Futures contracts are generally valued at the settlement prices established each day on the exchange on which they are traded and are categorized as Level 1.

Forward currency contracts are valued at the prevailing forward exchange rate of the underlying currencies and are categorized as Level 2.

Swap contracts are valued daily based upon prices supplied by a Board approved pricing vendor, if available, and otherwise are valued at the price provided by the broker-dealer. Swap contracts are generally categorized as Level 2.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect



their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Securities Lending.** Deutsche Bank AG, as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. As of period end, any securities on loan were collateralized by cash. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had securities on loan. The value of the related collateral exceeded the value of the securities loaned at period end.

**Remaining Contractual Maturity of the Agreements** as of June 30, 2022

|  | <b>Overnight<br/>and<br/>Continuous</b> | <b>&lt;30 days</b> | <b>Between 30<br/>&amp; 90 days</b> | <b>&gt;90 days</b> | <b>Total</b>      |
|--|---|--------------------|-------------------------------------|--------------------|-------------------|
| <b>Securities Lending Transactions</b> |   |                    |                                     |                    |                   |
| Common Stocks                          | \$ 39,186                               | \$ —               | \$ —                                | \$ —               | \$ 39,186         |
| Corporate Bonds                        | 107,730                                 | —                  | —                                   | —                  | 107,730           |
| Government & Agency Obligations        | 465,000                                 | —                  | —                                   | —                  | 465,000           |
| <b>Total Borrowings</b>                | <b>\$ 611,916</b>                       | <b>\$ —</b>        | <b>\$ —</b>                         | <b>\$ —</b>        | <b>\$ 611,916</b> |

Gross amount of recognized liabilities for securities lending transactions: \$ 611,916

**Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies and to distribute all of its taxable income to its shareholders.

Additionally, the Fund may be subject to taxes imposed by the governments of countries in which it invests and are generally based on income and/or capital gains earned or repatriated, a portion of which may be recoverable based upon the current interpretation of the tax rules and regulations. Estimated tax liabilities and recoveries on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized gain/loss on investments. Tax liabilities realized as a result of security sales are reflected as a component of net realized gain/loss on investments.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$108,621,506. The net unrealized depreciation for all investments based on tax cost was \$854,295. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$10,578,931 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$11,433,226.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to investments in foreign denominated investments, forward currency contracts, futures contracts, swap contracts, certain securities sold at a loss, income received from passive foreign investment companies, the realized tax character on distributions from certain securities and premium amortization on debt securities. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Certain dividends from foreign securities may be recorded subsequent to the ex-dividend date as soon as the Fund is informed of such dividends. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments. All premiums and discounts are amortized/accreted for both tax and financial reporting purposes, with the exception of securities in default of principal.

## **B. Derivative Instruments**

**Swaps.** A swap is a contract between two parties to exchange future cash flows at periodic intervals based on the notional amount of the swap. A bilateral swap is a transaction between the Fund and a counterparty where cash flows are exchanged between the two parties. A centrally cleared swap is a transaction executed between the Fund and a counterparty, then cleared by a clearing member through a central clearinghouse. The central clearinghouse serves as the counterparty, with whom the Fund exchanges cash flows.

The value of a swap is adjusted daily, and the change in value, if any, is recorded as unrealized appreciation or depreciation in the Statement of Assets and Liabilities. Gains or losses are realized when the swap expires or is closed. Certain risks may arise when entering into swap transactions including counterparty default; liquidity; or unfavorable changes in interest rates or the value of the underlying reference security, commodity or index. In connection with bilateral swaps, securities and/or cash may be identified as collateral in accordance with the terms of the swap agreement to provide assets of value and recourse in the event of default. The maximum counterparty credit risk is the net present value of the cash flows to be received from or paid to the counterparty over the term of the swap, to the extent that this amount is beneficial to the Fund, in addition to any related collateral posted to the counterparty by the Fund. This risk may be partially reduced by a master netting arrangement between the Fund and the counterparty. Upon entering into a centrally cleared swap, the Fund is required to deposit with a financial intermediary cash or securities (“initial margin”) in an amount equal to a certain percentage of the notional amount of the swap. Subsequent payments (“variation margin”) are made or received by the Fund dependent upon the daily fluctuations in the value of the swap. In a centrally cleared swap transaction, counterparty risk is minimized as the central clearinghouse acts as the counterparty.

An upfront payment, if any, made by the Fund is recorded as an asset in the Statement of Assets and Liabilities. An upfront payment, if any, received by the Fund is recorded as a liability in the Statement of Assets and Liabilities. Payments received or made at the end of the measurement period are recorded as realized gain or loss in the Statement of Operations.

**Interest Rate Swaps.** Interest rate swaps are agreements in which the Fund agrees to pay to the counterparty a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund a variable rate payment, or the Fund agrees to receive from the counterparty a fixed rate payment in exchange for the counterparty agreeing to receive from the Fund a variable rate payment. The payment obligations are based on the notional amount of the swap. For the six months ended June 30, 2022, the Fund entered into interest rate swap agreements to gain exposure to different parts of the yield curve while managing overall duration.

A summary of the open interest rate swap contracts as of June 30, 2022 is included in a table following the Fund’s Investment Portfolio. For the six months ended June 30, 2022, the investment in interest rate swap contracts had a total notional amount of \$6,000,000.

**Credit Default Swaps.** Credit default swaps are agreements between a buyer and a seller of protection against predefined credit events for the reference entity. The Fund may enter into credit default swaps to gain exposure to an underlying issuer’s credit quality characteristics without directly investing in that issuer or to hedge against the risk of a credit event on debt securities. As a seller of a credit default swap, the Fund is required to pay the par (or other agreed-upon) value of the referenced entity to the counterparty with the occurrence of a credit event by a third party, such as a U.S. or foreign corporate issuer, on the reference entity, which would likely result in a loss to the Fund. In return, the Fund receives from the counterparty a periodic stream of payments over the term of the swap provided that no credit event has occurred. If no credit event occurs, the Fund keeps the stream of payments with no payment obligations. The Fund may also buy credit default swaps, in which case the Fund functions as the counterparty referenced above. This involves the risk that the swap may expire worthless. It also involves counterparty risk that the seller may fail to satisfy its payment obligations to the Fund with the occurrence of a credit event. When the Fund sells a

credit default swap, it will cover its commitment. This may be achieved by, among other methods, maintaining cash or liquid assets equal to the aggregate notional value of the reference entities for all outstanding credit default swaps sold by the Fund. For the six months ended June 30, 2022, the Fund entered into credit default swap agreements to gain exposure to the underlying issuer's credit quality characteristics and to hedge the risk of default or other specified credit events on portfolio assets.

Under the terms of a credit default swap, the Fund receives or makes periodic payments based on a specified interest rate on a fixed notional amount. These payments are recorded as a realized gain or loss in the Statement of Operations. Payments received or made as a result of a credit event or termination of the swap are recognized, net of a proportional amount of the upfront payment, as realized gains or losses in the Statement of Operations.

There were no open credit default swap contracts as of June 30, 2022. For the six months ended June 30, 2022, the investment in credit default swap contracts purchased had a total notional amount generally indicative of a range from \$0 to \$4,690,000.

**Futures Contracts.** A futures contract is an agreement between a buyer or seller and an established futures exchange or its clearinghouse in which the buyer or seller agrees to take or make a delivery of a specific amount of a financial instrument at a specified price on a specific date (settlement date). For the six months ended June 30, 2022, the Fund entered into interest rate futures to gain exposure to different parts of the yield curve while managing overall duration. The Fund also entered into interest rate futures contracts for non-hedging purposes to seek to enhance potential gains. In addition, the Fund entered into equity index futures as a means of gaining exposure to the equity asset class without investing directly into such asset class and to manage the risk of stock market volatility.

Upon entering into a futures contract, the Fund is required to deposit with a financial intermediary cash or securities ("initial margin") in an amount equal to a certain percentage of the face value indicated in the futures contract. Subsequent payments ("variation margin") are made or received by the Fund dependent upon the daily fluctuations in the value and are recorded for financial reporting purposes as unrealized gains or losses by the Fund. Gains or losses are realized when the contract expires or is closed. Since all futures contracts are exchange-traded, counterparty risk is minimized as the exchange's clearinghouse acts as the counterparty, and guarantees the futures against default.

Certain risks may arise upon entering into futures contracts, including the risk that an illiquid market will limit the Fund's ability to close out a futures contract prior to the settlement date and the risk that the futures contract is not well correlated with the security, index or currency to which it relates. Risk of loss may exceed amounts recognized in the Statement of Assets and Liabilities.

A summary of the open futures contracts as of June 30, 2022, is included in a table following the Fund's Investment Portfolio. For the six months ended June 30, 2022, the investment in futures contracts purchased had a total notional value generally indicative of a range from approximately \$9,575,000 to \$11,894,000, and the investment in futures contracts sold had a total notional value generally indicative of a range from approximately \$16,041,000 to \$19,366,000.

**Forward Foreign Currency Contracts.** A forward foreign currency contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at the settlement date at a negotiated rate. For the six months ended June 30, 2022, the Fund entered into forward currency contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign currency denominated portfolio holdings, to facilitate transactions in foreign currency denominated securities and for non-hedging purposes to seek to enhance potential gains.

Forward currency contracts are valued at the prevailing forward exchange rate of the underlying currencies and unrealized gain (loss) is recorded daily. On the settlement date of the forward currency contract, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value of the contract at the time it was closed. Certain risks may arise upon entering into forward currency contracts from the potential inability of counterparties to meet the terms of their contracts. The maximum counterparty credit risk to the Fund is measured by the unrealized gain on appreciated contracts. Additionally, when utilizing forward currency contracts to hedge, the Fund gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

A summary of the open forward currency contracts as of June 30, 2022, is included in the table following the Fund's Investment Portfolio. For the six months ended June 30, 2022, the investment in forward currency contracts short vs. U.S. dollars had a total contract value generally indicative of a range from approximately \$197,000 to \$310,000.

The following tables summarize the value of the Fund's derivative instruments held as of June 30, 2022 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

| <b>Assets Derivative</b>       | <b>Forward Contracts</b> | <b>Swap Contracts</b> | <b>Futures Contracts</b> | <b>Total</b>      |
|--------------------------------|--------------------------|-----------------------|--------------------------|-------------------|
| Equity Contracts (a)           | \$ —                     | \$ —                  | \$ 14,344                | \$ 14,344         |
| Interest Rate Contracts (a)    | —                        | 224,876               | 29,868                   | 254,744           |
| Foreign Exchange Contracts (b) | 2,081                    | —                     | —                        | 2,081             |
|                                | <b>\$ 2,081</b>          | <b>\$ 224,876</b>     | <b>\$ 44,212</b>         | <b>\$ 271,169</b> |

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

- (a) Includes cumulative appreciation of futures and centrally cleared swap contracts as disclosed in the Investment Portfolio. Unsettled variation margin is disclosed separately within the Statement of Assets and Liabilities.
- (b) Unrealized appreciation on forward foreign currency contracts

| <b>Liability Derivative</b> | <b>Futures Contracts</b> |
|-----------------------------|--------------------------|
| Equity Contracts (a)        | \$ (74,620)              |
| Interest Rate Contracts (a) | (155,930)                |
|                             | <b>\$ (230,550)</b>      |

The above derivative is located in the following Statement of Assets and Liabilities account:

- (a) Includes cumulative depreciation of futures contracts as disclosed in the Investment Portfolio. Unsettled variation margin is disclosed separately within the Statement of Assets and Liabilities.

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Fund earnings during the six months ended June 30, 2022 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

| <b>Realized Gain (Loss)</b>    | <b>Forward Contracts</b> | <b>Swap Contracts</b> | <b>Futures Contracts</b> | <b>Total</b>      |
|--------------------------------|--------------------------|-----------------------|--------------------------|-------------------|
| Equity Contracts (a)           | \$ —                     | \$ —                  | \$ 1,134,188             | \$ 1,134,188      |
| Interest Rate Contracts (a)    | —                        | (157)                 | (726,686)                | (726,843)         |
| Credit Contracts (a)           | —                        | 39,230                | —                        | 39,230            |
| Foreign Exchange Contracts (a) | 26,205                   | —                     | —                        | 26,205            |
|                                | <b>\$26,205</b>          | <b>\$39,073</b>       | <b>\$ 407,502</b>        | <b>\$ 472,780</b> |

Each of the above derivatives is located in the following Statement of Operations accounts:

- (a) Net realized gain (loss) from forward foreign currency contracts, swap and futures contracts, respectively

| <b>Change in Net Unrealized Appreciation (Depreciation)</b> | <b>Forward Contracts</b> | <b>Swap Contracts</b> | <b>Futures Contracts</b> | <b>Total</b>      |
|---|--------------------------|-----------------------|--------------------------|-------------------|
| Equity Contracts (a)  | \$ —                     | \$ —                  | \$ 31,654                | \$ 31,654         |
| Interest Rate Contracts (a)                                 | —                        | 193,863               | (232,076)                | (38,213)          |
| Foreign Exchange Contracts (a)                              | (1,029)                  | —                     | —                        | (1,029)           |
|   | <b>\$(1,029)</b>         | <b>\$193,863</b>      | <b>\$(200,422)</b>       | <b>\$ (7,588)</b> |

Each of the above derivatives is located in the following Statement of Operations accounts:

- (a) Change in net unrealized appreciation (depreciation) on forward foreign currency contracts, swap and futures contracts, respectively

As of June 30, 2022, the Fund has transactions subject to enforceable master netting agreements which govern the terms of certain transactions, and reduce the counterparty risk associated with such transactions. Master netting agreements allow a Fund to close out and net total exposure to a counterparty in the event of a deterioration in the credit quality or contractual default with respect to all of the transactions with a counterparty. As defined by the master netting agreement, the Fund may have collateral agreements with certain counterparties to mitigate risk. For financial reporting purposes the Statement of Assets and Liabilities generally shows derivatives assets and liabilities on a gross basis, which reflects the full risks and

exposures prior to netting. A reconciliation of the gross amounts on the Statement of Assets and Liabilities to the net amounts by a counterparty, including any collateral exposure, is included in the following table:

| Counterparty                | Gross Amount<br>of Assets<br>Presented<br>in the<br>Statement of<br>Assets and<br>Liabilities | Financial<br>Instruments<br>and<br>Derivatives<br>Available<br>for Offset | Collateral<br>Received | Net Amount<br>of Derivative<br>Assets |
|-----------------------------|---|---|------------------------|---------------------------------------|
| State Street Bank and Trust | \$ 2,081  | \$ —  | \$ —                   | \$ 2,081                              |

### C. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities, excluding short-term investments, were as follows:

|                               | Purchases    | Sales        |
|-------------------------------|--------------|--------------|
| Non-U.S. Treasury Obligations | \$50,583,126 | \$58,523,999 |
| U.S. Treasury Obligations     | \$ 7,494,567 | \$ 1,369,181 |

### D. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. (“DIMA” or the “Advisor”), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA (“DWS Group”), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund or delegates such responsibility to the Fund’s subadvisor.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|                     |       |
|---------------------|-------|
| First \$250 million | .370% |
| Next \$750 million  | .345% |
| Over \$1 billion    | .310% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.37% of the Fund’s average daily net assets.

For the period from January 1, 2022 through September 30, 2022 (through April 30, 2022 for Class B shares), the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |      |
|---------|------|
| Class A | .71% |
| Class B | .96% |

Effective May 1, 2022 through April 30, 2023, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of Class B shares to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) at 0.97%.

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for Class B are \$8.

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$57,535, of which \$8,775 is unpaid.

**Distribution Service Agreement.** DWS Distributors, Inc. (“DDI”), an affiliate of the Advisor, is the Fund’s distributor. In accordance with the Distribution Plan, DDI receives 12b-1 fees of up to 0.25% of the average daily net assets of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee was as follows:

| Distribution Fee | Total Aggregated | Unpaid at June 30, 2022 |
|------------------|------------------|-------------------------|
| Class B          | \$ 16            | \$ 2                    |

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at June 30, 2022 |
|--------------------------|------------------|-------------------------|
| Class A                  | \$ 291           | \$ 91                   |
| Class B                  | 13               | 4                       |
|                          | <b>\$ 304</b>    | <b>\$ 95</b>            |

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$654, of which \$31 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

**Securities Lending Agent Fees.** Deutsche Bank AG serves as securities lending agent for the Fund. For the six months ended June 30, 2022, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of \$1,058.

## E. Ownership of the Fund

At June 30, 2022, one participating insurance company was owner of record of 10% or more of the total outstanding Class A shares of the Fund, owning 65%.

## F. Line of Credit

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

## **G. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund's accounting and financial reporting.



## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses for Class B shares; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 846.40      | \$ 845.50      |
| Expenses Paid per \$1,000*     | \$ 2.93        | \$ 4.39        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,021.62    | \$ 1,020.03    |
| Expenses Paid per \$1,000*         | \$ 3.21        | \$ 4.81        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                                | <b>Class A</b> | <b>Class B</b> |
|---|----------------|----------------|
| Deutsche DWS Variable Series II — DWS Global Income Builder VIP | .64%           | .96%           |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Global Income Builder VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 3rd quartile, 2nd quartile and 2nd quartile, respectively, of the applicable Morningstar universe (the 1st quartile being the

best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has underperformed its benchmark in the one-, three- and five-year periods ended December 31, 2020.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (1st quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (2nd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to a comparable DWS U.S. registered fund ("DWS Funds") and considered differences between the Fund and the comparable DWS Fund. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the

substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes

# Notes



VS2GIB-3 (R-028382-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series I

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**DWS Global Small Cap VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Stocks may decline in value. Smaller company stocks tend to be more volatile than medium-sized or large company stocks. Investing in foreign securities, particularly those of emerging markets, presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE  
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

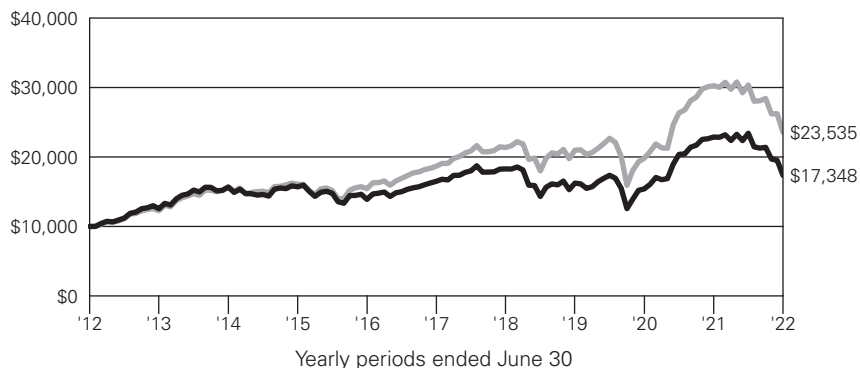
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022, are 1.05% and 1.33% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS Global Small Cap VIP – Class A  
 ■ S&P® Developed SmallCap Index



S&P Developed SmallCap Index comprises the stocks representing the lowest 15% of float-adjusted market cap in each developed country. It is a subset of the S&P Global BMI, a comprehensive, rules-based index measuring global stock market performance.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS Global Small Cap VIP     |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|------------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                      | Growth of \$10,000          | \$7,407              | \$7,586 | \$10,681 | \$10,514 | \$17,348 |
|                              | Average annual total return | -25.93%              | -24.14% | 2.22%    | 1.01%    | 5.66%    |
| S&P Developed SmallCap Index | Growth of \$10,000          | \$7,750              | \$7,777 | \$11,216 | \$12,606 | \$23,535 |
|                              | Average annual total return | -22.50%              | -22.23% | 3.90%    | 4.74%    | 8.94%    |

| DWS Global Small Cap VIP     |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|------------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class B                      | Growth of \$10,000          | \$7,390              | \$7,558 | \$10,589 | \$10,365 | \$16,872 |
|                              | Average annual total return | -26.10%              | -24.42% | 1.92%    | 0.72%    | 5.37%    |
| S&P Developed SmallCap Index | Growth of \$10,000          | \$7,750              | \$7,777 | \$11,216 | \$12,606 | \$23,535 |
|                              | Average annual total return | -22.50%              | -22.23% | 3.90%    | 4.74%    | 8.94%    |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 98%            | 99%             |
| Cash Equivalents   | 2%             | 1%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Industrials   | 18%            | 19%             |
| Information Technology  | 14%            | 13%             |
| Financials  | 13%            | 14%             |
| Health Care   | 12%            | 12%             |
| Consumer Discretionary  | 10%            | 13%             |
| Real Estate   | 9%             | 9%              |
| Materials   | 7%             | 7%              |
| Energy  | 6%             | 3%              |
| Consumer Staples  | 4%             | 4%              |
| Communication Services  | 4%             | 3%              |
| Utilities   | 3%             | 3%              |
|   | 100%           | 100%            |

| <b>Geographical Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| United States   | 56%            | 58%             |
| United Kingdom  | 8%             | 5%              |
| Japan   | 6%             | 8%              |
| Germany   | 4%             | 4%              |
| Sweden  | 3%             | 3%              |
| France  | 3%             | 2%              |
| Italy   | 2%             | 2%              |
| Spain   | 2%             | 2%              |
| Canada  | 2%             | 2%              |
| Korea   | 2%             | 2%              |
| Australia   | 2%             | 0%              |
| Switzerland   | 2%             | 2%              |
| Austria   | 1%             | 2%              |
| Other   | 7%             | 8%              |
|   | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Management Team

Pankaj Bhatnagar, PhD, Head of Investment Strategy Equity

Peter Barsa, Senior Portfolio Manager Equity

Portfolio Managers

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares  | Value (\$)       |  | Shares | Value (\$) |
|--|---------|------------------|--|--------|------------|
| <b>Common Stocks 97.5%</b>                                       |         |                  |  |        |            |
| <b>Australia 1.9%</b>  |         |                  |  |        |            |
| Charter Hall Long Wale REIT                                      | 58,328  | 171,904          |  |        |            |
| Liontown Resources Ltd.*   | 241,529 | 175,843          |  |        |            |
| Nickel Mines Ltd.  | 242,378 | 163,623          |  |        |            |
| Orora Ltd.   | 250,105 | 631,122          |  |        |            |
| (Cost \$1,430,603)   |         | <b>1,142,492</b> |  |        |            |
| <b>Austria 1.1%</b>  |         |                  |  |        |            |
| Wienerberger AG<br>(Cost \$742,456)                              | 29,794  | <b>638,256</b>   |  |        |            |
| <b>Belgium 0.8%</b>  |         |                  |  |        |            |
| Euronav NV (Cost \$313,841)                                      | 37,166  | <b>444,902</b>   |  |        |            |
| <b>Canada 2.1%</b>   |         |                  |  |        |            |
| ElectraMeccanica Vehicles<br>Corp.* (a)                          | 102,528 | 138,413          |  |        |            |
| Linamar Corp.  | 14,424  | 611,160          |  |        |            |
| Quebecor, Inc. "B"   | 22,394  | 478,604          |  |        |            |
| (Cost \$1,257,015)   |         | <b>1,228,177</b> |  |        |            |
| <b>Denmark 0.4%</b>  |         |                  |  |        |            |
| Netcompany Group A/S 144A*<br>(Cost \$543,495)                   | 4,581   | <b>250,803</b>   |  |        |            |
| <b>France 2.7%</b>   |         |                  |  |        |            |
| Alten SA   | 5,267   | 572,081          |  |        |            |
| Maisons du Monde SA 144A   | 10,438  | 104,051          |  |        |            |
| Rubis SCA  | 7,967   | 186,420          |  |        |            |
| Television Francaise 1   | 29,700  | 210,815          |  |        |            |
| Vallourec SA*  | 44,524  | 533,851          |  |        |            |
| (Cost \$2,066,081)   |         | <b>1,607,218</b> |  |        |            |
| <b>Germany 3.7%</b>  |         |                  |  |        |            |
| AIXTRON SE   | 31,164  | 786,262          |  |        |            |
| Deutz AG   | 112,697 | 436,896          |  |        |            |
| PATRIZIA AG  | 41,336  | 489,691          |  |        |            |
| United Internet AG (Registered)                                  | 16,617  | 473,120          |  |        |            |
| (Cost \$2,119,650)   |         | <b>2,185,969</b> |  |        |            |
| <b>India 0.9%</b>  |         |                  |  |        |            |
| WNS Holdings Ltd. (ADR)*<br>(Cost \$193,879)                     | 7,251   | <b>541,215</b>   |  |        |            |
| <b>Ireland 0.8%</b>  |         |                  |  |        |            |
| Dalata Hotel Group PLC*<br>(Cost \$658,449)                      | 129,550 | <b>474,616</b>   |  |        |            |
| <b>Italy 2.2%</b>  |         |                  |  |        |            |
| Buzzi Unicem SpA   | 51,265  | 840,780          |  |        |            |
| Moncler SpA  | 10,050  | 431,860          |  |        |            |
| (Cost \$1,381,204)   |         | <b>1,272,640</b> |  |        |            |
| <b>Japan 6.0%</b>  |         |                  |  |        |            |
| Ai Holdings Corp.  | 25,217  | 287,488          |  |        |            |
| Anicom Holdings, Inc.  | 4,300   | 20,513           |  |        |            |
| BML, Inc.  | 8,100   | 210,409          |  |        |            |
| Furuya Metal Co., Ltd. (a)                                       | 6,400   | 403,159          |  |        |            |
| Kusuri no Aoki Holdings Co.,<br>Ltd.                             | 12,158  | 520,318          |  |        |            |
| Nippon Paper Industries Co.,<br>Ltd.                             | 34,400  | 243,528          |  |        |            |
| Optorun Co., Ltd.  | 22,900  | 302,821          |  |        |            |
| Sawai Group Holdings Co., Ltd.                                   | 7,900   | 239,423          |  |        |            |
| Topcon Corp.   | 23,400  | 304,008          |  |        |            |
| Toyo Kanetsu KK  | 9,400   | 183,354          |  |        |            |
| UT Group Co., Ltd.   | 31,024  | 511,401          |  |        |            |
| Zenkoku Hosho Co., Ltd.  | 9,600   | 299,973          |  |        |            |
| (Cost \$3,200,885)   |         | <b>3,526,395</b> |  |        |            |
| <b>Korea 2.1%</b>  |         |                  |  |        |            |
| Advanced Nano Products Co.,<br>Ltd.                              | 3,422   | 185,875          |  |        |            |
| Hanmi Semiconductor Co., Ltd.                                    | 51,968  | 503,252          |  |        |            |
| Seah Besteel Holdings Corp.                                      | 44,172  | 523,006          |  |        |            |
| (Cost \$1,675,885)   |         | <b>1,212,133</b> |  |        |            |
| <b>Luxembourg 0.8%</b>   |         |                  |  |        |            |
| B&M European Value Retail SA<br>(Cost \$430,350)                 | 101,505 | <b>452,851</b>   |  |        |            |
| <b>Netherlands 1.0%</b>  |         |                  |  |        |            |
| Boskalis Westminster<br>(Cost \$535,941)                         | 16,916  | <b>567,651</b>   |  |        |            |
| <b>Portugal 0.5%</b>   |         |                  |  |        |            |
| REN - Redes Energeticas<br>Nacionais SGPS SA<br>(Cost \$261,325) | 92,222  | <b>277,949</b>   |  |        |            |
| <b>Puerto Rico 0.8%</b>  |         |                  |  |        |            |
| Popular, Inc. (Cost \$463,903)                                   | 6,166   | <b>474,350</b>   |  |        |            |
| <b>Singapore 0.6%</b>  |         |                  |  |        |            |
| BW LPG, Ltd. 144A<br>(Cost \$282,917)                            | 46,131  | <b>341,351</b>   |  |        |            |
| <b>Spain 2.1%</b>  |         |                  |  |        |            |
| Applus Services SA   | 36,846  | 254,970          |  |        |            |
| Fluidra SA (a)   | 34,068  | 690,939          |  |        |            |
| Talgo SA 144A (a)  | 88,107  | 296,089          |  |        |            |
| (Cost \$1,382,320)   |         | <b>1,241,998</b> |  |        |            |
| <b>Sweden 3.0%</b>   |         |                  |  |        |            |
| Dometic Group AB 144A  | 22,461  | 131,683          |  |        |            |
| Fingerprint Cards AB "B"*  | 137,398 | 120,245          |  |        |            |
| MIPS AB  | 2,974   | 129,790          |  |        |            |
| Nobina AB* (a)   | 91,569  | 966,734          |  |        |            |
| Ratos AB "B"   | 91,259  | 389,164          |  |        |            |
| (Cost \$1,708,636)   |         | <b>1,737,616</b> |  |        |            |
| <b>Switzerland 1.7%</b>  |         |                  |  |        |            |
| Julius Baer Group Ltd.   | 10,082  | 464,744          |  |        |            |
| Siegfried Holding AG<br>(Registered)                             | 851     | 543,160          |  |        |            |
| (Cost \$1,345,966)   |         | <b>1,007,904</b> |  |        |            |
| <b>United Kingdom 7.5%</b>                                       |         |                  |  |        |            |
| Clarkson PLC   | 7,937   | 290,071          |  |        |            |

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

|  | Shares  | Value (\$)       |  | Shares    | Value (\$)        |
|--|---------|------------------|--|-----------|-------------------|
| Computacenter PLC                              | 16,822  | 481,825          | Jefferies Financial Group, Inc.  | 35,036    | 967,694           |
| Domino's Pizza Group PLC                       | 74,516  | 253,543          | Kronos Bio, Inc.*  | 27,376    | 99,649            |
| Drax Group PLC                                 | 77,233  | 604,572          | Latham Group, Inc.*  | 21,694    | 150,339           |
| Dunelm Group PLC                               | 15,106  | 150,708          | Lazard Ltd. "A"  | 10,442    | 338,425           |
| Genus PLC                                      | 4,590   | 140,004          | Lumentum Holdings, Inc.*   | 8,748     | 694,766           |
| Greggs PLC                                     | 10,413  | 230,231          | Madison Square Garden Sports Corp.*  | 4,212     | 636,012           |
| Micro Focus International PLC                  | 93,845  | 317,958          | ModivCare, Inc.*   | 5,544     | 468,495           |
| RS GROUP PLC                                   | 90,511  | 961,320          | Molina Healthcare, Inc.*   | 4,182     | 1,169,329         |
| Saga PLC*                                      | 110,728 | 240,211          | Multiplan Corp.*   | 62,081    | 340,825           |
| Softcat PLC                                    | 23,377  | 376,307          | National Storage Affiliates Trust (REIT)   | 6,655     | 333,216           |
| TechnipFMC PLC* (b)                            | 52,253  | 351,663          | New Jersey Resources Corp.   | 8,717     | 388,168           |
| (Cost \$4,402,569)                             |         | <b>4,398,413</b> | Option Care Health, Inc.*  | 24,644    | 684,857           |
| <b>United States 54.8%</b>                     |         |                  | Outset Medical, Inc.*  | 6,295     | 93,544            |
| Advanced Drainage Systems, Inc.                | 3,618   | 325,873          | Pacira BioSciences, Inc.*  | 15,060    | 877,998           |
| Affiliated Managers Group, Inc.                | 4,445   | 518,287          | Physicians Realty Trust (REIT)   | 40,028    | 698,489           |
| Alcoa Corp.                                    | 14,278  | 650,791          | Precision BioSciences, Inc.* (a)   | 32,160    | 51,456            |
| Americold Realty Trust, Inc. (REIT)            | 21,223  | 637,539          | Redwood Trust, Inc. (REIT)   | 30,567    | 235,672           |
| Amneal Pharmaceuticals, Inc.*                  | 65,675  | 208,846          | RPT Realty (REIT)  | 14,932    | 146,782           |
| Anika Therapeutics, Inc.*                      | 7,283   | 162,557          | Rush Enterprises, Inc. "A"   | 26,138    | 1,259,827         |
| ArcBest Corp.                                  | 3,502   | 246,436          | Sana Biotechnology, Inc.* (a)  | 72,673    | 467,287           |
| Armada Hoffler Properties, Inc. (REIT)         | 15,994  | 205,363          | Selecta Biosciences, Inc.*   | 153,975   | 201,707           |
| Avis Budget Group, Inc.*                       | 3,772   | 554,786          | Senseonics Holdings, Inc.* (a)   | 72,701    | 74,882            |
| Benchmark Electronics, Inc.                    | 21,642  | 488,243          | SJW Group  | 7,263     | 453,284           |
| Benefitfocus, Inc.*                            | 29,497  | 229,487          | SkyWest, Inc.*   | 9,677     | 205,636           |
| Builders FirstSource, Inc.*                    | 18,554  | 996,350          | South State Corp.  | 13,381    | 1,032,344         |
| Casey's General Stores, Inc.                   | 5,804   | 1,073,624        | SpartanNash Co.  | 8,900     | 268,513           |
| Cleveland-Cliffs, Inc.*                        | 8,104   | 124,558          | Spectrum Brands Holdings, Inc.   | 5,161     | 423,305           |
| CNX Resources Corp.*                           | 24,701  | 406,578          | Synovus Financial Corp.  | 26,456    | 953,739           |
| comScore, Inc.*                                | 110,447 | 227,521          | Tandem Diabetes Care, Inc.*  | 3,297     | 195,149           |
| Crescent Energy Co. "A" (a)                    | 25,292  | 315,644          | Thermon Group Holdings, Inc.*  | 40,418    | 567,873           |
| Delek U.S. Holdings, Inc.*                     | 25,411  | 656,620          | TopBuild Corp.*  | 5,670     | 947,797           |
| Ducommun, Inc.*                                | 14,814  | 637,595          | Varonis Systems, Inc.*   | 4,344     | 127,366           |
| Easterly Government Properties, Inc. (REIT)    | 18,561  | 353,401          | Vista Outdoor, Inc.*   | 6,952     | 193,961           |
| Eastern Bankshares, Inc.                       | 32,195  | 594,320          | WEX, Inc.*   | 2,214     | 344,410           |
| EastGroup Properties, Inc. (REIT)              | 4,274   | 659,606          | Whiting Petroleum Corp.  | 3,822     | 260,011           |
| Envestnet, Inc.*                               | 9,595   | 506,328          | Xperi Holding Corp.  | 16,460    | 237,518           |
| Essential Properties Realty Trust, Inc. (REIT) | 7,406   | 159,155          | YETI Holdings, Inc.*   | 15,222    | 658,656           |
| First Financial Bankshares, Inc.               | 3,686   | 144,749          | Zions Bancorp. NA  | 12,982    | 660,784           |
| Five9, Inc.*                                   | 4,300   | 391,902          | (Cost \$26,891,890)  |           | <b>32,114,489</b> |
| Four Corners Property Trust, Inc. (REIT)       | 28,873  | 767,733          | <b>Total Common Stocks</b>   |           | <b>57,139,388</b> |
| Fox Factory Holding Corp.*                     | 1,854   | 149,321          | (Cost \$53,289,260)  |           |                   |
| Fulgent Genetics, Inc.*                        | 3,216   | 175,368          | <b>Securities Lending Collateral 4.1%</b>  |           |                   |
| Hersha Hospitality Trust (REIT)*               | 18,809  | 184,516          | DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% |           |                   |
| Hillenbrand, Inc.                              | 14,810  | 606,618          | (c) (d) (Cost \$2,400,888)   | 2,400,888 | <b>2,400,888</b>  |
| Hudson Pacific Properties, Inc. (REIT)         | 8,486   | 125,932          |  |           |                   |
| Intercept Pharmaceuticals, Inc.* (a)           | 14,086  | 194,528          |  |           |                   |
| iStar, Inc. (REIT)                             | 11,228  | 153,936          |  |           |                   |
| Jack in the Box, Inc.                          | 6,611   | 370,613          |  |           |                   |

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

|  | Shares             | Value (\$)         |
|--|--------------------|--------------------|
| <b>Cash Equivalents 1.8%</b>   |                    |                    |
| DWS Central Cash Management Government Fund, 1.36% (c)<br>(Cost \$1,066,397) | 1,066,397          | <b>1,066,397</b>   |
|  | % of<br>Net Assets | Value (\$)         |
| <b>Total Investment Portfolio</b><br>(Cost \$56,756,545)                     | 103.4              | <b>60,606,673</b>  |
| <b>Other Assets and Liabilities, Net</b>                                     | (3.4)              | <b>(1,985,432)</b> |
| <b>Net Assets</b>  | 100.0              | <b>58,621,241</b>  |

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at<br>12/31/2021  | Purchases<br>Cost (\$) | Sales<br>Proceeds (\$) | Net Realized<br>Gain/<br>(Loss) (\$) | Net Change in<br>Unrealized<br>Appreciation<br>(Depreciation)<br>(\$) | Income (\$)   | Capital Gain<br>Distributions<br>(\$) | Number<br>of Shares<br>at<br>6/30/2022 | Value (\$) at<br>6/30/2022 |
|--|------------------------|------------------------|--------------------------------------|---|---------------|---------------------------------------|--|----------------------------|
| <b>Securities Lending Collateral 4.1%</b>  |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (c) (d) |                        |                        |                                      |   |               |                                       |  |                            |
| 3,537,256  | —                      | 1,136,368 (e)          | —                                    | —   | 17,416        | —                                     | 2,400,888                              | 2,400,888                  |
| <b>Cash Equivalents 1.8%</b>   |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Central Cash Management Government Fund, 1.36% (c)   |                        |                        |                                      |   |               |                                       |  |                            |
| 817,560  | 8,679,322              | 8,430,485              | —                                    | —   | 2,529         | —                                     | 1,066,397                              | 1,066,397                  |
| <b>4,354,816</b>   | <b>8,679,322</b>       | <b>9,566,853</b>       | <b>—</b>                             | <b>—</b>  | <b>19,945</b> | <b>—</b>                              | <b>3,467,285</b>                       | <b>3,467,285</b>           |

\* Non-income producing security.

- (a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$2,694,102, which is 4.6% of net assets.
- (b) Listed on the New York Stock Exchange.
- (c) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (d) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates. In addition, the Fund held non-cash U.S. Treasury securities collateral having a value of \$408,335.
- (e) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

ADR: American Depositary Receipt

REIT: Real Estate Investment Trust

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

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>              | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b> | <b>Total</b>        |
|----------------------------|---------------------|---------------------|----------------|---------------------|
| Common Stocks              |                     |                     |                |                     |
| Australia                  | \$ —                | \$ 1,142,492        | \$ —           | \$ 1,142,492        |
| Austria                    | —                   | 638,256             | —              | 638,256             |
| Belgium                    | —                   | 444,902             | —              | 444,902             |
| Canada                     | 1,228,177           | —                   | —              | 1,228,177           |
| Denmark                    | —                   | 250,803             | —              | 250,803             |
| France                     | —                   | 1,607,218           | —              | 1,607,218           |
| Germany                    | —                   | 2,185,969           | —              | 2,185,969           |
| India                      | 541,215             | —                   | —              | 541,215             |
| Ireland                    | —                   | 474,616             | —              | 474,616             |
| Italy                      | —                   | 1,272,640           | —              | 1,272,640           |
| Japan                      | —                   | 3,526,395           | —              | 3,526,395           |
| Korea                      | —                   | 1,212,133           | —              | 1,212,133           |
| Luxembourg                 | —                   | 452,851             | —              | 452,851             |
| Netherlands                | —                   | 567,651             | —              | 567,651             |
| Portugal                   | —                   | 277,949             | —              | 277,949             |
| Puerto Rico                | 474,350             | —                   | —              | 474,350             |
| Singapore                  | —                   | 341,351             | —              | 341,351             |
| Spain                      | —                   | 1,241,998           | —              | 1,241,998           |
| Sweden                     | —                   | 1,737,616           | —              | 1,737,616           |
| Switzerland                | —                   | 1,007,904           | —              | 1,007,904           |
| United Kingdom             | 351,663             | 4,046,750           | —              | 4,398,413           |
| United States              | 32,114,489          | —                   | —              | 32,114,489          |
| Short-Term Investments (a) | 3,467,285           | —                   | —              | 3,467,285           |
| <b>Total</b>               | <b>\$38,177,179</b> | <b>\$22,429,494</b> | <b>\$ —</b>    | <b>\$60,606,673</b> |

(a) See Investment Portfolio for additional detailed categorizations.

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



# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>   |                      |
|---|----------------------|
| Investments in non-affiliated securities, at value (cost \$53,289,260) — including \$2,694,102 of securities loaned   | \$ 57,139,388        |
| Investment in DWS Government & Agency Securities Portfolio (cost \$2,400,888)*  | 2,400,888            |
| Investment in DWS Central Cash Management Government Fund (cost \$1,066,397)  | 1,066,397            |
| Foreign currency, at value (cost \$81,785)  | 80,205               |
| Receivable for investments sold   | 293,035              |
| Receivable for Fund shares sold   | 6,273                |
| Dividends receivable  | 93,635               |
| Interest receivable   | 3,972                |
| Foreign taxes recoverable   | 46,081               |
| Other assets  | 790                  |
| <b>Total assets</b>   | <b>61,130,664</b>    |
| <b>Liabilities</b>  |                      |
| Cash overdraft  | 2,122                |
| Payable upon return of securities loaned  | 2,400,888            |
| Payable for Fund shares redeemed  | 10,217               |
| Accrued management fee  | 24,469               |
| Accrued Trustees' fees  | 740                  |
| Other accrued expenses and payables   | 70,987               |
| <b>Total liabilities</b>  | <b>2,509,423</b>     |
| <b>Net assets, at value</b>   | <b>\$ 58,621,241</b> |
| <b>Net Assets Consist of</b>  |                      |
| Distributable earnings (loss)   | 5,079,068            |
| Paid-in capital   | 53,542,173           |
| <b>Net assets, at value</b>   | <b>\$ 58,621,241</b> |
| <b>Net Asset Value</b>  |                      |
| <b>Class A</b>  |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$56,958,459 ÷ 6,857,753 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized) | <b>\$ 8.31</b>       |
| <b>Class B</b>  |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$1,662,782 ÷ 210,686 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)    | <b>\$ 7.89</b>       |

\* Represents collateral on securities loaned. In addition, the Fund held non-cash collateral having a value of \$408,335.

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                       |
|--|-----------------------|
| Income:  |                       |
| Dividends (net of foreign taxes withheld of \$62,825)                  | \$ 742,535            |
| Income distributions — DWS Central Cash Management Government Fund     | 2,529                 |
| Securities lending income, net of borrower rebates                     | 17,416                |
| <b>Total income</b>  | <b>762,480</b>        |
| Expenses:  |                       |
| Management fee   | 278,799               |
| Administration fee   | 33,804                |
| Services to shareholders   | 787                   |
| Record keeping fee (Class B)   | 282                   |
| Distribution service fee (Class B)                                     | 2,562                 |
| Custodian fee  | 5,130                 |
| Audit fee  | 20,488                |
| Legal fees   | 9,835                 |
| Tax fees   | 4,158                 |
| Reports to shareholders  | 15,264                |
| Trustees' fees and expenses  | 3,312                 |
| Other  | 6,226                 |
| <b>Total expenses before expense reductions</b>                        | <b>380,647</b>        |
| Expense reductions   | (98,915)              |
| <b>Total expenses after expense reductions</b>                         | <b>281,732</b>        |
| <b>Net investment income</b>   | <b>480,748</b>        |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                       |
| Net realized gain (loss) from:   |                       |
| Investments  | 1,090,923             |
| Foreign currency   | (16,404)              |
|  | 1,074,519             |
| Change in net unrealized appreciation (depreciation) on:               |                       |
| Investments  | (22,376,796)          |
| Foreign currency   | (6,602)               |
|  | (22,383,398)          |
| <b>Net gain (loss)</b>   | <b>(21,308,879)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(20,828,131)</b> |

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

# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 480,748  | \$ 346,587                         |
| Net realized gain (loss)  | 1,074,519   | 13,512,189                         |
| Change in net unrealized appreciation<br>(depreciation)               | (22,383,398)  | (2,621,566)                        |
| Net increase (decrease) in net assets resulting from operations       | (20,828,131)  | 11,237,210                         |
| Distributions to shareholders:  |   |                                    |
| Class A   | (11,569,665)  | (284,998)                          |
| Class B   | (354,576)   | (1,897)                            |
| Total distributions   | (11,924,241)  | (286,895)                          |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 865,228   | 4,203,449                          |
| Reinvestment of distributions   | 11,569,665  | 284,998                            |
| Payments for shares redeemed  | (2,871,095)   | (11,414,575)                       |
| Net increase (decrease) in net assets from Class A share transactions | 9,563,798   | (6,926,128)                        |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 81,179  | 86,982                             |
| Reinvestment of distributions   | 354,576   | 1,897                              |
| Payments for shares redeemed  | (298,314)   | (537,896)                          |
| Net increase (decrease) in net assets from Class B share transactions | 137,441   | (449,017)                          |
| <b>Increase (decrease) in net assets</b>                              | (23,051,133)  | 3,575,170                          |
| Net assets at beginning of period                                     | 81,672,374  | 78,097,204                         |
| <b>Net assets at end of period</b>                                    | <b>\$ 58,621,241</b>                                | <b>\$ 81,672,374</b>               |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 5,808,696   | 6,344,768                          |
| Shares sold   | 77,767  | 320,008                            |
| Shares issued to shareholders in reinvestment of distributions        | 1,221,718   | 21,493                             |
| Shares redeemed   | (250,428)   | (877,573)                          |
| Net increase (decrease) in Class A shares                             | 1,049,057   | (536,072)                          |
| Shares outstanding at end of period                                   | <b>6,857,753</b>                                    | <b>5,808,696</b>                   |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 191,764   | 227,196                            |
| Shares sold   | 7,019   | 6,834                              |
| Shares issued to shareholders in reinvestment of distributions        | 39,397  | 149                                |
| Shares redeemed   | (27,494)  | (42,415)                           |
| Net increase (decrease) in Class B shares                             | 18,922  | (35,432)                           |
| Shares outstanding at end of period                                   | <b>210,686</b>                                      | <b>191,764</b>                     |

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

# Financial Highlights

## DWS Global Small Cap VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|--|--|----------------|--------------------------|----------------|----------------|----------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$13.63</b>                             | <b>\$11.90</b> | <b>\$10.24</b>           | <b>\$8.91</b>  | <b>\$12.90</b> | <b>\$11.78</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                           | .08  | .06            | .04                      | .05            | .02            | .00*           |
| Net realized and unrealized gain (loss)                      | (3.37)                                     | 1.72           | 1.70                     | 1.82           | (2.32)         | 2.21           |
| <b>Total from investment operations</b>                      | <b>(3.29)</b>                              | <b>1.78</b>    | <b>1.74</b>              | <b>1.87</b>    | <b>(2.30)</b>  | <b>2.21</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                |
| Net investment income  | (.06)                                      | (.05)          | (.08)                    | —              | (.04)          | —              |
| Net realized gains   | (1.97)                                     | —              | —                        | (.54)          | (1.65)         | (1.09)         |
| <b>Total distributions</b>                                   | <b>(2.03)</b>                              | <b>(.05)</b>   | <b>(.08)</b>             | <b>(.54)</b>   | <b>(1.69)</b>  | <b>(1.09)</b>  |
| <b>Net asset value, end of period</b>                        | <b>\$8.31</b>                              | <b>\$13.63</b> | <b>\$11.90</b>           | <b>\$10.24</b> | <b>\$8.91</b>  | <b>\$12.90</b> |
| Total Return (%) <sup>b</sup>                                | (25.93)**                                  | 14.94          | 17.36                    | 21.29          | (20.51)        | 20.02          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                      | 57   | 79             | 76                       | 71             | 63             | 85             |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | 1.08***                                    | 1.05           | 1.10                     | 1.11           | 1.10           | 1.15           |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .80***                                     | .81            | .81                      | .82            | .78            | .94            |
| Ratio of net investment income (%)                           | 1.39***                                    | .43            | .38                      | .54            | .21            | .03            |
| Portfolio turnover rate (%)                                  | 13**                                       | 38             | 9                        | 23             | 32             | 42             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Amount is less than \$.005.

\*\* Not annualized

\*\*\* Annualized

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

## DWS Global Small Cap VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |               |                |                |
|--|--|----------------|--------------------------|---------------|----------------|----------------|
|  |  |                | 2020                     | 2019          | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |               |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$13.05</b>                             | <b>\$11.39</b> | <b>\$9.81</b>            | <b>\$8.57</b> | <b>\$12.47</b> | <b>\$11.45</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |               |                |                |
| Net investment income (loss) <sup>a</sup>                    | .06  | .02            | .01                      | .03           | (.01)          | (.03)          |
| Net realized and unrealized gain (loss)                      | (3.22)                                     | 1.65           | 1.62                     | 1.75          | (2.24)         | 2.14           |
| <b>Total from investment operations</b>                      | <b>(3.16)</b>                              | <b>1.67</b>    | <b>1.63</b>              | <b>1.78</b>   | <b>(2.25)</b>  | <b>2.11</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |               |                |                |
| Net investment income  | (.03)                                      | (.01)          | (.05)                    | —             | —              | —              |
| Net realized gains   | (1.97)                                     | —              | —                        | (.54)         | (1.65)         | (1.09)         |
| <b>Total distributions</b>                                   | <b>(2.00)</b>                              | <b>(.01)</b>   | <b>(.05)</b>             | <b>(.54)</b>  | <b>(1.65)</b>  | <b>(1.09)</b>  |
| <b>Net asset value, end of period</b>                        | <b>\$7.89</b>                              | <b>\$13.05</b> | <b>\$11.39</b>           | <b>\$9.81</b> | <b>\$8.57</b>  | <b>\$12.47</b> |
| Total Return (%) <sup>b</sup>                                | (26.10)*                                   | 14.65          | 16.94                    | 21.08         | (20.74)        | 19.60          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |               |                |                |
| Net assets, end of period (\$ millions)                      | 2  | 3              | 3                        | 2             | 2              | 3              |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | 1.37**                                     | 1.33           | 1.39                     | 1.40          | 1.39           | 1.44           |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | 1.09**                                     | 1.09           | 1.09                     | 1.09          | 1.06           | 1.22           |
| Ratio of net investment income (loss) (%)                    | 1.07**                                     | .15            | .10                      | .27           | (.08)          | (.26)          |
| Portfolio turnover rate (%)                                  | 13*  | 38             | 9                        | 23            | 32             | 42             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## A. Organization and Significant Accounting Policies

Deutsche DWS Variable Series I (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company organized as a Massachusetts business trust. The Trust consists of four diversified funds: DWS Capital Growth VIP, DWS Core Equity VIP, DWS CROCI® International VIP and DWS Global Small Cap VIP (individually or collectively hereinafter referred to as a "Fund" or the "Funds"). These financial statements report on DWS Global Small Cap VIP. The Trust is intended to be the underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities and exchange-traded funds ("ETFs") are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Equity securities or ETFs for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities or ETFs are generally categorized as Level 1. For certain international equity securities, in order to adjust for events which may occur between the close of the foreign exchanges and the close of the New York Stock Exchange, a fair valuation model may be used. This fair valuation model takes into account comparisons to the valuation of American Depositary Receipts (ADRs), exchange-traded funds, futures contracts and certain indices and these securities are categorized as Level 2.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trustees and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon,

creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Securities Lending.** Brown Brothers Harriman & Co., as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash and/or U.S. Treasury Securities having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had securities on loan. The value of the related collateral exceeded the value of the securities loaned at period end.

**Remaining Contractual Maturity of the Agreements** as of June 30, 2022

|   | Overnight<br>and<br>Continuous | <30 days | Between 30<br>& 90 days | >90 days   | Total        |
|---|--------------------------------|----------|-------------------------|------------|--------------|
| <b>Securities Lending Transactions</b>  |                                |          |                         |            |              |
| Common Stocks   | \$ 2,400,888                   | \$ —     | \$ —                    | \$ 408,335 | \$ 2,809,223 |
| Gross amount of recognized liabilities and non-cash collateral for securities lending transactions: |                                |          |                         |            | \$ 2,809,223 |

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Taxes.** The Fund is treated as a separate taxpayer as provided for in the Internal Revenue Code, as amended. It is the Fund's policy to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to the separate accounts of the Participating Insurance Companies which hold its shares.

Additionally, the Fund may be subject to taxes imposed by the governments of countries in which it invests and are generally based on income and/or capital gains earned or repatriated, a portion of which may be recoverable. Based upon the current interpretation of the tax rules and regulations, estimated tax liabilities

and recoveries on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized gain/loss on investments. Tax liabilities realized as a result of security sales are reflected as a component of net realized gain/loss on investments.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$57,000,864. The net unrealized appreciation for all investments based on tax cost was \$3,605,809. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$12,667,869 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$9,062,060.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to income received from passive foreign investment companies, certain securities sold at a loss and investments in limited partnerships. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis net of foreign withholding taxes. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Certain dividends from foreign securities may be recorded subsequent to the ex-dividend date as soon as the Fund is informed of such dividends. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## **B. Purchases and Sales of Securities**

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$8,835,193 and \$11,056,440, respectively.

## **C. Related Parties**

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly at the annual rate (exclusive of any applicable waivers/reimbursements) of 0.80%.

For the period from January 1, 2022 through April 30, 2023, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |       |
|---------|-------|
| Class A | .80%  |
| Class B | 1.09% |

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for each class are as follows:

|         |                  |
|---------|------------------|
| Class A | \$ 96,015        |
| Class B | 2,900            |
|         | <b>\$ 98,915</b> |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$33,804, of which \$4,932 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at June 30, 2022 |
|--------------------------|------------------|-------------------------|
| Class A                  | \$ 320           | \$ 102                  |
| Class B                  | 93               | 29                      |
|                          | <b>\$ 413</b>    | <b>\$ 131</b>           |

**Distribution Service Agreement.** DWS Distributors, Inc. (“DDI”), also an affiliate of the Advisor, is the Trust’s Distributor. In accordance with the Master Distribution Plan, DDI receives 12b-1 fees of up to 0.25% of the average daily net assets of Class B shares. Pursuant to the Master Distribution Plan, DDI remits these fees to the Participating Insurance Companies for various costs incurred or paid by these companies in connection with marketing and distribution of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee aggregated \$2,562, of which \$361 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$490, of which \$40 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.



#### **D. Ownership of the Fund**

At June 30, 2022, three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 33%, 29% and 12%, respectively. Two participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 72% and 13%, respectively.

#### **E. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

#### **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund’s accounting and financial reporting.

## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 740.70      | \$ 739.00      |
| Expenses Paid per \$1,000*     | \$ 3.45        | \$ 4.70        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,020.83    | \$ 1,019.39    |
| Expenses Paid per \$1,000*         | \$ 4.01        | \$ 5.46        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                          | <b>Class A</b> | <b>Class B</b> |
|---|----------------|----------------|
| Deutsche DWS Variable Series I — DWS Global Small Cap VIP | .80%           | 1.09%          |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Global Small Cap VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 4th quartile of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has outperformed its benchmark in the one-

year period and has underperformed its benchmark in the three- and five-year periods ended December 31, 2020. The Board noted the disappointing investment performance of the Fund in recent periods and continued to discuss with senior management of DIMA the factors contributing to such underperformance and actions being taken to improve performance. The Board noted changes in the Fund's portfolio management team and management process to reflect an active systematic strategy, effective February 1, 2021. The Board observed that the Fund had experienced improved relative performance during the first seven months of 2021. The Board recognized the efforts by DIMA in recent years to enhance its investment platform and improve long-term performance across the DWS fund complex.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were higher than the median (4th quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (2nd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to a comparable DWS U.S. registered fund ("DWS Funds") and considered differences between the Fund and the comparable DWS Fund. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. In this regard, the Board observed that while the Fund's current investment management fee schedule does not include breakpoints, the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA

products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes



VS1glosc-3 (R-028377-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series II

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**DWS High Income VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Bond investments are subject to interest-rate, credit, liquidity and market risks to varying degrees. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investments in lower-quality ("junk bonds") and non-rated securities present greater risk of loss than investments in higher-quality securities. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE  
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

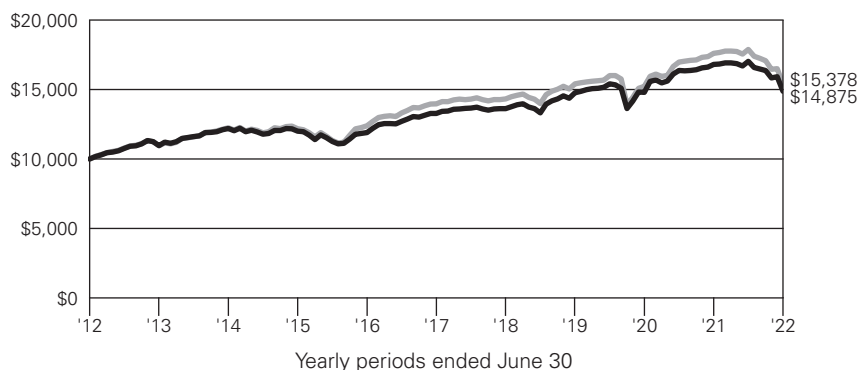
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.84% and 1.27% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS High Income VIP — Class A  
 ■ ICE BofA US High Yield Index



ICE BofA US High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS High Income VIP          |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|------------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                      | Growth of \$10,000          | \$8,736              | \$8,851 | \$10,074 | \$11,204 | \$14,875 |
|                              | Average annual total return | -12.64%              | -11.49% | 0.24%    | 2.30%    | 4.05%    |
| ICE BofA US High Yield Index | Growth of \$10,000          | \$8,599              | \$8,736 | \$9,981  | \$11,010 | \$15,378 |
|                              | Average annual total return | -14.01%              | -12.64% | -0.06%   | 1.94%    | 4.40%    |

| DWS High Income VIP          |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year  | 5-Year   | 10-Year  |
|------------------------------|-----------------------------|----------------------|---------|---------|----------|----------|
| Class B                      | Growth of \$10,000          | \$8,724              | \$8,823 | \$9,976 | \$11,052 | \$14,426 |
|                              | Average annual total return | -12.76%              | -11.77% | -0.08%  | 2.02%    | 3.73%    |
| ICE BofA US High Yield Index | Growth of \$10,000          | \$8,599              | \$8,736 | \$9,981 | \$11,010 | \$15,378 |
|                              | Average annual total return | -14.01%              | -12.64% | -0.06%  | 1.94%    | 4.40%    |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Corporate Bonds  | 87%            | 93%             |
| Cash Equivalents   | 6%             | 6%              |
| Exchange-Traded Funds  | 4%             | —               |
| Loan Participations and Assignments  | 3%             | 1%              |
| Warrants   | 0%             | 0%              |
| Common Stocks  | 0%             | 0%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Investment Portfolio excluding Exchange-Traded Funds, Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Energy   | 21%            | 19%             |
| Consumer Discretionary   | 19%            | 20%             |
| Communication Services   | 17%            | 14%             |
| Industrials  | 12%            | 14%             |
| Health Care  | 9%             | 10%             |
| Materials  | 8%             | 9%              |
| Utilities  | 5%             | 4%              |
| Financials   | 3%             | 2%              |
| Real Estate  | 2%             | 5%              |
| Consumer Staples   | 2%             | 2%              |
| Information Technology   | 2%             | 1%              |
|  | 100%           | 100%            |

| <b>Quality</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| AA   | —              | 0%              |
| A  | 0%             | —               |
| BBB  | 10%            | 7%              |
| BB   | 61%            | 56%             |
| B  | 21%            | 30%             |
| CCC  | 5%             | 7%              |
| C  | —              | 0%              |
| Not Rated  | 3%             | 0%              |
|  | 100%           | 100%            |

The quality ratings represent the higher of Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings, Inc. ("Fitch") or S&P Global Ratings ("S&P") credit ratings. The ratings of Moody's, Fitch and S&P represent their opinions as to the quality of the securities they rate. Credit quality measures a bond issuer's ability to repay interest and principal in a timely manner. Ratings are relative and subjective and are not absolute standards of quality. Credit quality does not remove market risk and is subject to change.

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Management Team

Gary Russell, CFA, Head of Investment Strategy Fixed Income

Thomas R. Bouchard, Senior Portfolio Manager & Team Lead Fixed Income

Lonnie Fox, Senior Portfolio Manager & Team Lead Fixed Income

Portfolio Managers

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|   | Principal<br>Amount \$(a) | Value (\$) |  | Principal<br>Amount \$(a) | Value (\$)       |
|---|---------------------------|------------|--|---------------------------|------------------|
| <b>Corporate Bonds 86.4%</b>  |                           |            |  |                           |                  |
| <b>Communication Services 13.9%</b>                                 |                           |            |  |                           |                  |
| Altice France Holding SA:   |                           |            | Uber Technologies, Inc.:                                   |                           |                  |
| 144A, 6.0%, 2/15/2028   | 200,000                   | 141,958    | 144A, 4.5%, 8/15/2029                                      | 20,000                    | 16,450           |
| 144A, 10.5%, 5/15/2027  | 200,000                   | 167,828    | 144A, 6.25%, 1/15/2028 (b)                                 | 25,000                    | 23,121           |
| Altice France SA:   |                           |            | 144A, 7.5%, 5/15/2025                                      | 120,000                   | 118,856          |
| 144A, 5.5%, 1/15/2028   | 200,000                   | 161,172    | 144A, 7.5%, 9/15/2027                                      | 50,000                    | 48,439           |
| 144A, 8.125%, 2/1/2027  | 200,000                   | 184,078    | Virgin Media Secured Finance<br>PLC, 144A, 5.5%, 5/15/2029 | 345,000                   | 308,447          |
| Audacy Capital Corp., 144A,<br>6.75%, 3/31/2029                     | 55,000                    | 29,288     | Vodafone Group PLC, 7.0%,<br>4/4/2079                      | 185,000                   | 181,476          |
| CCO Holdings LLC:   |                           |            | Ziggo Bond Co. BV, 144A,<br>3.375%, 2/28/2030              | EUR 370,000               | 271,109          |
| 144A, 4.75%, 3/1/2030   | 140,000                   | 119,735    | Ziggo BV, 144A, 4.875%,<br>1/15/2030                       | 290,000                   | 245,903          |
| 144A, 5.0%, 2/1/2028  | 250,000                   | 230,675    |  |                           | <b>5,884,823</b> |
| 144A, 5.125%, 5/1/2027  | 375,000                   | 353,906    | <b>Consumer Discretionary 16.7%</b>                        |                           |                  |
| 144A, 5.375%, 6/1/2029  | 350,000                   | 312,844    | Affinity Gaming, 144A,<br>6.875%, 12/15/2027               | 160,000                   | 134,406          |
| Clear Channel Outdoor<br>Holdings, Inc., 144A,<br>5.125%, 8/15/2027 | 320,000                   | 270,186    | Arko Corp., 144A, 5.125%,<br>11/15/2029                    | 60,000                    | 45,452           |
| CommScope<br>Technologies LLC:                                      |                           |            | Bath & Body Works, Inc.:                                   |                           |                  |
| 144A, 5.0%, 3/15/2027   | 65,000                    | 48,054     | 144A, 6.625%, 10/1/2030                                    | 70,000                    | 60,462           |
| 144A, 6.0%, 6/15/2025   | 75,000                    | 64,875     | 6.875%, 11/1/2035 (b)                                      | 100,000                   | 81,250           |
| CSC Holdings LLC:   |                           |            | 144A, 9.375%, 7/1/2025                                     | 35,000                    | 35,506           |
| 144A, 5.75%, 1/15/2030  | 200,000                   | 145,506    | Beacon Roofing Supply, Inc.,<br>144A, 4.125%, 5/15/2029    | 100,000                   | 81,322           |
| 144A, 6.5%, 2/1/2029  | 200,000                   | 180,626    | Boyd Gaming Corp., 4.75%,<br>12/1/2027                     | 130,000                   | 117,650          |
| Directv Financing LLC, 144A,<br>5.875%, 8/15/2027                   | 125,000                   | 106,634    | Caesars Entertainment, Inc.:                               |                           |                  |
| DISH DBS Corp.:   |                           |            | 144A, 4.625%,<br>10/15/2029 (b)                            | 210,000                   | 163,275          |
| 144A, 5.25%, 12/1/2026  | 140,000                   | 109,738    | 144A, 6.25%, 7/1/2025                                      | 270,000                   | 260,207          |
| 144A, 5.75%, 12/1/2028  | 125,000                   | 92,551     | 144A, 8.125%, 7/1/2027 (b)                                 | 410,000                   | 396,162          |
| 5.875%, 11/15/2024  | 96,000                    | 80,880     | Carnival Corp.:  |                           |                  |
| Frontier Communications<br>Holdings LLC:                            |                           |            | 144A, 5.75%, 3/1/2027                                      | 170,000                   | 122,788          |
| 144A, 5.0%, 5/1/2028  | 165,000                   | 140,250    | 144A, 6.0%, 5/1/2029                                       | 30,000                    | 21,078           |
| 144A, 6.0%, 1/15/2030   | 50,000                    | 38,473     | 144A, 9.875%, 8/1/2027                                     | 130,000                   | 126,750          |
| iHeartCommunications, Inc.,<br>144A, 5.25%, 8/15/2027               | 125,000                   | 106,979    | REG S, 10.125%, 2/1/2026                                   | EUR 100,000               | 103,511          |
| Iliad Holding SASU, 144A,<br>6.5%, 10/15/2026                       | 200,000                   | 179,994    | 144A, 10.5%, 2/1/2026                                      | 80,000                    | 79,638           |
| Lamar Media Corp., 4.875%,<br>1/15/2029                             | 80,000                    | 72,009     | Clarios Global LP:   |                           |                  |
| LCPR Senior Secured<br>Financing DAC, 144A,<br>6.75%, 10/15/2027    | 189,000                   | 176,305    | 144A, 4.375%, 5/15/2026                                    | EUR 100,000               | 91,242           |
| Lumen Technologies, Inc.,<br>144A, 5.125%, 12/15/2026               | 400,000                   | 336,728    | REG S, 4.375%, 5/15/2026                                   | EUR 200,000               | 182,483          |
| Outfront Media Capital LLC,<br>144A, 4.25%, 1/15/2029               | 70,000                    | 55,763     | 144A, 8.5%, 5/15/2027 (b)                                  | 55,000                    | 53,156           |
| Radiate Holdco LLC, 144A,<br>6.5%, 9/15/2028                        | 100,000                   | 77,287     | Dana, Inc., 5.375%,<br>11/15/2027                          | 55,000                    | 47,657           |
| Sirius XM Radio, Inc., 144A,<br>3.125%, 9/1/2026                    | 110,000                   | 98,145     | Ford Motor Co., 4.346%,<br>12/8/2026 (b)                   | 160,000                   | 148,292          |
| Sprint Corp., 7.625%, 3/1/2026                                      | 445,000                   | 468,864    | Ford Motor Credit Co. LLC:                                 |                           |                  |
| Telecom Italia Capital SA,<br>6.375%, 11/15/2033                    | 155,000                   | 119,691    | 3.375%, 11/13/2025   | 209,000                   | 188,198          |
|   |                           |            | 3.625%, 6/17/2031  | 240,000                   | 186,000          |
|   |                           |            | 4.95%, 5/28/2027   | 200,000                   | 185,750          |
|   |                           |            | 5.113%, 5/3/2029 (b)                                       | 200,000                   | 179,295          |
|   |                           |            | 5.125%, 6/16/2025  | 230,000                   | 219,632          |
|   |                           |            | 5.584%, 3/18/2024  | 200,000                   | 199,000          |

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

|  | Principal<br>Amount \$(a) | Value (\$) |  | Principal<br>Amount \$(a) | Value (\$)       |
|--|---------------------------|------------|--|---------------------------|------------------|
| Hilton Grand Vacations<br>Borrower Escrow LLC:<br>144A, 4.875%, 7/1/2031 | 30,000                    | 22,899     | United Rentals North America,<br>Inc., 4.875%, 1/15/2028           | 140,000                   | 132,367          |
| 144A, 5.0%, 6/1/2029   | 90,000                    | 72,900     | Univar Solutions U.S.A., Inc.,<br>144A, 5.125%, 12/1/2027          | 160,000                   | 148,910          |
| Jaguar Land Rover Automotive<br>PLC, 144A, 5.875%,<br>1/15/2028          | 200,000                   | 152,776    | Vail Resorts, Inc., 144A,<br>6.25%, 5/15/2025                      | 100,000                   | 99,877           |
| M/I Homes, Inc., 4.95%,<br>2/1/2028                                      | 130,000                   | 110,506    | Viking Cruises Ltd.:<br>144A, 5.875%, 9/15/2027                    | 105,000                   | 78,443           |
| Macy's Retail Holdings LLC:<br>144A, 5.875%, 3/15/2030 (b)               | 10,000                    | 8,390      | 144A, 7.0%, 2/15/2029 (b)  | 90,000                    | 67,394           |
| 144A, 6.125%, 3/15/2032  | 10,000                    | 8,350      | Viking Ocean Cruises Ship VII<br>Ltd., 144A, 5.625%,<br>2/15/2029  | 15,000                    | 11,828           |
| Marriott Ownership<br>Resorts, Inc.:<br>144A, 4.5%, 6/15/2029            | 50,000                    | 41,584     | Wynn Resorts Finance LLC,<br>144A, 5.125%, 10/1/2029               | 90,000                    | 70,884           |
| 144A, 6.125%, 9/15/2025  | 75,000                    | 74,220     | Yum Brands, Inc., 5.375%,<br>4/1/2032                              | 100,000                   | 92,260           |
| Mattel, Inc., 144A, 3.375%,<br>4/1/2026                                  | 75,000                    | 68,807     |  |                           | <b>7,077,993</b> |
| Meritage Homes Corp.:<br>144A, 3.875%, 4/15/2029                         | 105,000                   | 87,035     | <b>Consumer Staples 1.5%</b>                                       |                           |                  |
| 6.0%, 6/1/2025   | 90,000                    | 87,773     | Avis Budget Car Rental LLC,<br>144A, 5.375%, 3/1/2029 (b)          | 100,000                   | 83,181           |
| Midwest Gaming Borrower<br>LLC, 144A, 4.875%,<br>5/1/2029                | 100,000                   | 81,500     | Coty, Inc., 144A, 6.5%,<br>4/15/2026                               | 150,000                   | 138,291          |
| NCL Corp. Ltd.:<br>144A, 3.625%,<br>12/15/2024 (b)                       | 100,000                   | 83,175     | Pilgrim's Pride Corp.:<br>144A, 4.25%, 4/15/2031                   | 245,000                   | 204,448          |
| 144A, 5.875%, 3/15/2026  | 130,000                   | 102,036    | 144A, 5.875%, 9/30/2027  | 230,000                   | 220,225          |
| NCL Finance Ltd., 144A,<br>6.125%, 3/15/2028                             | 60,000                    | 43,650     |  |                           | <b>646,145</b>   |
| Newell Brands, Inc.:<br>4.45%, 4/1/2026                                  | 440,000                   | 419,105    | <b>Energy 19.0%</b>  |                           |                  |
| 5.75%, 4/1/2046  | 60,000                    | 48,900     | Antero Midstream Partners LP:                                      |                           |                  |
| Peninsula Pacific<br>Entertainment LLC, 144A,<br>8.5%, 11/15/2027        | 60,000                    | 62,976     | 144A, 5.375%, 6/15/2029  | 70,000                    | 62,689           |
| Picasso Finance Sub, Inc.,<br>144A, 6.125%, 6/15/2025                    | 122,000                   | 118,950    | 144A, 5.75%, 3/1/2027  | 130,000                   | 120,900          |
| Raptor Acquisition Corp.,<br>144A, 4.875%, 11/1/2026                     | 170,000                   | 148,750    | 144A, 5.75%, 1/15/2028   | 90,000                    | 81,938           |
| Royal Caribbean Cruises Ltd.:<br>3.7%, 3/15/2028                         | 55,000                    | 34,925     | 144A, 7.875%, 5/15/2026  | 56,000                    | 55,938           |
| 144A, 5.375%, 7/15/2027  | 30,000                    | 21,806     | Antero Resources Corp.:<br>144A, 5.375%, 3/1/2030                  | 50,000                    | 45,591           |
| 144A, 5.5%, 8/31/2026  | 30,000                    | 22,275     | 144A, 7.625%, 2/1/2029   | 138,000                   | 140,383          |
| 144A, 9.125%, 6/15/2023  | 210,000                   | 207,682    | 144A, 8.375%, 7/15/2026  | 42,000                    | 44,415           |
| 144A, 10.875%, 6/1/2023  | 110,000                   | 110,367    | Apache Corp., 5.1%, 9/1/2040                                       | 57,000                    | 48,130           |
| 144A, 11.5%, 6/1/2025  | 30,000                    | 30,825     | Archrock Partners LP:<br>144A, 6.25%, 4/1/2028                     | 220,000                   | 194,766          |
| Scientific Games International,<br>Inc., 144A, 7.0%, 5/15/2028           | 235,000                   | 220,531    | 144A, 6.875%, 4/1/2027   | 110,000                   | 100,306          |
| SRS Distribution, Inc.:<br>144A, 4.625%, 7/1/2028                        | 50,000                    | 43,750     | Ascent Resources Utica<br>Holdings LLC:<br>144A, 5.875%, 6/30/2029 | 30,000                    | 26,400           |
| 144A, 6.0%, 12/1/2029  | 60,000                    | 47,114     | 144A, 8.25%, 12/31/2028  | 65,000                    | 61,904           |
| Staples, Inc., 144A, 7.5%,<br>4/15/2026                                  | 110,000                   | 91,176     | Buckeye Partners LP, 144A,<br>4.5%, 3/1/2028                       | 80,000                    | 67,370           |
| Travel & Leisure Co.:<br>144A, 4.5%, 12/1/2029                           | 100,000                   | 77,359     | Cheniere Energy Partners LP:<br>144A, 3.25%, 1/31/2032             | 30,000                    | 23,625           |
| 144A, 6.625%, 7/31/2026  | 120,000                   | 113,776    | 4.5%, 10/1/2029  | 272,000                   | 242,814          |
|  |                           |            | Cheniere Energy, Inc., 4.625%,<br>10/15/2028                       | 100,000                   | 90,057           |
|  |                           |            | Chesapeake Energy Corp.:<br>144A, 5.875%, 2/1/2029                 | 75,000                    | 70,725           |
|  |                           |            | 144A, 6.75%, 4/15/2029   | 330,000                   | 319,120          |
|  |                           |            | CNX Resources Corp.:<br>144A, 6.0%, 1/15/2029                      | 135,000                   | 126,117          |

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

|  | Principal<br>Amount \$(a) | Value (\$) |  | Principal<br>Amount \$(a) | Value (\$)       |
|--|---------------------------|------------|--|---------------------------|------------------|
| 144A, 7.25%, 3/14/2027   | 100,000                   | 97,970     | Occidental Petroleum Corp.:                                      |                           |                  |
| Colgate Energy Partners III<br>LLC, 144A, 5.875%,<br>7/1/2029      | 170,000                   | 148,962    | 5.5%, 12/1/2025  | 135,000                   | 132,975          |
| Comstock Resources, Inc.:  |                           |            | 5.55%, 3/15/2026   | 105,000                   | 104,268          |
| 144A, 5.875%, 1/15/2030  | 30,000                    | 25,800     | 6.125%, 1/1/2031   | 255,000                   | 258,423          |
| 144A, 6.75%, 3/1/2029  | 155,000                   | 138,792    | 6.45%, 9/15/2036   | 105,000                   | 107,625          |
| DCP Midstream Operating LP:  |                           |            | 6.625%, 9/1/2030   | 225,000                   | 231,750          |
| 3.25%, 2/15/2032   | 50,000                    | 39,219     | 8.0%, 7/15/2025  | 175,000                   | 184,187          |
| 5.125%, 5/15/2029  | 80,000                    | 72,000     | 8.5%, 7/15/2027  | 100,000                   | 110,042          |
| 5.375%, 7/15/2025  | 527,000                   | 512,507    | Parkland Corp., 144A, 5.875%,<br>7/15/2027                       | 80,000                    | 72,600           |
| 5.625%, 7/15/2027  | 50,000                    | 47,700     | Precision Drilling Corp., 144A,<br>6.875%, 1/15/2029             | 30,000                    | 26,850           |
| DT Midstream, Inc.:  |                           |            | Range Resources Corp.:   |                           |                  |
| 144A, 4.125%, 6/15/2029  | 155,000                   | 131,362    | 144A, 4.75%, 2/15/2030 (b)                                       | 10,000                    | 8,968            |
| 144A, 4.375%, 6/15/2031  | 30,000                    | 25,125     | 8.25%, 1/15/2029   | 280,000                   | 285,463          |
| Endeavor Energy<br>Resources LP:                                   |                           |            | Rattler Midstream LP, 144A,<br>5.625%, 7/15/2025                 | 75,000                    | 74,968           |
| 144A, 5.75%, 1/30/2028   | 245,000                   | 233,399    | Rockcliff Energy II LLC, 144A,<br>5.5%, 10/15/2029               | 30,000                    | 27,299           |
| 144A, 6.625%, 7/15/2025  | 35,000                    | 35,172     | SM Energy Co., 6.5%,<br>7/15/2028                                | 80,000                    | 73,576           |
| EQM Midstream Partners LP:   |                           |            | Southwestern Energy Co.:   |                           |                  |
| 4.125%, 12/1/2026  | 100,000                   | 86,375     | 4.75%, 2/1/2032  | 70,000                    | 59,817           |
| 144A, 4.5%, 1/15/2029  | 50,000                    | 40,594     | 5.375%, 2/1/2029   | 155,000                   | 143,778          |
| 5.5%, 7/15/2028  | 55,000                    | 47,485     | 5.95%, 1/23/2025   | 36,000                    | 35,564           |
| 144A, 6.0%, 7/1/2025   | 52,000                    | 49,851     | 7.75%, 10/1/2027   | 200,000                   | 204,000          |
| 144A, 6.5%, 7/1/2027   | 80,000                    | 74,384     | 8.375%, 9/15/2028  | 50,000                    | 52,688           |
| 7.5%, 6/1/2027   | 45,000                    | 43,405     | Sunnova Energy Corp., 144A,<br>5.875%, 9/1/2026 (b)              | 115,000                   | 100,051          |
| EQT Corp., 6.625%, 2/1/2025  | 105,000                   | 108,017    | Sunoco LP:   |                           |                  |
| Genesis Energy LP:   |                           |            | 4.5%, 5/15/2029  | 56,000                    | 46,160           |
| 5.625%, 6/15/2024  | 10,000                    | 9,367      | 5.875%, 3/15/2028  | 35,000                    | 31,912           |
| 7.75%, 2/1/2028  | 75,000                    | 64,879     | 6.0%, 4/15/2027  | 52,000                    | 49,576           |
| Harvest Midstream I LP, 144A,<br>7.5%, 9/1/2028                    | 155,000                   | 145,581    | Transocean Poseidon Ltd.,<br>144A, 6.875%, 2/1/2027              | 192,188                   | 169,125          |
| Hess Midstream<br>Operations LP:                                   |                           |            | USA Compression<br>Partners LP:                                  |                           |                  |
| 144A, 4.25%, 2/15/2030   | 110,000                   | 92,121     | 6.875%, 4/1/2026   | 142,000                   | 129,177          |
| 144A, 5.125%, 6/15/2028  | 75,000                    | 67,313     | 6.875%, 9/1/2027   | 100,000                   | 88,750           |
| Hilcorp Energy I LP:   |                           |            | Venture Global Calcasieu Pass<br>LLC, 144A, 4.125%,<br>8/15/2031 | 30,000                    | 25,636           |
| 144A, 5.75%, 2/1/2029  | 155,000                   | 136,112    | Weatherford International Ltd.,<br>144A, 8.625%, 4/30/2030       | 100,000                   | 82,979           |
| 144A, 6.0%, 2/1/2031   | 110,000                   | 94,600     | Western Midstream Operating<br>LP, 4.65%, 7/1/2026               | 40,000                    | 37,700           |
| 144A, 6.25%, 11/1/2028   | 35,000                    | 32,988     |  |                           | <b>8,041,757</b> |
| Howard Midstream Energy<br>Partners LLC, 144A, 6.75%,<br>1/15/2027 | 40,000                    | 34,460     | <b>Financials 2.3%</b>   |                           |                  |
| MEG Energy Corp., 144A,<br>7.125%, 2/1/2027                        | 109,000                   | 109,772    | Navient Corp., 6.125%,<br>3/25/2024                              | 393,000                   | 372,619          |
| Murphy Oil U.S.A., Inc.:   |                           |            | VICI Properties LP:  |                           |                  |
| 4.75%, 9/15/2029   | 55,000                    | 49,503     | 144A, (REIT),<br>3.875%, 2/15/2029                               | 90,000                    | 77,407           |
| 5.625%, 5/1/2027   | 65,000                    | 63,700     | 144A, (REIT),<br>4.625%, 6/15/2025                               | 233,000                   | 221,641          |
| Nabors Industries, Inc.:   |                           |            |  |                           |                  |
| 5.75%, 2/1/2025  | 105,000                   | 92,597     |  |                           |                  |
| 144A, 7.375%, 5/15/2027  | 105,000                   | 99,750     |  |                           |                  |
| NuStar Logistics LP, 5.75%,<br>10/1/2025                           | 80,000                    | 74,800     |  |                           |                  |
| Oasis Petroleum, Inc., 144A,<br>6.375%, 6/1/2026                   | 40,000                    | 37,000     |  |                           |                  |

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|  | Principal<br>Amount \$(a) | Value (\$)       |   | Principal<br>Amount \$(a) | Value (\$) |
|--|---------------------------|------------------|---|---------------------------|------------|
| 144A, (REIT),<br>5.75%, 2/1/2027   | 310,000                   | 294,159          |   |                           |            |
|  |                           | <b>965,826</b>   |   |                           |            |
| <b>Health Care 7.7%</b>  |                           |                  | <b>Industrials 10.9%</b>  |                           |            |
| Acadia Healthcare Co., Inc.,<br>144A, 5.0%, 4/15/2029                        | 250,000                   | 224,434          | ADT Security Corp., 144A,<br>4.875%, 7/15/2032                          | 50,000                    | 39,801     |
| AdaptHealth LLC:   |                           |                  | Advanced Drainage Systems,<br>Inc., 6.375%, 6/15/2030                   | 90,000                    | 87,891     |
| 144A, 4.625%, 8/1/2029   | 55,000                    | 45,238           | American Airlines, Inc.:  |                           |            |
| 144A, 6.125%, 8/1/2028   | 80,000                    | 70,762           | 144A, 5.5%, 4/20/2026   | 275,000                   | 252,666    |
| Bausch Health Americas, Inc.:  |                           |                  | 144A, 5.75%, 4/20/2029  | 135,000                   | 115,258    |
| 144A, 8.5%, 1/31/2027 (b)  | 195,000                   | 136,744          | 144A, 11.75%, 7/15/2025   | 120,000                   | 124,188    |
| 144A, 9.25%, 4/1/2026  | 135,000                   | 96,525           | ATS Automation Tooling<br>Systems, Inc., 144A,<br>4.125%, 12/15/2028    | 30,000                    | 25,050     |
| Catalent Pharma Solutions,<br>Inc., 144A, 5.0%, 7/15/2027                    | 125,000                   | 117,666          | Bombardier, Inc.:   |                           |            |
| Centene Corp., 4.625%,<br>12/15/2029   | 275,000                   | 256,438          | 144A, 6.0%, 2/15/2028   | 200,000                   | 149,880    |
| Charles River Laboratories<br>International, Inc., 144A,<br>3.75%, 3/15/2029 | 65,000                    | 56,410           | 144A, 7.5%, 3/15/2025   | 82,000                    | 74,108     |
| Community Health<br>Systems, Inc.:   |                           |                  | Builders FirstSource, Inc.,<br>144A, 4.25%, 2/1/2032                    | 80,000                    | 60,894     |
| 144A, 4.75%, 2/15/2031   | 115,000                   | 84,197           | Cargo Aircraft Management,<br>Inc., 144A, 4.75%, 2/1/2028               | 100,000                   | 91,194     |
| 144A, 5.25%, 5/15/2030   | 90,000                    | 68,391           | Clean Harbors, Inc., 144A,<br>5.125%, 7/15/2029                         | 90,000                    | 81,675     |
| 144A, 5.625%, 3/15/2027  | 95,000                    | 80,405           | Covanta Holding Corp., 144A,<br>4.875%, 12/1/2029                       | 40,000                    | 32,549     |
| 144A, 6.0%, 1/15/2029  | 65,000                    | 53,847           | Delta Air Lines, Inc.:  |                           |            |
| 144A, 6.125%, 4/1/2030   | 50,000                    | 30,500           | 3.75%, 10/28/2029 (b)   | 51,000                    | 40,416     |
| 144A, 6.875%, 4/15/2029 (b)  | 140,000                   | 90,300           | 144A, 7.0%, 5/1/2025  | 71,000                    | 71,865     |
| Encompass Health Corp.:  |                           |                  | GFL Environmental, Inc.:  |                           |            |
| 4.5%, 2/1/2028   | 45,000                    | 38,524           | 144A, 3.75%, 8/1/2025   | 80,000                    | 74,200     |
| 4.75%, 2/1/2030  | 137,000                   | 114,811          | 144A, 4.25%, 6/1/2025   | 40,000                    | 37,749     |
| IQVIA, Inc., 144A, 5.0%,<br>5/15/2027  | 220,000                   | 208,142          | 144A, 5.125%, 12/15/2026  | 50,000                    | 47,815     |
| Legacy LifePoint Health LLC,<br>144A, 4.375%, 2/15/2027                      | 75,000                    | 64,261           | Hawaiian Brand Intellectual<br>Property Ltd., 144A, 5.75%,<br>1/20/2026 | 200,000                   | 179,240    |
| LifePoint Health, Inc., 144A,<br>5.375%, 1/15/2029 (b)                       | 225,000                   | 165,375          | Hertz Corp., 144A, 4.625%,<br>12/1/2026                                 | 140,000                   | 117,051    |
| Organon & Co, 144A, 4.125%,<br>4/30/2028                                     | 200,000                   | 177,000          | Howmet Aerospace, Inc.,<br>6.875%, 5/1/2025                             | 140,000                   | 143,822    |
| Owens & Minor, Inc.:   |                           |                  | Imola Merger Corp., 144A,<br>4.75%, 5/15/2029                           | 365,000                   | 305,381    |
| 144A, 4.5%, 3/31/2029  | 55,000                    | 44,908           | Masonite International Corp.,<br>144A, 5.375%, 2/1/2028                 | 74,000                    | 66,970     |
| 144A, 6.625%, 4/1/2030   | 50,000                    | 45,674           | Mileage Plus Holdings LLC,<br>144A, 6.5%, 6/20/2027                     | 130,000                   | 127,764    |
| Select Medical Corp., 144A,<br>6.25%, 8/15/2026                              | 125,000                   | 116,683          | Moog, Inc., 144A, 4.25%,<br>12/15/2027                                  | 160,000                   | 138,638    |
| Tenet Healthcare Corp.:  |                           |                  | NESCO Holdings II, Inc., 144A,<br>5.5%, 4/15/2029                       | 95,000                    | 79,563     |
| 4.625%, 7/15/2024  | 21,000                    | 20,154           | Nielsen Finance LLC, 144A,<br>5.625%, 10/1/2028                         | 265,000                   | 246,105    |
| 144A, 4.875%, 1/1/2026   | 250,000                   | 230,000          | Prime Security Services<br>Borrower LLC:                                |                           |            |
| 144A, 5.125%, 11/1/2027  | 150,000                   | 135,000          | 144A, 3.375%, 8/31/2027   | 65,000                    | 53,544     |
| 144A, 6.125%, 6/15/2030  | 140,000                   | 129,161          | 144A, 5.75%, 4/15/2026  | 135,000                   | 125,887    |
| 144A, 6.25%, 2/1/2027  | 75,000                    | 69,031           | 144A, 6.25%, 1/15/2028  | 135,000                   | 112,940    |
| Teva Pharmaceutical Finance<br>Netherlands II BV, 4.5%,<br>3/1/2025          | EUR 100,000               | 97,722           | Signature Aviation<br>U.S. Holdings, Inc., 144A,<br>4.0%, 3/1/2028      | 155,000                   | 151,280    |
| Teva Pharmaceutical Finance<br>Netherlands III BV, 6.0%,<br>4/15/2024        | 200,000                   | 196,934          |   |                           |            |
|  |                           | <b>3,265,237</b> |   |                           |            |

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|  | Principal<br>Amount \$(a) | Value (\$)       |   | Principal<br>Amount \$(a) | Value (\$)       |
|--|---------------------------|------------------|---|---------------------------|------------------|
| Spirit Loyalty Cayman Ltd.,<br>144A, 8.0%, 9/20/2025                 | 189,000                   | 193,965          | EverArc Escrow Sarl, 144A,<br>5.0%, 10/30/2029  | 90,000                    | 75,754           |
| Sprint Capital Corp., 6.875%,<br>11/15/2028                          | 100,000                   | 105,152          | First Quantum Minerals Ltd.:<br>144A, 6.875%, 3/1/2026                                      | 200,000                   | 184,200          |
| Summit Materials LLC, 144A,<br>5.25%, 1/15/2029                      | 54,000                    | 47,115           | 144A, 6.875%, 10/15/2027  | 300,000                   | 268,218          |
| TK Elevator U.S. Newco, Inc.,<br>144A, 5.25%, 7/15/2027              | 200,000                   | 178,313          | Hudbay Minerals, Inc.:<br>144A, 4.5%, 4/1/2026  | 60,000                    | 50,207           |
| TransDigm, Inc.:<br>4.625%, 1/15/2029                                | 85,000                    | 68,427           | 144A, 6.125%, 4/1/2029  | 100,000                   | 81,105           |
| 5.5%, 11/15/2027   | 115,000                   | 97,564           | Mauser Packaging Solutions<br>Holding Co., 144A, 7.25%,<br>4/15/2025                        | 105,000                   | 91,613           |
| 144A, 6.25%, 3/15/2026   | 335,000                   | 322,856          | Novelis Corp.:<br>144A, 3.25%, 11/15/2026   | 100,000                   | 84,527           |
| United Airlines, Inc., 144A,<br>4.375%, 4/15/2026                    | 160,000                   | 140,987          | 144A, 4.75%, 1/30/2030  | 375,000                   | 311,692          |
| United Rentals North America,<br>Inc., 5.25%, 1/15/2030              | 80,000                    | 74,200           | Roller Bearing Co. of America,<br>Inc., 144A, 4.375%,<br>10/15/2029                         | 80,000                    | 68,073           |
| WESCO Distribution, Inc.:<br>144A, 7.125%, 6/15/2025                 | 40,000                    | 39,913           | Taseko Mines Ltd., 144A,<br>7.0%, 2/15/2026   | 125,000                   | 106,389          |
| 144A, 7.25%, 6/15/2028   | 105,000                   | 103,845          | Tronox, Inc., 144A, 4.625%,<br>3/15/2029  | 205,000                   | 164,840          |
|  |                           | <b>4,627,721</b> |   |                           | <b>2,965,311</b> |
| <b>Information Technology 1.3%</b>                                   |                           |                  | <b>Real Estate 2.4%</b>   |                           |                  |
| Boxer Parent Co., Inc., 144A,<br>7.125%, 10/2/2025                   | 60,000                    | 57,454           | Cushman & Wakefield<br>U.S. Borrower LLC, 144A,<br>6.75%, 5/15/2028                         | 110,000                   | 102,162          |
| Clarivate<br>Science Holdings Corp.:<br>144A, 3.875%, 7/1/2028       | 90,000                    | 75,196           | Iron Mountain Information<br>Management Services, Inc.,<br>144A, (REIT), 5.0%,<br>7/15/2032 | 40,000                    | 32,285           |
| 144A, 4.875%, 7/1/2029 (b)   | 60,000                    | 49,260           | Iron Mountain, Inc.:<br>144A, (REIT),<br>4.875%, 9/15/2029                                  | 60,000                    | 50,996           |
| Minerva Merger Sub, Inc.,<br>144A, 6.5%, 2/15/2030                   | 60,000                    | 49,895           | 144A, (REIT),<br>5.0%, 7/15/2028  | 75,000                    | 66,427           |
| NCR Corp.:<br>144A, 5.0%, 10/1/2028                                  | 100,000                   | 84,790           | 144A, (REIT),<br>5.25%, 3/15/2028   | 145,000                   | 130,165          |
| 144A, 5.125%, 4/15/2029  | 190,000                   | 160,690          | 144A, (REIT),<br>5.25%, 7/15/2030   | 100,000                   | 86,939           |
| Playtika Holding Corp., 144A,<br>4.25%, 3/15/2029                    | 110,000                   | 90,750           | iStar, Inc.:<br>(REIT), 4.25%, 8/1/2025   | 100,000                   | 92,356           |
|  |                           | <b>568,035</b>   | (REIT), 4.75%, 10/1/2024  | 170,000                   | 160,029          |
| <b>Materials 7.0%</b>  |                           |                  | MPT Operating Partnership LP:<br>(REIT), 3.5%, 3/15/2031                                    | 105,000                   | 82,757           |
| Arconic Corp., 144A, 6.125%,<br>2/15/2028                            | 245,000                   | 228,776          | (REIT), 4.625%, 8/1/2029  | 140,000                   | 122,850          |
| Chemours Co.:<br>4.0%, 5/15/2026                                     | EUR 100,000               | 92,744           | SBA Communications Corp.,<br>(REIT), 3.125%, 2/1/2029                                       | 60,000                    | 49,110           |
| 144A, 4.625%, 11/15/2029   | 100,000                   | 78,648           | Uniti Group LP, 144A, (REIT),<br>6.0%, 1/15/2030  | 40,000                    | 27,672           |
| 5.375%, 5/15/2027  | 95,000                    | 83,586           |   |                           | <b>1,003,748</b> |
| 144A, 5.75%, 11/15/2028  | 290,000                   | 247,147          | <b>Utilities 3.7%</b>   |                           |                  |
| Clearwater Paper Corp.:<br>144A, 4.75%, 8/15/2028                    | 155,000                   | 133,662          | AmeriGas Partners LP:<br>5.5%, 5/20/2025  | 205,000                   | 192,941          |
| 144A, 5.375%, 2/1/2025   | 110,000                   | 106,975          | 5.75%, 5/20/2027  | 110,000                   | 100,650          |
| Cleveland-Cliffs, Inc.:<br>144A, 4.625%, 3/1/2029 (b)                | 31,000                    | 27,358           | Calpine Corp.:<br>144A, 4.5%, 2/15/2028   | 200,000                   | 181,575          |
| 144A, 4.875%, 3/1/2031 (b)   | 101,000                   | 89,049           | 144A, 4.625%, 2/1/2029  | 30,000                    | 24,968           |
| 144A, 6.75%, 3/15/2026   | 175,000                   | 173,687          |   |                           |                  |
| Clydesdale<br>Acquisition Holdings, Inc.,<br>144A, 6.625%, 4/15/2029 | 20,000                    | 18,793           |   |                           |                  |
| Constellium SE, 144A, 3.75%,<br>4/15/2029                            | 250,000                   | 198,268          |   |                           |                  |

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|--|---------------------------|-------------------|
| Clearway Energy Operating LLC, 144A, 4.75%, 3/15/2028        | 115,000                   | 103,463           |
| FirstEnergy Corp., 4.4%, 7/15/2027                           | 90,000                    | 84,891            |
| NextEra Energy Operating Partners LP, 144A, 4.25%, 7/15/2024 | 210,000                   | 200,886           |
| NRG Energy, Inc.:  |                           |                   |
| 144A, 3.625%, 2/15/2031                                      | 145,000                   | 113,679           |
| 144A, 5.25%, 6/15/2029                                       | 157,000                   | 140,123           |
| 5.75%, 1/15/2028   | 200,000                   | 181,786           |
| Pattern Energy Operations LP, 144A, 4.5%, 8/15/2028          | 90,000                    | 78,300            |
| PG&E Corp., 5.25%, 7/1/2030                                  | 75,000                    | 61,701            |
| Vistra Operations Co. LLC, 144A, 4.375%, 5/1/2029            | 135,000                   | 112,945           |
|  | <b>1,577,908</b>          |                   |
| <b>Total Corporate Bonds</b> (Cost \$41,468,504)             |                           | <b>36,624,504</b> |

### Loan Participations and Assignments 3.3%

#### Senior Loans (c)

|  |         |         |
|--|---------|---------|
| Athenahealth, Inc.:  |         |         |
| Delayed Draw Term Loan, 2/15/2029 (d)  | 10,870  | 10,041  |
| Term Loan B, 2/15/2029 (d)   | 64,130  | 59,241  |
| Clear Channel Outdoor Holdings, Inc., Term Loan B, 8/21/2026 (d)   | 198,467 | 171,525 |
| DirecTV Financing LLC, Term Loan, 1-month USD-LIBOR + 5.0%, 6.666%, 8/2/2027                                 | 284,144 | 262,420 |
| Frontier Communications Corp., Term Loan B, 3-month USD-LIBOR + 3.75%, 6.063%, 5/1/2028                      | 149,244 | 140,345 |
| Gray Television, Inc., Term Loan B, 1-month USD-LIBOR + 2.5%, 3.562%, 2/7/2024                               | 114,496 | 112,502 |
| McAfee LLC, Term Loan B, 1-month USD-LIBOR + 4.0%, 5.145%, 3/1/2029  | 125,000 | 114,167 |
| Naked Juice LLC, Term Loan, 1-month USD-LIBOR + 3.25%, 3-month USD-LIBOR + 3.25%, 4.875% - 5.404%, 1/24/2029 | 23,000  | 21,486  |
| Option Care Health, Inc., Term Loan B, 1-month USD-LIBOR + 2.75%, 4.416%, 10/27/2028                         | 129,350 | 124,068 |

|  | Principal<br>Amount \$(a) | Value (\$) |
|--|---------------------------|------------|
| Pacific Gas & Electric Co., Term Loan, 1-month USD-LIBOR + 3.0%, 4.688%, 6/23/2025                               | 198,985                   | 188,264    |
| Tronox Finance LLC, Term Loan B, 1-month USD-LIBOR + 2.25%, 3-month USD-LIBOR + 2.25%, 3.916% - 4.50%, 3/10/2028 | 200,000                   | 191,000    |

**Total Loan Participations and Assignments**  
(Cost \$1,493,774) **1,395,059**

|   | Shares | Value (\$) |
|---|--------|------------|
| <b>Exchange-Traded Funds 3.3%</b>           |        |            |
| iShares iBoxx High Yield Corporate Bond ETF | 2,800  | 206,108    |
| SPDR Bloomberg High Yield Bond ETF          | 13,200 | 1,197,372  |

**Total Exchange-Traded Funds**  
(Cost \$1,600,701) **1,403,480**

### Common Stocks 0.0%

#### Industrials

|                                 |     |            |
|---------------------------------|-----|------------|
| Quad Graphics, Inc.* (Cost \$0) | 287 | <b>789</b> |
|---------------------------------|-----|------------|

### Warrants 0.2%

#### Materials

|   |       |               |
|---|-------|---------------|
| Hercules Trust II, Expiration Date 3/31/2029* (e)<br>(Cost \$244,286) | 1,100 | <b>92,754</b> |
|---|-------|---------------|

### Securities Lending Collateral 3.4%

|   |           |                  |
|---|-----------|------------------|
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (f) (g) (Cost \$1,417,933) | 1,417,933 | <b>1,417,933</b> |
|---|-----------|------------------|

### Cash Equivalents 5.7%

|  |           |                  |
|--|-----------|------------------|
| DWS Central Cash Management Government Fund, 1.36% (f)<br>(Cost \$2,420,371) | 2,420,371 | <b>2,420,371</b> |
|--|-----------|------------------|

|  | % of Net<br>Assets | Value (\$)        |
|--|--------------------|-------------------|
| <b>Total Investment Portfolio</b><br>(Cost \$48,645,569) | 102.3              | <b>43,354,890</b> |
| <b>Other Assets and Liabilities, Net</b>                 | (2.3)              | <b>(975,887)</b>  |
| <b>Net Assets</b>  | 100.0              | <b>42,379,003</b> |

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

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at<br>12/31/2021  | Purchases<br>Cost (\$) | Sales<br>Proceeds (\$) | Net Realized<br>Gain/<br>(Loss) (\$) | Net Change in<br>Unrealized<br>Appreciation<br>(Depreciation)<br>(\$) | Income (\$)   | Capital Gain<br>Distributions<br>(\$) | Number<br>of Shares<br>at<br>6/30/2022 | Value (\$) at<br>6/30/2022 |
|--|------------------------|------------------------|--------------------------------------|---|---------------|---------------------------------------|--|----------------------------|
| <b>Securities Lending Collateral 3.4%</b>  |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (f) (g) |                        |                        |                                      |   |               |                                       |  |                            |
| 1,857,630  | —                      | 439,697 (h)            | —                                    | —   | 10,558        | —                                     | 1,417,933                              | 1,417,933                  |
| <b>Cash Equivalents 5.7%</b>   |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Central Cash Management Government Fund, 1.36% (f)   |                        |                        |                                      |   |               |                                       |  |                            |
| 2,785,992  | 8,877,066              | 9,242,687              | —                                    | —   | 4,390         | —                                     | 2,420,371                              | 2,420,371                  |
| <b>4,643,622</b>   | <b>8,877,066</b>       | <b>9,682,384</b>       | <b>—</b>                             | <b>—</b>  | <b>14,948</b> | <b>—</b>                              | <b>3,838,304</b>                       | <b>3,838,304</b>           |

\* Non-income producing security.

- (a) Principal amount stated in U.S. dollars unless otherwise noted.
- (b) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$1,351,726, which is 3.2% of net assets.
- (c) Variable or floating rate security. These securities are shown at their current rate as of June 30, 2022. For securities based on a published reference rate and spread, the reference rate and spread are indicated within the description above. Certain variable rate securities are not based on a published reference rate and spread but adjust periodically based on current market conditions, prepayment of underlying positions and/or other variables. Securities with a floor or ceiling feature are disclosed at the inherent rate, where applicable.
- (d) All or a portion of the security represents unsettled loan commitments at June 30, 2022 where the rate will be determined at the time of settlement.
- (e) Investment was valued using significant unobservable inputs.
- (f) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (g) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- (h) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

REG S: Securities sold under Regulation S may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

REIT: Real Estate Investment Trust

SPDR: Standard & Poor's Depository Receipt

LIBOR: London Interbank Offered Rate, the benchmark rate for certain floating rate securities, has been phased out as of the end of 2021 for most maturities and currencies, although certain widely used US Dollar LIBOR rates are expected to continue to be published through June of 2023 to assist with the transition. The Fund or the instruments in which the Fund invests may be adversely affected by the phase out by, among other things, increased volatility or illiquidity. There remains uncertainty regarding the future use of LIBOR and the nature of any replacement reference rate and, accordingly, it is difficult to predict the impact to the Fund of the transition away from LIBOR.

At June 30, 2022, the Fund had the following open forward foreign currency contracts:

| Contracts to Deliver | In Exchange For | Settlement Date | Unrealized Appreciation (\$) | Counterparty |                             |
|----------------------|-----------------|-----------------|------------------------------|--------------|-----------------------------|
| EUR                  | 840,723 USD     | 891,409         | 7/29/2022                    | 8,639        | State Street Bank and Trust |

**Currency Abbreviation(s)**

EUR Euro

USD United States Dollar

For information on the Fund's policy and additional disclosures regarding forward foreign currency contracts, please refer to the Derivatives section of Note B in the accompanying Notes to Financial Statements.

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

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>                       | <b>Level 1</b>     | <b>Level 2</b>       | <b>Level 3</b>  | <b>Total</b>         |
|-------------------------------------|--------------------|----------------------|-----------------|----------------------|
| Corporate Bonds (a)                 | \$ —               | \$ 36,624,504        | \$ —            | \$ 36,624,504        |
| Loan Participations and Assignments | —                  | 1,395,059            | —               | 1,395,059            |
| Exchange-Traded Funds               | 1,403,480          | —                    | —               | 1,403,480            |
| Common Stocks                       | 789                | —                    | —               | 789                  |
| Warrants                            | —                  | —                    | 92,754          | 92,754               |
| Short-Term Investments (a)          | 3,838,304          | —                    | —               | 3,838,304            |
| Derivatives (b)                     |                    |                      |                 |                      |
| Forward Foreign Currency Contracts  | —                  | 8,639                | —               | 8,639                |
| <b>Total</b>                        | <b>\$5,242,573</b> | <b>\$ 38,028,202</b> | <b>\$92,754</b> | <b>\$ 43,363,529</b> |

(a) See Investment Portfolio for additional detailed categorizations.

(b) Derivatives include unrealized appreciation (depreciation) on open forward foreign currency contracts.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>  |                      |
|--|----------------------|
| Investments in non-affiliated securities, at value (cost \$44,807,265) — including \$1,351,726 of securities loaned  | \$ 39,516,586        |
| Investment in DWS Government & Agency Securities Portfolio (cost \$1,417,933)*   | 1,417,933            |
| Investment in DWS Central Cash Management Government Fund (cost \$2,420,371)   | 2,420,371            |
| Cash   | 48,327               |
| Foreign currency, at value (cost \$9,944)  | 9,954                |
| Receivable for investments sold  | 108,258              |
| Receivable for Fund shares sold  | 701                  |
| Interest receivable  | 679,059              |
| Unrealized appreciation on forward foreign currency contracts  | 8,639                |
| Other assets   | 530                  |
| <b>Total assets</b>  | <b>44,210,358</b>    |
| <b>Liabilities</b>   |                      |
| Payable upon return of securities loaned   | 1,417,933            |
| Payable for investments purchased  | 307,675              |
| Payable for Fund shares redeemed   | 13,273               |
| Accrued management fee   | 7,845                |
| Accrued Trustees' fees   | 70                   |
| Other accrued expenses and payables  | 84,559               |
| <b>Total liabilities</b>   | <b>1,831,355</b>     |
| <b>Net assets, at value</b>  | <b>\$ 42,379,003</b> |
| <b>Net Assets Consist of</b>   |                      |
| Distributable earnings (loss)  | (11,121,087)         |
| Paid-in capital  | 53,500,090           |
| <b>Net assets, at value</b>  | <b>\$ 42,379,003</b> |
| <b>Net Asset Value</b>   |                      |
| <b>Class A</b>   |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$41,727,494 ÷ 8,143,248 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 5.12</b>       |
| <b>Class B</b>   |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$651,509 ÷ 126,516 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)      | <b>\$ 5.15</b>       |

\* Represents collateral on securities loaned.

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                       |
|--|-----------------------|
| Income:  |                       |
| Interest   | \$ 1,202,380          |
| Dividends  | 18,991                |
| Income distributions — DWS Central Cash Management Government Fund     | 4,390                 |
| Securities lending income, net of borrower rebates                     | 10,558                |
| <b>Total income</b>  | <b>1,236,319</b>      |
| Expenses:  |                       |
| Management fee   | 117,860               |
| Administration fee   | 22,865                |
| Services to shareholders   | 428                   |
| Record keeping fee (Class B)   | 452                   |
| Distribution service fee (Class B)                                     | 762                   |
| Custodian fee  | 2,516                 |
| Audit fee  | 34,769                |
| Legal fees   | 9,875                 |
| Tax fees   | 3,603                 |
| Reports to shareholders  | 15,748                |
| Trustees' fees and expenses  | 2,100                 |
| Other  | 1,401                 |
| <b>Total expenses before expense reductions</b>                        | <b>212,379</b>        |
| Expense reductions   | (43,812)              |
| <b>Total expenses after expense reductions</b>                         | <b>168,567</b>        |
| <b>Net investment income</b>   | <b>1,067,752</b>      |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                       |
| Net realized gain (loss) from:   |                       |
| Investments  | (632,539)             |
| Forward foreign currency contracts                                     | 65,992                |
| Foreign currency   | (4,547)               |
|  | (571,094)             |
| Change in net unrealized appreciation (depreciation) on:               |                       |
| Investments  | (6,790,511)           |
| Forward foreign currency contracts                                     | 13,719                |
| Foreign currency   | (306)                 |
|  | (6,777,098)           |
| <b>Net gain (loss)</b>   | <b>(7,348,192)</b>    |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$ (6,280,440)</b> |

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

# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 1,067,752  | \$ 2,284,536                       |
| Net realized gain (loss)  | (571,094)   | 1,370,374                          |
| Change in net unrealized appreciation<br>(depreciation)               | (6,777,098)   | (1,547,405)                        |
| Net increase (decrease) in net assets resulting from operations       | (6,280,440)   | 2,107,505                          |
| Distributions to shareholders:  |   |                                    |
| Class A   | (2,374,887)   | (2,455,814)                        |
| Class B   | (28,302)  | (6,327)                            |
| Total distributions   | (2,403,189)   | (2,462,141)                        |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 1,354,477   | 6,500,206                          |
| Reinvestment of distributions   | 2,374,887   | 2,455,814                          |
| Payments for shares redeemed  | (4,796,110)   | (11,190,770)                       |
| Net increase (decrease) in net assets from Class A share transactions | (1,066,746)   | (2,234,750)                        |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 255,669   | 481,262                            |
| Reinvestment of distributions   | 28,302  | 6,327                              |
| Payments for shares redeemed  | (138,387)   | (21,374)                           |
| Net increase (decrease) in net assets from Class B share transactions | 145,584   | 466,215                            |
| <b>Increase (decrease) in net assets</b>                              | (9,604,791)   | (2,123,171)                        |
| Net assets at beginning of period                                     | 51,983,794  | 54,106,965                         |
| <b>Net assets at end of period</b>                                    | <b>\$42,379,003</b>                                 | <b>\$ 51,983,794</b>               |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 8,311,044   | 8,668,128                          |
| Shares sold   | 237,567   | 1,055,087                          |
| Shares issued to shareholders in reinvestment of distributions        | 431,798   | 408,621                            |
| Shares redeemed   | (837,161)   | (1,820,792)                        |
| Net increase (decrease) in Class A shares                             | (167,796)   | (357,084)                          |
| Shares outstanding at end of period                                   | <b>8,143,248</b>                                    | <b>8,311,044</b>                   |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 100,035   | 23,669                             |
| Shares sold   | 45,517  | 78,794                             |
| Shares issued to shareholders in reinvestment of distributions        | 5,118   | 1,048                              |
| Shares redeemed   | (24,154)  | (3,476)                            |
| Net increase (decrease) in Class B shares                             | 26,481  | 76,366                             |
| Shares outstanding at end of period                                   | <b>126,516</b>                                      | <b>100,035</b>                     |

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

# Financial Highlights

## DWS High Income VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021          | 2020          | 2019          | 2018          | 2017          |
|--|--|---------------|---------------|---------------|---------------|---------------|
| <b>Selected Per Share Data</b>                               |  |               |               |               |               |               |
| <b>Net asset value, beginning of period</b>                  | <b>\$6.18</b>                              | <b>\$6.23</b> | <b>\$6.23</b> | <b>\$5.71</b> | <b>\$6.36</b> | <b>\$6.28</b> |
| <i>Income (loss) from investment operations:</i>             |  |               |               |               |               |               |
| Net investment income <sup>a</sup>                           | .13  | .27           | .29           | .31           | .33           | .31           |
| Net realized and unrealized gain (loss)                      | (.89)                                      | (.03)         | .04           | .56           | (.48)         | .15           |
| <b>Total from investment operations</b>                      | <b>(.76)</b>                               | <b>.24</b>    | <b>.33</b>    | <b>.87</b>    | <b>(.15)</b>  | <b>.46</b>    |
| <i>Less distributions from:</i>                              |  |               |               |               |               |               |
| Net investment income  | (.30)                                      | (.29)         | (.33)         | (.35)         | (.50)         | (.38)         |
| <b>Net asset value, end of period</b>                        | <b>\$5.12</b>                              | <b>\$6.18</b> | <b>\$6.23</b> | <b>\$6.23</b> | <b>\$5.71</b> | <b>\$6.36</b> |
| Total Return (%) <sup>b</sup>                                | (12.64) <sup>*</sup>                       | 4.00          | 6.24          | 15.69         | (2.52)        | 7.51          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |               |               |               |               |               |
| Net assets, end of period (\$ millions)                      | 42   | 51            | 54            | 56            | 52            | 61            |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .90 <sup>**</sup>                          | .84           | .87           | .96           | .94           | .78           |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .71 <sup>**</sup>                          | .71           | .70           | .68           | .69           | .72           |
| Ratio of net investment income (%)                           | 4.53 <sup>**</sup>                         | 4.32          | 4.86          | 5.09          | 5.41          | 4.98          |
| Portfolio turnover rate (%)                                  | 24 <sup>*</sup>                            | 56            | 94            | 82            | 62            | 71            |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

<sup>\*</sup> Not annualized

<sup>\*\*</sup> Annualized

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

## DWS High Income VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021          | Years Ended December 31, |               |               |               |
|--|--|---------------|--------------------------|---------------|---------------|---------------|
|  |  | 2021          | 2020                     | 2019          | 2018          | 2017          |
| <b>Selected Per Share Data</b>                               |  |               |                          |               |               |               |
| <b>Net asset value, beginning of period</b>                  | <b>\$6.20</b>                              | <b>\$6.24</b> | <b>\$6.25</b>            | <b>\$5.73</b> | <b>\$6.38</b> | <b>\$6.30</b> |
| <i>Income (loss) from investment operations:</i>             |  |               |                          |               |               |               |
| Net investment income <sup>a</sup>                           | .12  | .24           | .27                      | .29           | .31           | .31           |
| Net realized and unrealized gain (loss)                      | (.89)                                      | (.01)         | .04                      | .57           | (.48)         | .13           |
| <b>Total from investment operations</b>                      | <b>(.77)</b>                               | <b>.23</b>    | <b>.31</b>               | <b>.86</b>    | <b>(.17)</b>  | <b>.44</b>    |
| <i>Less distributions from:</i>                              |  |               |                          |               |               |               |
| Net investment income  | (.28)                                      | (.27)         | (.32)                    | (.34)         | (.48)         | (.36)         |
| <b>Net asset value, end of period</b>                        | <b>\$5.15</b>                              | <b>\$6.20</b> | <b>\$6.24</b>            | <b>\$6.25</b> | <b>\$5.73</b> | <b>\$6.38</b> |
| Total Return (%) <sup>b</sup>                                | (12.76)*                                   | 3.79          | 5.77                     | 15.33         | (2.76)        | 7.21          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |               |                          |               |               |               |
| Net assets, end of period (\$ millions)                      | .7   | .6            | .1                       | .2            | .1            | .1            |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | 1.31**                                     | 1.27          | 1.30                     | 1.40          | 1.34          | 1.15          |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | 1.10**                                     | 1.10          | 1.05                     | .94           | .96           | .98           |
| Ratio of net investment income (%)                           | 4.16**                                     | 3.86          | 4.52                     | 4.82          | 5.14          | 4.88          |
| Portfolio turnover rate (%)                                  | 24*  | 56            | 94                       | 82            | 62            | 71            |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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



## A. Organization and Significant Accounting Policies

DWS High Income VIP (the “Fund”) is a diversified series of Deutsche DWS Variable Series II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company organized as a Massachusetts business trust.

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Debt securities and loan participations and assignments are valued at prices supplied by independent pricing services approved by the Fund’s Board. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, prepayment speeds and other data, as well as broker quotes. If the pricing services are unable to provide valuations, debt securities are valued at the average of the most recent reliable bid quotations or evaluated prices, as applicable, obtained from broker-dealers and loan participations and assignments are valued at the mean of the most recent bid and ask quotations or evaluated prices, as applicable, obtained from broker-dealers. Certain securities may be valued on the basis of a price provided by a single source or broker-dealer. No active trading market may exist for some senior loans and they may be subject to restrictions on resale. The inability to dispose of senior loans in a timely fashion could result in losses. These securities are generally categorized as Level 2.

Equity securities and exchange-traded funds (“ETFs”) are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Equity securities or ETFs for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities or ETFs are generally categorized as Level 1.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Forward currency contracts are valued at the prevailing forward exchange rate of the underlying currencies and are categorized as Level 2.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund’s valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security’s disposition; the price

and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Securities Lending.** Deutsche Bank AG, as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. As of period end, any securities on loan were collateralized by cash. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had securities on loan, which were classified as corporate bonds in the Investment Portfolio. The value of the related collateral exceeded the value of the securities loaned at period end. As of period end, the remaining contractual maturity of the collateral agreements was overnight and continuous.

**When-Issued/Delayed Delivery Securities.** The Fund may purchase securities with delivery or payment to occur at a later date beyond the normal settlement period. At the time the Fund enters into a commitment to purchase a security, the transaction is recorded and the value of the security is reflected in the net asset value. The price of such security and the date when the security will be delivered and paid for are fixed at the time the transaction is negotiated. The value of the security may vary with market fluctuations. No interest accrues to the Fund until payment takes place. At the time the Fund enters into a purchase transaction it is required to segregate cash or other liquid assets at least equal to the amount of the commitment. Additionally, the Fund may be required to post securities and/or cash collateral in accordance with the terms of the commitment.

Certain risks may arise upon entering into when-issued or delayed delivery transactions from the potential inability of counterparties to meet the terms of their contracts or if the issuer does not issue the securities due to political, economic, or other factors. Additionally, losses may arise due to changes in the value of the underlying securities.

**Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

At December 31, 2021, the Fund had net tax basis capital loss carryforwards of approximately \$6,270,000, including short-term losses (\$584,000) and long-term losses (\$5,686,000), which may be applied against realized net taxable capital gains indefinitely.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$48,694,164. The net unrealized depreciation for all investments based on tax cost was \$5,339,274. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$34,541 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$5,373,815.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to forward foreign currency exchange contracts, premium amortization on debt securities and certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments. All premiums and discounts are amortized/accreted for both tax and financial reporting purposes for the Fund, with the exception of securities in default of principal.

## **B. Derivative Instruments**

A forward foreign currency contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at the settlement date at a negotiated rate. For the six months ended June 30, 2022, the Fund entered into forward currency contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign currency denominated portfolio holdings and to facilitate transactions in foreign currency denominated securities.

Forward currency contracts are valued at the prevailing forward exchange rate of the underlying currencies and unrealized gain (loss) is recorded daily. On the settlement date of the forward currency contract, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value of the contract at the time it was closed. Certain risks may arise upon entering into forward currency contracts from the potential inability of counterparties to meet the terms of their contracts. The maximum counterparty credit risk to the Fund is measured by the unrealized gain on appreciated contracts. Additionally, when utilizing forward currency contracts to hedge, the Fund gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

A summary of the open forward currency contracts as of June 30, 2022, is included in the table following the Fund's Investment Portfolio. For the six months ended June 30, 2022, the investment in forward currency contracts short vs. U.S. dollars had a total contract value generally indicative of a range from approximately \$846,000 to \$912,000.

The following table summarize the value of the Fund's derivative instruments held as of June 30, 2022 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

| <b>Assets Derivative</b>       | <b>Forward Contracts</b> |
|--------------------------------|--------------------------|
| Foreign Exchange Contracts (a) | \$ 8,639                 |

The above derivative is located in the following Statement of Assets and Liabilities account:

(a) Unrealized depreciation on forward foreign currency contracts

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Fund earnings during the six months ended June 30, 2022 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

| <b>Realized Gain (Loss)</b>    | <b>Forward Contracts</b> |
|--------------------------------|--------------------------|
| Foreign Exchange Contracts (a) | \$ 65,992                |

The above derivative is located in the following Statement of Operations account:

(a) Net realized gain (loss) from forward foreign currency contracts

| <b>Change in Net Unrealized Appreciation (Depreciation)</b> | <b>Forward Contracts</b> |
|---|--------------------------|
| Foreign Exchange Contracts (a)                              | \$ 13,719                |

The above derivative is located in the following Statement of Operations account:

(a) Change in net unrealized appreciation (depreciation) on forward foreign currency contracts

As of June 30, 2022, the Fund has transactions subject to enforceable master netting agreements which govern the terms of certain transactions, and reduce the counterparty risk associated with such transactions. Master netting agreements allow a Fund to close out and net total exposure to a counterparty in the event of a deterioration in the credit quality or contractual default with respect to all of the transactions with a counterparty. As defined by the master netting agreement, the Fund may have collateral agreements with certain counterparties to mitigate risk. For financial reporting purposes the Statement of Assets and Liabilities generally shows derivatives assets and liabilities on a gross basis, which reflects the full risks and exposures prior to netting. A reconciliation of the gross amounts on the Statement of Assets and Liabilities to the net amounts by a counterparty, including any collateral exposure, is included in the following table:

| <b>Counterparty</b>         | <b>Gross Amount of Assets Presented in the Statement of Assets and Liabilities</b> | <b>Financial Instruments and Derivatives Available for Offset</b> | <b>Collateral Received</b> | <b>Net Amount of Derivative Assets</b> |
|-----------------------------|--|---|----------------------------|--|
| State Street Bank and Trust | \$ 8,639   | \$ —  | \$ —                       | \$ 8,639                               |

### C. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments and U.S. Treasury securities) aggregated \$10,753,611 and \$12,509,052, respectively.

### D. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. (“DIMA” or the “Advisor”), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA (“DWS Group”), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|                     |       |
|---------------------|-------|
| First \$250 million | .500% |
| Next \$750 million  | .470% |
| Next \$1.5 billion  | .450% |
| Next \$2.5 billion  | .430% |
| Next \$2.5 billion  | .400% |
| Next \$2.5 billion  | .380% |
| Next \$2.5 billion  | .360% |
| Over \$12.5 billion | .340% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.50% of the Fund’s average daily net assets.

For the period from January 1, 2022 through April 30, 2023, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |       |
|---------|-------|
| Class A | .71%  |
| Class B | 1.10% |

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for each class are as follows:

|         |                  |
|---------|------------------|
| Class A | \$ 43,176        |
| Class B | 636              |
|         | <b>\$ 43,812</b> |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$22,865, of which \$3,518 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the

shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at June 30, 2022 |
|--------------------------|------------------|-------------------------|
| Class A                  | \$ 170           | \$ 44                   |
| Class B                  | 47               | 15                      |
|                          | <b>\$ 217</b>    | <b>\$ 59</b>            |

**Distribution Service Agreement.** Under the Fund’s Class B 12b-1 plan, DWS Distributors, Inc. (“DDI”) received a fee (“Distribution Service Fee”) of up to 0.25% of average daily net assets of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee aggregated \$762, of which \$132 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$504, of which \$31 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

**Securities Lending Agent Fees.** Deutsche Bank AG serves as securities lending agent for the Fund. For the six months ended June 30, 2022, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of \$795.

## E. Investing in High-Yield Debt Securities

High-yield debt securities or junk bonds are generally regarded as speculative with respect to the issuer’s continuing ability to meet principal and interest payments. The Fund’s performance could be hurt if an issuer of a debt security suffers an adverse change in financial condition that results in the issuer not making timely payments of interest or principal, a security downgrade or an inability to meet a financial obligation. High-yield debt securities’ total return and yield may generally be expected to fluctuate more than the total return and yield of investment-grade debt securities. A real or perceived economic downturn or an increase in market interest rates could cause a decline in the value of high-yield debt securities, result in increased redemptions and/or result in increased portfolio turnover, which could result in a decline in net asset value of the Fund, reduce liquidity for certain investments and/or increase costs. High-yield debt securities are often thinly traded and can be more difficult to sell and value accurately than investment-grade debt securities as there may be no established secondary market. Investments in high yield debt securities could increase liquidity risk for the Fund. In addition, the market for high-yield debt securities can experience sudden and sharp volatility which is generally associated more with investments in stocks.

## F. Ownership of the Fund

At June 30, 2022, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 64% and 25%, respectively. Three participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 48%, 33% and 18%, respectively.

## **G. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 20 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

## **H. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund’s accounting and financial reporting.

## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 873.60      | \$ 872.40      |
| Expenses Paid per \$1,000*     | \$ 3.30        | \$ 5.11        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,021.27    | \$ 1,019.34    |
| Expenses Paid per \$1,000*         | \$ 3.56        | \$ 5.51        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                      | <b>Class A</b> | <b>Class B</b> |
|---|----------------|----------------|
| Deutsche DWS Variable Series II — DWS High Income VIP | .71%           | 1.10%          |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).



## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS High Income VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 2nd quartile, 1st quartile and 2nd quartile, respectively, of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers). The Board also observed that the

Fund has outperformed its benchmark in the one- and three-year periods and has underperformed its benchmark in the five-year period ended December 31, 2020.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (1st quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be higher than the median (3rd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds") and considered differences between the Fund and the comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the

substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes

# Notes

# Notes



VS2HI-3 (R-028385-11 8/22)



June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series II

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**DWS Government Money Market VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

**You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.** The credit quality of the Fund's holdings can change rapidly in certain markets, and the default of a single holding could have an adverse impact on the Fund's share price. The Fund's share price can also be negatively affected during periods of high redemption pressures and/or illiquid markets. The actions of a few large investors in the Fund may have a significant adverse effect on the share price of the Fund. Please read the prospectus for specific details regarding the Fund's risk profile.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

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NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Portfolio Summary

(Unaudited)

## Asset Allocation (As a % of Investment Portfolio)

|                                 | 6/30/22 | 12/31/21 |
|---------------------------------|---------|----------|
| Repurchase Agreements           | 65%     | 17%      |
| Government & Agency Obligations | 35%     | 83%      |
|                                 | 100%    | 100%     |

## Weighted Average Maturity

|  | 6/30/22 | 12/31/21 |
|--|---------|----------|
| Deutsche DWS Variable Series II —DWS Government Money Market VIP | 17 days | 33 days  |
| iMoneyNet Money Fund Average™— Gov't & Agency Retail*            | 23 days | 35 days  |

\* The Fund is compared to its respective iMoneyNet Money Fund Average category: Gov't & Agency Retail — Category includes the most broadly based of the government retail funds. These funds may invest in U.S. Treasury securities, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities.

Weighted average maturity, also known as effective maturity, is the weighted average of the maturity date of bonds held by the Fund taking into consideration any available maturity shortening features.

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 4.

Each month, information about the Fund and its portfolio holdings is filed with the SEC on Form N-MFP. The SEC delays the public availability of the information filed on Form N-MFP for 60 days after the end of the reporting period included in the filing. These forms will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com as of each month-end. Please see the Fund's current prospectus for more information.

## Portfolio Management Team

A group of investment professionals is responsible for the day-to-day management of the Fund. These investment professionals have a broad range of experience managing money market funds.

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Principal<br>Amount (\$) | Value (\$)        |  | Principal<br>Amount (\$)   | Value (\$)         |
|--|--------------------------|-------------------|--|----------------------------|--------------------|
| <b>Government &amp; Agency Obligations 35.1%</b>                   |                          |                   |  |                            |                    |
| <b>U.S. Government Sponsored Agencies 15.1%</b>                    |                          |                   |  |                            |                    |
| Federal Farm Credit Bank,<br>SOFR + 0.07%, 1.58%<br>(a), 8/11/2022 | 500,000                  | 500,003           | U.S. Treasury Floating<br>Rate Notes:  |                            |                    |
| Federal Home Loan Bank:  |                          |                   | 3-month U.S. Treasury Bill   |                            |                    |
| Step-Up Coupon, 1.02%<br>to 9/30/2022, 2.01% to<br>3/30/2023       | 3,000,000                | 3,000,000         | Money Market Yield -<br>0.015%, 1.743% (a),<br>1/31/2024   | 3,000,000                  | 3,003,216          |
| Step-Up Coupon, 1.4% to<br>10/28/2022, 2.5% to<br>4/28/2023        | 2,500,000                | 2,500,000         | 3-month U.S. Treasury Bill   |                            |                    |
| SOFR + 0.005%, 1.515%<br>(a), 8/22/2022                            | 1,500,000                | 1,500,000         | Money Market Yield +<br>0.034%, 1.792% (a),<br>4/30/2023   | 1,500,000                  | 1,502,686          |
| SOFR + 0.01%, 1.52%<br>(a), 7/19/2022                              | 4,500,000                | 4,500,000         | 3-month U.S. Treasury Bill   |                            |                    |
| SOFR + 0.01%, 1.52%<br>(a), 8/1/2022                               | 1,500,000                | 1,500,000         | Money Market Yield +<br>0.049%, 1.807% (a),<br>1/31/2023   | 7,000,000                  | 7,004,766          |
| SOFR + 0.01%, 1.52%<br>(a), 8/15/2022                              | 1,000,000                | 1,000,000         | 3-month U.S. Treasury Bill   |                            |                    |
| SOFR + 0.01%, 1.52%<br>(a), 9/8/2022                               | 1,500,000                | 1,500,000         | Money Market Yield +<br>0.055%, 1.813% (a),<br>7/31/2022   | 3,500,000                  | 3,500,107          |
| SOFR + 0.01%, 1.52%<br>(a), 9/30/2022                              | 1,000,000                | 1,000,000         |  |                            | <b>38,844,996</b>  |
| SOFR + 0.01%, 1.52%<br>(a), 10/7/2022                              | 2,000,000                | 2,000,000         | <b>Total Government &amp; Agency Obligations</b>   |                            |                    |
| SOFR + 0.01%, 1.52%<br>(a), 11/4/2022                              | 1,000,000                | 1,000,000         | (Cost \$68,091,965)  |                            | <b>68,091,965</b>  |
| SOFR + 0.03%, 1.54%<br>(a), 1/13/2023                              | 2,000,000                | 2,000,000         |  |                            |                    |
| Federal Home Loan Bank<br>Discount Notes, 1.403%<br>(b), 8/9/2022  | 2,000,000                | 1,996,966         | <b>Repurchase Agreements 64.4%</b>   |                            |                    |
| Federal Home Loan<br>Mortgage Corp.:                               |                          |                   | BNP Paribas, 1.47%, dated<br>6/30/2022, to be<br>repurchased at<br>\$27,371,118 on<br>7/1/2022 (c)                       | 27,370,000                 | 27,370,000         |
| SOFR + 0.005%, 1.515%<br>(a), 8/4/2022                             | 3,750,000                | 3,750,000         | Citigroup Global Markets,<br>Inc., 1.52%, dated<br>6/30/2022, to be<br>repurchased at<br>\$22,950,969 on<br>7/1/2022 (d) | 22,950,000                 | 22,950,000         |
| SOFR + 0.095%, 1.605%<br>(a), 8/19/2022                            | 1,500,000                | 1,500,000         | Fixed Income Clearing Corp.,<br>1.47%, dated 6/30/2022,<br>to be repurchased at<br>\$40,001,633 on<br>7/1/2022 (e)       | 40,000,000                 | 40,000,000         |
|  |                          | <b>29,246,969</b> | JPMorgan Securities, Inc.,<br>1.48%, dated 6/30/2022,<br>to be repurchased at<br>\$34,801,431 on<br>7/1/2022 (f)         | 34,800,000                 | 34,800,000         |
| <b>U.S. Treasury Obligations 20.0%</b>                             |                          |                   | <b>Total Repurchase Agreements</b>   |                            | <b>125,120,000</b> |
| U.S. Treasury Bills:   |                          |                   | (Cost \$125,120,000)   |                            |                    |
| 0.081% (b), 8/11/2022  | 1,875,000                | 1,874,829         |  | <b>% of Net<br/>Assets</b> | <b>Value (\$)</b>  |
| 0.223% (b), 7/7/2022   | 1,000,000                | 999,963           | <b>Total Investment Portfolio</b>  | 99.5                       | <b>193,211,965</b> |
| 0.244% (b), 12/1/2022  | 5,000,000                | 4,994,900         | (Cost \$193,211,965)   |                            |                    |
| 0.605% (b), 9/1/2022   | 3,000,000                | 2,996,926         | <b>Other Assets and<br/>Liabilities, Net</b>   | 0.5                        | <b>1,028,830</b>   |
| 0.616% (b), 9/1/2022   | 3,000,000                | 2,996,869         |  |                            |                    |
| 0.835% (b), 9/15/2022  | 2,000,000                | 1,996,536         | <b>Net Assets</b>  | 100.0                      | <b>194,240,795</b> |
| 0.836% (b), 9/15/2022  | 4,000,000                | 3,993,067         |  |                            |                    |
| 0.837% (b), 9/15/2022  | 2,000,000                | 1,996,529         |  |                            |                    |
| 1.194% (b), 2/23/2023  | 1,000,000                | 992,311           |  |                            |                    |
| 1.197% (b), 2/23/2023  | 1,000,000                | 992,291           |  |                            |                    |

(a) Floating rate security. These securities are shown at their current rate as of June 30, 2022.

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

(b) Annualized yield at time of purchase; not a coupon rate.

(c) Collateralized by:

| Principal Amount (\$) | Security            | Rate (%) | Maturity Date | Collateral Value (\$) |
|-----------------------|---------------------|----------|---------------|-----------------------|
| 34,548,000            | U.S. Treasury Bonds | 2.25     | 8/15/2046     | 27,917,405            |

(d) Collateralized by:

| Principal Amount (\$)         | Security            | Rate (%) | Maturity Date        | Collateral Value (\$) |
|-------------------------------|---------------------|----------|----------------------|-----------------------|
| 23,306,800                    | U.S. Treasury Notes | 3–3.25   | 6/30/2024–6/30/2027  | 23,408,719            |
| 400                           | U.S. Treasury Bonds | 1.875–2  | 8/15/2051–11/15/2051 | 301                   |
| <b>Total Collateral Value</b> |                     |          |                      | <b>23,409,020</b>     |

(e) Collateralized by:

| Principal Amount (\$) | Security                              | Rate (%) | Maturity Date | Collateral Value (\$) |
|-----------------------|---------------------------------------|----------|---------------|-----------------------|
| 40,800,070            | U.S. Treasury Inflation-Indexed Bonds | 0.125    | 1/15/2032     | 41,373,600            |

(f) Collateralized by:

| Principal Amount (\$) | Security             | Rate (%)    | Maturity Date       | Collateral Value (\$) |
|-----------------------|----------------------|-------------|---------------------|-----------------------|
| 86,603,236            | U.S. Treasury STRIPS | Zero Coupon | 8/15/2025–2/15/2051 | 35,496,000            |

SOFR: Secured Overnight Financing Rate

STRIPS: Separate Trading of Registered Interest and Principal Securities

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Securities held by the Fund are reflected as Level 2 because the securities are valued at amortized cost (which approximates fair value) and, accordingly, the inputs used to determine value are not quoted prices in an active market.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| Assets                        | Level 1     | Level 2              | Level 3     | Total                |
|-------------------------------|-------------|----------------------|-------------|----------------------|
| Investments in Securities (a) | \$ —        | \$ 68,091,965        | \$ —        | \$ 68,091,965        |
| Repurchase Agreements         | —           | 125,120,000          | —           | 125,120,000          |
| <b>Total</b>                  | <b>\$ —</b> | <b>\$193,211,965</b> | <b>\$ —</b> | <b>\$193,211,965</b> |

(a) See Investment Portfolio for additional detailed categorizations.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>   |                      |
|---|----------------------|
| Investments in securities, valued at amortized cost   | \$ 68,091,965        |
| Repurchase agreements, valued at amortized cost   | 125,120,000          |
| Cash  | 13,235               |
| Receivable for Fund shares sold   | 1,427,736            |
| Interest receivable   | 78,704               |
| Other assets  | 1,516                |
| <b>Total assets</b>   | <b>194,733,156</b>   |
| <b>Liabilities</b>  |                      |
| Payable for Fund shares redeemed  | 264,517              |
| Distributions payable   | 76,121               |
| Accrued management fee  | 38,086               |
| Accrued Trustees' fees  | 1,073                |
| Other accrued expenses and payables   | 112,564              |
| <b>Total liabilities</b>  | <b>492,361</b>       |
| <b>Net assets, at value</b>   | <b>\$194,240,795</b> |
| <b>Net Assets Consist of</b>  |                      |
| Distributable earnings (loss)   | 4,083                |
| Paid-in capital   | 194,236,712          |
| <b>Net assets, at value</b>   | <b>\$194,240,795</b> |
| <b>Net Asset Value</b>  |                      |
| <b>Class A</b>  |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$194,240,795 ÷ 194,311,928 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 1.00</b>       |

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                   |
|--|-------------------|
| Income:  |                   |
| Interest   | \$ 406,744        |
| Expenses:  |                   |
| Management fee   | 228,893           |
| Administration fee   | 94,479            |
| Services to shareholders   | 1,482             |
| Custodian fee  | 2,353             |
| Professional fees  | 30,294            |
| Reports to shareholders  | 31,740            |
| Trustees' fees and expenses  | 6,168             |
| Other  | 4,412             |
| <b>Total expenses before expense reductions</b>                        | <b>399,821</b>    |
| Expense reductions   | (151,993)         |
| <b>Total expenses after expense reductions</b>                         | <b>247,828</b>    |
| <b>Net investment income</b>   | <b>158,916</b>    |
| <b>Net realized gain (loss) from investments</b>                       | <b>(2,400)</b>    |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$ 156,516</b> |

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

# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 158,916  | \$ 15,954                          |
| Net realized gain (loss)  | (2,400)   | (29)                               |
| Net increase (decrease) in net assets resulting from operations       | 156,516   | 15,925                             |
| Distributions to shareholders:  |   |                                    |
| Class A   | (158,917)   | (15,954)                           |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 97,307,963  | 187,035,970                        |
| Reinvestment of distributions   | 83,653  | 15,781                             |
| Payments for shares redeemed  | (99,880,761)  | (143,576,595)                      |
| Net increase (decrease) in net assets from Class A share transactions | (2,489,145)   | 43,475,156                         |
| <b>Increase (decrease) in net assets</b>                              | <b>(2,491,546)</b>                                  | <b>43,475,127</b>                  |
| Net assets at beginning of period                                     | 196,732,341   | 153,257,214                        |
| <b>Net assets at end of period</b>                                    | <b>\$194,240,795</b>                                | <b>\$ 196,732,341</b>              |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 196,801,073   | 153,325,917                        |
| Shares sold   | 97,307,963  | 187,035,970                        |
| Shares issued to shareholders in reinvestment of distributions        | 83,653  | 15,781                             |
| Shares redeemed   | (99,880,761)  | (143,576,595)                      |
| Net increase (decrease) in Class A shares                             | (2,489,145)   | 43,475,156                         |
| Shares outstanding at end of period                                   | <b>194,311,928</b>                                  | <b>196,801,073</b>                 |

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

# Financial Highlights

## DWS Government Money Market VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021             | 2020             | 2019              | 2018              | 2017          |
|--|--|------------------|------------------|-------------------|-------------------|---------------|
| <b>Selected Per Share Data</b>                               |  |                  |                  |                   |                   |               |
| <b>Net asset value, beginning of period</b>                  | <b>\$1.00</b>                              | <b>\$1.00</b>    | <b>\$1.00</b>    | <b>\$1.00</b>     | <b>\$1.00</b>     | <b>\$1.00</b> |
| <i>Income (loss) from investment operations:</i>             |  |                  |                  |                   |                   |               |
| Net investment income  | .001                                       | .000*            | .002             | .018              | .014              | .005          |
| Net realized gain (loss)                                     | (.000)*                                    | (.000)*          | .000*            | .000*             | (.000)*           | .000*         |
| <b>Total from investment operations</b>                      | <b>.001</b>                                | <b>.000*</b>     | <b>.002</b>      | <b>.018</b>       | <b>.014</b>       | <b>.005</b>   |
| <i>Less distributions from:</i>                              |  |                  |                  |                   |                   |               |
| Net investment income  | (.001)                                     | (.000)*          | (.002)           | (.018)            | (.014)            | (.005)        |
| <b>Net asset value, end of period</b>                        | <b>\$1.00</b>                              | <b>\$1.00</b>    | <b>\$1.00</b>    | <b>\$1.00</b>     | <b>\$1.00</b>     | <b>\$1.00</b> |
| Total Return (%)   | .08 <sup>a**</sup>                         | .01 <sup>a</sup> | .24 <sup>a</sup> | 1.77 <sup>a</sup> | 1.39 <sup>a</sup> | .45           |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                  |                  |                   |                   |               |
| Net assets, end of period (\$ millions)                      | 194  | 197              | 153              | 122               | 107               | 111           |
| Ratio of expenses before expense reductions (%) <sup>b</sup> | .41 <sup>***</sup>                         | .42              | .42              | .47               | .50               | .48           |
| Ratio of expenses after expense reductions (%) <sup>b</sup>  | .25 <sup>***</sup>                         | .06              | .23              | .47               | .50               | .48           |
| Ratio of net investment income (%)                           | .16 <sup>***</sup>                         | .01              | .20              | 1.74              | 1.37              | .45           |

<sup>a</sup> Total return would have been lower had certain expenses not been reduced.

<sup>b</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Amount is less than \$.0005.

\*\* Not annualized

\*\*\* Annualized

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



# Notes to Financial Statements

(Unaudited)

## A. Organization and Significant Accounting Policies

DWS Government Money Market VIP (the “Fund”) is a diversified series of Deutsche DWS Variable Series II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company organized as a Massachusetts business trust.

The Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The Fund values all securities utilizing the amortized cost method permitted in accordance with Rule 2a-7 under the 1940 Act and certain conditions therein. Under this method, which does not take into account unrealized capital gains or losses on securities, an instrument is initially valued at its cost and thereafter assumes a constant accretion/ amortization rate to maturity of any discount or premium. Securities held by the Fund are reflected as Level 2 because the securities are valued at amortized cost (which approximates fair value) and, accordingly, the inputs used to determine value are not quoted prices in an active market.

Disclosure about the classification of fair value measurements is included in a table following the Fund’s Investment Portfolio.

**Repurchase Agreements.** The Fund may enter into repurchase agreements, under the terms of a Master Repurchase Agreement, with certain banks and broker/dealers whereby the Fund, through its custodian or a sub-custodian bank, receives delivery of the underlying securities, the amount of which at the time of purchase and each subsequent business day is required to be maintained at such a level that the market value is equal to at least the principal amount of the repurchase price plus accrued interest. The custodian bank or another designated sub-custodian bank holds the collateral in a separate account until the agreement matures. If the value of the securities falls below the principal amount of the repurchase agreement plus accrued interest, the financial institution deposits additional collateral by the following business day. If the financial institution either fails to deposit the required additional collateral or fails to repurchase the securities as agreed, the Fund has the right to sell the securities and recover any resulting loss from the financial institution. If the financial institution enters into bankruptcy, the Fund’s claim on the collateral may be subject to legal proceedings.

As of June 30, 2022, the Fund held repurchase agreements with a gross value of \$125,120,000. The value of the related collateral exceeded the value of the repurchase agreements at period end. The detail of the related collateral is included in the footnotes following the Fund’s Investment Portfolio.

**Federal Income Taxes.** The Fund’s policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

At December 31, 2021, the Fund had net tax basis capital loss carryforwards of approximately \$29 of short-term losses, which may be applied against realized net taxable capital gains indefinitely.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes of \$193,211,965.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund’s financial statements. The Fund’s federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Net investment income of the Fund is declared as a daily dividend and is distributed to shareholders monthly. The Fund may take into account capital gains and losses in its daily dividend declarations. The Fund may also make additional distributions for tax purposes if necessary.

Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to paid-in capital. Temporary book and tax basis differences will reverse in a subsequent period. There were no significant book-to-tax differences for the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on trade date. Interest income is recorded on the accrual basis. Realized gains and losses from investment transactions are recorded on an identified cost basis. All premiums and discounts are amortized/accreted for both tax and financial reporting purposes.

## B. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|                     |       |
|---------------------|-------|
| First \$500 million | .235% |
| Next \$500 million  | .220% |
| Next \$1.0 billion  | .205% |
| Over \$2.0 billion  | .190% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.235% of the Fund's average daily net assets.

For the period from January 1, 2022 through September 30, 2022, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of Class A at 0.51%.

In addition, the Advisor has agreed to voluntarily waive additional expenses. This voluntary waiver may be changed or terminated at any time without notice. Under these arrangements, the Advisor waived certain expenses of Class A.

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for Class A were \$151,993.

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee ("Administration Fee") of 0.097% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$94,479, of which \$15,721 is unpaid.

**Service Provider Fees.** DWS Service Company ("DSC"), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. ("DST"), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC aggregated \$1,271, of which \$447 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$404, of which \$31 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

### **C. Ownership of the Fund**

At June 30, 2022, three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 56%, 10% and 10%, respectively.

### **D. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

### **E. Money Market Fund Investments and Yield**

Rising interest rates could cause the value of the Fund’s investments — and therefore its share price as well — to decline. Although interest rates in the U.S. remain at low levels, they have been rising and are expected to continue to increase in the near future. A rising interest rate environment may cause investors to move out of fixed-income securities and related markets on a large scale, which could adversely affect the price and liquidity of such securities and could also result in increased redemptions from the Fund. Increased redemptions from the Fund may force the Fund to sell investments at a time when it is not advantageous to do so, which could result in losses. Recently, there have been signs of inflationary price movements. As such, fixed-income and related markets may experience heightened levels of interest rate volatility and liquidity risk. A sharp rise in interest rates could cause the value of the Fund’s investments to decline and impair the Fund’s ability to maintain a stable \$1.00 share price. Conversely, any decline in interest rates is likely to cause the Fund’s yield to decline, and during periods of unusually low or negative interest rates, the Fund’s yield may approach or fall below zero. A low or negative interest rate environment may prevent the Fund from providing a positive yield or paying fund expenses out of current income and, at times, could impair the Fund’s ability to maintain a stable \$1.00 share price. Over time, the total return of a money market fund may not keep pace with inflation, which could result in a net loss of purchasing power for long-term investors. Interest rates can change in response to the supply and demand for credit, government and/or central bank monetary policy and action, inflation rates, and other factors. Recent and potential future changes in monetary policy made by central banks or governments are likely to affect the level of interest rates. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility and potential illiquidity and may detract from Fund performance to the extent the Fund is exposed to such interest rates and/or volatility. Money market funds try to minimize interest rate risk by purchasing short-term securities. If there is an insufficient supply of U.S. government securities to meet investor demand, it could result in lower yields on such securities and increase interest rate risk for the Fund.

### **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may

result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund's accounting and financial reporting.

# Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

## Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> |
|--------------------------------|----------------|
| Beginning Account Value 1/1/22 | \$1,000.00     |
| Ending Account Value 6/30/22   | \$1,000.80     |
| Expenses Paid per \$1,000*     | \$ 1.24        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> |
|------------------------------------|----------------|
| Beginning Account Value 1/1/22     | \$1,000.00     |
| Ending Account Value 6/30/22       | \$1,023.55     |
| Expenses Paid per \$1,000*         | \$ 1.25        |

\* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratio</b>                                   | <b>Class A</b> |
|---|----------------|
| Deutsche DWS Variable Series II — DWS Government Money Market VIP | .25%           |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Proxy Voting

The Trust's policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC's Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust's policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Government Money Market VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including a peer universe compiled using information supplied by iMoneyNet, an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one- and three-year periods ended December 31, 2020, the Fund’s gross performance (Class A shares) was in the 4th quartile and 3rd quartile, respectively, of the applicable iMoneyNet universe (the 1st quartile being the best performers and the 4th quartile being the worst performers).

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (1st quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). Based on Broadridge data provided as of December 31, 2020, the Board noted that the Fund's Class A shares total (net) operating expenses were lower than the median (1st quartile) of the applicable Broadridge expense universe (less any applicable 12b-1 fees). The Board noted the expense limitation agreed to by DIMA. The Board also noted the voluntary fee waivers implemented by DIMA from time to time in recent years to ensure the Fund maintained a positive yield. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds") and considered differences between the Fund and the comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund and any fees received by an affiliate of DIMA for transfer agency services provided to the Fund. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent



Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes

# Notes



VS2GMM-3 (R-028387-11 8/22)

June 30, 2022

# Semiannual Report

Deutsche DWS Investments VIT Funds

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**DWS Small Cap Index VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Stocks may decline in value. Various factors, including costs, cash flows and security selection, may cause the Fund's performance to differ from that of the index. Smaller company stocks tend to be more volatile than medium-sized or large company stocks. The Fund may lend securities to approved institutions. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE  
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

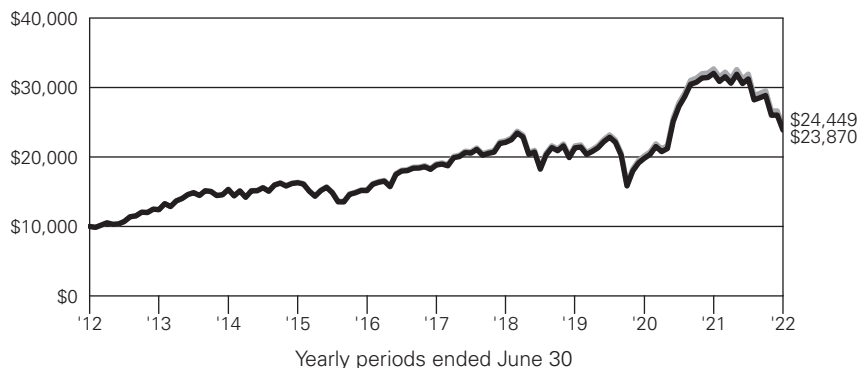
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance figures for Classes A and B differ because each class maintains a distinct expense structure. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.42% and 0.71% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS Small Cap Index VIP – Class A  
 ■ Russell 2000® Index



Russell 2000® Index is an unmanaged, capitalization-weighted measure of approximately 2,000 of the smallest companies in the Russell 3000® Index.

The Russell 3000® Index is an unmanaged index that measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS Small Cap Index VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|-------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                 | Growth of \$10,000          | \$7,642              | \$7,450 | \$11,196 | \$12,669 | \$23,870 |
|                         | Average annual total return | -23.58%              | -25.50% | 3.84%    | 4.85%    | 9.09%    |
| Russell 2000 Index      | Growth of \$10,000          | \$7,657              | \$7,480 | \$11,317 | \$12,865 | \$24,449 |
|                         | Average annual total return | -23.43%              | -25.20% | 4.21%    | 5.17%    | 9.35%    |

| DWS Small Cap Index VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|-------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class B                 | Growth of \$10,000          | \$7,631              | \$7,431 | \$11,102 | \$12,503 | \$23,245 |
|                         | Average annual total return | -23.69%              | -25.69% | 3.55%    | 4.57%    | 8.80%    |
| Russell 2000 Index      | Growth of \$10,000          | \$7,657              | \$7,480 | \$11,317 | \$12,865 | \$24,449 |
|                         | Average annual total return | -23.43%              | -25.20% | 4.21%    | 5.17%    | 9.35%    |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 97%            | 97%             |
| Cash Equivalents   | 2%             | 3%              |
| Government & Agency Obligations  | 1%             | 0%              |
| Rights   | 0%             | 0%              |
| Corporate Bonds  | —              | 0%              |
| Warrants   | —              | 0%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Common Stocks, Rights, Warrants and Corporate Bonds) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Financials  | 17%            | 16%             |
| Health Care   | 17%            | 18%             |
| Industrials   | 15%            | 15%             |
| Information Technology  | 14%            | 15%             |
| Consumer Discretionary  | 10%            | 11%             |
| Real Estate   | 7%             | 7%              |
| Energy  | 6%             | 4%              |
| Materials   | 4%             | 4%              |
| Consumer Staples  | 4%             | 4%              |
| Utilities   | 3%             | 3%              |
| Communication Services  | 3%             | 3%              |
|   | 100%           | 100%            |

## Ten Largest Equity Holdings at June 30, 2022 (2.6% of Net Assets)

|  |             |
|--|-------------|
| <b>1 Biohaven Pharmaceutical Holding Co., Ltd.</b><br>Operates as a commercial stage biopharmaceutical company                   | <b>0.4%</b> |
| <b>2 Shockwave Medical, Inc.</b><br>Manufacturer of medical devices  | <b>0.3%</b> |
| <b>3 Chart Industries, Inc.</b><br>Manufacturer of engineered cryogenic equipment  | <b>0.3%</b> |
| <b>4 Halozyme Therapeutics, Inc.</b><br>Develops and commercializes recombinant human enzymes for the infertility                | <b>0.3%</b> |
| <b>5 Sailpoint Technologies Holdings, Inc.</b><br>Provider of enterprise identity security solutions                             | <b>0.3%</b> |
| <b>6 South State Corp.</b><br>Provider of banking services and products through banking subsidiaries                             | <b>0.2%</b> |
| <b>7 Southwest Gas Holdings, Inc.</b><br>Provider of natural gas operation, construction, and distribution services              | <b>0.2%</b> |
| <b>8 STAG Industrial, Inc.</b><br>Real estate investment trust focused on the acquisition and operation of industrial properties | <b>0.2%</b> |
| <b>9 Agree Realty Corp.</b><br>Real estate investment trust primarily engaged in development of properties                       | <b>0.2%</b> |
| <b>10 RBC Bearings, Inc.</b><br>Manufacturer and marketer of engineered precision bearings, components and essential system      | <b>0.2%</b> |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 6.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on dws.com, and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at sec.gov. Additional portfolio holdings for the Fund are also posted on dws.com from time to time. Please see the Fund's current prospectus for more information.



# Portfolio Manager

Brent Reeder

Senior Vice President, Northern Trust Investments, Inc., Subadvisor to the Fund

# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares | Value (\$)       |   | Shares | Value (\$)       |
|--|--------|------------------|---|--------|------------------|
| <b>Common Stocks 97.3%</b>                         |        |                  |   |        |                  |
| <b>Communication Services 2.7%</b>                 |        |                  |   |        |                  |
| <b>Diversified Telecommunication Services 0.6%</b> |        |                  |   |        |                  |
| Anterix, Inc.*                                     | 1,751  | 71,914           | fuboTV, Inc.*                                   | 25,862 | 63,879           |
| ATN International, Inc.                            | 1,608  | 75,431           | Leafly Holdings, Inc.*                          | 931    | 4,190            |
| Bandwidth, Inc. "A"*                               | 3,391  | 63,819           | MediaAlpha, Inc. "A"*                           | 3,681  | 36,258           |
| Charge Enterprises, Inc.* (a)                      | 15,752 | 75,137           | Outbrain, Inc.*                                 | 5,774  | 29,043           |
| Cogent Communications Holdings, Inc.               | 6,233  | 378,717          | QuinStreet, Inc.*                               | 7,683  | 77,291           |
| Consolidated Communications Holdings, Inc.*        | 11,043 | 77,301           | TrueCar, Inc.*                                  | 12,951 | 33,543           |
| EchoStar Corp. "A"*                                | 5,120  | 98,816           | Vimeo, Inc.*                                    | 20,848 | 125,505          |
| Globalstar, Inc.*                                  | 99,642 | 122,560          | Wejo Group Ltd.*                                | 3,571  | 4,250            |
| IDT Corp. "B"*                                     | 2,107  | 52,991           | Yelp, Inc.*                                     | 9,998  | 277,644          |
| Iridium Communications, Inc.*                      | 18,562 | 697,189          | Ziff Davis, Inc.*                               | 6,650  | 495,625          |
| Liberty Latin America Ltd. "A"*                    | 5,656  | 44,117           | Ziprecruiter, Inc. "A"*                         | 11,652 | 172,683          |
| Liberty Latin America Ltd. "C"*                    | 22,217 | 173,070          |   |        | <b>2,275,534</b> |
| Ooma, Inc.*  | 3,382  | 40,043           | <b>Media 0.9%</b>                               |        |                  |
| Radius Global Infrastructure, Inc. "A"*            | 10,729 | 163,724          | Adtheorent Holding Co., Inc.*                   | 2,333  | 7,209            |
| Starry Group Holdings, Inc. "A"*                   | 3,462  | 14,263           | Advantage Solutions, Inc.*                      | 11,747 | 44,639           |
|  |        | <b>2,149,092</b> | AMC Networks, Inc. "A"*                         | 4,422  | 128,769          |
| <b>Entertainment 0.3%</b>                          |        |                  | Audacy, Inc. "A"*                               | 18,721 | 17,639           |
| Cinemark Holdings, Inc.*                           | 15,804 | 237,376          | Boston Omaha Corp. "A"*                         | 3,081  | 63,623           |
| IMAX Corp.*  | 7,144  | 120,662          | Cardlytics, Inc.*                               | 4,804  | 107,177          |
| Liberty Media Corp.-Liberty Braves "A"*            | 1,542  | 38,781           | Clear Channel Outdoor Holdings, Inc.*           | 52,847 | 56,546           |
| Liberty Media Corp.-Liberty Braves "C"*            | 5,487  | 131,688          | Cumulus Media, Inc. "A"*                        | 2,679  | 20,709           |
| Lions Gate Entertainment Corp. "A"*                | 8,437  | 78,549           | Daily Journal Corp.*                            | 168    | 43,478           |
| Lions Gate Entertainment Corp. "B"*                | 17,003 | 150,137          | Entravision Communications Corp. "A"            | 9,050  | 41,268           |
| Madison Square Garden Entertainment Corp.*         | 3,747  | 197,167          | Gambling.com Group Ltd.*                        | 1,262  | 9,932            |
| Marcus Corp.*                                      | 3,505  | 51,769           | Gannett Co., Inc.*                              | 21,472 | 62,269           |
| Playstudios, Inc.*                                 | 11,554 | 49,451           | Gray Television, Inc.                           | 12,302 | 207,781          |
| Redbox Entertainment, Inc.*                        | 936    | 6,926            | iHeartMedia, Inc. "A"*                          | 17,527 | 138,288          |
| Reservoir Media, Inc.*                             | 2,965  | 19,332           | Innovid Corp.*                                  | 3,228  | 5,358            |
| Skillz, Inc.* (a)                                  | 44,376 | 55,026           | Integral Ad Science Holding Corp.*              | 5,538  | 54,992           |
|  |        | <b>1,136,864</b> | John Wiley & Sons, Inc. "A"                     | 6,257  | 298,834          |
| <b>Interactive Media &amp; Services 0.7%</b>       |        |                  | Loyalty Ventures, Inc.*                         | 2,900  | 10,353           |
| Arena Group Holdings, Inc.*                        | 1,641  | 14,769           | Magnite, Inc.*                                  | 18,853 | 167,415          |
| Bumble, Inc. "A"*                                  | 12,569 | 353,817          | PubMatic, Inc. "A"*                             | 6,083  | 96,659           |
| Cargurus, Inc.*                                    | 14,870 | 319,556          | Scholastic Corp.                                | 3,961  | 142,477          |
| Cars.com, Inc.*                                    | 10,199 | 96,177           | Sinclair Broadcast Group, Inc. "A"              | 6,059  | 123,604          |
| DHI Group, Inc.*                                   | 6,256  | 31,092           | Stagwell, Inc.*                                 | 11,373 | 61,755           |
| Eventbrite, Inc. "A"*                              | 11,153 | 114,541          | TechTarget, Inc.*                               | 3,996  | 262,617          |
| EverQuote, Inc. "A"*                               | 2,904  | 25,671           | TEGNA, Inc.                                     | 32,471 | 680,917          |
|  |        |                  | The E.W. Scripps Co. "A"*                       | 8,440  | 105,247          |
|  |        |                  | Thryv Holdings, Inc.*                           | 3,694  | 82,709           |
|  |        |                  | Urban One, Inc.*                                | 2,940  | 13,989           |
|  |        |                  | WideOpenWest, Inc.*                             | 7,951  | 144,788          |
|  |        |                  |   |        | <b>3,201,041</b> |
|  |        |                  | <b>Wireless Telecommunication Services 0.2%</b> |        |                  |
|  |        |                  | Gogo, Inc.*                                     | 7,290  | 118,025          |
|  |        |                  | Kore Group Holdings, Inc.*                      | 5,077  | 15,587           |
|  |        |                  | Shenandoah Telecommunications Co.               | 7,145  | 158,619          |

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

|  | Shares | Value (\$)       |   | Shares | Value (\$)       |
|--|--------|------------------|---|--------|------------------|
| Telephone & Data Systems, Inc.                 | 14,689 | 231,939          | Chegg, Inc.*                                  | 18,122 | 340,331          |
| U.S. Cellular Corp.*                           | 2,166  | 62,727           | Coursera, Inc.*                               | 16,399 | 232,538          |
|  |        | <b>586,897</b>   | Duolingo, Inc.* (a)                           | 3,429  | 300,209          |
| <b>Consumer Discretionary 9.8%</b>             |        |                  | European Wax Center, Inc. "A"                 | 3,081  | 54,287           |
| <b>Auto Components 1.3%</b>                    |        |                  | Frontdoor, Inc.*                              | 12,054 | 290,260          |
| Adient PLC*                                    | 13,812 | 409,250          | Graham Holdings Co. "B"                       | 549    | 311,195          |
| American Axle & Manufacturing Holdings, Inc.*  | 16,416 | 123,613          | Laureate Education, Inc. "A"                  | 16,531 | 191,264          |
| Dana, Inc.                                     | 18,757 | 263,911          | Nerdy, Inc.*                                  | 7,839  | 16,697           |
| Dorman Products, Inc.*                         | 3,833  | 420,518          | OneSpaWorld Holdings Ltd.*                    | 9,624  | 69,004           |
| Fox Factory Holding Corp.*                     | 6,171  | 497,012          | Perdoceo Education Corp.*                     | 9,959  | 117,317          |
| Gentherm, Inc.*                                | 4,822  | 300,941          | PowerSchool Holdings, Inc. "A"*               | 6,708  | 80,832           |
| Goodyear Tire & Rubber Co.*                    | 40,687 | 435,758          | Rover Group, Inc.*                            | 13,492 | 50,730           |
| Holley, Inc.*                                  | 7,454  | 78,267           | StoneMor, Inc.*                               | 3,460  | 11,833           |
| LCI Industries                                 | 3,621  | 405,118          | Strategic Education, Inc.                     | 3,354  | 236,725          |
| Luminar Technologies, Inc.*                    | 34,722 | 205,901          | Stride, Inc.*                                 | 5,920  | 241,477          |
| Modine Manufacturing Co.*                      | 7,327  | 77,153           | Udemy, Inc.*                                  | 10,506 | 107,266          |
| Motorcar Parts of America, Inc.*               | 2,880  | 37,786           | Universal Technical Institute, Inc.*          | 4,722  | 33,668           |
| Patrick Industries, Inc.                       | 3,199  | 165,836          | Vivint Smart Home, Inc.*                      | 14,094 | 49,047           |
| Solid Power, Inc.*                             | 8,264  | 44,460           | WW International, Inc.*                       | 8,087  | 51,676           |
| Standard Motor Products, Inc.                  | 3,016  | 135,690          |   |        | <b>3,279,724</b> |
| Stoneridge, Inc.*                              | 3,879  | 66,525           | <b>Hotels, Restaurants &amp; Leisure 2.0%</b> |        |                  |
| Tenneco, Inc. "A"*                             | 12,015 | 206,177          | Accel Entertainment, Inc.*                    | 8,558  | 90,886           |
| Visteon Corp.*                                 | 4,050  | 419,499          | Bally's Corp.* (a)                            | 5,797  | 114,665          |
| XPEL, Inc.*                                    | 3,134  | 143,945          | Biglari Holdings, Inc. "B"*                   | 102    | 12,515           |
|  |        | <b>4,437,360</b> | BJ's Restaurants, Inc.*                       | 3,235  | 70,135           |
| <b>Automobiles 0.2%</b>                        |        |                  | Bloomin' Brands, Inc.                         | 12,990 | 215,894          |
| Canoo, Inc.* (a)                               | 17,377 | 32,148           | Bluegreen Vacations Holding Corp              | 1,862  | 46,476           |
| Cenntro Electric Group Ltd.*                   | 26,663 | 40,261           | Bowlero Corp.*                                | 5,665  | 59,992           |
| Faraday Future Intelligent Electric, Inc.* (a) | 14,351 | 37,313           | Brinker International, Inc.*                  | 6,315  | 139,119          |
| Fisker, Inc.* (a)                              | 23,662 | 202,783          | Century Casinos, Inc.*                        | 4,231  | 30,463           |
| Lordstown Motors Corp. "A"*(a)                 | 24,080 | 38,046           | Chuy's Holdings, Inc.*                        | 2,811  | 55,995           |
| Mullen Automotive, Inc.*                       | 3,125  | 3,188            | Cracker Barrel Old Country Store, Inc.        | 3,374  | 281,695          |
| Winnebago Industries, Inc.                     | 4,670  | 226,775          | Dave & Buster's Entertainment, Inc.*          | 6,252  | 204,941          |
| Workhorse Group, Inc.* (a)                     | 22,127 | 57,530           | Denny's Corp.*                                | 8,679  | 75,334           |
|  |        | <b>638,044</b>   | Dine Brands Global, Inc.                      | 2,289  | 148,968          |
| <b>Distributors 0.0%</b>                       |        |                  | El Pollo Loco Holdings, Inc.*                 | 2,711  | 26,676           |
| Funko, Inc. "A"*                               | 4,643  | 103,631          | Everi Holdings, Inc.*                         | 12,801 | 208,784          |
| Weyco Group, Inc.                              | 864    | 21,125           | F45 Training Holdings, Inc.*                  | 5,639  | 22,161           |
|  |        | <b>124,756</b>   | First Watch Restaurant Group, Inc.*           | 1,340  | 19,323           |
| <b>Diversified Consumer Services 1.0%</b>      |        |                  | Full House Resorts, Inc.*                     | 4,990  | 30,339           |
| 2U, Inc.*                                      | 11,084 | 116,050          | Golden Entertainment, Inc.*                   | 2,981  | 117,899          |
| Adtalem Global Education, Inc.*                | 6,540  | 235,244          | Hilton Grand Vacations, Inc.*                 | 13,053 | 466,384          |
| American Public Education, Inc.*               | 2,855  | 46,137           | Inspirato, Inc.*                              | 1,470  | 6,806            |
| Beachbody Co., Inc.*                           | 15,120 | 18,144           | Inspired Entertainment, Inc.*                 | 3,227  | 27,784           |
| Carriage Services, Inc.                        | 1,962  | 77,793           | International Game Technology PLC             | 14,518 | 269,454          |
|  |        |                  | Jack in the Box, Inc.                         | 3,094  | 173,450          |
|  |        |                  | Krispy Kreme, Inc. (a)                        | 10,451 | 142,134          |

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

|                                       | Shares | Value (\$)       |  | Shares | Value (\$)       |
|---------------------------------------|--------|------------------|--|--------|------------------|
| Kura Sushi USA, Inc. "A"*             | 713    | 35,315           | Lovesac Co. *                                      | 1,963  | 53,982           |
| Life Time Group Holdings, Inc. *      | 6,208  | 79,959           | M.D.C. Holdings, Inc.                              | 8,331  | 269,175          |
| Light & Wonder, Inc. "A"*             | 14,309 | 672,380          | M/I Homes, Inc. *                                  | 4,011  | 159,076          |
| Lindblad Expeditions Holdings, Inc. * | 4,676  | 37,876           | Meritage Homes Corp. *                             | 5,298  | 384,105          |
| Monarch Casino & Resort, Inc. *       | 1,909  | 112,001          | Purple Innovation, Inc. *                          | 8,614  | 26,359           |
| NEOGAMES SA*                          | 1,937  | 25,975           | Skyline Champion Corp. *                           | 7,724  | 366,272          |
| Noodles & Co. *                       | 6,217  | 29,220           | Snap One Holdings Corp. *                          | 2,554  | 23,420           |
| Papa John's International, Inc.       | 4,808  | 401,564          | Sonos, Inc. *                                      | 18,597 | 335,490          |
| Portillo's, Inc. "A"*                 | 2,882  | 47,121           | Taylor Morrison Home Corp. *                       | 16,838 | 393,336          |
| RCI Hospitality Holdings, Inc.        | 1,341  | 64,851           | Traeger, Inc. *                                    | 4,481  | 19,044           |
| Red Rock Resorts, Inc. "A"            | 7,726  | 257,739          | Tri Pointe Home, Inc. *                            | 14,996 | 252,982          |
| Rush Street Interactive, Inc. *       | 9,089  | 42,446           | Tupperware Brands Corp. *                          | 6,612  | 41,920           |
| Ruth's Hospitality Group, Inc.        | 4,703  | 76,471           | Universal Electronics, Inc. *                      | 1,757  | 44,926           |
| SeaWorld Entertainment, Inc. *        | 6,580  | 290,704          | Vizio Holding Corp. "A"*                           | 9,879  | 67,375           |
| Shake Shack, Inc. "A"*                | 5,440  | 214,771          | Vuzix Corp. * (a)                                  | 8,314  | 59,029           |
| Sonder Holdings, Inc. *               | 6,201  | 6,449            | Weber, Inc. "A"                                    | 4,014  | 28,941           |
| Sweetgreen, Inc. "A"*                 | 2,145  | 24,989           |  |        | <b>5,164,504</b> |
| Target Hospitality Corp. *            | 4,439  | 25,347           | <b>Internet &amp; Direct Marketing Retail 0.5%</b> |        |                  |
| Texas Roadhouse, Inc.                 | 9,962  | 729,218          | 1-800-Flowers.com, Inc. "A"*                       | 3,967  | 37,726           |
| The Cheesecake Factory, Inc.          | 7,239  | 191,254          | 1stdibs.com, Inc. *                                | 3,586  | 20,404           |
| The ONE Group Hospitality, Inc. *     | 3,589  | 26,451           | aka Brands Holding Corp. *                         | 1,491  | 4,115            |
| Vacasa, Inc. "A"*                     | 5,919  | 17,047           | Bark, Inc. *                                       | 7,397  | 9,468            |
| Wingstop, Inc.                        | 4,362  | 326,147          | Boxed, Inc. *                                      | 2,294  | 4,244            |
| Xponential Fitness, Inc. "A"*         | 2,463  | 30,935           | CarParts.com, Inc. *                               | 7,281  | 50,530           |
|                                       |        | <b>6,824,502</b> | ContextLogic, Inc. "A"* (a)                        | 82,846 | 132,554          |
| <b>Household Durables 1.5%</b>        |        |                  | Duluth Holdings, Inc. "B"*                         | 1,836  | 17,516           |
| Aterian, Inc. * (a)                   | 8,813  | 19,036           | Groupon, Inc. *                                    | 3,131  | 35,380           |
| Beazer Homes U.S.A., Inc. *           | 4,420  | 53,349           | Lands' End, Inc. *                                 | 2,303  | 24,458           |
| Cavco Industries, Inc. *              | 1,338  | 262,235          | Liquidity Services, Inc. *                         | 3,782  | 50,830           |
| Century Communities, Inc.             | 4,268  | 191,932          | Lulu's Fashion Lounge Holdings, Inc. *             | 888    | 9,635            |
| Dream Finders Homes, Inc. "A"*        | 3,050  | 32,452           | Overstock.com, Inc. *                              | 6,203  | 155,137          |
| Ethan Allen Interiors, Inc.           | 3,341  | 67,522           | PetMed Express, Inc. (a)                           | 2,878  | 57,272           |
| GoPro, Inc. "A"*                      | 19,479 | 107,719          | Porch Group, Inc. * (a)                            | 11,165 | 28,582           |
| Green Brick Partners, Inc. *          | 4,134  | 80,902           | Poshmark, Inc. "A"*                                | 6,675  | 67,484           |
| Helen of Troy Ltd. *                  | 3,465  | 562,751          | Quotient Technology, Inc. *                        | 12,802 | 38,022           |
| Hovnanian Enterprises, Inc. "A"*      | 785    | 33,590           | Qurate Retail, Inc.                                | 50,942 | 146,204          |
| Installed Building Products, Inc.     | 3,524  | 293,056          | RealReal, Inc. *                                   | 12,086 | 30,094           |
| iRobot Corp. *                        | 3,952  | 145,236          | Rent the Runway, Inc. "A"*                         | 6,771  | 20,787           |
| KB Home                               | 11,643 | 331,360          | Revolve Group, Inc. *                              | 5,947  | 154,087          |
| Landsea Homes Corp. *                 | 1,234  | 8,218            | Rumbleon, Inc. "B"*                                | 1,503  | 22,109           |
| La-Z-Boy, Inc.                        | 6,267  | 148,591          | Shutterstock, Inc.                                 | 3,496  | 200,356          |
| Legacy Housing Corp. *                | 1,257  | 16,404           | Stitch Fix, Inc. "A"*                              | 11,868 | 58,628           |
| LGI Homes, Inc. *                     | 3,042  | 264,350          | Thredup, Inc. "A"*                                 | 8,498  | 21,245           |
| Lifetime Brands, Inc.                 | 1,845  | 20,369           | Vivid Seats, Inc. "A"                              | 3,593  | 26,840           |
|                                       |        |                  | Xometry, Inc. "A"* (a)                             | 4,923  | 167,037          |
|                                       |        |                  |  |        | <b>1,590,744</b> |
|                                       |        |                  | <b>Leisure Products 0.5%</b>                       |        |                  |
|                                       |        |                  | Acushnet Holdings Corp.                            | 4,952  | 206,399          |
|                                       |        |                  | AMMO, Inc. * (a)                                   | 13,274 | 51,105           |
|                                       |        |                  | Callaway Golf Co. *                                | 20,384 | 415,834          |
|                                       |        |                  | Clarus Corp.                                       | 4,329  | 82,208           |
|                                       |        |                  | Johnson Outdoors, Inc. "A"                         | 743    | 45,442           |
|                                       |        |                  | Latham Group, Inc. *                               | 6,257  | 43,361           |

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

|                                      | Shares | Value (\$)       |  | Shares | Value (\$)       |
|--------------------------------------|--------|------------------|--|--------|------------------|
| Malibu Boats, Inc. "A"*              | 3,019  | 159,132          | Murphy USA, Inc.                                 | 3,267  | 760,786          |
| Marine Products Corp.                | 1,244  | 11,830           | National Vision Holdings, Inc.*                  | 11,825 | 325,187          |
| MasterCraft Boat Holdings, Inc.*     | 2,618  | 55,109           | ODP Corp.*                                       | 6,263  | 189,393          |
| Smith & Wesson Brands, Inc.          | 6,619  | 86,907           | OneWater Marine, Inc. "A"                        | 1,650  | 54,532           |
| Solo Brands, Inc. "A"*               | 3,177  | 12,899           | Party City Holdco, Inc.*                         | 16,985 | 22,420           |
| Sturm, Ruger & Co., Inc.             | 2,514  | 160,016          | Rent-A-Center, Inc.                              | 7,729  | 150,329          |
| Vinco Ventures, Inc.* (a)            | 26,714 | 36,865           | Sally Beauty Holdings, Inc.*                     | 15,588 | 185,809          |
| Vista Outdoor, Inc.*                 | 8,147  | 227,301          | Shoe Carnival, Inc.                              | 2,515  | 54,349           |
|                                      |        | <b>1,594,408</b> | Signet Jewelers Ltd.                             | 6,799  | 363,475          |
| <b>Multiline Retail 0.1%</b>         |        |                  | Sleep Number Corp.*                              | 3,088  | 95,574           |
| Big Lots, Inc.                       | 4,074  | 85,432           | Sonic Automotive, Inc. "A"                       | 2,935  | 107,509          |
| Dillard's, Inc. "A"                  | 628    | 138,518          | Sportsman's Warehouse Holdings, Inc.*            | 6,490  | 62,239           |
| Franchise Group, Inc.                | 4,018  | 140,911          | The Buckle, Inc.                                 | 4,337  | 120,092          |
|                                      |        | <b>364,861</b>   | The Children's Place, Inc.*                      | 1,913  | 74,454           |
| <b>Specialty Retail 2.1%</b>         |        |                  | The Container Store Group, Inc.*                 | 5,043  | 31,418           |
| Aaron's Co., Inc.                    | 4,387  | 63,831           | Tile Shop Holdings, Inc.                         | 5,250  | 16,118           |
| Abercrombie & Fitch Co. "A"*         | 7,231  | 122,349          | Tilly's, Inc. "A"                                | 3,686  | 25,876           |
| Academy Sports & Outdoors, Inc.      | 12,226 | 434,512          | Torrid Holdings, Inc.*                           | 2,045  | 8,834            |
| American Eagle Outfitters, Inc.      | 22,610 | 252,780          | TravelCenters of America, Inc.*                  | 1,770  | 61,012           |
| America's Car-Mart, Inc.*            | 854    | 85,912           | Urban Outfitters, Inc.*                          | 9,596  | 179,061          |
| Arko Corp.                           | 12,311 | 100,458          | Volta, Inc.*                                     | 17,725 | 23,043           |
| Asbury Automotive Group, Inc.*       | 3,228  | 546,630          | Warby Parker, Inc. "A"*                          | 12,154 | 136,854          |
| Bed Bath & Beyond, Inc.* (a)         | 11,594 | 57,622           | Winmark Corp.                                    | 415    | 81,162           |
| Big 5 Sporting Goods Corp. (a)       | 3,195  | 35,816           | Zumiez, Inc.*                                    | 2,274  | 59,124           |
| Boot Barn Holdings, Inc.*            | 4,303  | 296,520          |  |        | <b>7,279,346</b> |
| Build-a-bear Workshop, Inc.          | 2,068  | 33,957           | <b>Textiles, Apparel &amp; Luxury Goods 0.6%</b> |        |                  |
| Caleres, Inc.                        | 5,352  | 140,436          | Allbirds, Inc. "A"*                              | 13,735 | 53,978           |
| Camping World Holdings, Inc. "A" (a) | 5,598  | 120,861          | Crocs, Inc.*                                     | 8,840  | 430,243          |
| Cato Corp. "A"                       | 2,598  | 30,163           | Ermenegildo Zegna Holditalia SpA*                | 6,895  | 72,742           |
| Chico's FAS, Inc.*                   | 17,764 | 88,287           | Fossil Group, Inc.*                              | 6,571  | 33,972           |
| Citi Trends, Inc.*                   | 1,210  | 28,616           | G-III Apparel Group Ltd.*                        | 6,413  | 129,735          |
| Conn's, Inc.*                        | 1,882  | 15,094           | Kontoor Brands, Inc.                             | 8,210  | 273,967          |
| Designer Brands, Inc. "A"            | 8,421  | 109,978          | Movado Group, Inc.                               | 2,243  | 69,376           |
| Destination XL Group, Inc.*          | 8,701  | 29,496           | Oxford Industries, Inc.                          | 2,266  | 201,085          |
| Evgo, Inc.* (a)                      | 9,902  | 59,511           | PLBY Group, Inc.*                                | 4,422  | 28,301           |
| Express, Inc.*                       | 9,296  | 18,220           | Rocky Brands, Inc.                               | 982    | 33,565           |
| Foot Locker, Inc.                    | 12,105 | 305,651          | Steven Madden Ltd.                               | 11,509 | 370,705          |
| Genesco, Inc.*                       | 1,910  | 95,328           | Superior Group of Companies, Inc.                | 1,660  | 29,465           |
| Group 1 Automotive, Inc.             | 2,343  | 397,841          | Unifi, Inc.*                                     | 2,113  | 29,709           |
| GrowGeneration Corp.*                | 8,491  | 30,483           | Wolverine World Wide, Inc. (a)                   | 11,656 | 234,985          |
| Guess?, Inc.                         | 4,956  | 84,500           |  |        | <b>1,991,828</b> |
| Haverty Furniture Companies, Inc.    | 2,198  | 50,950           | <b>Consumer Staples 3.7%</b>                     |        |                  |
| Hibbett, Inc.                        | 1,872  | 81,825           | <b>Beverages 0.5%</b>                            |        |                  |
| JOANN, Inc. (a)                      | 1,803  | 13,973           | Celsius Holdings, Inc.*                          | 8,016  | 523,124          |
| LL Flooring Holdings, Inc.*          | 4,179  | 39,157           | Coca-Cola Consolidated, Inc.                     | 685    | 386,272          |
| MarineMax, Inc.*                     | 3,062  | 110,599          | MGP Ingredients, Inc.                            | 2,043  | 204,484          |
| Monro, Inc.                          | 4,882  | 209,340          | National Beverage Corp.                          | 3,400  | 166,396          |
|                                      |        |                  | Primo Water Corp.                                | 22,971 | 307,352          |

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

|  | Shares | Value (\$)       |   | Shares | Value (\$)       |
|--|--------|------------------|---|--------|------------------|
| The Duckhorn Portfolio, Inc.*            | 5,467  | 115,135          | Central Garden & Pet Co.                    |        |                  |
| The Vita Coco Co., Inc.*                 | 4,067  | 39,816           | "A"*  | 5,945  | 237,859          |
| Vintage Wine Estates, Inc.*              | 4,721  | 37,107           | Energizer Holdings, Inc.                    | 9,775  | 277,121          |
|  |        | <b>1,779,686</b> | WD-40 Co.                                   | 1,993  | 401,311          |
|  |        |                  |   |        | <b>979,200</b>   |
| <b>Food &amp; Staples Retailing 0.6%</b> |        |                  | <b>Personal Products 0.7%</b>               |        |                  |
| HF Foods Group, Inc.*                    | 5,299  | 27,661           | BellRing Brands, Inc.*                      | 17,051 | 424,399          |
| Ingles Markets, Inc. "A"                 | 2,072  | 179,746          | Edgewell Personal Care Co.                  | 7,840  | 270,637          |
| Natural Grocers by Vitamin Cottage, Inc. | 1,200  | 19,140           | elf Beauty, Inc.*                           | 7,064  | 216,724          |
| PriceSmart, Inc.                         | 3,574  | 256,006          | Herbalife Nutrition Ltd.*                   | 14,433 | 295,155          |
| Rite Aid Corp.*                          | 8,323  | 56,097           | Inter Parfums, Inc.                         | 2,594  | 189,518          |
| SpartanNash Co.                          | 5,216  | 157,367          | Medifast, Inc.                              | 1,657  | 299,105          |
| Sprouts Farmers Market, Inc.*            | 15,989 | 404,841          | Nature's Sunshine Products, Inc.*           | 1,954  | 20,849           |
| The Andersons, Inc.                      | 4,616  | 152,282          | Nu Skin Enterprises, Inc. "A"               | 7,282  | 315,311          |
| The Chefs' Warehouse, Inc.*              | 4,967  | 193,167          | The Beauty Health Co.*                      | 14,535 | 186,920          |
| United Natural Foods, Inc.*              | 8,469  | 333,678          | The Honest Co., Inc.*                       | 9,322  | 27,220           |
| Village Super Market, Inc. "A"           | 1,335  | 30,451           | Thorne HealthTech, Inc.*                    | 1,991  | 9,636            |
| Weis Markets, Inc.                       | 2,393  | 178,374          | USANA Health Sciences, Inc.*                | 1,644  | 118,960          |
|  |        | <b>1,988,810</b> | Veru, Inc.* (a)                             | 9,474  | 107,056          |
|  |        |                  |   |        | <b>2,481,490</b> |
| <b>Food Products 1.4%</b>                |        |                  | <b>Tobacco 0.2%</b>                         |        |                  |
| Alico, Inc.                              | 925    | 32,958           | 22nd Century Group, Inc.* (a)               | 23,177 | 49,367           |
| AppHarvest, Inc.* (a)                    | 10,332 | 36,059           | Turning Point Brands, Inc.                  | 2,242  | 60,825           |
| B&G Foods, Inc. (a)                      | 9,914  | 235,755          | Universal Corp.                             | 3,529  | 213,505          |
| Benson Hill, Inc.* (a)                   | 24,910 | 68,253           | Vector Group Ltd.                           | 20,798 | 218,379          |
| Beyond Meat, Inc.* (a)                   | 8,942  | 214,071          |   |        | <b>542,076</b>   |
| Brc, Inc.* (a)                           | 3,736  | 30,486           | <b>Energy 5.4%</b>                          |        |                  |
| Calavo Growers, Inc.                     | 2,476  | 103,299          | <b>Energy Equipment &amp; Services 1.5%</b> |        |                  |
| Cal-Maine Foods, Inc.                    | 5,534  | 273,435          | Archrock, Inc.                              | 19,690 | 162,836          |
| Fresh Del Monte Produce, Inc.            | 4,455  | 131,556          | Borr Drilling Ltd.*                         | 19,580 | 90,264           |
| Hain Celestial Group, Inc.*              | 10,961 | 260,214          | Bristow Group, Inc.*                        | 3,543  | 82,906           |
| Hostess Brands, Inc.*                    | 20,128 | 426,915          | Cactus, Inc. "A"                            | 8,589  | 345,879          |
| J & J Snack Foods Corp.                  | 2,218  | 309,766          | ChampionX Corp.                             | 29,771 | 590,954          |
| John B. Sanfilippo & Son, Inc.           | 1,320  | 95,687           | Diamond Offshore Drilling, Inc.* (a)        | 14,538 | 85,629           |
| Lancaster Colony Corp.                   | 2,837  | 365,349          | DMC Global, Inc.*                           | 2,668  | 48,104           |
| Landec Corp.*                            | 3,778  | 37,667           | Dril-Quip, Inc.*                            | 4,944  | 127,555          |
| Local Bounti Corp.*                      | 2,716  | 8,637            | Expro Group Holdings NV*                    | 11,281 | 129,957          |
| Mission Produce, Inc.*                   | 5,709  | 81,353           | Helix Energy Solutions Group, Inc.*         | 20,142 | 62,440           |
| Sanderson Farms, Inc.                    | 3,124  | 673,316          | Helmerich & Payne, Inc.                     | 14,982 | 645,125          |
| Seneca Foods Corp. "A"*                  | 807    | 44,821           | Liberty Energy, Inc.*                       | 20,800 | 265,408          |
| Simply Good Foods Co.*                   | 13,139 | 496,260          | Nabors Industries Ltd.*                     | 1,320  | 176,748          |
| Sovos Brands, Inc.*                      | 4,159  | 66,003           | National Energy Services Reunited Corp.*    | 5,594  | 37,927           |
| Sunopta, Inc.*                           | 14,236 | 110,756          | Newpark Resources, Inc.*                    | 11,744 | 36,289           |
| Tattooed Chef, Inc.* (a)                 | 7,188  | 45,284           | NexTier Oilfield Solutions, Inc.*           | 25,809 | 245,444          |
| Tootsie Roll Industries, Inc.            | 2,170  | 76,709           | Noble Corp.*                                | 5,484  | 139,019          |
| TreeHouse Foods, Inc.*                   | 7,415  | 310,095          | Oceaneering International, Inc.*            | 14,838 | 158,470          |
| Utz Brands, Inc.                         | 9,584  | 132,451          | Oil States International, Inc.*             | 9,159  | 49,642           |
| Vital Farms, Inc.*                       | 4,319  | 37,791           |   |        |                  |
| Whole Earth Brands, Inc.*                | 5,755  | 35,681           |   |        |                  |
|  |        | <b>4,740,627</b> |   |        |                  |
| <b>Household Products 0.3%</b>           |        |                  |   |        |                  |
| Central Garden & Pet Co.*                | 1,483  | 62,909           |   |        |                  |

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|   | Shares | Value (\$)       |                                       | Shares | Value (\$)        |
|---|--------|------------------|---------------------------------------|--------|-------------------|
| Patterson-UTI Energy, Inc.                    | 31,264 | 492,721          | Magnolia Oil & Gas Corp. "A"          | 24,283 | 509,700           |
| ProPetro Holding Corp.*                       | 12,735 | 127,350          | Matador Resources Co.                 | 16,398 | 763,983           |
| RPC, Inc.*                                    | 10,833 | 74,856           | Murphy Oil Corp.                      | 21,461 | 647,908           |
| Select Energy Services, Inc.<br>"A"*          | 10,633 | 72,517           | NACCO Industries, Inc. "A"            | 586    | 22,209            |
| Solaris Oilfield Infrastructure,<br>Inc. "A"  | 4,525  | 49,232           | NextDecade Corp*                      | 4,502  | 19,989            |
| TETRA Technologies, Inc.*                     | 17,759 | 72,102           | Nordic American Tankers<br>Ltd.       | 27,684 | 58,967            |
| Tidewater, Inc.*                              | 5,555  | 117,155          | Northern Oil and Gas, Inc.            | 9,532  | 240,778           |
| U.S. Silica Holdings, Inc.*                   | 10,602 | 121,075          | Oasis Petroleum, Inc.                 | 2,864  | 348,406           |
| Valaris Ltd.*                                 | 8,882  | 375,176          | Par Pacific Holdings, Inc.*           | 7,130  | 111,157           |
| Weatherford International<br>PLC*             | 10,297 | 217,987          | PBF Energy, Inc. "A"*                 | 14,063 | 408,108           |
|   |        | <b>5,200,767</b> | Peabody Energy Corp.*                 | 17,156 | 365,938           |
|   |        |                  | Ranger Oil Corp. "A"*                 | 3,094  | 101,700           |
| <b>Oil, Gas &amp; Consumable Fuels 3.9%</b>   |        |                  | REX American Resources<br>Corp.*      | 771    | 65,381            |
| Aemetis, Inc.* (a)                            | 4,015  | 19,714           | Riley Exploration Permian,<br>Inc.    | 1,549  | 37,455            |
| Alto Ingredients, Inc.*                       | 10,918 | 40,506           | Ring Energy, Inc.*                    | 12,535 | 33,343            |
| Amplify Energy Corp.*                         | 5,173  | 33,831           | Sandridge Energy, Inc.*               | 4,629  | 72,536            |
| Arch Resources, Inc.                          | 2,234  | 319,663          | Scorpio Tankers, Inc.                 | 7,172  | 247,506           |
| Archaea Energy, Inc.*                         | 8,688  | 134,925          | SFL Corp. Ltd.                        | 16,737 | 158,834           |
| Ardmore Shipping Corp.*                       | 5,080  | 35,408           | Silverbow Resources, Inc.*            | 1,703  | 48,297            |
| Battalion Oil Corp.*                          | 538    | 4,589            | Sitio Royalties Corp.                 | 1,795  | 41,608            |
| Berry Corp.                                   | 11,625 | 88,583           | SM Energy Co.                         | 17,647 | 603,351           |
| Brigham Minerals, Inc. "A"                    | 7,404  | 182,361          | Talos Energy, Inc.*                   | 9,625  | 148,899           |
| California Resources Corp.                    | 11,397 | 438,785          | Teekay Corp.*                         | 10,677 | 30,750            |
| Callon Petroleum Co.*                         | 7,197  | 282,122          | Teekay Tankers Ltd. "A"*              | 3,333  | 58,761            |
| Centennial Resource<br>Development, Inc. "A"* | 29,980 | 179,280          | Tellurian, Inc.*                      | 74,292 | 221,390           |
| Centrus Energy Corp. "A"*                     | 1,639  | 40,565           | Uranium Energy Corp.* (a)             | 40,804 | 125,676           |
| Civitas Resources, Inc.                       | 10,742 | 561,699          | Ur-Energy, Inc.*                      | 32,340 | 34,280            |
| Clean Energy Fuels Corp.*                     | 24,688 | 110,602          | Vaalco Energy, Inc.                   | 8,510  | 59,059            |
| CNX Resources Corp.*                          | 28,050 | 461,703          | Vertex Energy, Inc.* (a)              | 7,883  | 82,929            |
| Comstock Resources, Inc.*                     | 13,468 | 162,693          | W&T Offshore, Inc.*                   | 13,889 | 60,000            |
| CONSOL Energy, Inc.*                          | 4,976  | 245,715          | Whiting Petroleum Corp.               | 5,729  | 389,744           |
| Crescent Energy Co. "A"                       | 4,887  | 60,990           | World Fuel Services Corp.             | 9,059  | 185,347           |
| CVR Energy, Inc.                              | 4,322  | 144,787          |                                       |        | <b>13,259,085</b> |
| Delek U.S. Holdings, Inc.*                    | 10,274 | 265,480          | <b>Financials 16.6%</b>               |        |                   |
| Denbury, Inc.*                                | 7,394  | 443,566          | <b>Banks 9.3%</b>                     |        |                   |
| DHT Holdings, Inc.                            | 20,130 | 123,397          | 1st Source Corp.                      | 2,327  | 105,646           |
| Dorian LPG Ltd.                               | 4,570  | 69,464           | ACNB Corp.                            | 1,234  | 36,637            |
| Earthstone Energy, Inc. "A"*                  | 6,286  | 85,804           | Allegiance Bancshares, Inc.           | 2,840  | 107,238           |
| Empire Petroleum Corp.*                       | 978    | 11,609           | Amalgamated Financial<br>Corp.        | 2,107  | 41,676            |
| Energy Fuels, Inc.* (a)                       | 22,878 | 112,331          | Amerant Bancorp, Inc.                 | 4,096  | 115,180           |
| Equitrans Midstream Corp.                     | 59,901 | 380,970          | American National<br>Bankshares, Inc. | 1,579  | 54,649            |
| Excelerate Energy, Inc. "A"*                  | 2,700  | 53,784           | Ameris Bancorp.                       | 9,644  | 387,496           |
| FLEX LNG Ltd.*                                | 4,160  | 113,942          | Arrow Financial Corp.                 | 1,944  | 61,839            |
| Frontline Ltd.* (a)                           | 18,386 | 162,900          | Associated Banc-Corp.                 | 21,724 | 396,680           |
| Gevo, Inc.*                                   | 27,920 | 65,612           | Atlantic Union Bankshares<br>Corp.    | 10,915 | 370,237           |
| Golar LNG Ltd.*                               | 14,720 | 334,880          | Banc of California, Inc.              | 7,937  | 139,850           |
| Green Plains, Inc.*                           | 7,687  | 208,856          | BancFirst Corp.                       | 2,871  | 274,783           |
| Gulfport Energy Corp.*                        | 1,731  | 137,632          | Bank First Corp.                      | 968    | 73,384            |
| HighPeak Energy, Inc.                         | 936    | 23,980           | Bank of Marin Bancorp.                | 2,356  | 74,874            |
| International Seaways, Inc.                   | 7,183  | 152,280          |                                       |        |                   |
| Kinetik Holdings, Inc.                        | 2,413  | 82,380           |                                       |        |                   |
| Kosmos Energy Ltd.*                           | 65,653 | 406,392          |                                       |        |                   |
| Laredo Petroleum, Inc.*                       | 2,485  | 171,316          |                                       |        |                   |

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|                                     | Shares | Value (\$) |   | Shares | Value (\$) |
|-------------------------------------|--------|------------|---|--------|------------|
| Bank of NT Butterfield & Son Ltd.   | 7,248  | 226,065    | First BanCorp.                          | 28,595 | 369,161    |
| BankUnited, Inc.                    | 11,906 | 423,496    | First BanCorp. - North Carolina         | 5,112  | 178,409    |
| Bankwell Financial Group, Inc.      | 828    | 25,709     | First Bancorp., Inc.                    | 1,499  | 45,165     |
| Banner Corp.                        | 5,015  | 281,893    | First Bancshares, Inc.                  | 2,808  | 80,309     |
| Bar Harbor Bankshares               | 2,246  | 58,082     | First Bank                              | 2,203  | 30,798     |
| BayCom Corp.                        | 1,876  | 38,796     | First Busey Corp.                       | 7,448  | 170,187    |
| BCB Bancorp., Inc.                  | 2,103  | 35,814     | First Business Financial Services, Inc. | 1,169  | 36,461     |
| Berkshire Hills Bancorp., Inc.      | 6,737  | 166,875    | First Commonwealth Financial Corp.      | 13,643 | 183,089    |
| Blue Ridge Bankshares, Inc.         | 2,370  | 36,308     | First Community Bancshares, Inc.        | 2,356  | 69,290     |
| Brookline Bancorp., Inc.            | 11,075 | 147,408    | First Financial Bancorp.                | 13,637 | 264,558    |
| Business First Bancshares, Inc.     | 3,078  | 65,592     | First Financial Bankshares, Inc.        | 18,949 | 744,127    |
| Byline Bancorp., Inc.               | 3,519  | 83,752     | First Financial Corp.                   | 1,614  | 71,823     |
| Cadence Bank                        | 26,699 | 626,893    | First Foundation, Inc.                  | 7,552  | 154,665    |
| Cambridge Bancorp.                  | 988    | 81,708     | First Guaranty Bancshares, Inc.         | 887    | 21,563     |
| Camden National Corp.               | 2,111  | 92,990     | First Internet Bancorp.                 | 1,274  | 46,909     |
| Capital Bancorp., Inc.              | 1,368  | 29,686     | First Interstate BancSystem, Inc. "A"   | 13,657 | 520,468    |
| Capital City Bank Group, Inc.       | 1,984  | 55,334     | First Merchants Corp.                   | 8,347  | 297,320    |
| Capstar Financial Holdings, Inc.    | 2,903  | 56,957     | First Mid Bancshares, Inc.              | 2,724  | 97,165     |
| Carter Bankshares, Inc.*            | 3,406  | 44,959     | First of Long Island Corp.              | 3,227  | 56,569     |
| Cathay General Bancorp.             | 10,502 | 411,153    | First Western Financial, Inc.*          | 1,154  | 31,377     |
| CBTX, Inc.                          | 2,740  | 72,857     | Five Star Bancorp.                      | 1,753  | 46,314     |
| Central Pacific Financial Corp.     | 3,927  | 84,234     | Flushing Financial Corp.                | 4,297  | 91,354     |
| Citizens & Northern Corp.           | 2,252  | 54,431     | Fulton Financial Corp.                  | 23,653 | 341,786    |
| City Holding Co.                    | 2,162  | 172,701    | FVCBankcorp, Inc.*                      | 1,744  | 32,840     |
| Civista Bancshares, Inc.            | 2,085  | 44,327     | German American Bancorp., Inc.          | 4,045  | 138,258    |
| CNB Financial Corp.                 | 2,323  | 56,193     | Glacier Bancorp., Inc.                  | 16,206 | 768,489    |
| Coastal Financial Corp.*            | 1,570  | 59,848     | Great Southern Bancorp., Inc.           | 1,407  | 82,394     |
| Colony Bankcorp, Inc.               | 2,375  | 35,839     | Guaranty Bancshares, Inc.               | 1,253  | 45,421     |
| Columbia Banking System, Inc.       | 11,540 | 330,621    | Hancock Whitney Corp.                   | 12,569 | 557,184    |
| Community Bank System, Inc.         | 7,787  | 492,761    | Hanmi Financial Corp.                   | 4,423  | 99,252     |
| Community Trust Bancorp., Inc.      | 2,345  | 94,832     | HarborOne Bancorp, Inc.                 | 6,597  | 90,973     |
| ConnectOne Bancorp., Inc.           | 5,435  | 132,886    | HBT Financial, Inc.                     | 1,357  | 24,250     |
| CrossFirst Bankshares, Inc.*        | 6,780  | 89,496     | Heartland Financial U.S.A., Inc.        | 5,939  | 246,706    |
| Customers Bancorp., Inc.*           | 4,499  | 152,516    | Heritage Commerce Corp.                 | 8,358  | 89,347     |
| CVB Financial Corp.                 | 19,728 | 489,452    | Heritage Financial Corp.                | 5,046  | 126,957    |
| Dime Community Bancshares, Inc.     | 4,864  | 144,218    | Hilltop Holdings, Inc.                  | 8,939  | 238,314    |
| Eagle Bancorp., Inc.                | 4,624  | 219,224    | Home BancShares, Inc.                   | 27,708 | 575,495    |
| Eastern Bankshares, Inc.            | 23,460 | 433,072    | HomeStreet, Inc.                        | 2,621  | 90,870     |
| Enterprise Bancorp., Inc.           | 1,297  | 41,750     | HomeTrust Bancshares, Inc.              | 2,112  | 52,800     |
| Enterprise Financial Services Corp. | 5,088  | 211,152    | Hope Bancorp., Inc.                     | 16,902 | 233,924    |
| Equity Bancshares, Inc. "A"         | 2,278  | 66,426     | Horizon Bancorp, Inc.                   | 5,878  | 102,395    |
| Esquire Financial Holdings, Inc.    | 1,016  | 33,833     | Independent Bank Corp.                  | 9,684  | 596,570    |
| Farmers & Merchants Bancorp., Inc.  | 1,770  | 58,746     | Independent Bank Group, Inc.            | 5,358  | 363,862    |
| Farmers National Banc Corp.         | 4,637  | 69,555     | International Bancshares Corp.          | 7,922  | 317,514    |
| FB Financial Corp.                  | 5,294  | 207,631    | John Marshall Bancorp, Inc.             | 1,664  | 37,507     |
| Financial Institutions, Inc.        | 2,159  | 56,177     | Lakeland Bancorp., Inc.                 | 9,229  | 134,928    |

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|                                   | Shares | Value (\$) |   | Shares | Value (\$)        |
|-----------------------------------|--------|------------|---|--------|-------------------|
| Lakeland Financial Corp.          | 3,575  | 237,452    | Simmons First National Corp. "A"            | 18,129 | 385,423           |
| Live Oak Bancshares, Inc.         | 4,735  | 160,469    | SmartFinancial, Inc.                        | 2,273  | 54,916            |
| Macatawa Bank Corp.               | 3,748  | 33,132     | South Plains Financial, Inc.                | 1,510  | 36,451            |
| Mercantile Bank Corp.             | 2,191  | 70,002     | South State Corp.                           | 10,932 | 843,404           |
| Meta Financial Group, Inc.        | 4,199  | 162,375    | Southern First Bancshares, Inc.*            | 1,130  | 49,257            |
| Metrocity Bankshares, Inc.        | 2,624  | 53,293     | Southside Bancshares, Inc.                  | 4,444  | 166,294           |
| Metropolitan Bank Holding Corp.*  | 1,496  | 103,852    | Stock Yards Bancorp., Inc.                  | 4,180  | 250,048           |
| Mid Penn Bancorp, Inc.            | 2,005  | 54,075     | Summit Financial Group, Inc.                | 1,548  | 43,003            |
| Midland States Bancorp., Inc.     | 3,081  | 74,067     | Texas Capital Bancshares, Inc.*             | 7,409  | 390,010           |
| MidWestOne Financial Group, Inc.  | 2,066  | 61,402     | The Bancorp, Inc.*                          | 8,122  | 158,541           |
| MVB Financial Corp.               | 1,471  | 45,763     | Third Coast Bancshares, Inc.*               | 1,857  | 40,668            |
| National Bank Holdings Corp. "A"  | 4,301  | 164,599    | Tompkins Financial Corp.                    | 2,021  | 145,714           |
| NBT Bancorp., Inc.                | 6,121  | 230,088    | TowneBank                                   | 9,871  | 267,998           |
| Nicolet Bankshares, Inc.*         | 1,813  | 131,152    | TriCo Bancshares                            | 4,625  | 211,085           |
| Northeast Bank                    | 983    | 35,909     | Triumph Bancorp., Inc.*                     | 3,517  | 220,024           |
| Northwest Bancshares, Inc.        | 17,742 | 227,098    | Trustmark Corp.                             | 8,993  | 262,506           |
| OceanFirst Financial Corp.        | 8,365  | 160,022    | UMB Financial Corp.                         | 6,424  | 553,106           |
| OFG Bancorp.                      | 6,959  | 176,759    | United Bankshares, Inc.                     | 19,321 | 677,587           |
| Old National Bancorp.             | 42,723 | 631,873    | United Community Banks, Inc.                | 15,515 | 468,398           |
| Old Second Bancorp., Inc.         | 6,195  | 82,889     | Unity Bancorp., Inc.                        | 1,028  | 27,221            |
| Origin Bancorp, Inc.              | 3,225  | 125,130    | Univest Financial Corp.                     | 4,311  | 109,672           |
| Orrstown Financial Services, Inc. | 1,526  | 36,883     | USCB Financial Holdings, Inc.*              | 1,558  | 17,979            |
| Pacific Premier Bancorp., Inc.    | 13,648 | 399,068    | Valley National Bancorp.                    | 62,787 | 653,613           |
| Park National Corp.               | 2,074  | 251,472    | Veritex Holdings, Inc.                      | 7,657  | 224,044           |
| Parke Bancorp., Inc.              | 1,474  | 30,895     | Washington Federal, Inc.                    | 9,383  | 281,678           |
| PCB Bancorp.                      | 1,703  | 31,812     | Washington Trust Bancorp., Inc.             | 2,483  | 120,103           |
| Peapack-Gladstone Financial Corp. | 2,612  | 77,576     | WesBanco, Inc.                              | 8,516  | 270,042           |
| Peoples Bancorp., Inc.            | 4,061  | 108,023    | West BanCorp, Inc.                          | 2,459  | 59,852            |
| Peoples Financial Services Corp.  | 1,001  | 55,896     | Westamerica BanCorp.                        | 3,796  | 211,285           |
| Preferred Bank                    | 2,019  | 137,332    |   |        | <b>31,837,532</b> |
| Premier Financial Corp.           | 5,102  | 129,336    | <b>Capital Markets 1.5%</b>                 |        |                   |
| Primis Financial Corp.            | 3,229  | 44,011     | Artisan Partners Asset Management, Inc. "A" | 8,732  | 310,597           |
| Professional Holding Corp. "A"*   | 1,892  | 37,935     | AssetMark Financial Holdings, Inc.*         | 3,146  | 59,050            |
| QCR Holdings, Inc.                | 2,458  | 132,707    | Associated Capital Group, Inc. "A"          | 276    | 9,889             |
| RBB Bancorp.                      | 2,264  | 46,797     | B. Riley Financial, Inc.                    | 2,997  | 126,623           |
| Red River Bancshares, Inc.        | 632    | 34,179     | Bakkt Holdings, Inc.* (a)                   | 8,220  | 17,262            |
| Reasant Corp.                     | 8,033  | 231,431    | BGC Partners, Inc. "A"                      | 46,113 | 155,401           |
| Republic Bancorp., Inc. "A"       | 1,293  | 62,387     | Blucora, Inc.*                              | 6,804  | 125,602           |
| Republic First Bancorp., Inc.*    | 6,738  | 25,672     | Brightsphere Investment Group, Inc.         | 4,685  | 84,377            |
| S&T Bancorp., Inc.                | 5,641  | 154,733    | Cohen & Steers, Inc.                        | 3,705  | 235,601           |
| Sandy Spring Bancorp., Inc.       | 6,454  | 252,158    | Cowen, Inc. "A"                             | 3,755  | 88,956            |
| Seacoast Banking Corp. of Florida | 8,830  | 291,743    | Diamond Hill Investment Group, Inc.         | 453    | 78,659            |
| ServisFirst Bancshares, Inc.      | 7,301  | 576,195    | Donnelley Financial Solutions, Inc.*        | 4,041  | 118,361           |
| Shore Bancshares, Inc.            | 2,606  | 48,211     | Federated Hermes, Inc.                      | 12,806 | 407,103           |
| Sierra Bancorp.                   | 2,103  | 45,698     |   |        |                   |
| Silvergate Capital Corp. "A"*     | 4,568  | 244,525    |   |        |                   |

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

|  | Shares | Value (\$)       |   | Shares | Value (\$)     |
|--|--------|------------------|---|--------|----------------|
| Focus Financial Partners, Inc. "A"*          | 8,445  | 287,637          | <b>Diversified Financial Services 0.3%</b>        |        |                |
| GAMCO Investors, Inc. "A"                    | 754    | 15,759           | Alerus Financial Corp.                            | 2,147  | 51,120         |
| GCM Grosvenor, Inc. "A"                      | 5,956  | 40,799           | A-Mark Precious Metals, Inc.                      | 2,692  | 86,817         |
| Hamilton Lane, Inc. "A"                      | 5,128  | 344,499          | Banco Latinoamericano de Comercio Exterior SA "E" | 4,003  | 53,120         |
| Houlihan Lokey, Inc.                         | 7,438  | 587,081          | Cannae Holdings, Inc.*                            | 10,979 | 212,334        |
| Manning & Napier, Inc.                       | 2,318  | 28,905           | Compass Diversified Holdings                      | 8,839  | 189,331        |
| Marketwise, Inc.*                            | 2,455  | 8,838            | Jackson Financial, Inc. "A"                       | 11,009 | 294,491        |
| Moelis & Co. "A"                             | 9,407  | 370,165          | Swk Holdings Corp.*                               | 529    | 9,242          |
| Open Lending Corp. "A"*                      | 15,595 | 159,537          |   |        | <b>896,455</b> |
| Oppenheimer Holdings, Inc. "A"               | 1,283  | 42,390           | <b>Insurance 2.1%</b>                             |        |                |
| Perella Weinberg Partners                    | 6,777  | 39,510           | Ambac Financial Group, Inc.*                      | 6,511  | 73,900         |
| Piper Sandler Companies                      | 2,521  | 285,780          | American Equity Investment Life Holding Co.       | 11,361 | 415,472        |
| PJT Partners, Inc. "A"                       | 3,495  | 245,629          | AMERISAFE, Inc.                                   | 2,776  | 144,380        |
| Pzena Investment Management, Inc. "A"        | 2,623  | 17,286           | Argo Group International Holdings Ltd.            | 4,626  | 170,514        |
| Sculptor Capital Management, Inc.            | 3,811  | 31,822           | Bright Health Group, Inc.*                        | 28,047 | 51,046         |
| Silvercrest Asset Management Group, Inc. "A" | 1,455  | 23,876           | BRP Group, Inc. "A"*                              | 8,526  | 205,903        |
| StepStone Group, Inc. "A"                    | 7,686  | 200,067          | CNO Financial Group, Inc.                         | 16,756 | 303,116        |
| StoneX Group, Inc.*                          | 2,501  | 195,253          | Crawford & Co. "A"                                | 2,763  | 21,551         |
| Value Line, Inc.                             | 100    | 6,605            | Donegal Group, Inc. "A"                           | 2,103  | 35,856         |
| Victory Capital Holdings, Inc. "A"           | 2,411  | 58,105           | eHealth, Inc.*                                    | 3,751  | 34,997         |
| Virtus Investment Partners, Inc.             | 1,039  | 177,690          | Employers Holdings, Inc.                          | 3,977  | 166,596        |
| WisdomTree Investments, Inc.                 | 20,300 | 102,921          | Enstar Group Ltd.*                                | 1,688  | 361,198        |
|  |        | <b>5,087,635</b> | Genworth Financial, Inc. "A"*                     | 74,210 | 261,961        |
| <b>Consumer Finance 0.6%</b>                 |        |                  | Goosehead Insurance, Inc. "A"                     | 2,776  | 126,780        |
| Atlanticus Holdings Corp.*                   | 617    | 21,700           | Greenlight Capital Re Ltd. "A"*                   | 3,838  | 29,668         |
| Consumer Portfolio Services, Inc.*           | 2,091  | 21,433           | HCI Group, Inc.                                   | 1,056  | 71,555         |
| Curo Group Holdings Corp.                    | 3,151  | 17,425           | Hippo Holdings, Inc.*                             | 37,013 | 32,520         |
| Encore Capital Group, Inc.*                  | 3,505  | 202,484          | Horace Mann Educators Corp.                       | 6,090  | 233,734        |
| Enova International, Inc.*                   | 4,640  | 133,725          | Investors Title Co.                               | 183    | 28,711         |
| EZCORP, Inc. "A"*                            | 7,130  | 53,546           | James River Group Holdings Ltd.                   | 5,300  | 131,334        |
| FirstCash Holdings, Inc.                     | 5,627  | 391,133          | Kinsale Capital Group, Inc.                       | 3,158  | 725,203        |
| Green Dot Corp. "A"*                         | 7,078  | 177,729          | Lemonade, Inc.* (a)                               | 5,864  | 107,077        |
| LendingClub Corp.*                           | 14,673 | 171,527          | MBIA, Inc.* (a)                                   | 6,874  | 84,894         |
| LendingTree, Inc.*                           | 1,525  | 66,825           | Mercury General Corp.                             | 3,916  | 173,479        |
| Moneylion, Inc.*                             | 20,913 | 27,605           | National Western Life Group, Inc. "A"             | 332    | 67,296         |
| Navient Corp.                                | 16,920 | 236,711          | NI Holdings, Inc.*                                | 1,084  | 17,810         |
| Nelnet, Inc. "A"                             | 2,176  | 185,504          | Oscar Health, Inc. "A"*                           | 17,189 | 73,053         |
| Nerdwallet, Inc. "A"*                        | 3,729  | 29,571           | Palomar Holdings, Inc.*                           | 3,537  | 227,783        |
| Oportun Financial Corp.*                     | 4,017  | 33,221           | ProAssurance Corp.                                | 7,830  | 185,023        |
| Oppfi, Inc.*                                 | 1,931  | 6,353            | RLI Corp.   | 5,703  | 664,913        |
| PRA Group, Inc.*                             | 5,786  | 210,379          | Root, Inc. "A"*                                   | 20,290 | 24,145         |
| PROG Holdings, Inc.*                         | 7,885  | 130,102          | Safety Insurance Group, Inc.                      | 2,055  | 199,540        |
| Regional Management Corp.                    | 1,129  | 42,191           | Selective Insurance Group, Inc.                   | 8,713  | 757,508        |
| Sunlight Financial Holdings, Inc.*           | 3,510  | 10,354           | Selectquote, Inc.*                                | 19,606 | 48,623         |
| World Acceptance Corp.*                      | 592    | 66,446           | SiriusPoint Ltd.*                                 | 13,573 | 73,566         |
|  |        | <b>2,235,964</b> |   |        |                |

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|   | Shares | Value (\$)       |  | Shares | Value (\$)       |
|---|--------|------------------|--|--------|------------------|
| Stewart Information Services Corp.                            | 3,871  | 192,582          |  |        |                  |
| Tiptree, Inc.   | 3,292  | 34,961           |  |        |                  |
| Trean Insurance Group, Inc.*                                  | 3,450  | 21,493           |  |        |                  |
| Trupanion, Inc.*  | 5,672  | 341,795          |  |        |                  |
| United Fire Group, Inc.                                       | 3,155  | 107,996          |  |        |                  |
| Universal Insurance Holdings, Inc.                            | 3,843  | 50,074           |  |        |                  |
|   |        | <b>7,079,606</b> |  |        |                  |
| <b>Mortgage Real Estate Investment Trusts (REITs) 1.4%</b>    |        |                  | <b>Thriffs &amp; Mortgage Finance 1.4%</b> |        |                  |
| AFC Gamma, Inc.   | 2,327  | 35,673           | Axos Financial, Inc.*                      | 8,385  | 300,602          |
| Angel Oak Mortgage, Inc.                                      | 1,710  | 22,162           | Blue Foundry Bancorp.*                     | 3,672  | 44,027           |
| Apollo Commercial Real Estate Finance, Inc.                   | 20,659 | 215,680          | Bridgewater Bancshares, Inc.*              | 3,010  | 48,581           |
| Arbor Realty Trust, Inc. (a)                                  | 22,663 | 297,112          | Capitol Federal Financial, Inc.            | 19,195 | 176,210          |
| Ares Commercial Real Estate Corp.                             | 6,381  | 78,040           | Columbia Financial, Inc.*                  | 5,053  | 110,206          |
| ARMOUR Residential REIT, Inc. (a)                             | 15,019 | 105,734          | Enact Holdings, Inc.                       | 4,402  | 94,555           |
| Blackstone Mortgage Trust, Inc. "A"                           | 24,863 | 687,959          | Essent Group Ltd.                          | 15,359 | 597,465          |
| BrightSpire Capital, Inc.                                     | 13,915 | 105,058          | Federal Agricultural Mortgage Corp. "C"    | 1,340  | 130,851          |
| Broadmark Realty Capital, Inc.                                | 18,678 | 125,329          | Finance of America Companies, Inc. "A"**   | 5,534  | 8,688            |
| Chicago Atlantic Real Estate Finance, Inc.                    | 1,116  | 16,807           | Flagstar Bancorp., Inc.                    | 7,578  | 268,640          |
| Chimera Investment Corp.                                      | 34,717 | 306,204          | Greene County Bancorp., Inc.               | 497    | 22,509           |
| Claros Mortgage Trust, Inc. (a)                               | 13,428 | 224,919          | Hingham Institution For Savings The        | 217    | 61,578           |
| Dynex Capital, Inc.   | 5,201  | 82,800           | Home Bancorp., Inc.                        | 1,080  | 36,860           |
| Ellington Financial, Inc.                                     | 8,329  | 122,186          | Home Point Capital, Inc. (a)               | 1,180  | 4,626            |
| Franklin BSP Realty Trust, Inc. (a)                           | 12,288 | 165,642          | Kearny Financial Corp.                     | 9,038  | 100,412          |
| Granite Point Mortgage Trust, Inc.                            | 7,565  | 72,397           | Luther Burbank Corp.                       | 2,316  | 30,224           |
| Hannon Armstrong Sustainable Infrastructure Capital, Inc. (a) | 12,416 | 470,070          | Merchants Bancorp.                         | 2,197  | 49,806           |
| Invesco Mortgage Capital Reit                                 | 4,823  | 70,802           | Mr Cooper Group, Inc.*                     | 10,584 | 388,856          |
| KKR Real Estate Finance Trust, Inc.                           | 7,577  | 132,219          | NMI Holdings, Inc. "A"**                   | 12,391 | 206,310          |
| Ladder Capital Corp.  | 16,369 | 172,529          | Northfield Bancorp., Inc.                  | 6,364  | 82,923           |
| MFA Financial, Inc.   | 14,974 | 160,970          | PCSB Financial Corp.                       | 1,828  | 34,897           |
| New York Mortgage Trust, Inc.                                 | 55,459 | 153,067          | PennyMac Financial Services, Inc.          | 4,313  | 188,521          |
| Nexpoint Real Estate Finance, Inc.                            | 1,135  | 23,006           | Pioneer Bancorp., Inc.*                    | 1,482  | 14,524           |
| Orchid Island Capital, Inc. (a)                               | 25,889 | 73,784           | Provident Bancorp, Inc.                    | 2,053  | 32,232           |
| PennyMac Mortgage Investment Trust                            | 13,416 | 185,543          | Provident Financial Services, Inc.         | 10,997 | 244,793          |
| Ready Capital Corp.   | 10,852 | 129,356          | Radian Group, Inc.                         | 25,250 | 496,163          |
| Redwood Trust, Inc.   | 17,568 | 135,449          | Southern Missouri Bancorp., Inc.           | 1,107  | 50,103           |
| TPG RE Finance Trust, Inc.                                    | 10,066 | 90,695           | Sterling Bancorp., Inc.*                   | 2,492  | 14,204           |
| Two Harbors Investment Corp.                                  | 50,492 | 251,450          | TrustCo Bank Corp. NY                      | 2,663  | 82,127           |
|   |        | <b>4,712,642</b> | Velocity Financial, Inc.*                  | 1,318  | 14,485           |
|   |        |                  | Walker & Dunlop, Inc.                      | 4,472  | 430,833          |
|   |        |                  | Waterstone Financial, Inc.                 | 2,938  | 50,093           |
|   |        |                  | WSFS Financial Corp.                       | 9,387  | 376,325          |
|   |        |                  |  |        | <b>4,793,229</b> |
|   |        |                  | <b>Health Care 16.4%</b>                   |        |                  |
|   |        |                  | <b>Biotechnology 7.0%</b>                  |        |                  |
|   |        |                  | 2seventy bio, Inc.*                        | 5,440  | 71,808           |
|   |        |                  | 4D Molecular Therapeutics, Inc.*           | 4,326  | 30,195           |
|   |        |                  | Aadi Bioscience, Inc.* (a)                 | 2,100  | 25,872           |
|   |        |                  | ACADIA Pharmaceuticals, Inc.*              | 17,385 | 244,955          |
|   |        |                  | Adagio Therapeutics, Inc.*                 | 8,137  | 26,689           |
|   |        |                  | Adicet Bio, Inc.*                          | 3,942  | 57,553           |
|   |        |                  | ADMA Biologics, Inc.*                      | 27,038 | 53,535           |
|   |        |                  | Aerovate Therapeutics, Inc.*               | 1,330  | 20,788           |
|   |        |                  | Affimed NV*                                | 20,654 | 57,212           |

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|  | Shares | Value (\$) |                                      | Shares | Value (\$) |
|--|--------|------------|--------------------------------------|--------|------------|
| Agenus, Inc.* (a)                          | 39,273 | 76,190     | Crinetics Pharmaceuticals, Inc.*     | 7,666  | 142,971    |
| Agius Pharmaceuticals, Inc.*               | 8,021  | 177,826    | CTI BioPharma Corp.*                 | 13,497 | 80,577     |
| Akero Therapeutics, Inc.*                  | 3,939  | 37,224     | Cullinan Oncology, Inc.*             | 4,332  | 55,536     |
| Albireo Pharma, Inc.*                      | 2,424  | 48,141     | Cytokinetics, Inc.*                  | 11,965 | 470,105    |
| Alector, Inc.*                             | 8,845  | 89,865     | Day One Biopharmaceuticals, Inc.*    | 3,394  | 60,753     |
| Alkermes PLC*                              | 23,690 | 705,725    | Deciphera Pharmaceuticals, Inc.*     | 6,557  | 86,225     |
| Allogene Therapeutics, Inc.*               | 11,603 | 132,274    | Denali Therapeutics, Inc.*           | 14,347 | 422,232    |
| Allovir, Inc.*                             | 4,336  | 16,910     | Design Therapeutics, Inc.*           | 4,932  | 69,048     |
| Alpine Immune Sciences, Inc.*              | 2,288  | 19,471     | Dynavax Technologies Corp.*          | 17,244 | 217,102    |
| ALX Oncology Holdings, Inc.*               | 3,388  | 27,409     | Dyne Therapeutics, Inc.*             | 4,605  | 31,636     |
| Amicus Therapeutics, Inc.*                 | 40,179 | 431,522    | Eagle Pharmaceuticals, Inc.*         | 1,510  | 67,089     |
| AnaptysBio, Inc.*                          | 2,936  | 59,601     | Editas Medicine, Inc.*               | 10,145 | 120,015    |
| Anavex Life Sciences Corp.*                | 9,762  | 97,718     | Eiger BioPharmaceuticals, Inc.*      | 5,951  | 37,491     |
| Anika Therapeutics, Inc.*                  | 2,197  | 49,037     | Emergent BioSolutions, Inc.*         | 7,309  | 226,871    |
| Apellis Pharmaceuticals, Inc.*             | 13,249 | 599,120    | Enanta Pharmaceuticals, Inc.*        | 2,846  | 134,530    |
| Arbutus Biopharma Corp.*                   | 15,697 | 42,539     | Enochian Biosciences, Inc.* (a)      | 2,857  | 5,514      |
| Arcellx, Inc.*                             | 1,560  | 28,205     | EQRx, Inc.* (a)                      | 19,901 | 93,336     |
| Arcturus Therapeutics Holdings, Inc.*      | 3,239  | 50,982     | Erasca, Inc.*                        | 9,174  | 51,099     |
| Arcus Biosciences, Inc.*                   | 7,482  | 189,594    | Fate Therapeutics, Inc.*             | 12,037 | 298,277    |
| Arcutis Biotherapeutics, Inc.*             | 5,101  | 108,702    | FibroGen, Inc.*                      | 12,947 | 136,720    |
| Arrowhead Pharmaceuticals, Inc.*           | 14,988 | 527,727    | Foghorn Therapeutics, Inc.*          | 2,986  | 40,610     |
| Atara Biotherapeutics, Inc.*               | 13,431 | 104,627    | Forma Therapeutics Holdings, Inc.*   | 5,013  | 34,540     |
| Aura Biosciences, Inc.*                    | 2,665  | 37,763     | Generation Bio Co.*                  | 6,531  | 42,843     |
| Aurinia Pharmaceuticals, Inc.* (a)         | 19,543 | 196,407    | Geron Corp.*                         | 52,242 | 80,975     |
| Avid Bioservices, Inc.*                    | 8,782  | 134,013    | Global Blood Therapeutics, Inc.*     | 9,070  | 289,786    |
| Avidity Biosciences, Inc.*                 | 7,110  | 103,308    | Gossamer Bio, Inc.*                  | 9,395  | 78,636     |
| Beam Therapeutics, Inc.*                   | 9,256  | 358,300    | GreenLight Biosciences Holdings PBC* | 2,017  | 4,458      |
| BioCryst Pharmaceuticals, Inc.*            | 26,873 | 284,316    | Halozyme Therapeutics, Inc.*         | 19,776 | 870,144    |
| Biohaven Pharmaceutical Holding Co., Ltd.* | 9,078  | 1,322,755  | Heron Therapeutics, Inc.*            | 15,592 | 43,502     |
| Bioxcel Therapeutics, Inc.*                | 2,978  | 39,310     | Hillevax, Inc.*                      | 1,875  | 20,494     |
| Bluebird Bio, Inc.*                        | 10,373 | 42,944     | Humacyte, Inc.*                      | 2,525  | 8,105      |
| Blueprint Medicines Corp.*                 | 8,672  | 438,023    | Icosavax, Inc.*                      | 3,467  | 19,866     |
| Bridgebio Pharma, Inc.*                    | 15,528 | 140,994    | Ideaya Biosciences, Inc.*            | 5,065  | 69,897     |
| C4 Therapeutics, Inc.*                     | 6,416  | 48,377     | IGM Biosciences, Inc.*               | 1,507  | 27,171     |
| CareDx, Inc.*                              | 7,507  | 161,250    | Imago Biosciences, Inc.*             | 3,829  | 51,270     |
| Caribou Biosciences, Inc.*                 | 8,164  | 44,331     | ImmunityBio, Inc.* (a)               | 11,880 | 44,194     |
| Catalyst Pharmaceuticals, Inc.*            | 14,313 | 100,334    | ImmunoGen, Inc.*                     | 31,426 | 141,417    |
| Celldex Therapeutics, Inc.*                | 6,610  | 178,206    | Immunovant, Inc.*                    | 6,133  | 23,919     |
| Celularity, Inc.*                          | 2,237  | 7,606      | Inhibrx, Inc.*                       | 4,285  | 48,635     |
| Century Therapeutics, Inc.*                | 3,009  | 25,276     | Inovio Pharmaceuticals, Inc.*        | 32,716 | 56,599     |
| Cerevel Therapeutics Holdings, Inc.*       | 7,918  | 209,352    | Insmed, Inc.*                        | 17,495 | 345,001    |
| ChemoCentryx, Inc.*                        | 9,209  | 228,199    | Instil Bio, Inc.*                    | 10,107 | 46,694     |
| Chimerix, Inc.*                            | 11,169 | 23,232     | Intellia Therapeutics, Inc.*         | 10,987 | 568,687    |
| Chinook Therapeutics, Inc.*                | 6,362  | 111,271    | Intercept Pharmaceuticals, Inc.*     | 3,464  | 47,838     |
| Cogent Biosciences, Inc.*                  | 6,485  | 58,495     |                                      |        |            |
| Coherus Biosciences, Inc.*                 | 10,671 | 77,258     |                                      |        |            |

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|                                       | Shares | Value (\$) |  | Shares | Value (\$) |
|---------------------------------------|--------|------------|--|--------|------------|
| Iovance Biotherapeutics, Inc.*        | 21,965 | 242,494    | Prometheus Biosciences, Inc.*            | 4,238  | 119,639    |
| Ironwood Pharmaceuticals, Inc.*       | 19,911 | 229,574    | Protagonist Therapeutics, Inc.*          | 6,534  | 51,684     |
| iTeos Therapeutics, Inc.*             | 3,426  | 70,576     | Prothena Corp. PLC*                      | 5,076  | 137,813    |
| IVERIC bio, Inc.*                     | 16,853 | 162,126    | PTC Therapeutics, Inc.*                  | 10,227 | 409,694    |
| Janux Therapeutics, Inc.*             | 2,549  | 31,123     | Radius Health, Inc.*                     | 6,773  | 70,236     |
| Jounce Therapeutics, Inc.*            | 6,699  | 20,298     | Rallybio Corp.*                          | 2,367  | 17,871     |
| KalVista Pharmaceuticals, Inc.*       | 3,636  | 35,778     | RAPT Therapeutics, Inc.*                 | 3,782  | 69,021     |
| Karuna Therapeutics, Inc.*            | 3,829  | 484,407    | Recursion Pharmaceuticals, Inc. "A"* (a) | 19,688 | 160,260    |
| Karyopharm Therapeutics, Inc.*        | 11,271 | 50,832     | REGENXBIO, Inc.*                         | 5,800  | 143,260    |
| Keros Therapeutics, Inc.*             | 2,471  | 68,274     | Relay Therapeutics, Inc.*                | 11,140 | 186,595    |
| Kezar Life Sciences, Inc.*            | 6,762  | 55,922     | Replimune Group, Inc.*                   | 4,529  | 79,167     |
| Kiniksa Pharmaceuticals Ltd. "A"*     | 4,669  | 45,243     | REVOLUTION Medicines, Inc.*              | 9,174  | 178,801    |
| Kinnate Biopharma, Inc.*              | 4,245  | 53,529     | Rigel Pharmaceuticals, Inc.*             | 25,327 | 28,620     |
| Kodiak Sciences, Inc.*                | 4,947  | 37,795     | Rocket Pharmaceuticals, Inc.*            | 6,212  | 85,477     |
| Kronos Bio, Inc.*                     | 5,952  | 21,665     | Sage Therapeutics, Inc.*                 | 7,586  | 245,028    |
| Krystal Biotech, Inc.*                | 3,052  | 200,394    | Sana Biotechnology, Inc.*                | 12,557 | 80,742     |
| Kura Oncology, Inc.*                  | 9,241  | 169,388    | Sangamo Therapeutics, Inc.*              | 17,034 | 70,521     |
| Kymera Therapeutics, Inc.*            | 5,502  | 108,334    | Seres Therapeutics, Inc.*                | 10,676 | 36,619     |
| Lexicon Pharmaceuticals, Inc.*        | 10,380 | 19,307     | Sierra Oncology, Inc.*                   | 2,159  | 118,723    |
| Ligand Pharmaceuticals, Inc.*         | 2,186  | 195,035    | Sorrento Therapeutics, Inc.* (a)         | 55,333 | 111,219    |
| Lyell Immunopharma, Inc.* (a)         | 25,190 | 164,239    | SpringWorks Therapeutics, Inc.*          | 5,055  | 124,454    |
| MacroGenics, Inc.*                    | 8,678  | 25,600     | Stoke Therapeutics, Inc.*                | 3,313  | 43,765     |
| Madrigal Pharmaceuticals, Inc.*       | 1,854  | 132,709    | Sutro Biopharma, Inc.*                   | 6,637  | 34,579     |
| MannKind Corp.*                       | 35,902 | 136,787    | Syndax Pharmaceuticals, Inc.*            | 7,516  | 144,608    |
| MeiraGTx Holdings PLC*                | 4,590  | 34,746     | Talaris Therapeutics, Inc.*              | 3,330  | 15,018     |
| Mersana Therapeutics, Inc.*           | 12,735 | 58,836     | Tango Therapeutics, Inc.*                | 6,759  | 30,618     |
| MiMedx Group, Inc.*                   | 17,052 | 59,170     | Tenaya Therapeutics, Inc.*               | 4,087  | 23,010     |
| Mirum Pharmaceuticals, Inc.*          | 2,314  | 45,030     | TG Therapeutics, Inc.*                   | 19,219 | 81,681     |
| Monte Rosa Therapeutics, Inc.*        | 4,173  | 40,353     | Traverse Therapeutics, Inc.*             | 8,874  | 215,017    |
| Morphic Holding, Inc.*                | 3,744  | 81,245     | Turning Point Therapeutics, Inc.*        | 6,669  | 501,842    |
| Myriad Genetics, Inc.*                | 11,455 | 208,137    | Twist Bioscience Corp.*                  | 8,117  | 283,770    |
| Nkarta, Inc.*                         | 4,712  | 58,052     | Tyra Biosciences, Inc.*                  | 1,915  | 13,692     |
| Nurix Therapeutics, Inc.*             | 6,447  | 81,683     | Vanda Pharmaceuticals, Inc.*             | 8,210  | 89,489     |
| Nuvalent, Inc. "A"*                   | 2,585  | 35,053     | Vaxart, Inc.*                            | 18,328 | 64,148     |
| Ocugen, Inc.* (a)                     | 31,125 | 70,654     | Vaxcyte, Inc.*                           | 7,679  | 167,095    |
| Organogenesis Holdings, Inc.*         | 10,101 | 49,293     | VBI Vaccines, Inc.*                      | 28,377 | 22,943     |
| Outlook Therapeutics, Inc.*           | 18,986 | 19,366     | Vera Therapeutics, Inc.*                 | 1,977  | 26,907     |
| Pardes Biosciences, Inc.*             | 4,100  | 12,587     | Veracyte, Inc.*                          | 10,428 | 207,517    |
| Peppgen, Inc.*                        | 1,207  | 11,986     | Vericel Corp.*                           | 6,827  | 171,904    |
| PMV Pharmaceuticals, Inc.*            | 5,353  | 76,280     | Verve Therapeutics, Inc.*                | 5,339  | 81,580     |
| Point Biopharma Global, Inc.*         | 10,783 | 73,432     | Vir Biotechnology, Inc.*                 | 10,564 | 269,065    |
| Praxis Precision Medicines, Inc.* (a) | 5,162  | 12,647     | Viridian Therapeutics, Inc.*             | 3,748  | 43,364     |
| Precigen, Inc.*                       | 14,534 | 19,476     | VistaGen Therapeutics, Inc.*             | 29,306 | 25,789     |
|                                       |        |            | Xencor, Inc.*                            | 8,405  | 230,045    |

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

|  | Shares | Value (\$)        |  | Shares | Value (\$)        |
|--|--------|-------------------|--|--------|-------------------|
| Y-mAbs Therapeutics, Inc.*                       | 5,362  | 81,127            | SeaSpine Holdings Corp.*                         | 4,869  | 27,510            |
| Zentalis Pharmaceuticals, Inc.*                  | 5,602  | 157,416           | Senseonics Holdings, Inc.* (a)                   | 68,506 | 70,561            |
|  |        | <b>23,753,632</b> | Shockwave Medical, Inc.*                         | 5,188  | 991,790           |
| <b>Health Care Equipment &amp; Supplies 3.6%</b> |        |                   | SI-BONE, Inc.*                                   | 4,922  | 64,970            |
| Alphatec Holdings, Inc.*                         | 10,554 | 69,023            | Sight Sciences, Inc.*                            | 3,137  | 28,202            |
| AngioDynamics, Inc.*                             | 5,391  | 104,316           | Silk Road Medical, Inc.*                         | 5,032  | 183,115           |
| Artivion, Inc.*                                  | 5,766  | 108,862           | STAAR Surgical Co.*                              | 6,983  | 495,304           |
| AtriCure, Inc.*                                  | 6,667  | 272,414           | Surmodics, Inc.*                                 | 1,954  | 72,747            |
| Atrion Corp.                                     | 200    | 125,772           | Tactile Systems Technology, Inc.*                | 2,930  | 21,389            |
| Avanos Medical, Inc.*                            | 6,843  | 187,088           | TransMedics Group, Inc.*                         | 3,841  | 120,799           |
| Axogen, Inc.*                                    | 5,986  | 49,025            | Treace Medical Concepts, Inc.*                   | 4,965  | 71,198            |
| Axonics, Inc.*                                   | 6,852  | 388,303           | UFP Technologies, Inc.*                          | 979    | 77,899            |
| BioLife Solutions, Inc.*                         | 4,900  | 67,669            | Utah Medical Products, Inc.                      | 481    | 41,318            |
| Bioventus, Inc. "A"*                             | 4,584  | 31,263            | Varex Imaging Corp.*                             | 5,614  | 120,083           |
| Butterfly Network, Inc.*                         | 18,638 | 57,219            | Vicarious Surgical, Inc.* (a)                    | 7,911  | 23,258            |
| Cardiovascular Systems, Inc.*                    | 5,673  | 81,464            | ViewRay, Inc.*                                   | 21,404 | 56,721            |
| Cerus Corp.*                                     | 25,611 | 135,482           | Zimvie, Inc.*                                    | 3,021  | 48,366            |
| CONMED Corp.                                     | 4,108  | 393,382           | Zynex, Inc.                                      | 3,406  | 27,180            |
| CryoPort, Inc.*                                  | 6,487  | 200,967           |  |        | <b>12,291,957</b> |
| Cue Health, Inc.* (a)                            | 15,690 | 50,208            | <b>Health Care Providers &amp; Services 2.8%</b> |        |                   |
| Cutera, Inc.*                                    | 2,416  | 90,600            | 1Life Healthcare, Inc.*                          | 26,255 | 205,839           |
| Embecka Corp.*                                   | 8,355  | 211,549           | 23andme Holding Co. "A"* (a)                     | 24,973 | 61,933            |
| Figs, Inc. "A"*                                  | 18,572 | 169,191           | Accolade, Inc.*                                  | 8,476  | 62,722            |
| Glaukos Corp.*                                   | 6,658  | 302,406           | AdaptHealth Corp.*                               | 10,616 | 191,513           |
| Haemonetics Corp.*                               | 7,400  | 482,332           | Addus HomeCare Corp.*                            | 2,273  | 189,295           |
| Heska Corp.*                                     | 1,395  | 131,841           | Agiliti, Inc.*                                   | 3,994  | 81,917            |
| Inari Medical, Inc.*                             | 7,029  | 477,902           | AirSculpt Technologies, Inc.*                    | 1,863  | 11,048            |
| Inogen, Inc.*                                    | 3,337  | 80,689            | Alignment Healthcare, Inc.*                      | 12,157 | 138,711           |
| Integer Holdings Corp.*                          | 4,792  | 338,603           | AMN Healthcare Services, Inc.*                   | 6,519  | 715,199           |
| iRadimed Corp.                                   | 1,016  | 34,483            | Apollo Medical Holdings, Inc.*                   | 5,610  | 216,490           |
| iRhythm Technologies, Inc.*                      | 4,346  | 469,498           | Ati Physical Therapy, Inc.*                      | 10,804 | 15,234            |
| Lantheus Holdings, Inc.*                         | 9,981  | 659,045           | Aveanna Healthcare Holdings, Inc.*               | 5,986  | 13,528            |
| LeMaitre Vascular, Inc.                          | 2,860  | 130,273           | Brookdale Senior Living, Inc.*                   | 27,203 | 123,502           |
| LivaNova PLC*                                    | 7,819  | 488,453           | Cano Health, Inc.*                               | 23,572 | 103,245           |
| Meridian Bioscience, Inc.*                       | 6,193  | 188,391           | Caremax, Inc.*                                   | 8,666  | 31,458            |
| Merit Medical Systems, Inc.*                     | 8,140  | 441,758           | Castle Biosciences, Inc.*                        | 3,459  | 75,925            |
| Mesa Laboratories, Inc.                          | 739    | 150,712           | Clover Health Investments Corp.* (a)             | 55,528 | 118,830           |
| Nano-X Imaging Ltd.* (a)                         | 6,111  | 69,054            | Community Health Systems, Inc.*                  | 18,394 | 68,978            |
| Natus Medical, Inc.*                             | 5,043  | 165,259           | CorVel Corp.*                                    | 1,309  | 192,776           |
| Neogen Corp.*                                    | 15,754 | 379,514           | Covetrus, Inc.*                                  | 15,458 | 320,754           |
| Nevro Corp.*                                     | 5,141  | 225,330           | Cross Country Healthcare, Inc.*                  | 5,426  | 113,024           |
| NuVasive, Inc.*                                  | 7,622  | 374,698           | Docgo, Inc.* (a)                                 | 11,733 | 83,774            |
| Omnicell, Inc.*                                  | 6,398  | 727,773           | Fulgent Genetics, Inc.*                          | 3,160  | 172,315           |
| OraSure Technologies, Inc.*                      | 10,660 | 28,889            | Hanger, Inc.*                                    | 5,604  | 80,249            |
| Orthofix Medical, Inc.*                          | 2,868  | 67,513            | HealthEquity, Inc.*                              | 12,099 | 742,758           |
| OrthoPediatrics Corp.*                           | 2,118  | 91,392            | Hims & Hers Health, Inc.*                        | 17,639 | 79,905            |
| Outset Medical, Inc.*                            | 6,862  | 101,969           |  |        |                   |
| Owlet, Inc.*                                     | 2,500  | 4,250             |  |        |                   |
| Paragon 28, Inc.* (a)                            | 6,715  | 106,567           |  |        |                   |
| PROCEPT BioRobotics Corp.* (a)                   | 3,729  | 121,901           |  |        |                   |
| Pulmonx Corp.*                                   | 4,967  | 73,114            |  |        |                   |
| RxSight, Inc.*                                   | 2,993  | 42,141            |  |        |                   |

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|  | <b>Shares</b> | <b>Value (\$)</b> |  | <b>Shares</b> | <b>Value (\$)</b> |
|--|---------------|-------------------|--|---------------|-------------------|
| Innovage Holding Corp.*                        | 2,834         | 12,413            | Adaptive Biotechnologies Corp.*              | 16,205        | 131,098           |
| Invitae Corp.*                                 | 33,428        | 81,564            | Akoya Biosciences, Inc.*                     | 2,127         | 27,332            |
| LHC Group, Inc.*                               | 4,347         | 677,002           | Alpha Teknova, Inc.*                         | 1,002         | 8,417             |
| LifeStance Health Group, Inc.*                 | 10,474        | 58,235            | Berkeley Lights, Inc.*                       | 8,304         | 41,271            |
| MEDNAX, Inc.*                                  | 12,515        | 262,940           | Bionano Genomics, Inc.* (a)                  | 43,832        | 60,488            |
| ModivCare, Inc.*                               | 1,849         | 156,241           | Codexis, Inc.*                               | 8,805         | 92,100            |
| National HealthCare Corp.                      | 1,800         | 125,820           | Cytek Biosciences, Inc.* (a)                 | 16,631        | 178,451           |
| National Research Corp.                        | 2,056         | 78,704            | Inotiv, Inc.*                                | 2,343         | 22,493            |
| Oncology Institute, Inc.*                      | 2,730         | 13,814            | MaxCyte, Inc.*                               | 12,459        | 58,931            |
| OPKO Health, Inc.*                             | 59,607        | 150,806           | Medpace Holdings, Inc.*                      | 4,014         | 600,775           |
| Option Care Health, Inc.*                      | 20,942        | 581,978           | NanoString Technologies, Inc.*               | 6,752         | 85,750            |
| Owens & Minor, Inc.                            | 10,808        | 339,912           | Nautilus Biotechnology, Inc.*                | 6,888         | 18,529            |
| P3 Health Partners, Inc.*                      | 3,673         | 13,664            | NeoGenomics, Inc.*                           | 18,048        | 147,091           |
| Patterson Companies, Inc.                      | 12,777        | 387,143           | Pacific Biosciences of California, Inc.* (a) | 32,864        | 145,259           |
| PetIQ, Inc.*                                   | 4,056         | 68,100            | Quanterix Corp.*                             | 4,929         | 79,801            |
| Privia Health Group, Inc.*                     | 6,317         | 183,951           | Quantum-si, Inc.*                            | 13,273        | 30,793            |
| Progyny, Inc.*                                 | 10,903        | 316,732           | Science 37 Holdings, Inc.*                   | 9,047         | 18,184            |
| R1 Rcm, Inc.*                                  | 19,691        | 412,723           | Seer, Inc.*                                  | 7,496         | 67,089            |
| RadNet, Inc.*                                  | 7,111         | 122,878           | Singular Genomics Systems Inc.*              | 8,166         | 31,194            |
| Select Medical Holdings Corp.                  | 15,728        | 371,495           | Somalogic, Inc.* (a)                         | 21,753        | 98,324            |
| Sema4 Holdings Corp.*                          | 22,866        | 28,811            |  |               | <b>2,291,464</b>  |
| Surgery Partners, Inc.*                        | 5,778         | 167,100           | <b>Pharmaceuticals 1.5%</b>                  |               |                   |
| The Ensign Group, Inc.                         | 7,884         | 579,237           | Aclaris Therapeutics, Inc.* (a)              | 8,714         | 121,647           |
| The Joint Corp.*                               | 2,095         | 32,074            | Aerie Pharmaceuticals, Inc.*                 | 6,490         | 48,675            |
| The Pennant Group, Inc.*                       | 3,857         | 49,408            | Amneal Pharmaceuticals, Inc.*                | 15,449        | 49,128            |
| U.S. Physical Therapy, Inc.                    | 1,856         | 202,675           | Amphastar Pharmaceuticals, Inc.*             | 5,627         | 195,763           |
|  |               | <b>9,686,342</b>  | Amylyx Pharmaceuticals, Inc.* (a)            | 1,668         | 32,126            |
| <b>Health Care Technology 0.8%</b>             |               |                   | An2 Therapeutics, Inc.*                      | 661           | 5,123             |
| Allscripts Healthcare Solutions, Inc.*         | 16,602        | 246,208           | ANI Pharmaceuticals, Inc.*                   | 1,873         | 55,572            |
| American Well Corp. "A"*                       | 33,388        | 144,236           | Arvinas, Inc.*                               | 7,129         | 300,060           |
| Babylon Holdings Ltd.*                         | 15,692        | 15,344            | Atea Pharmaceuticals, Inc.*                  | 11,102        | 78,824            |
| Computer Programs & Systems, Inc.*             | 2,115         | 67,616            | Athira Pharma, Inc.*                         | 4,925         | 15,021            |
| Convey Health Solutions Holdings, Inc.*        | 2,195         | 22,828            | Axsome Therapeutics, Inc.*                   | 4,252         | 162,852           |
| Evolent Health, Inc. "A"*                      | 11,976        | 367,783           | Cara Therapeutics, Inc.*                     | 6,518         | 59,509            |
| Health Catalyst, Inc.*                         | 7,736         | 112,095           | Cassava Sciences, Inc.* (a)                  | 5,548         | 156,010           |
| HealthStream, Inc.*                            | 3,479         | 75,529            | Cincor Pharma, Inc.* (a)                     | 1,960         | 36,926            |
| Inspire Medical Systems, Inc.*                 | 3,963         | 723,921           | Collegium Pharmaceutical, Inc.*              | 4,902         | 86,863            |
| Multiplan Corp.*                               | 55,058        | 302,268           | Corcept Therapeutics, Inc.*                  | 12,427        | 295,514           |
| NextGen Healthcare, Inc.*                      | 8,011         | 139,712           | DICE Therapeutics, Inc.*                     | 4,130         | 64,098            |
| Nutex Health, Inc.*                            | 5,627         | 18,147            | Edgewise Therapeutics, Inc.*                 | 4,311         | 34,316            |
| OptimizeRx Corp.*                              | 2,658         | 72,803            | Endo International PLC*                      | 32,831        | 15,289            |
| Phreesia, Inc.*                                | 7,088         | 177,271           | Esperion Therapeutics, Inc.*                 | 9,165         | 58,289            |
| Schrodinger, Inc.*                             | 7,862         | 207,635           | Evolus, Inc.*                                | 4,943         | 57,339            |
| Sharecare, Inc.*                               | 8,900         | 14,062            | EyePoint Pharmaceuticals, Inc.*              | 3,598         | 28,316            |
| Simulations Plus, Inc.                         | 2,293         | 113,114           | Fulcrum Therapeutics, Inc.*                  | 4,972         | 24,363            |
|  |               | <b>2,820,572</b>  |  |               |                   |
| <b>Life Sciences Tools &amp; Services 0.7%</b> |               |                   |  |               |                   |
| Abcellera Biologics, Inc.* (a)                 | 30,166        | 321,268           |  |               |                   |
| Absci Corp.*                                   | 8,080         | 26,826            |  |               |                   |

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|  | Shares | Value (\$)       |   | Shares | Value (\$)       |
|--|--------|------------------|---|--------|------------------|
| Harmony Biosciences Holdings, Inc.*        | 3,822  | 186,399          | Parsons Corp.*                          | 4,906  | 198,301          |
| Innoviva, Inc.*                            | 9,220  | 136,087          | Redwire Corp.*                          | 2,772  | 8,427            |
| Intra-Cellular Therapies, Inc.*            | 13,351 | 762,075          | Rocket Lab USA, Inc.*                   | 31,044 | 117,657          |
| Liquidia Corp.*                            | 6,952  | 30,311           | Terran Orbital Corp.* (a)               | 3,474  | 15,911           |
| Nektar Therapeutics*                       | 26,395 | 100,301          | Triumph Group, Inc.*                    | 9,454  | 125,644          |
| NGM Biopharmaceuticals, Inc.*              | 5,707  | 73,164           | Vectrus, Inc.*                          | 1,625  | 54,372           |
| Nuvation Bio, Inc.*                        | 16,918 | 54,814           | Virgin Galactic Holdings Inc.* (a)      | 33,239 | 200,099          |
| Ocular Therapeutix, Inc.*                  | 11,617 | 46,700           |   |        | <b>3,029,264</b> |
| Pacira BioSciences, Inc.*                  | 6,498  | 378,833          | <b>Air Freight &amp; Logistics 0.4%</b> |        |                  |
| Phathom Pharmaceuticals, Inc.*             | 3,105  | 26,206           | Air Transport Services Group, Inc.*     | 8,646  | 248,400          |
| Phibro Animal Health Corp. "A"             | 2,865  | 54,808           | Atlas Air Worldwide Holdings, Inc.*     | 4,085  | 252,085          |
| Prestige Consumer Healthcare, Inc.*        | 7,331  | 431,063          | Forward Air Corp.                       | 3,924  | 360,851          |
| Provention Bio, Inc.*                      | 8,664  | 34,656           | Hub Group, Inc. "A"*                    | 4,895  | 347,251          |
| Reata Pharmaceuticals, Inc. "A"*           | 4,089  | 124,265          | Radiant Logistics, Inc.*                | 5,654  | 41,953           |
| Relmada Therapeutics, Inc.*                | 3,985  | 75,675           |   |        | <b>1,250,540</b> |
| Revance Therapeutics, Inc.*                | 10,345 | 142,968          | <b>Airlines 0.4%</b>                    |        |                  |
| SIGA Technologies, Inc.                    | 6,871  | 79,566           | Allegiant Travel Co.*                   | 2,278  | 257,619          |
| Supernus Pharmaceuticals, Inc.*            | 7,171  | 207,385          | Blade Air Mobility, Inc.*               | 8,154  | 36,367           |
| Tarsus Pharmaceuticals, Inc.*              | 2,632  | 38,427           | Frontier Group Holdings, Inc.* (a)      | 5,328  | 49,923           |
| Theravance Biopharma, Inc.*                | 9,299  | 84,249           | Hawaiian Holdings, Inc.*                | 7,333  | 104,935          |
| Theseus Pharmaceuticals, Inc.*             | 2,670  | 14,765           | Joby Aviation, Inc.*                    | 36,583 | 179,623          |
| Tricida, Inc.*                             | 4,848  | 46,929           | SkyWest, Inc.*                          | 7,213  | 153,276          |
| Ventyx Biosciences, Inc.* (a)              | 3,260  | 39,870           | Spirit Airlines, Inc.* (a)              | 15,889 | 378,794          |
| Xeris Biopharma Holdings, Inc.*            | 19,200 | 29,568           | Sun Country Airlines Holdings, Inc.*    | 4,752  | 87,152           |
|  |        | <b>5,180,707</b> | Wheels Up Experience, Inc.*             | 23,151 | 45,144           |
| <b>Industrials 14.6%</b>                   |        |                  |   |        | <b>1,292,833</b> |
| <b>Aerospace &amp; Defense 0.9%</b>        |        |                  | <b>Building Products 1.3%</b>           |        |                  |
| AAR Corp.*                                 | 4,893  | 204,723          | AAON, Inc.                              | 6,391  | 349,971          |
| Aerojet Rocketdyne Holdings, Inc.*         | 11,564 | 469,498          | American Woodmark Corp.*                | 2,409  | 108,429          |
| AeroVironment, Inc.*                       | 3,385  | 278,247          | Apogee Enterprises, Inc.                | 3,238  | 126,994          |
| AerSale Corp.*                             | 2,400  | 34,824           | Caesarstone Ltd.                        | 3,272  | 29,873           |
| Archer Aviation, Inc. "A"*                 | 18,116 | 55,797           | Cornerstone Building Brands, Inc.*      | 9,219  | 225,773          |
| Astra Space, Inc.*                         | 20,850 | 27,105           | CSW Industrials, Inc.                   | 2,172  | 223,781          |
| Astronics Corp.*                           | 3,895  | 39,612           | Gibraltar Industries, Inc.*             | 4,789  | 185,574          |
| Cadre Holdings, Inc.                       | 2,403  | 47,267           | Griffon Corp.                           | 6,713  | 188,165          |
| Ducommun, Inc.*                            | 1,627  | 70,026           | Insteel Industries, Inc.                | 2,671  | 89,932           |
| Kaman Corp.                                | 4,015  | 125,469          | Janus International Group, Inc.*        | 11,887 | 107,340          |
| Kratos Defense & Security Solutions, Inc.* | 18,177 | 252,297          | JELD-WEN Holding, Inc.*                 | 12,539 | 182,944          |
| Maxar Technologies, Inc. (a)               | 10,541 | 275,015          | Masonite International Corp.*           | 3,284  | 252,310          |
| Momentum, Inc.*                            | 7,896  | 17,055           | PGT Innovations, Inc.*                  | 8,700  | 144,768          |
| Moog, Inc. "A"                             | 4,167  | 330,818          | Quanex Building Products Corp.          | 4,928  | 112,112          |
| National Presto Industries, Inc.           | 713    | 46,801           | Resideo Technologies, Inc.*             | 21,059 | 408,966          |
| Park Aerospace Corp.                       | 2,688  | 34,299           | Simpson Manufacturing Co., Inc.         | 6,319  | 635,755          |
|  |        |                  | UFP Industries, Inc.                    | 8,890  | 605,765          |

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|  | Shares | Value (\$)       |   | Shares | Value (\$)       |
|--|--------|------------------|---|--------|------------------|
| View, Inc.* (a)                                | 16,198 | 26,241           | Granite Construction, Inc.                    | 6,632  | 193,256          |
| Zurn Water Solutions Corp.                     | 18,042 | 491,464          | Great Lakes Dredge & Dock Corp.*              | 9,481  | 124,296          |
|  |        | <b>4,496,157</b> | IES Holdings, Inc.*                           | 1,268  | 38,256           |
| <b>Commercial Services &amp; Supplies 1.5%</b> |        |                  | Infrastructure and Energy Alternatives, Inc.* | 4,619  | 37,091           |
| ABM Industries, Inc.                           | 9,779  | 424,604          | MYR Group, Inc.*                              | 2,452  | 216,095          |
| ACCO Brands Corp.                              | 13,478 | 88,011           | Northwest Pipe Co.*                           | 1,413  | 42,305           |
| Acv Auctions, Inc. "A"*                        | 16,412 | 107,335          | NV5 Global, Inc.*                             | 1,975  | 230,562          |
| Aris Water Solution, Inc. "A"                  | 3,311  | 55,228           | Primoris Services Corp.                       | 7,726  | 168,118          |
| Brady Corp. "A"                                | 6,861  | 324,114          | Sterling Infrastructure, Inc.*                | 4,357  | 95,505           |
| BrightView Holdings, Inc.*                     | 6,454  | 77,448           | Tutor Perini Corp.*                           | 6,356  | 55,806           |
| Casella Waste Systems, Inc. "A"*               | 7,262  | 527,802          |   |        | <b>4,497,090</b> |
| Cimpres PLC*                                   | 2,616  | 101,762          | <b>Electrical Equipment 1.1%</b>              |        |                  |
| CompX International, Inc.                      | 256    | 5,937            | Allied Motion Technologies, Inc.              | 1,879  | 42,916           |
| CoreCivic, Inc.*                               | 17,474 | 194,136          | Array Technologies, Inc.*                     | 21,970 | 241,890          |
| Deluxe Corp.                                   | 6,217  | 134,722          | Atkore, Inc.*                                 | 6,269  | 520,390          |
| Ennis, Inc.                                    | 3,732  | 75,498           | AZZ, Inc.                                     | 3,524  | 143,850          |
| Harsco Corp.*                                  | 11,661 | 82,910           | Babcock & Wilcox Enterprises, Inc.*           | 8,521  | 51,382           |
| Healthcare Services Group, Inc.                | 10,742 | 187,018          | Blink Charging Co.* (a)                       | 5,392  | 89,130           |
| Heritage-Crystal Clean, Inc.*                  | 2,190  | 59,042           | Bloom Energy Corp. "A"*                       | 23,726 | 391,479          |
| HNI Corp.                                      | 6,168  | 213,968          | Encore Wire Corp.                             | 2,777  | 288,586          |
| Interface, Inc.                                | 8,677  | 108,810          | Energy Vault Holdings, Inc.*                  | 3,669  | 36,763           |
| KAR Auction Services, Inc.*                    | 17,740 | 262,020          | EnerSys                                       | 6,012  | 354,467          |
| Kimball International, Inc. "B"                | 5,579  | 42,791           | Enovix Corp.* (a)                             | 15,848 | 141,206          |
| Li-cycle Holdings Corp.*                       | 19,277 | 132,626          | Ess Tech, Inc.*                               | 11,717 | 32,925           |
| Matthews International Corp. "A"               | 4,465  | 128,012          | Fluence Energy, Inc.*                         | 5,226  | 49,542           |
| MillerKnoll, Inc.                              | 11,119 | 292,096          | FTC Solar, Inc.*                              | 6,032  | 21,836           |
| Montrose Environmental Group, Inc.*            | 4,004  | 135,175          | FuelCell Energy, Inc.* (a)                    | 53,284 | 199,815          |
| NL Industries, Inc.                            | 960    | 9,475            | GrafTech International, Ltd.                  | 28,582 | 202,075          |
| Pitney Bowes, Inc.                             | 25,201 | 91,228           | Heliogen, Inc.*                               | 2,767  | 5,838            |
| Quad Graphics, Inc.*                           | 5,069  | 13,940           | Nuscale Power Corp.*                          | 2,502  | 24,995           |
| SP Plus Corp.*                                 | 3,324  | 102,113          | Powell Industries, Inc.                       | 1,308  | 30,568           |
| Steelcase, Inc. "A"                            | 12,443 | 133,513          | Preformed Line Products Co.                   | 404    | 24,846           |
| The Brink's Co.                                | 6,764  | 410,642          | Shoals Technologies Group, Inc. "A"*          | 16,297 | 268,575          |
| The GEO Group, Inc.*                           | 16,984 | 112,094          | Stem, Inc.*                                   | 20,986 | 150,260          |
| UniFirst Corp.                                 | 2,186  | 376,386          | Thermon Group Holdings, Inc.*                 | 4,918  | 69,098           |
| Viad Corp.*                                    | 3,035  | 83,796           | TPI Composites, Inc.*                         | 5,491  | 68,637           |
| VSE Corp.                                      | 1,559  | 58,587           | Vicor Corp.*                                  | 3,228  | 176,668          |
|  |        | <b>5,152,839</b> |   |        | <b>3,627,737</b> |
| <b>Construction &amp; Engineering 1.3%</b>     |        |                  | <b>Industrial Conglomerates 0.0%</b>          |        |                  |
| Ameresco, Inc. "A"*                            | 4,593  | 209,257          | Brookfield Business Corp. "A"                 | 3,780  | <b>86,978</b>    |
| API Group Corp.*                               | 30,141 | 451,211          | <b>Machinery 3.7%</b>                         |        |                  |
| Arcosa, Inc.                                   | 7,032  | 326,496          | Alamo Group, Inc.                             | 1,449  | 168,707          |
| Argan, Inc.                                    | 2,042  | 76,207           | Albany International Corp. "A"                | 4,609  | 363,143          |
| Comfort Systems U.S.A., Inc.                   | 5,167  | 429,636          | Altra Industrial Motion Corp.                 | 9,466  | 333,676          |
| Concrete Pumping Holdings, Inc.*               | 3,639  | 22,052           | Astec Industries, Inc.                        | 3,316  | 135,226          |
| Construction Partners, Inc. "A"*               | 5,898  | 123,504          | Barnes Group, Inc.                            | 7,125  | 221,872          |
| Dycor Industries, Inc.*                        | 4,209  | 391,605          | Berkshire Grey, Inc.*                         | 7,026  | 10,188           |
| EMCOR Group, Inc.                              | 7,390  | 760,874          | Blue Bird Corp.*                              | 2,583  | 23,789           |
| Fluor Corp.*                                   | 20,746 | 504,958          |   |        |                  |

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

|                                       | Shares | Value (\$) |  | Shares | Value (\$)        |
|---------------------------------------|--------|------------|--|--------|-------------------|
| Chart Industries, Inc.*               | 5,354  | 896,152    | Wabash National Corp.                    | 7,166  | 97,314            |
| CIRCOR International, Inc.*           | 2,832  | 46,416     | Watts Water Technologies, Inc. "A"       | 3,989  | 490,009           |
| Columbus McKinnon Corp.               | 4,069  | 115,438    | Welbilt, Inc.*                           | 19,163 | 456,271           |
| Desktop Metal, Inc. "A"* (a)          | 38,474 | 84,643     | Xos, Inc.*                               | 7,846  | 14,437            |
| Douglas Dynamics, Inc.                | 3,204  | 92,083     |  |        | <b>12,620,767</b> |
| Energy Recovery, Inc.*                | 8,139  | 158,059    |  |        |                   |
| Enerpac Tool Group Corp.              | 8,782  | 167,034    | <b>Marine 0.3%</b>                       |        |                   |
| EnPro Industries, Inc.                | 3,033  | 248,494    | Costamare, Inc.                          | 7,787  | 94,223            |
| ESCO Technologies, Inc.               | 3,782  | 258,575    | Eagle Bulk Shipping, Inc.                | 1,957  | 101,529           |
| Evoqua Water Technologies Corp.*      | 17,204 | 559,302    | Eneti, Inc.                              | 3,323  | 20,403            |
| Fathom Digital Manufacturing Co.*     | 1,449  | 5,622      | Genco Shipping & Trading Ltd.            | 5,348  | 103,323           |
| Federal Signal Corp.                  | 8,705  | 309,898    | Golden Ocean Group Ltd.                  | 17,900 | 208,356           |
| Franklin Electric Co., Inc.           | 6,718  | 492,161    | Matson, Inc.                             | 5,846  | 426,056           |
| Gorman-Rupp Co.                       | 3,377  | 95,569     | Safe Bulkers, Inc.                       | 10,836 | 41,394            |
| Greenbrier Companies, Inc.            | 4,585  | 165,014    |  |        | <b>995,284</b>    |
| Helios Technologies, Inc.             | 4,705  | 311,706    | <b>Professional Services 1.8%</b>        |        |                   |
| Hillenbrand, Inc.                     | 10,578 | 433,275    | Alight, Inc. "A"*                        | 49,482 | 334,004           |
| Hillman Solutions Corp.*              | 19,612 | 169,448    | ASGN, Inc.*                              | 7,315  | 660,179           |
| Hydrofarm Holdings Group, Inc.*       | 6,832  | 23,775     | Atlas Technical Consultants, Inc.*       | 2,970  | 15,622            |
| Hyllion Holdings Corp.*               | 19,382 | 62,410     | Barrett Business Services, Inc.          | 1,053  | 76,732            |
| Hyster-Yale Materials Handling, Inc.  | 1,567  | 50,489     | CBIZ, Inc.*                              | 7,195  | 287,512           |
| Hyzon Motors, Inc.*                   | 12,762 | 37,520     | CRA International, Inc.                  | 1,012  | 90,392            |
| John Bean Technologies Corp.          | 4,609  | 508,926    | Exponent, Inc.                           | 7,520  | 687,854           |
| Kadant, Inc.                          | 1,700  | 309,995    | First Advantage Corp.*                   | 8,373  | 106,086           |
| Kennametal, Inc.                      | 12,029 | 279,434    | Forrester Research, Inc.*                | 1,608  | 76,927            |
| Lightning eMotors, Inc.*              | 5,652  | 15,656     | Franklin Covey Co.*                      | 1,792  | 82,755            |
| Lindsay Corp.                         | 1,583  | 210,254    | Heidrick & Struggles International, Inc. | 2,811  | 90,964            |
| Luxfer Holdings PLC                   | 4,237  | 64,063     | HireRight Holdings Corp.*                | 2,998  | 42,602            |
| Markforged Holding Corp.*             | 15,973 | 29,550     | Huron Consulting Group, Inc.*            | 3,070  | 199,519           |
| Meritor, Inc.*                        | 10,288 | 373,763    | ICF International, Inc.                  | 2,698  | 256,310           |
| Microvast Holdings, Inc.*             | 24,805 | 55,067     | Insperty, Inc.                           | 5,292  | 528,300           |
| Miller Industries, Inc.               | 1,713  | 38,834     | Kelly Services, Inc. "A"                 | 5,110  | 101,331           |
| Mueller Industries, Inc.              | 8,159  | 434,793    | Kforce, Inc.                             | 2,958  | 181,444           |
| Mueller Water Products, Inc. "A"      | 22,694 | 266,201    | Korn Ferry                               | 7,819  | 453,658           |
| Nikola Corp.* (a)                     | 42,490 | 202,252    | Legalzoom.com, Inc.*                     | 14,263 | 156,750           |
| Omega Flex, Inc.                      | 497    | 53,487     | ManTech International Corp. "A"          | 4,359  | 416,067           |
| Proterra, Inc.*                       | 32,152 | 149,185    | Planet Labs PBC* (a)                     | 22,646 | 98,057            |
| Proto Labs, Inc.*                     | 4,003  | 191,504    | Red Violet, Inc.*                        | 1,384  | 26,351            |
| RBC Bearings, Inc.*                   | 4,163  | 769,947    | Resources Connection, Inc.               | 4,683  | 95,393            |
| REV Group, Inc.                       | 5,179  | 56,296     | Skillsoft Corp.*                         | 11,774 | 41,444            |
| Sarcos Technology and Robotics Corp.* | 11,007 | 29,279     | Spire Global, Inc.*                      | 18,108 | 21,005            |
| Shyft Group, Inc.                     | 5,061  | 94,084     | Sterling Check Corp.*                    | 3,454  | 56,335            |
| SPX Corp.*                            | 6,453  | 340,977    | TriNet Group, Inc.*                      | 5,466  | 424,271           |
| Standex International Corp.           | 1,768  | 149,891    | TrueBlue, Inc.*                          | 4,779  | 85,544            |
| Tennant Co.                           | 2,695  | 159,679    | Upwork, Inc.*                            | 17,536 | 362,645           |
| Terex Corp.                           | 9,888  | 270,635    | Willdan Group, Inc.*                     | 1,623  | 44,762            |
| The Manitowoc Co., Inc.*              | 4,839  | 50,955     |  |        | <b>6,100,815</b>  |
| Titan International, Inc.*            | 7,450  | 112,495    | <b>Road &amp; Rail 0.5%</b>              |        |                   |
| Trinity Industries, Inc.              | 12,163 | 294,588    | ArcBest Corp.                            | 3,567  | 251,010           |
| Velo3D, Inc.*                         | 8,161  | 11,262     |  |        |                   |

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|  | Shares | Value (\$)       |  | Shares | Value (\$)       |
|--|--------|------------------|--|--------|------------------|
| Bird Global, Inc. "A"* (a)                       | 24,667 | 10,755           | CommScope Holding Co., Inc.*                                   | 29,842 | 182,633          |
| Covenant Logistics Group, Inc.                   | 1,508  | 37,836           | Comtech Telecommunications Corp.                               | 3,836  | 34,792           |
| Daseke, Inc.*                                    | 5,765  | 36,838           | Digi International, Inc.*                                      | 5,032  | 121,875          |
| Heartland Express, Inc.                          | 6,819  | 94,852           | DZS, Inc.*   | 2,494  | 40,577           |
| Marten Transport Ltd.                            | 8,615  | 144,904          | Extreme Networks, Inc.*  | 18,603 | 165,939          |
| P.A.M. Transportation Services, Inc.*            | 1,054  | 28,869           | Harmonic, Inc.*  | 13,255 | 114,921          |
| Saia, Inc.*                                      | 3,873  | 728,124          | Infinera Corp.* (a)  | 28,034 | 150,262          |
| Tusimple Holdings, Inc. "A"*                     | 20,381 | 147,355          | Inseego Corp.*   | 12,848 | 24,283           |
| Universal Logistics Holdings, Inc.               | 980    | 26,764           | NETGEAR, Inc.*   | 4,241  | 78,543           |
| Werner Enterprises, Inc.                         | 9,500  | 366,130          | NetScout Systems, Inc.*  | 10,289 | 348,283          |
|  |        | <b>1,873,437</b> | Ondas Holdings, Inc.*  | 4,958  | 26,724           |
|  |        |                  | Plantronics, Inc.*   | 6,216  | 246,651          |
| <b>Trading Companies &amp; Distributors 1.4%</b> |        |                  | Ribbon Communications, Inc.*                                   | 10,566 | 32,121           |
| Alta Equipment Group, Inc.*                      | 2,939  | 26,363           | Viavi Solutions, Inc.*   | 33,040 | 437,119          |
| Applied Industrial Technologies, Inc.            | 5,580  | 536,629          |  |        | <b>2,604,659</b> |
| Beacon Roofing Supply, Inc.*                     | 7,916  | 406,566          | <b>Electronic Equipment, Instruments &amp; Components 2.1%</b> |        |                  |
| BlueLinX Holdings, Inc.*                         | 1,378  | 92,064           | 908 Devices, Inc.*   | 3,230  | 66,506           |
| Boise Cascade Co.                                | 5,735  | 341,175          | Advanced Energy Industries, Inc.                               | 5,473  | 399,420          |
| Custom Truck One Source, Inc.*                   | 8,615  | 48,244           | Aeva Technologies, Inc.* (a)                                   | 14,046 | 43,964           |
| Distribution Solutions Group, Inc.*              | 673    | 34,585           | Aeye, Inc.*  | 3,804  | 7,266            |
| DXP Enterprises, Inc.*                           | 2,217  | 67,907           | Akoustis Technologies, Inc.* (a)                               | 8,136  | 30,103           |
| GATX Corp.                                       | 5,173  | 487,090          | Arlo Technologies, Inc.*                                       | 12,589 | 78,933           |
| Global Industrial Co.                            | 1,936  | 65,379           | Badger Meter, Inc.   | 4,266  | 345,077          |
| GMS, Inc.*                                       | 6,313  | 280,929          | Belden, Inc.   | 6,394  | 340,608          |
| H&E Equipment Services, Inc.                     | 4,702  | 136,217          | Benchmark Electronics, Inc.                                    | 5,131  | 115,755          |
| Herc Holdings, Inc.                              | 3,769  | 339,775          | CTS Corp.  | 4,624  | 157,447          |
| Hudson Technologies, Inc.*                       | 6,293  | 47,260           | ePlus, Inc.*   | 3,876  | 205,893          |
| Karat Packaging, Inc.*                           | 711    | 12,130           | Evolv Technologies Holdings, Inc.*                             | 12,220 | 32,505           |
| McGrath RentCorp.                                | 3,552  | 269,952          | Fabrinet*  | 5,383  | 436,561          |
| MRC Global, Inc.*                                | 11,933 | 118,853          | FARO Technologies, Inc.*                                       | 2,639  | 81,360           |
| NOW, Inc.*                                       | 16,066 | 157,125          | Focus Universal, Inc.* (a)                                     | 2,586  | 29,532           |
| Rush Enterprises, Inc. "A"                       | 6,142  | 296,044          | Identiv, Inc.*   | 3,177  | 36,790           |
| Rush Enterprises, Inc. "B"                       | 956    | 47,427           | Insight Enterprises, Inc.*                                     | 4,584  | 395,508          |
| Textainer Group Holdings Ltd.                    | 6,745  | 184,880          | ltron, Inc.*   | 6,571  | 324,805          |
| Titan Machinery, Inc.*                           | 2,927  | 65,594           | Kimball Electronics, Inc.*                                     | 3,594  | 72,239           |
| Transcat, Inc.*                                  | 1,066  | 60,559           | Knowles Corp.*   | 13,099 | 227,006          |
| Triton International Ltd.                        | 9,269  | 488,013          | Lightwave Logic, Inc.* (a)                                     | 16,271 | 106,412          |
| Veritiv Corp.*                                   | 2,130  | 231,212          | Methode Electronics, Inc.                                      | 5,286  | 195,793          |
|  |        | <b>4,841,972</b> | MicroVision, Inc.* (a)   | 24,616 | 94,525           |
| <b>Information Technology 13.4%</b>              |        |                  | Mirion Technologies, Inc.* (a)                                 | 19,938 | 114,843          |
| <b>Communications Equipment 0.8%</b>             |        |                  | Napco Security Technologies, Inc.*                             | 4,316  | 88,866           |
| ADTRAN, Inc.                                     | 7,203  | 126,269          | nLight, Inc.*  | 6,535  | 66,788           |
| Aviat Networks, Inc.*                            | 1,649  | 41,291           | Novanta, Inc.*   | 5,177  | 627,815          |
| Calix, Inc.*                                     | 8,216  | 280,494          | OSI Systems, Inc.*   | 2,363  | 201,895          |
| Cambium Networks Corp.*                          | 1,570  | 23,000           | Ouster, Inc.* (a)  | 20,547 | 33,286           |
| Casa Systems, Inc.*                              | 5,571  | 21,894           | PAR Technology Corp.*  | 3,813  | 142,949          |
| Clearfield, Inc.*                                | 1,727  | 106,988          | PC Connection, Inc.  | 1,613  | 71,053           |
|  |        |                  | Plexus Corp.*  | 4,005  | 314,393          |

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

|                                     | Shares | Value (\$)       |  | Shares | Value (\$)       |
|-------------------------------------|--------|------------------|--|--------|------------------|
| Rogers Corp.*                       | 2,735  | 716,816          | Sabre Corp.*   | 47,517 | 277,024          |
| Sanmina Corp.*                      | 8,760  | 356,795          | Solarwinds Corp.   | 7,019  | 71,945           |
| ScanSource, Inc.*                   | 3,666  | 114,159          | Squarespace, Inc. "A"*                                   | 4,557  | 95,332           |
| SmartRent, Inc.* (a)                | 17,332 | 78,341           | Stoneco Ltd. "A"*  | 40,375 | 310,887          |
| TTM Technologies, Inc.*             | 14,777 | 184,713          | The Hackett Group, Inc.                                  | 3,809  | 72,257           |
| Velodyne Lidar, Inc.*               | 27,961 | 26,708           | TTEC Holdings, Inc.                                      | 2,782  | 188,870          |
| Vishay Intertechnology, Inc.        | 19,285 | 343,659          | Tucows, Inc. "A"* (a)                                    | 1,493  | 66,453           |
| Vishay Precision Group, Inc.*       | 1,738  | 50,628           | Unisys Corp.*  | 9,733  | 117,088          |
|                                     |        | <b>7,357,715</b> | Verra Mobility Corp.*                                    | 21,295 | 334,544          |
|                                     |        |                  |  |        | <b>7,460,470</b> |
| <b>IT Services 2.2%</b>             |        |                  | <b>Semiconductors &amp; Semiconductor Equipment 2.8%</b> |        |                  |
| AvidXchange Holdings, Inc.*         | 21,359 | 131,144          | Acm Research, Inc. "A"*                                  | 6,984  | 117,541          |
| BigCommerce Holdings, Inc.*         | 9,337  | 151,259          | Alpha & Omega Semiconductor Ltd.*                        | 3,165  | 105,521          |
| Bread Financial Holdings, Inc.      | 7,287  | 270,056          | Ambarella, Inc.*   | 5,323  | 348,444          |
| Brightcove, Inc.*                   | 6,293  | 39,772           | Amkor Technology, Inc.                                   | 14,789 | 250,674          |
| Cantaloupe, Inc.*                   | 8,950  | 50,120           | Atomera, Inc.*   | 2,972  | 27,877           |
| Cass Information Systems, Inc.      | 1,943  | 65,673           | Axcelis Technologies, Inc.*                              | 4,735  | 259,667          |
| Cerberus Cyber Sentinel Corp.*      | 6,661  | 23,980           | AXT, Inc.*   | 6,078  | 35,617           |
| Conduent, Inc.*                     | 24,202 | 104,553          | CEVA, Inc.*  | 3,280  | 110,077          |
| Core Scientific, Inc.* (a)          | 31,837 | 47,437           | CMC Materials, Inc.                                      | 4,160  | 725,878          |
| CSG Systems International, Inc.     | 4,678  | 279,183          | Cohu, Inc.*  | 6,966  | 193,307          |
| Cyxta Technologies, Inc.*           | 6,206  | 70,376           | Credo Technology Group Holding Ltd.*                     | 3,539  | 41,336           |
| DigitalOcean Holdings, Inc.*        | 11,123 | 460,047          | CyberOptics Corp.*                                       | 1,047  | 36,582           |
| Edgio, Inc.*                        | 20,668 | 47,743           | Diodes, Inc.*  | 6,471  | 417,833          |
| EVERTEC, Inc.                       | 8,770  | 323,438          | FormFactor, Inc.*  | 11,381 | 440,786          |
| Evo Payments, Inc. "A"*             | 6,913  | 162,594          | Ichor Holdings Ltd.*                                     | 4,094  | 106,362          |
| ExlService Holdings, Inc.*          | 4,729  | 696,724          | Impinj, Inc.*  | 3,062  | 179,648          |
| Fastly, Inc. "A"*                   | 16,248 | 188,639          | Indie Semiconductor, Inc. "A"*                           | 14,530 | 82,821           |
| Flywire Corp.*                      | 7,952  | 140,194          | Kulicke & Soffa Industries, Inc.                         | 8,475  | 362,815          |
| Grid Dynamics Holdings, Inc.*       | 7,086  | 119,187          | MACOM Technology Solutions Holdings, Inc.*               | 7,392  | 340,771          |
| I3 Verticals, Inc. "A"*             | 3,295  | 82,441           | MaxLinear, Inc.*   | 10,396 | 353,256          |
| IBEX Holdings Ltd.*                 | 973    | 16,415           | NeoPhotonics Corp.*                                      | 7,624  | 119,926          |
| Information Services Group, Inc.    | 5,187  | 35,064           | Onto Innovation, Inc.*                                   | 7,201  | 502,198          |
| International Money Express, Inc.*  | 4,656  | 95,308           | PDF Solutions, Inc.*                                     | 4,302  | 92,536           |
| Marqeta, Inc. "A"*                  | 63,263 | 513,063          | Photronics, Inc.*  | 8,661  | 168,716          |
| Maximus, Inc.                       | 8,960  | 560,090          | Power Integrations, Inc.                                 | 8,433  | 632,559          |
| MoneyGram International, Inc.*      | 13,866 | 138,660          | Rambus, Inc.*  | 16,071 | 345,366          |
| Paya Holdings, Inc.*                | 12,650 | 83,111           | Rigetti Computing, Inc.*                                 | 4,660  | 17,102           |
| Payoneer Global, Inc.*              | 31,519 | 123,554          | Rockley Photonics Holdings Ltd.*                         | 14,815 | 32,297           |
| Paysafe Ltd.*                       | 49,179 | 95,899           | Semtech Corp.*   | 9,229  | 507,318          |
| Perficient, Inc.*                   | 4,982  | 456,800          | Silicon Laboratories, Inc.*                              | 5,293  | 742,184          |
| PFSweb, Inc.*                       | 2,414  | 28,389           | SiTime Corp.*  | 2,335  | 380,675          |
| Priority Technology Holdings, Inc.* | 2,596  | 8,567            | SkyWater Technology, Inc.*                               | 1,919  | 11,552           |
| Rackspace Technology, Inc.* (a)     | 8,261  | 59,231           | SMART Global Holdings, Inc.*                             | 7,195  | 117,782          |
| Remitly Global, Inc.*               | 12,251 | 93,843           | SunPower Corp.*  | 11,821 | 186,890          |
| Repay Holdings Corp.*               | 12,725 | 163,516          | Synaptics, Inc.*   | 5,782  | 682,565          |
|                                     |        |                  | Transphorm, Inc.*  | 3,124  | 11,902           |

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

|                                      | Shares | Value (\$)       |  | Shares | Value (\$) |
|--------------------------------------|--------|------------------|--|--------|------------|
| Ultra Clean Holdings, Inc.*          | 6,659  | 198,238          | Instructure Holdings, Inc.*            | 2,511  | 57,000     |
| Veeco Instruments, Inc.*             | 7,240  | 140,456          | Intapp, Inc.*                          | 2,038  | 29,836     |
|                                      |        | <b>9,427,075</b> | InterDigital, Inc.                     | 4,493  | 273,174    |
| <b>Software 5.2%</b>                 |        |                  | Ironnet, Inc.*                         | 9,422  | 20,823     |
| 8x8, Inc.*                           | 15,712 | 80,917           | Kaleyra, Inc.*                         | 4,216  | 8,601      |
| A10 Networks, Inc.                   | 9,634  | 138,537          | Knowbe4, Inc. "A"*                     | 10,615 | 165,806    |
| ACI Worldwide, Inc.*                 | 16,688 | 432,052          | Latch, Inc.*                           | 10,169 | 11,593     |
| Agilysys, Inc.*                      | 2,856  | 135,003          | LivePerson, Inc.*                      | 10,230 | 144,652    |
| Alarm.com Holdings, Inc.*            | 7,046  | 435,866          | LiveRamp Holdings, Inc.*               | 9,820  | 253,454    |
| Alkami Technology, Inc.*             | 5,221  | 72,520           | Livevox Holdings, Inc.*                | 3,226  | 5,355      |
| Altair Engineering, Inc. "A"*        | 7,576  | 397,740          | Marathon Digital Holdings, Inc.* (a)   | 14,923 | 79,689     |
| American Software, Inc. "A"          | 4,694  | 75,855           | Matterport, Inc.*                      | 31,886 | 116,703    |
| Amplitude, Inc. "A"* (a)             | 8,147  | 116,421          | MeridianLink, Inc.*                    | 3,229  | 53,924     |
| Appfolio, Inc. "A"*                  | 2,765  | 250,620          | MicroStrategy, Inc. "A"* (a)           | 1,364  | 224,105    |
| Appian Corp.*                        | 5,831  | 276,156          | Mitek Systems, Inc.*                   | 5,880  | 54,331     |
| Arteris, Inc.*                       | 2,460  | 17,146           | Model N, Inc.*                         | 5,273  | 134,883    |
| Asana, Inc. "A"*                     | 10,626 | 186,805          | Momentive Global, Inc.*                | 19,346 | 170,245    |
| Avaya Holdings Corp.*                | 12,302 | 27,556           | N-able, Inc.*                          | 9,936  | 89,424     |
| Avepoint, Inc.*                      | 18,764 | 81,436           | Nextnav, Inc.*                         | 7,065  | 16,038     |
| Benefitfocus, Inc.*                  | 3,761  | 29,261           | Olo, Inc. "A"* (a)                     | 13,097 | 129,267    |
| Blackbaud, Inc.*                     | 6,771  | 393,192          | ON24, Inc.*                            | 6,055  | 57,462     |
| Blackline, Inc.*                     | 8,068  | 537,329          | OneSpan, Inc.*                         | 5,835  | 69,436     |
| Blend Labs, Inc. "A"*                | 26,933 | 63,562           | PagerDuty, Inc.*                       | 12,412 | 307,569    |
| Box, Inc. "A"*                       | 18,822 | 473,185          | Ping Identity Holding Corp.*           | 11,261 | 204,275    |
| BTRS Holdings, Inc. "A"*             | 14,729 | 73,350           | Progress Software Corp.                | 6,387  | 289,331    |
| C3.ai, Inc. "A"*                     | 10,020 | 182,965          | PROS Holdings, Inc.*                   | 5,881  | 154,259    |
| Cerence, Inc.*                       | 5,770  | 145,577          | Q2 Holdings, Inc.*                     | 8,121  | 313,227    |
| ChannelAdvisor Corp.*                | 4,451  | 64,896           | Qualys, Inc.*                          | 5,694  | 718,241    |
| Cipher Mining, Inc.*                 | 5,601  | 7,673            | Rapid7, Inc.*                          | 8,465  | 565,462    |
| Cleanspark, Inc.* (a)                | 6,063  | 23,767           | Rimini Street, Inc.*                   | 6,723  | 40,405     |
| Clear Secure, Inc. "A"* (a)          | 9,068  | 181,360          | Riot Blockchain, Inc.* (a)             | 17,039 | 71,393     |
| CommVault Systems, Inc.*             | 6,496  | 408,598          | Sailpoint Technologies Holdings, Inc.* | 13,556 | 849,690    |
| Consensus Cloud Solutions, Inc.*     | 2,330  | 101,774          | Sapiens International Corp. NV         | 4,470  | 108,129    |
| Couchbase, Inc.*                     | 3,857  | 63,332           | SecureWorks Corp. "A"*                 | 1,587  | 17,235     |
| CS Disco, Inc.*                      | 3,240  | 58,450           | ShotSpotter, Inc.*                     | 1,228  | 33,045     |
| Cvent Holding Corp.* (a)             | 12,242 | 56,558           | Sprout Social, Inc. "A"*               | 6,718  | 390,114    |
| Digimarc Corp.*                      | 1,872  | 26,470           | SPS Commerce, Inc.*                    | 5,289  | 597,921    |
| Digital Turbine, Inc.*               | 13,529 | 236,352          | Sumo Logic, Inc.*                      | 12,684 | 95,003     |
| Domo, Inc. "B"*                      | 4,423  | 122,959          | Telos Corp.*                           | 7,840  | 63,347     |
| Duck Creek Technologies, Inc.*       | 11,253 | 167,107          | Tenable Holdings, Inc.*                | 16,025 | 727,695    |
| E2open Parent Holdings, Inc.*        | 29,281 | 227,806          | Terawulf, Inc.*                        | 3,043  | 3,652      |
| Ebix, Inc. (a)                       | 3,736  | 63,138           | Upland Software, Inc.*                 | 4,242  | 61,594     |
| eGain Corp.*                         | 2,965  | 28,909           | UserTesting, Inc.*                     | 6,885  | 34,563     |
| Enfusion, Inc. "A"*                  | 3,838  | 39,186           | Varonis Systems, Inc.*                 | 15,889 | 465,865    |
| EngageSmart, Inc.*                   | 5,084  | 81,751           | Verint Systems, Inc.*                  | 9,277  | 392,881    |
| Envestnet, Inc.*                     | 8,058  | 425,221          | Veritone, Inc.*                        | 4,312  | 28,157     |
| Everbridge, Inc.*                    | 5,766  | 160,814          | Viant Technology, Inc. "A"*            | 1,751  | 8,895      |
| EverCommerce, Inc.*                  | 3,515  | 31,776           | Vonage Holdings Corp.*                 | 37,501 | 706,519    |
| ForgeRock, Inc. "A"*                 | 4,062  | 87,008           | Weave Communications, Inc.*            | 767    | 2,332      |
| Greenidge Generation Holdings, Inc.* | 1,861  | 4,727            | WM Technology, Inc.*                   | 10,447 | 34,371     |
| GTY Technology Holdings, Inc.*       | 5,934  | 37,147           | Workiva, Inc.*                         | 6,949  | 458,565    |
|                                      |        |                  | Xperi Holding Corp.                    | 15,177 | 219,004    |

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

|  | Shares | Value (\$)        |  | Shares | Value (\$)       |
|--|--------|-------------------|--|--------|------------------|
| Yext, Inc.*  | 17,486 | 83,583            | Sensient Technologies Corp.                              | 6,124  | 493,349          |
| Zeta Global Holdings Corp.<br>"A"*                         | 4,528  | 20,467            | Stepan Co.   | 3,122  | 316,415          |
| Zuora, Inc. "A"*   | 16,464 | 147,353           | Tredegar Corp.   | 4,170  | 41,700           |
|  |        | <b>17,709,773</b> | Trinseo PLC  | 5,269  | 202,646          |
|  |        |                   | Tronox Holdings PLC "A"                                  | 17,099 | 287,263          |
|  |        |                   | Valhi, Inc.  | 300    | 13,602           |
| <b>Technology Hardware, Storage &amp; Peripherals 0.3%</b> |        |                   |  |        | <b>7,214,578</b> |
| 3D Systems Corp.*  | 18,478 | 179,236           | <b>Construction Materials 0.1%</b>                       |        |                  |
| Avid Technology, Inc.*                                     | 5,245  | 136,108           | Summit Materials, Inc. "A"*                              | 17,284 | 402,544          |
| Composecure, Inc.*   | 1,119  | 5,819             | United States Lime & Minerals, Inc.                      | 300    | 31,680           |
| Corsair Gaming, Inc.*                                      | 5,580  | 73,265            |  |        | <b>434,224</b>   |
| Diebold Nixdorf, Inc.*                                     | 10,572 | 23,998            | <b>Containers &amp; Packaging 0.3%</b>                   |        |                  |
| Eastman Kodak Co.*   | 8,309  | 38,554            | Cryptyde, Inc.*  | 2,672  | 5,423            |
| Ionq, Inc.* (a)  | 17,305 | 75,796            | Greif, Inc. "A"  | 3,787  | 236,233          |
| Super Micro Computer, Inc.*                                | 6,577  | 265,382           | Greif, Inc. "B"  | 768    | 47,839           |
| Turtle Beach Corp.*  | 2,183  | 26,698            | Myers Industries, Inc.                                   | 5,301  | 120,492          |
| Xerox Holding Corp.  | 16,662 | 247,431           | O-I Glass, Inc.*   | 22,844 | 319,816          |
|  |        | <b>1,072,287</b>  | Pactiv Evergreen, Inc.                                   | 6,064  | 60,397           |
| <b>Materials 4.0%</b>                                      |        |                   | Ranpak Holdings Corp.*                                   | 6,325  | 44,275           |
| <b>Chemicals 2.1%</b>                                      |        |                   | TriMas Corp.   | 6,152  | 170,349          |
| AdvanSix, Inc.   | 3,966  | 132,623           |  |        | <b>1,004,824</b> |
| American Vanguard Corp.                                    | 4,252  | 95,032            | <b>Metals &amp; Mining 1.4%</b>                          |        |                  |
| Amyris, Inc.* (a)  | 29,594 | 54,749            | 5e Advanced Materials, Inc.* (a)                         | 4,703  | 57,282           |
| Aspen Aerogels, Inc.*                                      | 3,986  | 39,382            | Allegheny Technologies, Inc.*                            | 18,085 | 410,710          |
| Avient Corp.   | 13,270 | 531,862           | Alpha Metallurgical Resources, Inc.                      | 2,606  | 336,513          |
| Balchem Corp.  | 4,649  | 603,161           | Arconic Corp.*   | 15,417 | 432,447          |
| Cabot Corp.  | 8,110  | 517,337           | Carpenter Technology Corp.                               | 6,993  | 195,175          |
| Chase Corp.  | 1,076  | 83,724            | Century Aluminum Co.*                                    | 7,661  | 56,462           |
| Danimer Scientific, Inc.* (a)                              | 12,799 | 58,363            | Coeur Mining, Inc.*                                      | 40,515 | 123,166          |
| Diversey Holdings Ltd.*                                    | 11,369 | 75,035            | Commercial Metals Co.                                    | 17,594 | 582,361          |
| Ecovyst, Inc.  | 9,329  | 91,891            | Compass Minerals International, Inc.                     | 4,958  | 175,464          |
| FutureFuel Corp.   | 3,994  | 29,076            | Constellium SE*  | 18,050 | 238,440          |
| GCP Applied Technologies, Inc.*                            | 7,262  | 227,155           | Dakota Gold Corp.*                                       | 7,375  | 24,706           |
| H.B. Fuller Co.  | 7,745  | 466,326           | Ferroglobe Representation & Warranty Insurance Trust (b) | 12,466 | 0                |
| Hawkins, Inc.  | 2,832  | 102,037           | Haynes International, Inc.                               | 1,818  | 59,576           |
| Ingevity Corp.*  | 5,670  | 358,004           | Hecla Mining Co.   | 77,890 | 305,329          |
| Innospec, Inc.   | 3,607  | 345,515           | Hycroft Mining Holding Corp.*                            | 21,852 | 24,256           |
| Intrepid Potash, Inc.*                                     | 1,626  | 73,642            | Kaiser Aluminum Corp.                                    | 2,285  | 180,721          |
| Koppers Holdings, Inc.                                     | 2,955  | 66,901            | Materion Corp.   | 2,959  | 218,167          |
| Kronos Worldwide, Inc.                                     | 3,132  | 57,629            | Novagold Resources, Inc.*                                | 35,284 | 169,716          |
| Livent Corp.*  | 23,626 | 536,074           | Olympic Steel, Inc.                                      | 1,438  | 37,028           |
| LSB Industries, Inc.*                                      | 4,628  | 64,144            | Piedmont Lithium, Inc.* (a)                              | 2,531  | 92,154           |
| Minerals Technologies, Inc.                                | 4,782  | 293,328           | PolyMet Mining Corp.*                                    | 4,457  | 12,257           |
| Origin Materials, Inc.*                                    | 15,504 | 79,380            | Ramaco Resources, Inc.                                   | 3,261  | 42,882           |
| Orion Engineered Carbons SA                                | 8,752  | 135,919           | Ryerson Holding Corp.                                    | 2,428  | 51,692           |
| Perimeter Solutions SA*                                    | 17,753 | 192,442           | Schnitzer Steel Industries, Inc. "A"                     | 3,775  | 123,971          |
| PureCycle Technologies, Inc.* (a)                          | 15,485 | 114,899           |  |        |                  |
| Quaker Chemical Corp.                                      | 1,960  | 293,059           |  |        |                  |
| Rayonier Advanced Materials, Inc.*                         | 9,680  | 25,362            |  |        |                  |
| Schweitzer-Mauduit International, Inc.                     | 4,600  | 115,552           |  |        |                  |

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

|  | Shares | Value (\$)       |   | Shares | Value (\$) |
|--|--------|------------------|---|--------|------------|
| SunCoke Energy, Inc.                                     | 12,238 | 83,341           | Equity Commonwealth*                    | 15,733 | 433,130    |
| TimkenSteel Corp.*                                       | 6,836  | 127,901          | Essential Properties Realty Trust, Inc. | 19,012 | 408,568    |
| Warrior Met Coal, Inc.                                   | 7,442  | 227,800          | Farmland Partners, Inc.                 | 6,684  | 92,239     |
| Worthington Industries, Inc.                             | 4,632  | 204,271          | Four Corners Property Trust, Inc.       | 11,727 | 311,821    |
|  |        | <b>4,593,788</b> | Franklin Street Properties Corp.        | 14,422 | 60,140     |
| <b>Paper &amp; Forest Products 0.1%</b>                  |        |                  | Getty Realty Corp.                      | 6,164  | 163,346    |
| Clearwater Paper Corp.*                                  | 2,403  | 80,813           | Gladstone Commercial Corp.              | 5,693  | 107,256    |
| Glatfelter Corp.   | 6,283  | 43,227           | Gladstone Land Corp.                    | 4,671  | 103,509    |
| Neenah, Inc.   | 2,508  | 85,623           | Global Medical REIT, Inc.               | 8,923  | 100,205    |
| Resolute Forest Products, Inc.*                          | 6,702  | 85,517           | Global Net Lease, Inc.                  | 15,240 | 215,798    |
| Sylvamo Corp.  | 5,175  | 169,119          | Healthcare Realty Trust, Inc.           | 22,094 | 600,957    |
|  |        | <b>464,299</b>   | Hersha Hospitality Trust*               | 4,795  | 47,039     |
| <b>Real Estate 7.2%</b>                                  |        |                  | Independence Realty Trust, Inc.         | 32,321 | 670,014    |
| <b>Equity Real Estate Investment Trusts (REITs) 6.4%</b> |        |                  | Indus Realty Trust, Inc.                | 761    | 45,173     |
| Acadia Realty Trust                                      | 13,569 | 211,948          | Industrial Logistics Properties Trust   | 9,332  | 131,395    |
| Agree Realty Corp.                                       | 10,833 | 781,384          | Innovative Industrial Properties, Inc.  | 4,045  | 444,424    |
| Alexander & Baldwin, Inc.                                | 10,622 | 190,665          | Inventrust Properties Corp. (a)         | 9,878  | 254,754    |
| Alexander's, Inc.  | 322    | 71,536           | iStar, Inc.                             | 9,826  | 134,715    |
| American Assets Trust, Inc.                              | 7,164  | 212,771          | Kite Realty Group Trust                 | 31,739 | 548,767    |
| Apartment Investment and Management Co. "A"*             | 21,813 | 139,603          | LTC Properties, Inc.                    | 5,649  | 216,865    |
| Apple Hospitality REIT, Inc.                             | 31,347 | 459,861          | LXP Industrial Trust                    | 41,083 | 441,231    |
| Armada Hoffler Properties, Inc.                          | 9,848  | 126,448          | National Health Investors, Inc.         | 6,422  | 389,237    |
| Ashford Hospitality Trust, Inc.*                         | 4,985  | 29,810           | Necessity Retail REIT, Inc.             | 19,520 | 142,106    |
| Bluerock Residential Growth REIT, Inc.                   | 4,181  | 109,919          | NETSTREIT Corp.                         | 7,017  | 132,411    |
| Braemar Hotels & Resorts, Inc.                           | 9,986  | 42,840           | NexPoint Residential Trust, Inc.        | 3,336  | 208,533    |
| Brandywine Realty Trust                                  | 24,493 | 236,113          | Office Properties Income Trust          | 6,956  | 138,772    |
| Broadstone Net Lease, Inc.                               | 24,671 | 506,002          | One Liberty Properties, Inc.            | 2,425  | 63,002     |
| BRT Apartments Corp.                                     | 1,764  | 37,908           | Orion Office REIT, Inc.                 | 8,302  | 90,990     |
| CareTrust REIT, Inc.                                     | 14,066 | 259,377          | Outfront Media, Inc.                    | 21,325 | 361,459    |
| CatchMark Timber Trust, Inc. "A"                         | 7,073  | 71,154           | Paramount Group, Inc.                   | 27,125 | 196,114    |
| Cbl & Associates Properties, Inc.*                       | 3,873  | 90,977           | Pebblebrook Hotel Trust                 | 18,834 | 312,079    |
| Cedar Realty Trust, Inc.                                 | 1,565  | 45,056           | Phillips Edison & Co., Inc. (a)         | 16,666 | 556,811    |
| Centerspace  | 2,240  | 182,672          | Physicians Realty Trust                 | 32,820 | 572,709    |
| Chatham Lodging Trust*                                   | 7,225  | 75,501           | Piedmont Office Realty Trust, Inc. "A"  | 17,880 | 234,586    |
| City Office REIT, Inc.                                   | 6,317  | 81,805           | Plymouth Industrial REIT, Inc.          | 5,485  | 96,207     |
| Clipper Realty, Inc.                                     | 1,682  | 12,985           | Postal Realty Trust, Inc. "A"           | 2,548  | 37,965     |
| Community Healthcare Trust, Inc.                         | 3,411  | 123,512          | PotlatchDeltic Corp.                    | 9,973  | 440,707    |
| Corporate Office Properties Trust                        | 16,421 | 430,066          | PS Business Parks, Inc.                 | 2,956  | 553,215    |
| CTO Realty Growth, Inc.                                  | 809    | 49,446           | Retail Opportunity Investments Corp.    | 17,565 | 277,176    |
| DiamondRock Hospitality Co.*                             | 30,545 | 250,774          | RLJ Lodging Trust                       | 23,942 | 264,080    |
| Diversified Healthcare Trust                             | 35,482 | 64,577           | RPT Realty                              | 12,132 | 119,258    |
| Easterly Government Properties, Inc.                     | 13,289 | 253,023          | Ryman Hospitality Properties, Inc.*     | 7,841  | 596,151    |
| Empire State Realty Trust, Inc. "A"                      | 20,077 | 141,141          | Sabra Health Care REIT, Inc.            | 33,804 | 472,242    |
|  |        |                  | Safehold, Inc.                          | 3,202  | 113,255    |

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

|  | Shares | Value (\$)        |   | Shares | Value (\$)         |
|--|--------|-------------------|---|--------|--------------------|
| Saul Centers, Inc.                                   | 1,716  | 80,841            | <b>Utilities 3.5%</b>   |        |                    |
| Service Properties Trust                             | 24,440 | 127,821           | <b>Electric Utilities 0.8%</b>                                      |        |                    |
| SITE Centers Corp.                                   | 28,364 | 382,063           | ALLETE, Inc.  | 8,353  | 490,989            |
| STAG Industrial, Inc.                                | 26,296 | 812,021           | MGE Energy, Inc.  | 5,314  | 413,589            |
| Summit Hotel Properties, Inc.*                       | 15,011 | 109,130           | Otter Tail Corp.  | 6,007  | 403,250            |
| Sunstone Hotel Investors, Inc.*                      | 31,334 | 310,833           | PNM Resources, Inc.   | 12,459 | 595,291            |
| Tanger Factory Outlet Centers, Inc.                  | 14,773 | 210,072           | Portland General Electric Co.                                       | 13,049 | 630,658            |
| Terreno Realty Corp.                                 | 10,800 | 601,884           | Via Renewables, Inc.  | 2,030  | 15,550             |
| The Macerich Co.                                     | 31,254 | 272,222           |   |        | <b>2,549,327</b>   |
| UMH Properties, Inc.                                 | 7,214  | 127,399           | <b>Gas Utilities 1.3%</b>   |        |                    |
| Uniti Group, Inc.                                    | 34,581 | 325,753           | Brookfield Infrastructure Corp. "A" (a)                             | 14,278 | 606,815            |
| Universal Health Realty Income Trust                 | 1,912  | 101,738           | Chesapeake Utilities Corp.  | 2,533  | 328,150            |
| Urban Edge Properties                                | 16,668 | 253,520           | New Jersey Resources Corp.  | 14,041 | 625,246            |
| Urstadt Biddle Properties, Inc. "A"                  | 4,280  | 69,336            | Northwest Natural Holding Co.                                       | 4,979  | 264,385            |
| Veris Residential, Inc.*                             | 12,513 | 165,672           | ONE Gas, Inc.   | 7,848  | 637,179            |
| Washington Real Estate Investment Trust              | 12,676 | 270,126           | South Jersey Industries, Inc.                                       | 17,904 | 611,243            |
| Whitestone REIT                                      | 6,984  | 75,078            | Southwest Gas Holdings, Inc.  | 9,628  | 838,406            |
| Xenia Hotels & Resorts, Inc.*                        | 16,510 | 239,890           | Spire, Inc.   | 7,439  | 553,238            |
|  |        | <b>21,724,684</b> |   |        | <b>4,464,662</b>   |
| <b>Real Estate Management &amp; Development 0.8%</b> |        |                   | <b>Independent Power &amp; Renewable Electricity Producers 0.4%</b> |        |                    |
| American Realty Investors, Inc.*                     | 292    | 4,144             | Altus Power, Inc.*  | 6,102  | 38,504             |
| Anywhere Real Estate, Inc.*                          | 16,692 | 164,082           | Clearway Energy, Inc. "A"   | 5,073  | 162,184            |
| Compass, Inc. "A"*                                   | 37,960 | 137,036           | Clearway Energy, Inc. "C"   | 11,961 | 416,721            |
| Cushman & Wakefield PLC*                             | 23,163 | 353,004           | Montauk Renewables, Inc.*   | 9,387  | 94,339             |
| DigitalBridge Group, Inc.*                           | 86,114 | 420,236           | Ormat Technologies, Inc.  | 6,613  | 518,129            |
| Doma Holdings, Inc.*                                 | 19,896 | 20,493            | Sunnova Energy International, Inc.*                                 | 14,466 | 266,608            |
| Douglas Elliman, Inc.                                | 11,066 | 53,006            |   |        | <b>1,496,485</b>   |
| eXp World Holdings, Inc.                             | 9,991  | 117,594           | <b>Multi-Utilities 0.5%</b>   |        |                    |
| Forestar Group, Inc.*                                | 2,712  | 37,127            | Avista Corp.  | 10,585 | 460,553            |
| FRP Holdings, Inc.*                                  | 975    | 58,841            | Black Hills Corp.   | 9,511  | 692,116            |
| Kennedy-Wilson Holdings, Inc.                        | 17,199 | 325,749           | NorthWestern Corp.  | 7,927  | 467,138            |
| Marcus & Millichap, Inc.                             | 3,630  | 134,274           | Unitil Corp.  | 2,299  | 134,997            |
| Newmark Group, Inc. "A"                              | 21,536 | 208,253           |   |        | <b>1,754,804</b>   |
| Offerpad Solutions, Inc.*                            | 9,912  | 21,608            | <b>Water Utilities 0.5%</b>   |        |                    |
| RE/MAX Holdings, Inc. "A"                            | 2,836  | 69,539            | American States Water Co.   | 5,384  | 438,850            |
| Redfin Corp.* (a)                                    | 15,261 | 125,751           | Artesian Resources Corp. "A"  | 1,180  | 58,021             |
| Seritage Growth Properties "A"*                      | 6,362  | 33,146            | California Water Service Group                                      | 7,873  | 437,345            |
| Stratus Properties, Inc.*                            | 861    | 27,746            | Global Water Resources, Inc.  | 1,707  | 22,549             |
| Tejon Ranch Co.*                                     | 2,939  | 45,613            | Middlesex Water Co.   | 2,531  | 221,918            |
| The RMR Group, Inc. "A"                              | 2,204  | 62,483            | Pure Cycle Corp.*   | 2,660  | 28,036             |
| The St. Joe Co.                                      | 5,071  | 200,609           | SJW Group   | 3,942  | 246,020            |
| Transcontinental Realty Investors, Inc.*             | 183    | 7,282             | York Water Co.  | 2,071  | 83,731             |
|  |        | <b>2,627,616</b>  |   |        | <b>1,536,470</b>   |
|  |        |                   | <b>Total Common Stocks</b> (Cost \$329,888,572)                     |        | <b>331,642,436</b> |

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



|                                     | Shares | Value (\$)   |
|-------------------------------------|--------|--------------|
| <b>Rights 0.0%</b>                  |        |              |
| <b>Health Care</b>                  |        |              |
| Aduro Biotech Holding Europe BV (b) | 2,328  | 0            |
| GTX, Inc. (a) (b)                   | 123    | 252          |
| Tobira Therapeutics, Inc. (b)       | 1,687  | 101          |
| Zogenix, Inc. (a) (b)               | 8,352  | 5,680        |
| <b>Total Rights</b> (Cost \$6,035)  |        | <b>6,033</b> |

|  | Principal Amount (\$) | Value (\$) |
|--|-----------------------|------------|
|--|-----------------------|------------|

### Government & Agency Obligations 0.5%

#### U.S. Treasury Obligations

|   |           |                  |
|---|-----------|------------------|
| U.S. Treasury Bills, 1.82% (c), 11/25/2022 (d) (Cost \$1,508,704) | 1,520,000 | <b>1,507,401</b> |
|---|-----------|------------------|

|  | Shares | Value (\$) |
|--|--------|------------|
|--|--------|------------|

### Securities Lending Collateral 3.6%

|  |            |                   |
|--|------------|-------------------|
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (e) (f) (Cost \$12,403,330) | 12,403,330 | <b>12,403,330</b> |
|--|------------|-------------------|

### Cash Equivalents 2.1%

|   |           |                  |
|---|-----------|------------------|
| DWS Central Cash Management Government Fund, 1.36% (e) (Cost \$7,197,272) | 7,197,272 | <b>7,197,272</b> |
|---|-----------|------------------|

|  | % of Net Assets | Value (\$) |
|--|-----------------|------------|
|--|-----------------|------------|

|  |       |                    |
|--|-------|--------------------|
| <b>Total Investment Portfolio</b> (Cost \$351,003,913) | 103.5 | <b>352,756,472</b> |
|--|-------|--------------------|

|  |       |                     |
|--|-------|---------------------|
| <b>Other Assets and Liabilities, Net</b> | (3.5) | <b>(12,021,295)</b> |
|--|-------|---------------------|

|                   |       |                    |
|-------------------|-------|--------------------|
| <b>Net Assets</b> | 100.0 | <b>340,735,177</b> |
|-------------------|-------|--------------------|

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at 12/31/2021   | Purchases Cost (\$) | Sales Proceeds (\$) | Net Realized Gain/(Loss) (\$) | Net Change in Unrealized Appreciation (Depreciation) (\$) | Income (\$)    | Capital Gain Distributions (\$) | Number of Shares at 6/30/2022 | Value (\$) at 6/30/2022 |
|--|---------------------|---------------------|-------------------------------|---|----------------|---------------------------------|-------------------------------|-------------------------|
| <b>Securities Lending Collateral 3.6%</b>  |                     |                     |                               |   |                |                                 |                               |                         |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (e) (f) |                     |                     |                               |   |                |                                 |                               |                         |
| 40,582,540   | —                   | 28,179,210 (g)      | —                             | —   | 135,112        | —                               | 12,403,330                    | 12,403,330              |
| <b>Cash Equivalents 2.1%</b>   |                     |                     |                               |   |                |                                 |                               |                         |
| DWS Central Cash Management Government Fund, 1.36% (e)   |                     |                     |                               |   |                |                                 |                               |                         |
| 11,652,393   | 33,714,163          | 38,169,284          | —                             | —   | 13,179         | —                               | 7,197,272                     | 7,197,272               |
| <b>52,234,933</b>  | <b>33,714,163</b>   | <b>66,348,494</b>   | <b>—</b>                      | <b>—</b>  | <b>148,291</b> | <b>—</b>                        | <b>19,600,602</b>             | <b>19,600,602</b>       |

\* Non-income producing security.

- (a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$11,782,245, which is 3.5% of net assets.
- (b) Investment was valued using significant unobservable inputs.
- (c) Annualized yield at time of purchase; not a coupon rate.
- (d) At June 30, 2022, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.
- (e) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (f) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates. In addition, the Fund held non-cash U.S. Treasury securities collateral having a value of \$1,107,124.
- (g) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

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

At June 30, 2022, open futures contracts purchased were as follows:

| <b>Futures</b>            | <b>Currency</b> | <b>Expiration Date</b> | <b>Contracts</b> | <b>Notional Amount (\$)</b> | <b>Notional Value (\$)</b> | <b>Unrealized Depreciation (\$)</b> |
|---------------------------|-----------------|------------------------|------------------|-----------------------------|----------------------------|-------------------------------------|
| Russell E-Mini 2000 Index | USD             | 9/16/2022              | 107              | 9,450,401                   | 9,137,800                  | <b>(312,601)</b>                    |

**Currency Abbreviation(s)**

USD United States Dollar

For information on the Fund's policy and additional disclosures regarding futures contracts, please refer to the Derivatives section of Note B in the accompanying Notes to Financial Statements.

**Fair Value Measurements**

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>                   | <b>Level 1</b>        | <b>Level 2</b>      | <b>Level 3</b>  | <b>Total</b>          |
|---------------------------------|-----------------------|---------------------|-----------------|-----------------------|
| Common Stocks (a)               | \$ 331,642,436        | \$ —                | \$ 0            | \$ 331,642,436        |
| Rights                          | —                     | —                   | 6,033           | 6,033                 |
| Government & Agency Obligations | —                     | 1,507,401           | —               | 1,507,401             |
| Short-Term Investments (a)      | 19,600,602            | —                   | —               | 19,600,602            |
| <b>Total</b>                    | <b>\$ 351,243,038</b> | <b>\$ 1,507,401</b> | <b>\$ 6,033</b> | <b>\$ 352,756,472</b> |
| <b>Liabilities</b>              | <b>Level 1</b>        | <b>Level 2</b>      | <b>Level 3</b>  | <b>Total</b>          |
| Derivatives (b)                 |                       |                     |                 |                       |
| Futures Contracts               | \$ (312,601)          | \$ —                | \$ —            | \$ (312,601)          |
| <b>Total</b>                    | <b>\$ (312,601)</b>   | <b>\$ —</b>         | <b>\$ —</b>     | <b>\$ (312,601)</b>   |

(a) See Investment Portfolio for additional detailed categorizations.

(b) Derivatives include unrealized appreciation (depreciation) on open futures contracts.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>   |                    |
|---|--------------------|
| Investments in non-affiliated securities, at value (cost \$331,403,311) — including \$11,782,245 of securities loaned | \$ 333,155,870     |
| Investment in DWS Government & Agency Securities Portfolio (cost \$12,403,330)*                                       | 12,403,330         |
| Investment in DWS Central Cash Management Government Fund (cost \$7,197,272)  | 7,197,272          |
| Receivable for investments sold   | 2,031,576          |
| Receivable for Fund shares sold   | 71,382             |
| Dividends receivable  | 344,426            |
| Interest receivable   | 35,302             |
| Other assets  | 3,797              |
| <b>Total assets</b>   | <b>355,242,955</b> |

| <b>Liabilities</b>                                |                       |
|---|-----------------------|
| Cash overdraft                                    | 1,753,496             |
| Payable upon return of securities loaned          | 12,403,330            |
| Payable for investments purchased                 | 64,729                |
| Payable for Fund shares redeemed                  | 22,604                |
| Payable for variation margin on futures contracts | 69,196                |
| Accrued management fee                            | 71,914                |
| Accrued Trustees' fees                            | 1,528                 |
| Other accrued expenses and payables               | 120,981               |
| <b>Total liabilities</b>                          | <b>14,507,778</b>     |
| <b>Net assets, at value</b>                       | <b>\$ 340,735,177</b> |

| <b>Net Assets Consist of</b>  |                       |
|-------------------------------|-----------------------|
| Distributable earnings (loss) | (546,954)             |
| Paid-in capital               | 341,282,131           |
| <b>Net assets, at value</b>   | <b>\$ 340,735,177</b> |

## Net Asset Value

### Class A

|  |                 |
|--|-----------------|
| <b>Net Asset Value</b> , offering and redemption price per share (\$307,427,332 ÷ 26,332,821 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 11.67</b> |
|--|-----------------|

### Class B

|  |                 |
|--|-----------------|
| <b>Net Asset Value</b> , offering and redemption price per share (\$33,307,845 ÷ 2,849,312 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 11.69</b> |
|--|-----------------|

\* Represents collateral on securities loaned. In addition, the Fund held non-cash collateral having a value of \$1,107,124.

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                        |
|--|------------------------|
| Income:  |                        |
| Dividends (net of foreign taxes withheld of \$2,540)                   | \$ 2,358,686           |
| Interest   | 2,146                  |
| Income distributions — DWS Central Cash Management Government Fund     | 13,179                 |
| Securities lending income, net of borrower rebates                     | 135,112                |
| <b>Total income</b>  | <b>2,509,123</b>       |
| Expenses:  |                        |
| Management fee   | 547,161                |
| Administration fee   | 189,552                |
| Services to shareholders   | 1,673                  |
| Record keeping fee (Class B)   | 9,327                  |
| Distribution service fee (Class B)                                     | 47,098                 |
| Custodian fee  | 9,791                  |
| Professional fees  | 33,369                 |
| Reports to shareholders  | 21,802                 |
| Trustees' fees and expenses  | 10,278                 |
| Other  | 10,489                 |
| <b>Total expenses before expense reductions</b>                        | <b>880,540</b>         |
| Expense reductions   | (64,977)               |
| <b>Total expenses after expense reductions</b>                         | <b>815,563</b>         |
| <b>Net investment income</b>   | <b>1,693,560</b>       |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                        |
| Net realized gain (loss) from:   |                        |
| Investments  | 5,443,956              |
| Futures  | (2,021,063)            |
|  | 3,422,893              |
| Change in net unrealized appreciation (depreciation) on:               |                        |
| Investments  | (111,087,798)          |
| Futures  | (466,516)              |
|  | (111,554,314)          |
| <b>Net gain (loss)</b>   | <b>(108,131,421)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(106,437,861)</b> |

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

# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 1,693,560  | \$ 3,091,785                       |
| Net realized gain (loss)  | 3,422,893   | 65,251,636                         |
| Change in net unrealized appreciation<br>(depreciation)               | (111,554,314)                                       | (9,537,761)                        |
| Net increase (decrease) in net assets resulting from operations       | (106,437,861)                                       | 58,805,660                         |
| Distributions to shareholders:  |   |                                    |
| Class A   | (61,220,052)  | (27,860,902)                       |
| Class B   | (6,528,743)   | (2,609,130)                        |
| Total distributions   | (67,748,795)  | (30,470,032)                       |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 22,406,395  | 98,120,413                         |
| Reinvestment of distributions   | 61,220,052  | 27,860,902                         |
| Payments for shares redeemed  | (44,753,154)  | (112,716,499)                      |
| Net increase (decrease) in net assets from Class A share transactions | 38,873,293  | 13,264,816                         |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 1,815,133   | 9,013,498                          |
| Reinvestment of distributions   | 6,528,743   | 2,609,130                          |
| Payments for shares redeemed  | (1,532,426)   | (8,406,842)                        |
| Net increase (decrease) in net assets from Class B share transactions | 6,811,450   | 3,215,786                          |
| <b>Increase (decrease) in net assets</b>                              | (128,501,913)                                       | 44,816,230                         |
| Net assets at beginning of period                                     | 469,237,090   | 424,420,860                        |
| <b>Net assets at end of period</b>                                    | <b>\$ 340,735,177</b>                               | <b>\$ 469,237,090</b>              |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 22,857,220  | 22,246,452                         |
| Shares sold   | 1,454,960   | 5,142,943                          |
| Shares issued to shareholders in reinvestment of distributions        | 4,749,422   | 1,466,363                          |
| Shares redeemed   | (2,728,781)   | (5,998,538)                        |
| Net increase (decrease) in Class A shares                             | 3,475,601   | 610,768                            |
| Shares outstanding at end of period                                   | <b>26,332,821</b>                                   | <b>22,857,220</b>                  |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 2,324,391   | 2,154,282                          |
| Shares sold   | 117,221   | 474,075                            |
| Shares issued to shareholders in reinvestment of distributions        | 505,712   | 137,106                            |
| Shares redeemed   | (98,012)  | (441,072)                          |
| Net increase (decrease) in Class B shares                             | 524,921   | 170,109                            |
| Shares outstanding at end of period                                   | <b>2,849,312</b>                                    | <b>2,324,391</b>                   |

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

# Financial Highlights

## DWS Small Cap Index VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|--|--|----------------|--------------------------|----------------|----------------|----------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$18.63</b>                             | <b>\$17.39</b> | <b>\$16.97</b>           | <b>\$14.97</b> | <b>\$18.29</b> | <b>\$16.78</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                           | .07  | .13            | .14                      | .17            | .19            | .17            |
| Net realized and unrealized gain (loss)                      | (4.20)                                     | 2.41           | 2.03                     | 3.49           | (2.06)         | 2.16           |
| <b>Total from investment operations</b>                      | <b>(4.13)</b>                              | <b>2.54</b>    | <b>2.17</b>              | <b>3.66</b>    | <b>(1.87)</b>  | <b>2.33</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                |
| Net investment income  | (.14)                                      | (.16)          | (.17)                    | (.18)          | (.18)          | (.17)          |
| Net realized gains   | (2.69)                                     | (1.14)         | (1.58)                   | (1.48)         | (1.27)         | (.65)          |
| <b>Total distributions</b>                                   | <b>(2.83)</b>                              | <b>(1.30)</b>  | <b>(1.75)</b>            | <b>(1.66)</b>  | <b>(1.45)</b>  | <b>(.82)</b>   |
| <b>Net asset value, end of period</b>                        | <b>\$11.67</b>                             | <b>\$18.63</b> | <b>\$17.39</b>           | <b>\$16.97</b> | <b>\$14.97</b> | <b>\$18.29</b> |
| Total Return (%) <sup>b</sup>                                | (23.58)*                                   | 14.50          | 19.43                    | 25.22          | (11.23)        | 14.33          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                      | 307  | 426            | 387                      | 353            | 308            | 360            |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .42**                                      | .47            | .50                      | .53            | .51            | .51            |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .39**                                      | .39            | .39                      | .39            | .41            | .44            |
| Ratio of net investment income (%)                           | .89**                                      | .69            | .99                      | 1.04           | 1.03           | 1.00           |
| Portfolio turnover rate (%)                                  | 10*  | 26             | 23                       | 22             | 17             | 15             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## DWS Small Cap Index VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                |                |                |
|--|--|----------------|--------------------------|----------------|----------------|----------------|
|  |  |                | 2020                     | 2019           | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$18.63</b>                             | <b>\$17.39</b> | <b>\$16.97</b>           | <b>\$14.97</b> | <b>\$18.28</b> | <b>\$16.77</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                |                |                |
| Net investment income <sup>a</sup>                           | .05  | .08            | .10                      | .12            | .14            | .13            |
| Net realized and unrealized gain (loss)                      | (4.20)                                     | 2.41           | 2.04                     | 3.49           | (2.05)         | 2.15           |
| <b>Total from investment operations</b>                      | <b>(4.15)</b>                              | <b>2.49</b>    | <b>2.14</b>              | <b>3.61</b>    | <b>(1.91)</b>  | <b>2.28</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                |                |                |
| Net investment income  | (.10)                                      | (.11)          | (.14)                    | (.13)          | (.13)          | (.12)          |
| Net realized gains   | (2.69)                                     | (1.14)         | (1.58)                   | (1.48)         | (1.27)         | (.65)          |
| <b>Total distributions</b>                                   | <b>(2.79)</b>                              | <b>(1.25)</b>  | <b>(1.72)</b>            | <b>(1.61)</b>  | <b>(1.40)</b>  | <b>(.77)</b>   |
| <b>Net asset value, end of period</b>                        | <b>\$11.69</b>                             | <b>\$18.63</b> | <b>\$17.39</b>           | <b>\$16.97</b> | <b>\$14.97</b> | <b>\$18.28</b> |
| Total Return (%) <sup>b</sup>                                | (23.69)*                                   | 14.18          | 19.09                    | 24.87          | (11.42)        | 14.03          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                |                |                |
| Net assets, end of period (\$ millions)                      | 33   | 43             | 37                       | 33             | 28             | 35             |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .72**                                      | .76            | .79                      | .81            | .80            | .78            |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .67**                                      | .67            | .66                      | .65            | .67            | .70            |
| Ratio of net investment income (%)                           | .62**                                      | .42            | .71                      | .76            | .77            | .76            |
| Portfolio turnover rate (%)                                  | 10*  | 26             | 23                       | 22             | 17             | 15             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

## A. Organization and Significant Accounting Policies

Deutsche DWS Investments VIT Funds (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Trust is organized as a Massachusetts business trust. DWS Small Cap Index VIP (the "Fund") is a diversified series of the Trust offered to investors. The Fund is an underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1.

Debt securities are valued at prices supplied by independent pricing services approved by the Fund's Board. If the pricing services are unable to provide valuations, securities are valued at the most recent bid quotation or evaluated price, as applicable, obtained from one or more broker-dealers. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. These securities are generally categorized as Level 2.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Futures contracts are generally valued at the settlement prices established each day on the exchange on which they are traded and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or

issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund's Investment Portfolio.

**Securities Lending.** Brown Brothers Harriman & Co., as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of cash and/or U.S. Treasury Securities having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had securities on loan. The value of the related collateral exceeded the value of the securities loaned at period end.

**Remaining Contractual Maturity of the Agreements** as of June 30, 2022

|  | Overnight<br>and<br>Continuous | <30 days    | Between 30<br>& 90 days | >90 days            | Total                |
|--|--------------------------------|-------------|-------------------------|---------------------|----------------------|
| <b>Securities Lending Transactions</b> |                                |             |                         |                     |                      |
| Common Stocks                          | \$ 12,177,983                  | \$ —        | \$ —                    | \$ 1,107,124        | \$ 13,285,107        |
| Rights                                 | 225,347                        | —           | —                       | —                   | 225,347              |
| <b>Total Borrowings</b>                | <b>\$ 12,403,330</b>           | <b>\$ —</b> | <b>\$ —</b>             | <b>\$ 1,107,124</b> | <b>\$ 13,510,454</b> |

Gross amount of recognized liabilities and non-cash collateral for securities lending transactions: \$ 13,510,454

**Federal Income Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$357,911,920. The net unrealized depreciation for all investments based on tax cost was \$5,155,448. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$67,819,459 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$72,974,907.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of



available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to income received from passive foreign investment companies, investments in futures contracts, certain securities sold at a loss and the realized tax character on distributions from certain securities. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Real Estate Investment Trusts.** The Fund at its fiscal year end recharacterizes distributions received from a Real Estate Investment Trust ("REIT") investment based on information provided by the REIT into the following categories: ordinary income, long-term and short-term capital gains, and return of capital. If information is not available timely from a REIT, the recharacterization will be estimated for financial reporting purposes and a recharacterization will be made to the accounting records in the following year when such information becomes available. Distributions received from REITs in excess of income are recorded as either a reduction of cost of investments or realized gains.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## **B. Derivative Instruments**

A futures contract is an agreement between a buyer or seller and an established futures exchange or its clearinghouse in which the buyer or seller agrees to take or make a delivery of a specific amount of a financial instrument at a specified price on a specific date (settlement date). For the six months ended June 30, 2022, the Fund invested in futures to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the stock market.

Upon entering into a futures contract, the Fund is required to deposit with a financial intermediary cash or securities ("initial margin") in an amount equal to a certain percentage of the face value indicated in the futures contract. Subsequent payments ("variation margin") are made or received by the Fund dependent upon the daily fluctuations in the value and are recorded for financial reporting purposes as unrealized gains or losses by the Fund. Gains or losses are realized when the contract expires or is closed. Since all futures contracts are exchange-traded, counterparty risk is minimized as the exchange's clearinghouse acts as the counterparty, and guarantees the futures against default.

Certain risks may arise upon entering into futures contracts, including the risk that an illiquid market will limit the Fund's ability to close out a futures contract prior to the settlement date and the risk that the futures contract is not well correlated with the security, index or currency to which it relates. Risk of loss may exceed amounts recognized in the Statement of Assets and Liabilities.

A summary of the open futures contracts as of June 30, 2022, is included in a table following the Fund's Investment Portfolio. For the six months ended June 30, 2022, the investment in futures contracts purchased had a total notional value generally indicative of a range from approximately \$9,138,000 to \$13,569,000.

The following tables summarize the value of the Fund's derivative instruments held as of June 30, 2022 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

| <b>Liability Derivative</b> | <b>Futures Contracts</b> |
|-----------------------------|--------------------------|
| Equity Contracts (a)        | \$ (312,601)             |

The above derivative is located in the following Statement of Assets and Liabilities account:

- (a) Includes cumulative depreciation of futures contracts as disclosed in the Investment Portfolio. Unsettled variation margin is disclosed separately within the Statement of Assets and Liabilities.

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Fund earnings during the six months ended June 30, 2022 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

| <b>Realized Gain (Loss)</b> | <b>Futures Contracts</b> |
|-----------------------------|--------------------------|
| Equity Contracts (a)        | \$ (2,021,063)           |

The above derivative is located in the following Statement of Operations account:

- (a) Net realized gain (loss) from futures contracts

| <b>Change in Net Unrealized Appreciation (Depreciation)</b> | <b>Futures Contracts</b> |
|---|--------------------------|
| Equity Contracts (a)  | \$ (466,516)             |

The above derivative is located in the following Statement of Operations account:

- (a) Change in net unrealized appreciation (depreciation) on futures contracts

### C. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$38,252,215 and \$55,215,458, respectively.

### D. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund or delegates such responsibility to the Fund's subadvisor. Northern Trust Investments, Inc. ("NTI") serves as subadvisor. As a subadvisor to the Fund, NTI makes investment decisions and buys and sells securities for the Fund. NTI is paid by the Advisor for the services NTI provides to the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays the Advisor an annual fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly at the annual rate (exclusive of any applicable waivers/reimbursements) of 0.28%.

For the period from January 1, 2022 through April 30, 2023 (through April 30, 2022 for Class B shares), the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |      |
|---------|------|
| Class A | .39% |
| Class B | .67% |

Effective May 1, 2022 through April 30, 2023, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of Class B shares to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) at 0.68%.

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for each class are as follows:

|         |                  |
|---------|------------------|
| Class A | \$ 55,861        |
| Class B | 9,116            |
|         | <b>\$ 64,977</b> |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$189,552, of which \$28,172 is unpaid.

**Distribution Service Agreement.** DWS Distributors, Inc. (“DDI”), an affiliate of the Advisor, is the Fund’s distributor. In accordance with the Distribution Plan, DDI receives 12b-1 fees of up to 0.25% of the average daily net assets of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee was as follows:

| <b>Distribution Service Fee</b> | <b>Total Aggregated</b> | <b>Unpaid at June 30, 2022</b> |
|---------------------------------|-------------------------|--------------------------------|
| Class B                         | \$ 47,098               | \$ 7,116                       |

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| <b>Services to Shareholders</b> | <b>Total Aggregated</b> | <b>Unpaid at June 30, 2022</b> |
|---------------------------------|-------------------------|--------------------------------|
| Class A                         | \$ 746                  | \$ 235                         |
| Class B                         | 142                     | 45                             |
|                                 | <b>\$ 888</b>           | <b>\$ 280</b>                  |

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$2,795, of which \$170 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

## E. Ownership of the Fund

At June 30, 2022, four participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 34%, 16%, 13% and 10%, respectively. Four participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 36%, 22%, 18% and 12%, respectively.

## **F. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

## **G. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund’s accounting and financial reporting.

## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 764.20      | \$ 763.10      |
| Expenses Paid per \$1,000*     | \$ 1.71        | \$ 2.93        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,022.86    | \$ 1,021.47    |
| Expenses Paid per \$1,000*         | \$ 1.96        | \$ 3.36        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b> | <b>Class A</b> | <b>Class B</b> |
|----------------------------------|----------------|----------------|
| DWS Small Cap Index VIP          | .39%           | .67%           |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Fund’s policies and procedures for voting proxies for portfolio securities and information about how the Fund voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Fund’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Small Cap Index VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) and sub-advisory agreement (the “Sub-Advisory Agreement” and together with the Agreement, the “Agreements”) between DIMA and Northern Trust Investments, Inc. (“NTI”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreements, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreements, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s and NTI’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreements, including the scope of advisory services provided under the Agreements. The Board noted that, under the Agreements, DIMA and NTI provide portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. Throughout the course of the year, the Board also received information regarding DIMA’s oversight of fund sub-advisors, including NTI. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that,

for the one-, three- and five-year periods ended December 31, 2020, the Fund's performance (Class A shares) was in the 2nd quartile, 2nd quartile and 1st quartile, respectively, of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers).

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, sub-advisory fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were higher than the median (4th quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that, effective October 1, 2021, in connection with the 2021 contract renewal process, DIMA agreed to reduce the Fund's contractual management fee by 0.07%. With respect to the sub-advisory fee paid to NTI, the Board noted that the fee is paid by DIMA out of its fee and not directly by the Fund. The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be higher than the median (3rd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds") and considered differences between the Fund and the comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA and NTI.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available. The Board did not consider the profitability of NTI with respect to the Fund. The Board noted that DIMA pays NTI's fee out of its management fee, and its understanding that the Fund's sub-advisory fee schedule was the product of an arm's length negotiation with DIMA.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. In this regard, the Board observed that while the Fund's current investment management fee schedule does not include breakpoints, the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and NTI and Their Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and NTI and their affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board



considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel. The Board also considered the attention and resources dedicated by DIMA to the oversight of the investment sub-advisor's compliance program and compliance with the applicable fund policies and procedures.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreements is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreements.

# Notes

# Notes



vit-scif-3 (R-028372-11 8/22)

June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series II

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**DWS Small Mid Cap Growth VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Stocks may decline in value. Smaller and medium company stocks tend to be more volatile than large company stocks. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE  
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

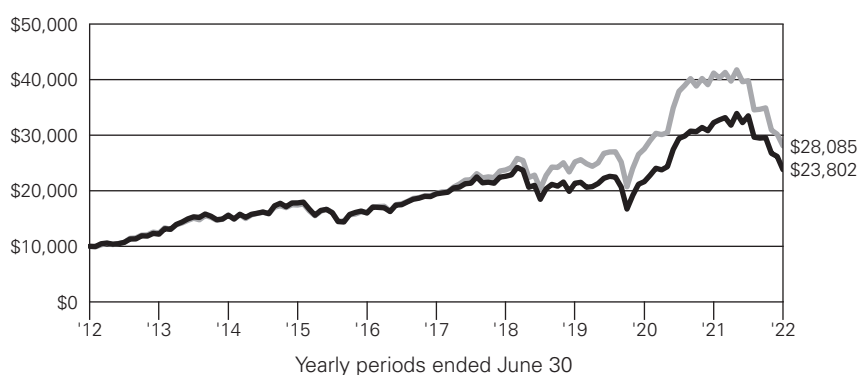
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns.

The gross expense ratio of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 is 0.78% for Class A shares and may differ from the expense ratio disclosed in the Financial Highlights table in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS Small Mid Cap Growth VIP — Class A  
 ■ Russell 2500™ Growth Index



The Russell 2500™ Growth Index is an unmanaged index that measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS Small Mid Cap Growth VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|------------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                      | Growth of \$10,000          | \$7,108              | \$7,378 | \$11,146 | \$12,242 | \$23,802 |
|                              | Average annual total return | -28.92%              | -26.22% | 3.68%    | 4.13%    | 9.06%    |
| Russell 2500 Growth Index    | Growth of \$10,000          | \$7,055              | \$6,819 | \$11,144 | \$14,375 | \$28,085 |
|                              | Average annual total return | -29.45%              | -31.81% | 3.68%    | 7.53%    | 10.88%   |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 95%            | 99%             |
| Cash Equivalents   | 5%             | 1%              |
| Exchange-Traded Funds  | —              | 0%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Investment Portfolio excluding Exchange-Traded Funds, Cash Equivalents and Securities Lending) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Information Technology  | 27%            | 28%             |
| Health Care   | 23%            | 26%             |
| Industrials   | 17%            | 16%             |
| Consumer Discretionary  | 12%            | 14%             |
| Financials  | 7%             | 5%              |
| Energy  | 4%             | 1%              |
| Real Estate   | 3%             | 3%              |
| Materials   | 3%             | 4%              |
| Consumer Staples  | 3%             | 2%              |
| Communication Services  | 1%             | 1%              |
|   | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Management Team

Peter Barsa, Senior Portfolio Manager Equity

Michael A. Sesser, CFA, Senior Portfolio Manager Equity

Portfolio Managers



# Investment Portfolio

as of June 30, 2022 (Unaudited)

|   | Shares | Value (\$)       |  | Shares | Value (\$)       |
|---|--------|------------------|--|--------|------------------|
| <b>Common Stocks 94.9%</b>                    |        |                  | <b>Financials 6.3%</b>                           |        |                  |
| <b>Communication Services 1.0%</b>            |        |                  | <b>Banks 2.9%</b>                                |        |                  |
| <b>Entertainment 0.5%</b>                     |        |                  | Pinnacle Financial Partners, Inc.                | 5,944  | 429,811          |
| Take-Two Interactive Software, Inc.*          | 2,174  | <b>266,380</b>   | South State Corp.                                | 4,704  | 362,913          |
| <b>Interactive Media &amp; Services 0.5%</b>  |        |                  | SVB Financial Group*                             | 742    | 293,082          |
| Cargurus, Inc.*                               | 11,963 | <b>257,085</b>   | Synovus Financial Corp.                          | 11,493 | 414,323          |
| <b>Consumer Discretionary 11.3%</b>           |        |                  |  |        | <b>1,500,129</b> |
| <b>Auto Components 0.9%</b>                   |        |                  | <b>Capital Markets 3.1%</b>                      |        |                  |
| Gentherm, Inc.*                               | 7,364  | <b>459,587</b>   | FactSet Research Systems, Inc.                   | 1,036  | 398,414          |
| <b>Diversified Consumer Services 0.6%</b>     |        |                  | Lazard Ltd. "A" (a)                              | 13,717 | 444,568          |
| Bright Horizons Family Solutions, Inc.*       | 3,398  | <b>287,199</b>   | LPL Financial Holdings, Inc.                     | 2,100  | 387,408          |
| <b>Hotels, Restaurants &amp; Leisure 2.1%</b> |        |                  | Moelis & Co. "A"                                 | 9,136  | 359,502          |
| Hilton Grand Vacations, Inc.*                 | 12,491 | 446,303          |  |        | <b>1,589,892</b> |
| Jack in the Box, Inc.                         | 7,892  | 442,426          | <b>Consumer Finance 0.3%</b>                     |        |                  |
| Light & Wonder, Inc. "A"*                     | 3,937  | 185,000          | Green Dot Corp. "A"*                             | 6,162  | <b>154,728</b>   |
|   |        | <b>1,073,729</b> | <b>Health Care 21.7%</b>                         |        |                  |
| <b>Household Durables 3.8%</b>                |        |                  | <b>Biotechnology 6.4%</b>                        |        |                  |
| Helen of Troy Ltd.*                           | 2,963  | 481,221          | Apellis Pharmaceuticals, Inc.*                   | 4,251  | 192,230          |
| iRobot Corp.*                                 | 6,273  | 230,533          | Beam Therapeutics, Inc.* (a)                     | 1,093  | 42,310           |
| LGI Homes, Inc.*                              | 3,489  | 303,194          | Biohaven Pharmaceutical Holding Co., Ltd.*       | 4,687  | 682,943          |
| TopBuild Corp.*                               | 5,673  | 948,298          | Blueprint Medicines Corp.*                       | 4,684  | 236,589          |
|   |        | <b>1,963,246</b> | Fate Therapeutics, Inc.*                         | 3,846  | 95,304           |
| <b>Leisure Products 1.3%</b>                  |        |                  | Global Blood Therapeutics, Inc.*                 | 4,524  | 144,542          |
| YETI Holdings, Inc.*                          | 15,522 | <b>671,637</b>   | Insmad, Inc.*                                    | 6,610  | 130,349          |
| <b>Specialty Retail 2.6%</b>                  |        |                  | Kiniksa Pharmaceuticals Ltd. "A"*                | 8,769  | 84,971           |
| Burlington Stores, Inc.*                      | 2,883  | 392,751          | Ligand Pharmaceuticals, Inc.*                    | 2,672  | 238,396          |
| Camping World Holdings, Inc. "A" (a)          | 22,907 | 494,562          | Neurocrine Biosciences, Inc.*                    | 7,085  | 690,646          |
| Leslie's, Inc.*                               | 2,799  | 42,489           | Traverse Therapeutics, Inc.*                     | 23,478 | 568,872          |
| National Vision Holdings, Inc.*               | 7,865  | 216,288          | Ultragenyx Pharmaceutical, Inc.*                 | 3,057  | 182,381          |
| The Children's Place, Inc.*                   | 4,788  | 186,349          |  |        | <b>3,289,533</b> |
|   |        | <b>1,332,439</b> | <b>Health Care Equipment &amp; Supplies 3.4%</b> |        |                  |
| <b>Consumer Staples 2.7%</b>                  |        |                  | Axonics, Inc.*                                   | 5,613  | 318,089          |
| <b>Food &amp; Staples Retailing 1.6%</b>      |        |                  | BioLife Solutions, Inc.*                         | 8,451  | 116,708          |
| Casey's General Stores, Inc.                  | 4,371  | <b>808,547</b>   | Globus Medical, Inc. "A"*                        | 4,024  | 225,907          |
| <b>Household Products 1.1%</b>                |        |                  | Haemonetics Corp.*                               | 1,353  | 88,188           |
| Spectrum Brands Holdings, Inc.                | 6,982  | <b>572,664</b>   | Masimo Corp.*                                    | 1,627  | 212,600          |
| <b>Energy 4.0%</b>                            |        |                  | Nevro Corp.*                                     | 1,428  | 62,589           |
| <b>Oil, Gas &amp; Consumable Fuels</b>        |        |                  | Omniceil, Inc.*                                  | 2,300  | 261,625          |
| Crescent Energy Co. "A" (a)                   | 6,384  | 79,673           | Outset Medical, Inc.*                            | 8,674  | 128,896          |
| Denbury, Inc.*                                | 7,100  | 425,929          | STAAR Surgical Co.*                              | 975    | 69,157           |
| Kosmos Energy Ltd.*                           | 48,000 | 297,120          | Tandem Diabetes Care, Inc.*                      | 4,219  | 249,723          |
| Matador Resources Co.                         | 8,300  | 386,697          |  |        | <b>1,733,482</b> |
| Ovintiv, Inc.                                 | 9,711  | 429,129          | <b>Health Care Providers &amp; Services 8.9%</b> |        |                  |
| Southwestern Energy Co.*                      | 67,176 | 419,850          | AMN Healthcare Services, Inc.*                   | 13,141 | 1,441,699        |
|   |        | <b>2,038,398</b> | HealthEquity, Inc.*                              | 3,029  | 185,950          |

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

|  | Shares | Value (\$)       |  | Shares                           | Value (\$)       |                  |
|--|--------|------------------|--|----------------------------------|------------------|------------------|
| ModivCare, Inc.*                                 | 7,168  | 605,696          | <b>Electronic Equipment, Instruments &amp; Components 2.4%</b> | Advanced Energy Industries, Inc. | 12,629           | 921,664          |
| Molina Healthcare, Inc.*                         | 3,519  | 983,948          |  | Cognex Corp.                     | 7,873            | 334,760          |
| Option Care Health, Inc.*                        | 21,064 | 585,369          |  |                                  |                  |                  |
| RadNet, Inc.*                                    | 44,177 | 763,378          |  |                                  |                  | <b>1,256,424</b> |
|  |        | <b>4,566,040</b> |  |                                  |                  |                  |
| <b>Life Sciences Tools &amp; Services 0.4%</b>   |        |                  | <b>IT Services 3.5%</b>  |                                  |                  |                  |
| Avantor, Inc.*                                   | 7,242  | <b>225,226</b>   | Broadridge Financial Solutions, Inc.                           | 5,482                            | 781,459          |                  |
| <b>Pharmaceuticals 2.6%</b>                      |        |                  | Maximus, Inc.  | 8,556                            | 534,836          |                  |
| Aclaris Therapeutics, Inc.*                      | 12,953 | 180,824          | WEX, Inc.*   | 2,932                            | 456,102          |                  |
| ANI Pharmaceuticals, Inc.*                       | 5,965  | 176,982          |  |                                  | <b>1,772,397</b> |                  |
| Arvinas, Inc.*                                   | 2,000  | 84,180           | <b>Semiconductors &amp; Semiconductor Equipment 6.2%</b>       |                                  |                  |                  |
| Intra-Cellular Therapies, Inc.*                  | 3,500  | 199,780          | CMC Materials, Inc.  | 1,631                            | 284,593          |                  |
| Pacira BioSciences, Inc.*                        | 11,807 | 688,348          | Entegris, Inc.   | 6,342                            | 584,288          |                  |
|  |        | <b>1,330,114</b> | FormFactor, Inc.*  | 7,627                            | 295,394          |                  |
| <b>Industrials 16.4%</b>                         |        |                  | Monolithic Power Systems, Inc.                                 | 1,547                            | 594,110          |                  |
| <b>Aerospace &amp; Defense 1.2%</b>              |        |                  | Semtech Corp.*   | 7,632                            | 419,531          |                  |
| HEICO Corp.                                      | 4,476  | <b>586,893</b>   | SiTime Corp.*  | 4,087                            | 666,304          |                  |
| <b>Building Products 4.8%</b>                    |        |                  | Ultra Clean Holdings, Inc.*                                    | 10,873                           | 323,689          |                  |
| Advanced Drainage Systems, Inc.                  | 3,260  | 293,628          |  |                                  | <b>3,167,909</b> |                  |
| Allegion PLC                                     | 7,499  | 734,152          | <b>Software 12.0%</b>  |                                  |                  |                  |
| Builders FirstSource, Inc.*                      | 17,596 | 944,906          | Aspen Technology, Inc.*  | 3,737                            | 686,412          |                  |
| Masonite International Corp.*                    | 6,705  | 515,145          | Dynatrace, Inc.*   | 7,679                            | 302,860          |                  |
|  |        | <b>2,487,831</b> | Envestnet, Inc.*   | 9,852                            | 519,890          |                  |
| <b>Commercial Services &amp; Supplies 3.0%</b>   |        |                  | Five9, Inc.*   | 12,047                           | 1,097,964        |                  |
| MSA Safety, Inc.                                 | 2,392  | 289,599          | LivePerson, Inc.*  | 7,263                            | 102,699          |                  |
| Tetra Tech, Inc.                                 | 4,419  | 603,414          | Rapid7, Inc.*  | 6,849                            | 457,513          |                  |
| The Brink's Co.                                  | 11,036 | 669,996          | Tenable Holdings, Inc.*  | 12,141                           | 551,323          |                  |
|  |        | <b>1,563,009</b> | Tyler Technologies, Inc.*                                      | 3,276                            | 1,089,204        |                  |
| <b>Construction &amp; Engineering 0.4%</b>       |        |                  | Varonis Systems, Inc.*   | 35,677                           | 1,046,050        |                  |
| MasTec, Inc.*                                    | 3,160  | <b>226,446</b>   | Workiva, Inc.*   | 4,958                            | 327,178          |                  |
| <b>Electrical Equipment 1.0%</b>                 |        |                  |  |                                  | <b>6,181,093</b> |                  |
| Generac Holdings, Inc.*                          | 1,478  | 311,237          | <b>Materials 3.0%</b>  |                                  |                  |                  |
| Plug Power, Inc.*                                | 4,018  | 66,578           | <b>Construction Materials 1.3%</b>                             |                                  |                  |                  |
| Thermon Group Holdings, Inc.*                    | 9,149  | 128,544          | Eagle Materials, Inc.  | 5,901                            | <b>648,756</b>   |                  |
|  |        | <b>506,359</b>   | <b>Containers &amp; Packaging 0.7%</b>                         |                                  |                  |                  |
| <b>Machinery 0.8%</b>                            |        |                  | Berry Global Group, Inc.*                                      | 6,828                            | <b>373,082</b>   |                  |
| IDEX Corp.                                       | 2,202  | <b>399,949</b>   | <b>Metals &amp; Mining 1.0%</b>                                |                                  |                  |                  |
| <b>Professional Services 2.2%</b>                |        |                  | Cleveland-Cliffs, Inc.*  | 34,787                           | <b>534,676</b>   |                  |
| Kforce, Inc.                                     | 18,625 | <b>1,142,458</b> | <b>Real Estate 3.1%</b>  |                                  |                  |                  |
| <b>Trading Companies &amp; Distributors 3.0%</b> |        |                  | <b>Equity Real Estate Investment Trusts (REITs) 2.8%</b>       |                                  |                  |                  |
| H&E Equipment Services, Inc.                     | 16,406 | 475,282          | Americold Realty Trust, Inc.                                   | 5,999                            | 180,210          |                  |
| Rush Enterprises, Inc. "A"                       | 16,590 | 799,638          | EastGroup Properties, Inc.                                     | 2,708                            | 417,926          |                  |
| Titan Machinery, Inc.*                           | 11,743 | 263,160          | Essential Properties Realty Trust, Inc.                        | 21,678                           | 465,860          |                  |
|  |        | <b>1,538,080</b> | Four Corners Property Trust, Inc.                              | 13,954                           | 371,037          |                  |
| <b>Information Technology 25.4%</b>              |        |                  |  |                                  | <b>1,435,033</b> |                  |
| <b>Communications Equipment 1.3%</b>             |        |                  |  |                                  |                  |                  |
| Calix, Inc.*                                     | 8,844  | 301,934          |  |                                  |                  |                  |
| Lumentum Holdings, Inc.*                         | 4,772  | 378,992          |  |                                  |                  |                  |
|  |        | <b>680,926</b>   |  |                                  |                  |                  |

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

|  | Shares | Value (\$)        |  | % of<br>Net Assets | Value (\$)        |
|--|--------|-------------------|--|--------------------|-------------------|
| <b>Real Estate Management &amp; Development 0.3%</b> |        |                   | <b>Total Investment Portfolio</b>        |                    |                   |
| Newmark Group, Inc. "A"                              | 17,392 | 168,180           | (Cost \$39,223,407)                      | 101.4              | 52,161,829        |
| <b>Total Common Stocks</b> (Cost \$35,851,134)       |        | <b>48,789,556</b> | <b>Other Assets and Liabilities, Net</b> | (1.4)              | <b>(744,644)</b>  |
|  |        |                   | <b>Net Assets</b>                        | 100.0              | <b>51,417,185</b> |

### Securities Lending Collateral 1.3%

|  |         |                |
|--|---------|----------------|
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (b) (c)<br>(Cost \$661,666) | 661,666 | <b>661,666</b> |
|--|---------|----------------|

### Cash Equivalents 5.2%

|  |           |                  |
|--|-----------|------------------|
| DWS Central Cash Management Government Fund, 1.36% (b)<br>(Cost \$2,710,607) | 2,710,607 | <b>2,710,607</b> |
|--|-----------|------------------|

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at<br>12/31/2021  | Purchases<br>Cost (\$) | Sales<br>Proceeds (\$) | Net Realized<br>Gain/<br>(Loss) (\$) | Net Change in<br>Unrealized<br>Appreciation<br>(Depreciation)<br>(\$) | Income (\$)   | Capital Gain<br>Distributions<br>(\$) | Number<br>of Shares<br>at<br>6/30/2022 | Value (\$) at<br>6/30/2022 |
|--|------------------------|------------------------|--------------------------------------|---|---------------|---------------------------------------|--|----------------------------|
| <b>Securities Lending Collateral 1.3%</b>  |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (b) (c) |                        |                        |                                      |   |               |                                       |  |                            |
| 2,874,385  | —                      | 2,212,719 (d)          | —                                    | —   | 16,900        | —                                     | 661,666                                | 661,666                    |
| <b>Cash Equivalents 5.2%</b>   |                        |                        |                                      |   |               |                                       |  |                            |
| DWS Central Cash Management Government Fund, 1.36% (b)   |                        |                        |                                      |   |               |                                       |  |                            |
| 950,292  | 5,386,709              | 3,626,394              | —                                    | —   | 5,430         | —                                     | 2,710,607                              | 2,710,607                  |
| <b>3,824,677</b>   | <b>5,386,709</b>       | <b>5,839,113</b>       | <b>—</b>                             | <b>—</b>  | <b>22,330</b> | <b>—</b>                              | <b>3,372,273</b>                       | <b>3,372,273</b>           |

\* Non-income producing security.

- All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$633,609, which is 1.2% of net assets.
- Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

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

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>              | <b>Level 1</b>       | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
|----------------------------|----------------------|----------------|----------------|----------------------|
| Common Stocks (a)          | \$ 48,789,556        | \$ —           | \$ —           | \$ 48,789,556        |
| Short-Term Investments (a) | 3,372,273            | —              | —              | 3,372,273            |
| <b>Total</b>               | <b>\$ 52,161,829</b> | <b>\$ —</b>    | <b>\$ —</b>    | <b>\$ 52,161,829</b> |

(a) See Investment Portfolio for additional detailed categorizations.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>   |                   |
|---|-------------------|
| Investments in non-affiliated securities, at value (cost \$35,851,134) — including \$633,609 of securities loaned | \$ 48,789,556     |
| Investment in DWS Government & Agency Securities Portfolio (cost \$661,666)*                                      | 661,666           |
| Investment in DWS Central Cash Management Government Fund (cost \$2,710,607)                                      | 2,710,607         |
| Cash  | 3,075             |
| Receivable for investments sold   | 384,274           |
| Receivable for Fund shares sold   | 610               |
| Dividends receivable  | 25,996            |
| Interest receivable   | 8,814             |
| Other assets  | 589               |
| <b>Total assets</b>   | <b>52,585,187</b> |

| <b>Liabilities</b>                       |                      |
|--|----------------------|
| Payable upon return of securities loaned | 661,666              |
| Payable for investments purchased        | 393,735              |
| Payable for Fund shares redeemed         | 28,074               |
| Accrued management fee                   | 22,174               |
| Accrued Trustees' fees                   | 319                  |
| Other accrued expenses and payables      | 62,034               |
| <b>Total liabilities</b>                 | <b>1,168,002</b>     |
| <b>Net assets, at value</b>              | <b>\$ 51,417,185</b> |

| <b>Net Assets Consist of</b>  |                      |
|-------------------------------|----------------------|
| Distributable earnings (loss) | 14,934,569           |
| Paid-in capital               | 36,482,616           |
| <b>Net assets, at value</b>   | <b>\$ 51,417,185</b> |

## Net Asset Value

| <b>Class A</b>   |                 |
|--|-----------------|
| <b>Net Asset Value</b> , offering and redemption price per share (\$51,417,185 ÷ 4,351,548 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 11.82</b> |

\* Represents collateral on securities loaned.

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                       |
|--|-----------------------|
| Income:  |                       |
| Dividends  | \$ 156,174            |
| Income distributions — DWS Central Cash Management Government Fund     | 5,430                 |
| Securities lending income, net of borrower rebates                     | 16,900                |
| <b>Total income</b>  | <b>178,504</b>        |
| Expenses:  |                       |
| Management fee   | 169,103               |
| Administration fee   | 29,824                |
| Services to shareholders   | 362                   |
| Custodian fee  | 1,508                 |
| Audit fee  | 19,010                |
| Legal fees   | 7,654                 |
| Tax fees   | 4,158                 |
| Reports to shareholders  | 14,541                |
| Trustees' fees and expenses  | 2,503                 |
| Other  | 1,962                 |
| <b>Total expenses before expense reductions</b>                        | <b>250,625</b>        |
| Expense reductions   | (2,543)               |
| <b>Total expenses after expense reductions</b>                         | <b>248,082</b>        |
| <b>Net investment income (loss)</b>                                    | <b>(69,578)</b>       |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                       |
| Net realized gain (loss) from:   |                       |
| Investments  | 2,198,514             |
| Foreign currency   | (3,943)               |
|  | 2,194,571             |
| Change in net unrealized appreciation (depreciation) on:               |                       |
| Investments  | (23,579,364)          |
| Foreign currency   | (8)                   |
|  | (23,579,372)          |
| <b>Net gain (loss)</b>   | <b>(21,384,801)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(21,454,379)</b> |

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

# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income (loss)  | \$ (69,578)   | \$ (246,837)                       |
| Net realized gain (loss)  | 2,194,571   | 7,087,492                          |
| Change in net unrealized appreciation<br>(depreciation)               | (23,579,372)  | 2,870,407                          |
| Net increase (decrease) in net assets resulting from operations       | (21,454,379)  | 9,711,062                          |
| Distributions to shareholders:  |   |                                    |
| Class A   | (7,059,397)   | (3,804,844)                        |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 909,460   | 2,680,334                          |
| Reinvestment of distributions   | 7,059,397   | 3,804,844                          |
| Payments for shares redeemed  | (3,348,519)   | (10,049,938)                       |
| Net increase (decrease) in net assets from Class A share transactions | 4,620,338   | (3,564,760)                        |
| <b>Increase (decrease) in net assets</b>                              | <b>(23,893,438)</b>                                 | <b>2,341,458</b>                   |
| Net assets at beginning of period                                     | 75,310,623  | 72,969,165                         |
| <b>Net assets at end of period</b>                                    | <b>\$ 51,417,185</b>                                | <b>\$ 75,310,623</b>               |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 3,990,886   | 4,186,167                          |
| Shares sold   | 56,601  | 144,423                            |
| Shares issued to shareholders in reinvestment of distributions        | 527,214   | 211,028                            |
| Shares redeemed   | (223,153)   | (550,732)                          |
| Net increase (decrease) in Class A shares                             | 360,662   | (195,281)                          |
| Shares outstanding at end of period                                   | <b>4,351,548</b>                                    | <b>3,990,886</b>                   |

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

# Financial Highlights

## DWS Small Mid Cap Growth VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                    |                      |                |
|--|--|----------------|--------------------------|--------------------|----------------------|----------------|
|  |  |                | 2020                     | 2019               | 2018                 | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                    |                      |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$18.87</b>                             | <b>\$17.43</b> | <b>\$13.66</b>           | <b>\$12.68</b>     | <b>\$21.94</b>       | <b>\$18.96</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                    |                      |                |
| Net investment income (loss) <sup>a</sup>                    | (.02)                                      | (.06)          | (.01)                    | .01                | (.01)                | (.02)          |
| Net realized and unrealized gain (loss)                      | (5.23)                                     | 2.43           | 4.00                     | 2.73               | (1.92)               | 4.08           |
| <b>Total from investment operations</b>                      | <b>(5.25)</b>                              | <b>2.37</b>    | <b>3.99</b>              | <b>2.74</b>        | <b>(1.93)</b>        | <b>4.06</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                    |                      |                |
| Net investment income  | —  | (.01)          | (.01)                    | —                  | —                    | (.02)          |
| Net realized gains   | (1.80)                                     | (.92)          | (.21)                    | (1.76)             | (7.33)               | (1.06)         |
| <b>Total distributions</b>                                   | <b>(1.80)</b>                              | <b>(.93)</b>   | <b>(.22)</b>             | <b>(1.76)</b>      | <b>(7.33)</b>        | <b>(1.08)</b>  |
| <b>Net asset value, end of period</b>                        | <b>\$11.82</b>                             | <b>\$18.87</b> | <b>\$17.43</b>           | <b>\$13.66</b>     | <b>\$12.68</b>       | <b>\$21.94</b> |
| Total Return (%)   | (28.92) <sup>b*</sup>                      | 13.84          | 30.18 <sup>b</sup>       | 22.41 <sup>b</sup> | (13.59) <sup>b</sup> | 22.12          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                    |                      |                |
| Net assets, end of period (\$ millions)                      | 51   | 75             | 73                       | 64                 | 64                   | 77             |
| Ratio of expenses before expense reductions (%) <sup>c</sup> | .82 <sup>**</sup>                          | .78            | .82                      | .82                | .81                  | .75            |
| Ratio of expenses after expense reductions (%) <sup>c</sup>  | .81 <sup>**</sup>                          | .78            | .81                      | .81                | .80                  | .75            |
| Ratio of net investment income (loss) (%)                    | (.23) <sup>**</sup>                        | (.33)          | (.05)                    | .11                | (.06)                | (.08)          |
| Portfolio turnover rate (%)                                  | 6 <sup>*</sup>                             | 16             | 12                       | 10                 | 32                   | 32             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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

# Notes to Financial Statements

(Unaudited)

## A. Organization and Significant Accounting Policies

DWS Small Mid Cap Growth VIP (the “Fund”) is a diversified series of Deutsche DWS Variable Series II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company organized as a Massachusetts business trust.

The Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities and exchange-traded funds (“ETFs”) are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Equity securities or ETFs for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities or ETFs are generally categorized as Level 1.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund’s valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security’s disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company’s or issuer’s financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund’s Investment Portfolio.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Securities Lending.** Deutsche Bank AG, as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund



continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. As of period end, any securities on loan were collateralized by cash. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had securities on loan, which were classified as common stocks in the Investment Portfolio. The value of the related collateral exceeded the value of the securities loaned at period end. As of period end, the remaining contractual maturity of the collateral agreements was overnight and continuous.

**Federal Income Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$39,335,603. The net unrealized appreciation for all investments based on tax cost was \$12,826,226. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$18,269,601 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$5,443,375.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to certain securities sold at a loss, the realized tax character on distributions from certain securities and investments in limited partnerships. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is

unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## B. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$3,726,791 and \$7,228,729, respectively.

## C. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. (“DIMA” or the “Advisor”), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA (“DWS Group”), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the average daily net assets of the Fund, computed and accrued daily and payable monthly, at the following annual rates:

|  |       |
|--|-------|
| First \$250 million of the Fund’s average daily net assets | .550% |
| Next \$750 million   | .525% |
| Over \$1 billion   | .500% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.55% of the Fund’s average daily net assets.

For the period from January 1, 2022 through April 30, 2022, the Advisor had contractually agreed to waive its fees and/or reimburse certain operating expenses to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of Class A at 0.81%.

Effective May 1, 2022 through September 30, 2022, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of Class A at 0.82%.

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for Class A are \$2,543.

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$29,824, of which \$4,299 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC aggregated \$242, of which \$77 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$341, of which \$31 is unpaid.

**Trustees' Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund's assets invested in DWS ESG Liquidity Fund.

**Securities Lending Agent Fees.** Deutsche Bank AG serves as securities lending agent for the Fund. For the six months ended June 30, 2022, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of \$1,272.

#### **D. Ownership of the Fund**

At June 30, 2022, one participating insurance company was owner of record of 10% or more of the total outstanding Class A shares of the Fund, owning 92%.

#### **E. Line of Credit**

The Fund and other affiliated funds (the "Participants") share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

#### **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund's accounting and financial reporting.

# Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

## Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> |
|--------------------------------|----------------|
| Beginning Account Value 1/1/22 | \$1,000.00     |
| Ending Account Value 6/30/22   | \$ 710.80      |
| Expenses Paid per \$1,000*     | \$ 3.44        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> |
|------------------------------------|----------------|
| Beginning Account Value 1/1/22     | \$1,000.00     |
| Ending Account Value 6/30/22       | \$1,020.78     |
| Expenses Paid per \$1,000*         | \$ 4.06        |

\* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratio</b>                                | <b>Class A</b> |
|--|----------------|
| Deutsche DWS Variable Series II — DWS Small Mid Cap Growth VIP | .81%           |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Small Mid Cap Growth VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 3rd quartile, 4th quartile and 4th quartile, respectively, of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has

underperformed its benchmark in the one-, three- and five-year periods ended December 31, 2020. The Board noted the disappointing investment performance of the Fund in recent periods and continued to discuss with senior management of DIMA the factors contributing to such underperformance and actions being taken to improve performance. The Board observed that the Fund had experienced improved relative performance during the first seven months of 2021. The Board recognized the efforts by DIMA in recent years to enhance its investment platform and improve long-term performance across the DWS fund complex.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (1st quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (1st quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees). The Board noted that the expense limitation agreed to by DIMA was expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds"), noting that DIMA indicated that it does not provide services to any other comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund and any fees received by an affiliate of DIMA for transfer agency services provided to the Fund. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time

commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.



# Notes

# Notes

# Notes



VS2SMCG-3 (R-028388-11 8/22)

June 30, 2022

# Semiannual Report

Deutsche DWS Variable Series II

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**DWS Small Mid Cap Value VIP**



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

Stocks may decline in value. Smaller and medium company stocks tend to be more volatile than large company stocks. The impact of the use of quantitative models and the analysis of specific metrics on a stock's performance can be difficult to predict, and stocks that previously possessed certain desirable quantitative characteristics may not continue to demonstrate those same characteristics in the future. Quantitative models also entail the risk that the models themselves may be limited or incorrect. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

DWS Distributors, Inc., 222 South Riverside Plaza, Chicago, IL 60606, (800) 621-1148

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE  
NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2022 (Unaudited)

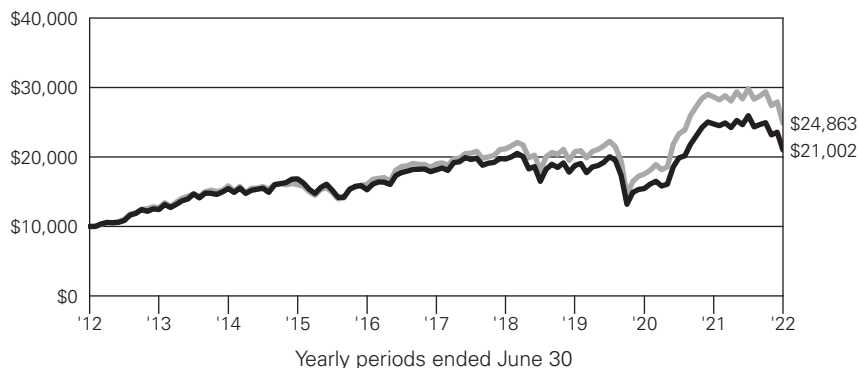
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2022 are 0.85% and 1.22% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000 Investment

■ DWS Small Mid Cap Value VIP — Class A  
 ■ Russell 2500™ Value Index



Russell 2500™ Value Index is an unmanaged index measuring the small- to mid-cap U.S. equity value market.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| DWS Small Mid Cap Value VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|-----------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class A                     | Growth of \$10,000          | \$8,096              | \$8,485 | \$11,183 | \$11,576 | \$21,002 |
|                             | Average annual total return | -19.04%              | -15.15% | 3.80%    | 2.97%    | 7.70%    |
| Russell 2500 Value Index    | Growth of \$10,000          | \$8,334              | \$8,681 | \$11,973 | \$13,092 | \$24,863 |
|                             | Average annual total return | -16.66%              | -13.19% | 6.19%    | 5.54%    | 9.54%    |

| DWS Small Mid Cap Value VIP |                             | 6-Month <sup>‡</sup> | 1-Year  | 3-Year   | 5-Year   | 10-Year  |
|-----------------------------|-----------------------------|----------------------|---------|----------|----------|----------|
| Class B                     | Growth of \$10,000          | \$8,083              | \$8,455 | \$11,067 | \$11,370 | \$20,254 |
|                             | Average annual total return | -19.17%              | -15.45% | 3.44%    | 2.60%    | 7.31%    |
| Russell 2500 Value Index    | Growth of \$10,000          | \$8,334              | \$8,681 | \$11,973 | \$13,092 | \$24,863 |
|                             | Average annual total return | -16.66%              | -13.19% | 6.19%    | 5.54%    | 9.54%    |

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>6/30/22</b> | <b>12/31/21</b> |
|--|----------------|-----------------|
| Common Stocks  | 99%            | 99%             |
| Cash Equivalents   | 1%             | 1%              |
|  | 100%           | 100%            |

| <b>Sector Diversification</b> (As a % of Investment Portfolio excluding Securities Lending Collateral and Cash Equivalents) | <b>6/30/22</b> | <b>12/31/21</b> |
|---|----------------|-----------------|
| Financials  | 21%            | 22%             |
| Industrials   | 17%            | 16%             |
| Real Estate   | 11%            | 13%             |
| Information Technology  | 9%             | 10%             |
| Health Care   | 8%             | 8%              |
| Energy  | 8%             | 5%              |
| Consumer Discretionary  | 8%             | 10%             |
| Materials   | 7%             | 6%              |
| Utilities   | 5%             | 4%              |
| Consumer Staples  | 4%             | 3%              |
| Communication Services  | 2%             | 3%              |
|   | 100%           | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is posted on [dws.com](http://dws.com), and is available free of charge by contacting your financial intermediary, or if you are a direct investor, by calling (800) 728-3337. In addition, the portfolio holdings listing is filed with the SEC on the Fund's Form N-PORT and will be available on the SEC's Web site at [sec.gov](http://sec.gov). Additional portfolio holdings for the Fund are also posted on [dws.com](http://dws.com) from time to time. Please see the Fund's current prospectus for more information.

## Portfolio Management Team

Pankaj Bhatnagar, PhD, Head of Investment Strategy Equity

Arno V. Puskar, Senior Portfolio Manager Equity

Portfolio Managers



# Investment Portfolio

as of June 30, 2022 (Unaudited)

|  | Shares | Value (\$)       |   | Shares  | Value (\$)       |
|--|--------|------------------|---|---------|------------------|
| <b>Common Stocks 99.2%</b>                         |        |                  | <b>Personal Products 0.8%</b>               |         |                  |
| <b>Communication Services 2.4%</b>                 |        |                  | Herbalife Nutrition Ltd.*                   | 13,836  | 282,946          |
| <b>Diversified Telecommunication Services 0.3%</b> |        |                  | Revlon, Inc. "A"* (a)                       | 64,470  | 349,428          |
| Liberty Latin America Ltd. "A"*                    | 31,373 | 244,710          |   |         | <b>632,374</b>   |
| <b>Entertainment 0.3%</b>                          |        |                  | <b>Energy 7.9%</b>                          |         |                  |
| Madison Square Garden Sports Corp.*                | 1,859  | 280,709          | <b>Energy Equipment &amp; Services 1.3%</b> |         |                  |
| <b>Media 1.4%</b>                                  |        |                  | NexTier Oilfield Solutions, Inc.*           | 107,725 | 1,024,465        |
| Interpublic Group of Companies, Inc.               | 39,760 | 1,094,593        | <b>Oil, Gas &amp; Consumable Fuels 6.6%</b> |         |                  |
| <b>Wireless Telecommunication Services 0.4%</b>    |        |                  | Devon Energy Corp.                          | 38,714  | 2,133,529        |
| Telephone & Data Systems, Inc.                     | 20,294 | 320,442          | HF Sinclair Corp.                           | 12,253  | 553,345          |
| <b>Consumer Discretionary 7.6%</b>                 |        |                  | Kinetik Holdings, Inc. (a)                  | 7,128   | 243,350          |
| <b>Auto Components 0.9%</b>                        |        |                  | PDC Energy, Inc.                            | 7,559   | 465,710          |
| Lear Corp.   | 5,381  | 677,414          | Targa Resources Corp.                       | 30,802  | 1,837,955        |
| <b>Automobiles 0.4%</b>                            |        |                  |   |         | <b>5,233,889</b> |
| Winnebago Industries, Inc.                         | 6,930  | 336,521          | <b>Financials 20.3%</b>                     |         |                  |
| <b>Diversified Consumer Services 0.4%</b>          |        |                  | <b>Banks 10.4%</b>                          |         |                  |
| Vivint Smart Home, Inc.*                           | 96,627 | 336,262          | Associated Banc-Corp.                       | 30,045  | 548,622          |
| <b>Hotels, Restaurants &amp; Leisure 1.5%</b>      |        |                  | BankUnited, Inc.                            | 40,550  | 1,442,363        |
| Boyd Gaming Corp.                                  | 10,704 | 532,524          | Eagle Bancorp., Inc.                        | 28,111  | 1,332,743        |
| International Game Technology PLC                  | 19,871 | 368,806          | First Financial Corp.                       | 6,410   | 285,245          |
| Red Rock Resorts, Inc. "A"                         | 8,611  | 287,263          | First Horizon Corp.                         | 29,685  | 648,914          |
|  |        | <b>1,188,593</b> | Fulton Financial Corp.                      | 21,539  | 311,239          |
| <b>Household Durables 2.2%</b>                     |        |                  | Hancock Whitney Corp.                       | 26,974  | 1,195,757        |
| Beazer Homes U.S.A., Inc.*                         | 25,089 | 302,824          | Hilltop Holdings, Inc.                      | 25,784  | 687,401          |
| Mohawk Industries, Inc.*                           | 2,643  | 327,970          | Simmons First National Corp. "A"            | 30,569  | 649,897          |
| PulteGroup, Inc.                                   | 29,095 | 1,153,035        | UMB Financial Corp.                         | 14,217  | 1,224,084        |
|  |        | <b>1,783,829</b> |   |         | <b>8,326,265</b> |
| <b>Specialty Retail 0.7%</b>                       |        |                  | <b>Capital Markets 0.4%</b>                 |         |                  |
| Foot Locker, Inc.                                  | 10,718 | 270,629          | Evercore, Inc. "A"                          | 3,114   | 291,502          |
| TravelCenters of America, Inc.*                    | 7,157  | 246,702          | <b>Consumer Finance 1.2%</b>                |         |                  |
|  |        | <b>517,331</b>   | Credit Acceptance Corp.* (a)                | 1,410   | 667,508          |
| <b>Textiles, Apparel &amp; Luxury Goods 1.5%</b>   |        |                  | Navient Corp.                               | 24,093  | 337,061          |
| Columbia Sportswear Co.                            | 16,694 | 1,194,956        |   |         | <b>1,004,569</b> |
| <b>Consumer Staples 4.0%</b>                       |        |                  | <b>Diversified Financial Services 2.3%</b>  |         |                  |
| <b>Food &amp; Staples Retailing 0.4%</b>           |        |                  | A-Mark Precious Metals, Inc.                | 11,136  | 359,136          |
| Performance Food Group Co.*                        | 6,533  | 300,387          | Apollo Global Management, Inc.              | 5,624   | 272,652          |
| <b>Food Products 1.8%</b>                          |        |                  | Cannae Holdings, Inc.*                      | 12,504  | 241,827          |
| Darling Ingredients, Inc.*                         | 10,608 | 634,358          | Voya Financial, Inc.                        | 15,823  | 941,943          |
| Hostess Brands, Inc.*                              | 16,616 | 352,425          |   |         | <b>1,815,558</b> |
| Sanderson Farms, Inc.                              | 2,335  | 503,263          | <b>Insurance 5.7%</b>                       |         |                  |
|  |        | <b>1,490,046</b> | AMERISAFE, Inc.                             | 9,923   | 516,095          |
| <b>Household Products 1.0%</b>                     |        |                  | Assurant, Inc.                              | 9,089   | 1,571,034        |
| Central Garden & Pet Co.*                          | 18,763 | 795,927          | Brown & Brown, Inc.                         | 23,705  | 1,382,950        |
|  |        |                  | Everest Re Group Ltd.                       | 3,840   | 1,076,275        |
|  |        |                  |   |         | <b>4,546,354</b> |

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

|  | Shares  | Value (\$) |  | Shares  | Value (\$) |
|--|---------|------------|--|---------|------------|
| <b>Mortgage Real Estate Investment Trusts (REITs) 0.3%</b> |         |            | <b>Professional Services 3.2%</b>                              |         |            |
| New Residential Investment Corp.                           | 23,054  | 214,863    | Jacobs Engineering Group, Inc.                                 | 13,094  | 1,664,640  |
| <b>Health Care 8.0%</b>                                    |         |            | ManpowerGroup, Inc.  | 3,398   | 259,641    |
| <b>Biotechnology 3.1%</b>                                  |         |            | Science Applications International Corp.                       | 6,673   | 621,257    |
| Athenex, Inc. *  | 837,899 | 343,036    | <b>2,545,538</b>   |         |            |
| Gritstone bio, Inc. * (a)                                  | 119,645 | 289,541    | <b>Road &amp; Rail 1.0%</b>                                    |         |            |
| Jounce Therapeutics, Inc. *                                | 62,968  | 190,793    | Knight-Swift Transportation Holdings, Inc.                     | 10,885  | 503,867    |
| Myriad Genetics, Inc. *                                    | 28,066  | 509,959    | XPO Logistics, Inc. *  | 5,515   | 265,602    |
| Sage Therapeutics, Inc. *                                  | 24,674  | 796,970    | <b>769,469</b>   |         |            |
| Sana Biotechnology, Inc. *                                 | 49,776  | 320,060    | <b>Trading Companies &amp; Distributors 2.0%</b>               |         |            |
| <b>2,450,359</b>   |         |            | MRC Global, Inc. *   | 67,641  | 673,704    |
| <b>Health Care Equipment &amp; Supplies 0.4%</b>           |         |            | NOW, Inc. *  | 92,675  | 906,362    |
| ICU Medical, Inc. *  | 1,845   | 303,300    | <b>1,580,066</b>   |         |            |
| <b>Health Care Providers &amp; Services 1.7%</b>           |         |            | <b>Information Technology 8.8%</b>                             |         |            |
| Chemed Corp.   | 1,231   | 577,819    | <b>Communications Equipment 0.9%</b>                           |         |            |
| Molina Healthcare, Inc. *                                  | 2,804   | 784,026    | Ciena Corp. *  | 7,945   | 363,087    |
| <b>1,361,845</b>   |         |            | CommScope Holding Co., Inc. *                                  | 54,708  | 334,813    |
| <b>Life Sciences Tools &amp; Services 1.6%</b>             |         |            | <b>697,900</b>   |         |            |
| PerkinElmer, Inc.  | 6,269   | 891,577    | <b>Electronic Equipment, Instruments &amp; Components 3.2%</b> |         |            |
| Syneos Health, Inc. *                                      | 5,302   | 380,047    | Arlo Technologies, Inc. *                                      | 49,915  | 312,967    |
| <b>1,271,624</b>   |         |            | Avnet, Inc.  | 33,437  | 1,433,778  |
| <b>Pharmaceuticals 1.2%</b>                                |         |            | Itron, Inc. *  | 9,376   | 463,456    |
| Atea Pharmaceuticals, Inc. *                               | 48,482  | 344,222    | TD SYNEX Corp.   | 3,829   | 348,822    |
| NGM Biopharmaceuticals, Inc. *                             | 19,262  | 246,939    | <b>2,559,023</b>   |         |            |
| Reata Pharmaceuticals, Inc. "A"*                           | 11,894  | 361,459    | <b>IT Services 0.6%</b>  |         |            |
| <b>952,620</b>   |         |            | Bread Financial Holdings, Inc.                                 | 12,940  | 479,556    |
| <b>Industrials 16.7%</b>                                   |         |            | <b>Semiconductors &amp; Semiconductor Equipment 1.7%</b>       |         |            |
| <b>Aerospace &amp; Defense 0.4%</b>                        |         |            | Cirrus Logic, Inc. *   | 11,969  | 868,231    |
| Maxar Technologies, Inc.                                   | 12,779  | 333,404    | Ichor Holdings Ltd. *  | 8,469   | 220,025    |
| <b>Air Freight &amp; Logistics 1.1%</b>                    |         |            | Photronics, Inc. *   | 14,421  | 280,921    |
| Atlas Air Worldwide Holdings, Inc. *                       | 10,887  | 671,837    | <b>1,369,177</b>   |         |            |
| GXO Logistics, Inc. *                                      | 5,515   | 238,634    | <b>Software 2.4%</b>   |         |            |
| <b>910,471</b>   |         |            | NCR Corp. *  | 12,880  | 400,697    |
| <b>Building Products 3.1%</b>                              |         |            | Verint Systems, Inc. *   | 26,229  | 1,110,798  |
| Carlisle Companies, Inc.                                   | 9,343   | 2,229,333  | Xperi Holding Corp.  | 26,208  | 378,181    |
| Resideo Technologies, Inc. *                               | 13,293  | 258,150    | <b>1,889,676</b>   |         |            |
| <b>2,487,483</b>   |         |            | <b>Materials 7.1%</b>  |         |            |
| <b>Electrical Equipment 2.3%</b>                           |         |            | <b>Chemicals 3.6%</b>  |         |            |
| Encore Wire Corp.  | 6,753   | 701,772    | Amyris, Inc. * (a)   | 165,272 | 305,753    |
| EnerSys  | 19,390  | 1,143,234  | Avient Corp.   | 7,871   | 315,470    |
| <b>1,845,006</b>   |         |            | Chemours Co.   | 20,651  | 661,245    |
| <b>Machinery 3.6%</b>                                      |         |            | H.B. Fuller Co.  | 6,184   | 372,339    |
| Hillenbrand, Inc.  | 51,641  | 2,115,216  | Huntsman Corp.   | 12,248  | 347,231    |
| Pentair PLC  | 6,786   | 310,595    | The Mosaic Co.   | 17,746  | 838,143    |
| The Manitowoc Co., Inc. *                                  | 42,427  | 446,756    | <b>2,840,181</b>   |         |            |
| <b>2,872,567</b>   |         |            | <b>Containers &amp; Packaging 0.9%</b>                         |         |            |
|  |         |            | Graphic Packaging Holding Co.                                  | 33,885  | 694,642    |

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

|   | Shares  | Value (\$)       |  | Shares            | Value (\$)         |
|---|---------|------------------|--|-------------------|--------------------|
| <b>Metals &amp; Mining 2.6%</b>                           |         |                  |  |                   |                    |
| Cleveland-Cliffs, Inc.*                                   | 13,281  | 204,129          |  |                   |                    |
| Steel Dynamics, Inc.                                      | 28,779  | 1,903,731        |  |                   |                    |
|   |         | <b>2,107,860</b> |  |                   |                    |
| <b>Real Estate 11.4%</b>                                  |         |                  |  |                   |                    |
| <b>Equity Real Estate Investment Trusts (REITs) 10.7%</b> |         |                  |  |                   |                    |
| BRT Apartments Corp.                                      | 18,932  | 406,849          |  |                   |                    |
| Duke Realty Corp.   | 16,051  | 882,002          |  |                   |                    |
| Gaming and Leisure Properties, Inc.                       | 32,113  | 1,472,702        |  |                   |                    |
| Highwoods Properties, Inc.                                | 27,146  | 928,122          |  |                   |                    |
| Iron Mountain, Inc.                                       | 8,026   | 390,786          |  |                   |                    |
| LXP Industrial Trust                                      | 155,012 | 1,664,829        |  |                   |                    |
| NexPoint Residential Trust, Inc.                          | 10,300  | 643,853          |  |                   |                    |
| SITE Centers Corp.  | 38,592  | 519,834          |  |                   |                    |
| STAG Industrial, Inc.                                     | 52,479  | 1,620,552        |  |                   |                    |
|   |         | <b>8,529,529</b> |  |                   |                    |
| <b>Real Estate Management &amp; Development 0.7%</b>      |         |                  |  |                   |                    |
| Kennedy-Wilson Holdings, Inc.                             | 11,176  | 211,673          |  |                   |                    |
| Opendoor Technologies Inc.* (a)                           | 64,435  | 303,489          |  |                   |                    |
|   |         | <b>515,162</b>   |  |                   |                    |
| <b>Utilities 5.0%</b>                                     |         |                  |  |                   |                    |
| <b>Electric Utilities 3.4%</b>                            |         |                  |  |                   |                    |
| IDACORP, Inc.   | 15,434  | 1,634,769        |  |                   |                    |
| Otter Tail Corp.  | 12,371  | 830,465          |  |                   |                    |
| PG&E Corp.*   | 28,319  | 282,624          |  |                   |                    |
|   |         | <b>2,747,858</b> |  |                   |                    |
|   |         |                  |  |                   |                    |
|   |         |                  | <b>Gas Utilities 1.6%</b>  |                   |                    |
|   |         |                  | Northwest Natural Holding Co.  | 9,452             | 501,901            |
|   |         |                  | UGI Corp.  | 20,014            | 772,741            |
|   |         |                  |  |                   | <b>1,274,642</b>   |
|   |         |                  | <b>Total Common Stocks</b> (Cost \$72,251,596)   |                   | <b>79,040,517</b>  |
|   |         |                  |  |                   |                    |
|   |         |                  | <b>Securities Lending Collateral 2.4%</b>  |                   |                    |
|   |         |                  | DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (b) (c) | 1,898,965         | <b>1,898,965</b>   |
|   |         |                  | (Cost \$1,898,965)   |                   |                    |
|   |         |                  |  |                   |                    |
|   |         |                  | <b>Cash Equivalents 0.8%</b>   |                   |                    |
|   |         |                  | DWS Central Cash Management Government Fund, 1.36% (b)   | 651,112           | <b>651,112</b>     |
|   |         |                  | (Cost \$651,112)   |                   |                    |
|   |         |                  |  | <b>% of</b>       | <b>Value (\$)</b>  |
|   |         |                  |  | <b>Net Assets</b> |                    |
|   |         |                  | <b>Total Investment Portfolio</b> (Cost \$74,801,673)  | 102.4             | <b>81,590,594</b>  |
|   |         |                  | <b>Other Assets and Liabilities, Net</b>   | (2.4)             | <b>(1,930,229)</b> |
|   |         |                  | <b>Net Assets</b>  | 100.0             | <b>79,660,365</b>  |

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2022 are as follows:

| Value (\$) at 12/31/2021   | Purchases Cost (\$) | Sales Proceeds (\$) | Net Realized Gain/(Loss) (\$) | Net Change in Unrealized Appreciation (Depreciation) (\$) | Income (\$)   | Capital Gain Distributions (\$) | Number of Shares at 6/30/2022 | Value (\$) at 6/30/2022 |
|--|---------------------|---------------------|-------------------------------|---|---------------|---------------------------------|-------------------------------|-------------------------|
| <b>Securities Lending Collateral 2.4%</b>  |                     |                     |                               |   |               |                                 |                               |                         |
| DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.28% (b) (c) |                     |                     |                               |   |               |                                 |                               |                         |
| 6,453,827  | —                   | 4,554,862 (d)       | —                             | —   | 11,126        | —                               | 1,898,965                     | 1,898,965               |
| <b>Cash Equivalents 0.8%</b>   |                     |                     |                               |   |               |                                 |                               |                         |
| DWS Central Cash Management Government Fund, 1.36% (b)   |                     |                     |                               |   |               |                                 |                               |                         |
| 663,321  | 4,772,952           | 4,785,161           | —                             | —   | 2,209         | —                               | 651,112                       | 651,112                 |
| <b>7,117,148</b>   | <b>4,772,952</b>    | <b>9,340,023</b>    | <b>—</b>                      | <b>—</b>  | <b>13,335</b> | <b>—</b>                        | <b>2,550,077</b>              | <b>2,550,077</b>        |

\* Non-income producing security.

- (a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2022 amounted to \$1,893,386, which is 2.4% of net assets.
- (b) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (c) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- (d) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2022.

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

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2022 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| <b>Assets</b>              | <b>Level 1</b>       | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
|----------------------------|----------------------|----------------|----------------|----------------------|
| Common Stocks (a)          | \$ 79,040,517        | \$ —           | \$ —           | \$ 79,040,517        |
| Short-Term Investments (a) | 2,550,077            | —              | —              | 2,550,077            |
| <b>Total</b>               | <b>\$ 81,590,594</b> | <b>\$ —</b>    | <b>\$ —</b>    | <b>\$ 81,590,594</b> |

(a) See Investment Portfolio for additional detailed categorizations.

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

# Statement of Assets and Liabilities

as of June 30, 2022 (Unaudited)

| <b>Assets</b>  |                      |
|--|----------------------|
| Investments in non-affiliated securities, at value (cost \$72,251,596) — including \$1,893,386 of securities loaned  | \$ 79,040,517        |
| Investment in DWS Government & Agency Securities Portfolio (cost \$1,898,965)*   | 1,898,965            |
| Investment in DWS Central Cash Management Government Fund (cost \$651,112)   | 651,112              |
| Cash   | 10,000               |
| Receivable for Fund shares sold  | 3,789                |
| Dividends receivable   | 98,028               |
| Interest receivable  | 10,128               |
| Other assets   | 966                  |
| <b>Total assets</b>  | <b>81,713,505</b>    |
| <b>Liabilities</b>   |                      |
| Payable upon return of securities loaned   | 1,898,965            |
| Payable for Fund shares redeemed   | 39,327               |
| Accrued management fee   | 38,054               |
| Accrued Trustees' fees   | 774                  |
| Other accrued expenses and payables  | 76,020               |
| <b>Total liabilities</b>   | <b>2,053,140</b>     |
| <b>Net assets, at value</b>  | <b>\$ 79,660,365</b> |
| <b>Net Assets Consist of</b>   |                      |
| Distributable earnings (loss)  | 9,676,942            |
| Paid-in capital  | 69,983,423           |
| <b>Net assets, at value</b>  | <b>\$ 79,660,365</b> |
| <b>Net Asset Value</b>   |                      |
| <b>Class A</b>   |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$63,886,462 ÷ 5,217,896 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 12.24</b>      |
| <b>Class B</b>   |                      |
| <b>Net Asset Value</b> , offering and redemption price per share (\$15,773,903 ÷ 1,286,643 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) | <b>\$ 12.26</b>      |

\* Represents collateral on securities loaned.

# Statement of Operations

for the six months ended June 30, 2022 (Unaudited)

| <b>Investment Income</b>   |                       |
|--|-----------------------|
| Income:  |                       |
| Dividends  | \$ 885,304            |
| Income distributions — DWS Central Cash Management Government Fund     | 2,209                 |
| Securities lending income, net of borrower rebates                     | 11,126                |
| <b>Total income</b>  | <b>898,639</b>        |
| Expenses:  |                       |
| Management fee   | 300,537               |
| Administration fee   | 44,849                |
| Services to shareholders   | 1,165                 |
| Record keeping fee (Class B)   | 11,197                |
| Distribution service fee (Class B)                                     | 23,806                |
| Custodian fee  | 1,358                 |
| Professional fees  | 30,027                |
| Reports to shareholders  | 16,683                |
| Trustees' fees and expenses  | 3,733                 |
| Other  | 2,512                 |
| <b>Total expenses before expense reductions</b>                        | <b>435,867</b>        |
| Expense reductions   | (16,872)              |
| <b>Total expenses after expense reductions</b>                         | <b>418,995</b>        |
| <b>Net investment income</b>   | <b>479,644</b>        |
| <b>Realized and Unrealized Gain (Loss)</b>                             |                       |
| Net realized gain (loss) from investments                              | 2,613,566             |
| Change in net unrealized appreciation (depreciation) on investments    | (22,286,318)          |
| <b>Net gain (loss)</b>   | <b>(19,672,752)</b>   |
| <b>Net increase (decrease) in net assets resulting from operations</b> | <b>\$(19,193,108)</b> |

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

# Statements of Changes in Net Assets

|   | Six Months<br>Ended<br>June 30, 2022<br>(Unaudited) | Year Ended<br>December 31,<br>2021 |
|---|---|------------------------------------|
| <b>Increase (Decrease) in Net Assets</b>                              |   |                                    |
| Operations:   |   |                                    |
| Net investment income   | \$ 479,644  | \$ 679,104                         |
| Net realized gain (loss)  | 2,613,566   | 9,995,060                          |
| Change in net unrealized appreciation<br>(depreciation)               | (22,286,318)  | 14,423,979                         |
| Net increase (decrease) in net assets resulting from operations       | (19,193,108)  | 25,098,143                         |
| Distributions to shareholders:  |   |                                    |
| Class A   | (1,631,110)   | (986,559)                          |
| Class B   | (353,137)   | (171,519)                          |
| Total distributions   | (1,984,247)   | (1,158,078)                        |
| Fund share transactions:  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Proceeds from shares sold   | 2,026,818   | 10,833,180                         |
| Reinvestment of distributions   | 1,631,110   | 986,559                            |
| Payments for shares redeemed  | (4,677,026)   | (19,477,705)                       |
| Net increase (decrease) in net assets from Class A share transactions | (1,019,098)   | (7,657,966)                        |
| <b>Class B</b>  |   |                                    |
| Proceeds from shares sold   | 628,966   | 3,370,266                          |
| Reinvestment of distributions   | 353,137   | 171,519                            |
| Payments for shares redeemed  | (2,095,804)   | (4,132,281)                        |
| Net increase (decrease) in net assets from Class B share transactions | (1,113,701)   | (590,496)                          |
| <b>Increase (decrease) in net assets</b>                              | (23,310,154)  | 15,691,603                         |
| Net assets at beginning of period                                     | 102,970,519   | 87,278,916                         |
| <b>Net assets at end of period</b>                                    | <b>\$ 79,660,365</b>                                | <b>\$102,970,519</b>               |
| <b>Other Information</b>  |   |                                    |
| <b>Class A</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 5,282,801   | 5,853,631                          |
| Shares sold   | 142,503   | 758,092                            |
| Shares issued to shareholders in reinvestment of distributions        | 119,671   | 67,758                             |
| Shares redeemed   | (327,079)   | (1,396,680)                        |
| Net increase (decrease) in Class A shares                             | (64,905)  | (570,830)                          |
| Shares outstanding at end of period                                   | <b>5,217,896</b>                                    | <b>5,282,801</b>                   |
| <b>Class B</b>  |   |                                    |
| Shares outstanding at beginning of period                             | 1,372,395   | 1,418,467                          |
| Shares sold   | 42,856  | 230,525                            |
| Shares issued to shareholders in reinvestment of distributions        | 25,852  | 11,756                             |
| Shares redeemed   | (154,460)   | (288,353)                          |
| Net increase (decrease) in Class B shares                             | (85,752)  | (46,072)                           |
| Shares outstanding at end of period                                   | <b>1,286,643</b>                                    | <b>1,372,395</b>                   |

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

# Financial Highlights

## DWS Small Mid Cap Value VIP — Class A

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                    |                |                |
|--|--|----------------|--------------------------|--------------------|----------------|----------------|
|  |  |                | 2020                     | 2019               | 2018           | 2017           |
| <b>Selected Per Share Data</b>                               |  |                |                          |                    |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$15.47</b>                             | <b>\$12.00</b> | <b>\$13.83</b>           | <b>\$12.21</b>     | <b>\$17.88</b> | <b>\$16.65</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                    |                |                |
| Net investment income <sup>a</sup>                           | .08  | .11            | .16                      | .18                | .10            | .17            |
| Net realized and unrealized gain (loss)                      | (2.99)                                     | 3.54           | (.90)                    | 2.53 <sup>b</sup>  | (2.47)         | 1.55           |
| <b>Total from investment operations</b>                      | <b>(2.91)</b>                              | <b>3.65</b>    | <b>(.74)</b>             | <b>2.71</b>        | <b>(2.37)</b>  | <b>1.72</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                    |                |                |
| Net investment income  | (.12)                                      | (.18)          | (.16)                    | (.10)              | (.24)          | (.12)          |
| Net realized gains   | (.20)                                      | —              | (.93)                    | (.99)              | (3.06)         | (.37)          |
| <b>Total distributions</b>                                   | <b>(.32)</b>                               | <b>(.18)</b>   | <b>(1.09)</b>            | <b>(1.09)</b>      | <b>(3.30)</b>  | <b>(.49)</b>   |
| <b>Net asset value, end of period</b>                        | <b>\$12.24</b>                             | <b>\$15.47</b> | <b>\$12.00</b>           | <b>\$13.83</b>     | <b>\$12.21</b> | <b>\$17.88</b> |
| Total Return (%) <sup>c</sup>                                | (19.04) <sup>*</sup>                       | 30.50          | (1.80)                   | 22.76 <sup>b</sup> | (16.01)        | 10.52          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                    |                |                |
| Net assets, end of period (\$ millions)                      | 64   | 82             | 70                       | 78                 | 70             | 96             |
| Ratio of expenses before expense reductions (%) <sup>d</sup> | .87 <sup>**</sup>                          | .85            | .88                      | .88                | .87            | .83            |
| Ratio of expenses after expense reductions (%) <sup>d</sup>  | .83 <sup>**</sup>                          | .83            | .82                      | .83                | .81            | .83            |
| Ratio of net investment income (%)                           | 1.12 <sup>**</sup>                         | .76            | 1.57                     | 1.35               | .65            | .98            |
| Portfolio turnover rate (%)                                  | 17 <sup>*</sup>                            | 32             | 43                       | 55                 | 64             | 35             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Includes proceeds from a non-recurring litigation payment amounting to \$0.14 per share and 1.07% of average daily net assets, for the year ended December 31, 2019.

<sup>c</sup> Total return would have been lower had certain expenses not been reduced.

<sup>d</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

<sup>\*</sup> Not annualized

<sup>\*\*</sup> Annualized

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

## DWS Small Mid Cap Value VIP — Class B

|  | Six Months<br>Ended 6/30/22<br>(Unaudited) | 2021           | Years Ended December 31, |                    |                | 2017           |
|--|--|----------------|--------------------------|--------------------|----------------|----------------|
|  |  |                | 2020                     | 2019               | 2018           |                |
| <b>Selected Per Share Data</b>                               |  |                |                          |                    |                |                |
| <b>Net asset value, beginning of period</b>                  | <b>\$15.46</b>                             | <b>\$11.99</b> | <b>\$13.82</b>           | <b>\$12.20</b>     | <b>\$17.86</b> | <b>\$16.63</b> |
| <i>Income (loss) from investment operations:</i>             |  |                |                          |                    |                |                |
| Net investment income <sup>a</sup>                           | .05  | .06            | .13                      | .13                | .05            | .11            |
| Net realized and unrealized gain (loss)                      | (2.99)                                     | 3.53           | (.90)                    | 2.53 <sup>b</sup>  | (2.48)         | 1.55           |
| <b>Total from investment operations</b>                      | <b>(2.94)</b>                              | <b>3.59</b>    | <b>(.77)</b>             | <b>2.66</b>        | <b>(2.43)</b>  | <b>1.66</b>    |
| <i>Less distributions from:</i>                              |  |                |                          |                    |                |                |
| Net investment income  | (.06)                                      | (.12)          | (.13)                    | (.05)              | (.17)          | (.06)          |
| Net realized gains   | (.20)                                      | —              | (.93)                    | (.99)              | (3.06)         | (.37)          |
| <b>Total distributions</b>                                   | <b>(.26)</b>                               | <b>(.12)</b>   | <b>(1.06)</b>            | <b>(1.04)</b>      | <b>(3.23)</b>  | <b>(.43)</b>   |
| <b>Net asset value, end of period</b>                        | <b>\$12.26</b>                             | <b>\$15.46</b> | <b>\$11.99</b>           | <b>\$13.82</b>     | <b>\$12.20</b> | <b>\$17.86</b> |
| Total Return (%) <sup>c</sup>                                | (19.17)*                                   | 30.04          | (2.18)                   | 22.32 <sup>b</sup> | (16.32)        | 10.13          |
| <b>Ratios to Average Net Assets and Supplemental Data</b>    |  |                |                          |                    |                |                |
| Net assets, end of period (\$ millions)                      | 16   | 21             | 17                       | 17                 | 15             | 19             |
| Ratio of expenses before expense reductions (%) <sup>d</sup> | 1.24**                                     | 1.22           | 1.25                     | 1.25               | 1.24           | 1.19           |
| Ratio of expenses after expense reductions (%) <sup>d</sup>  | 1.20**                                     | 1.20           | 1.19                     | 1.19               | 1.16           | 1.19           |
| Ratio of net investment income (%)                           | .74**                                      | .40            | 1.21                     | .99                | .30            | .65            |
| Portfolio turnover rate (%)                                  | 17*  | 32             | 43                       | 55                 | 64             | 35             |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Includes proceeds from a non-recurring litigation payment amounting to \$0.14 per share and 1.07% of average daily net assets, for the year ended December 31, 2019.

<sup>c</sup> Total return would have been lower had certain expenses not been reduced.

<sup>d</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

\* Not annualized

\*\* Annualized

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



# Notes to Financial Statements

(Unaudited)

## A. Organization and Significant Accounting Policies

DWS Small Mid Cap Value VIP (the “Fund”) is a diversified series of Deutsche DWS Variable Series II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company organized as a Massachusetts business trust.

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and recordkeeping fees equal to an annual rate of up to 0.25% and of up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund’s valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security’s disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company’s or issuer’s financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund’s Investment Portfolio.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at

the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Securities Lending.** Brown Brothers Harriman & Co., as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash and/or U.S. Treasury Securities having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best efforts to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the six months ended June 30, 2022, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.07% annualized effective rate as of June 30, 2022) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2022, the Fund had securities on loan, which were classified as common stocks in the Investment Portfolio. The value of the related collateral exceeded the value of the securities loaned at period end. As of period end, the remaining contractual maturity of the collateral agreements was overnight and continuous.

**Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

At June 30, 2022, the aggregate cost of investments for federal income tax purposes was \$74,994,919. The net unrealized appreciation for all investments based on tax cost was \$6,595,675. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$15,267,770 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$8,672,095.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2021 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to certain securities sold at a loss and the realized tax character on distributions from certain securities. As a result, net investment income (loss) and

net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Real Estate Investment Trusts.** The Fund at its fiscal year end recharacterizes distributions received from a Real Estate Investment Trust ("REIT") investment based on information provided by the REIT into the following categories: ordinary income, long-term and short-term capital gains, and return of capital. If information is not available timely from a REIT, the recharacterization will be estimated for financial reporting purposes and a recharacterization will be made to the accounting records in the following year when such information becomes available. Distributions received from REITs in excess of income are recorded as either a reduction of cost of investments or realized gains.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## B. Purchases and Sales of Securities

During the six months ended June 30, 2022, purchases and sales of investment securities (excluding short-term investments) aggregated \$15,789,627 and \$19,432,364, respectively.

## C. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Pursuant to the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the Fund's average daily net assets, computed and accrued daily and payable monthly, at the following annual rates:

|                     |       |
|---------------------|-------|
| First \$250 million | .650% |
| Next \$750 million  | .620% |
| Next \$1.5 billion  | .600% |
| Next \$2.5 billion  | .580% |
| Next \$2.5 billion  | .550% |
| Next \$2.5 billion  | .540% |
| Next \$2.5 billion  | .530% |
| Over \$12.5 billion | .520% |

Accordingly, for the six months ended June 30, 2022, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.65% of the Fund's average daily net assets.

For the period from January 1, 2022 through April 30, 2023, the Advisor has contractually agreed to waive its fees and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total

annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |       |
|---------|-------|
| Class A | .83%  |
| Class B | 1.20% |

For the six months ended June 30, 2022, fees waived and/or expenses reimbursed for each class are as follows:

|         |                  |
|---------|------------------|
| Class A | \$ 13,406        |
| Class B | 3,466            |
|         | <b>\$ 16,872</b> |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee (“Administration Fee”) of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2022, the Administration Fee was \$44,849, of which \$6,754 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2022, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at June 30, 2022 |
|--------------------------|------------------|-------------------------|
| Class A                  | \$ 432           | \$ 138                  |
| Class B                  | 341              | 104                     |
|                          | <b>\$ 773</b>    | <b>\$ 242</b>           |

**Distribution Service Agreement.** Under the Fund’s Class B 12b-1 plan, DWS Distributors, Inc. (“DDI”) received a fee (“Distribution Service Fee”) of up to 0.25% of average daily net assets of Class B shares. For the six months ended June 30, 2022, the Distribution Service Fee aggregated \$23,806, of which \$3,561 is unpaid.

**Other Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing regulatory filing services to the Fund. For the six months ended June 30, 2022, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$504, of which \$31 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

## D. Ownership of the Fund

At June 30, 2022, one participating insurance company was owner of record of 10% or more of the total

outstanding Class A shares of the Fund, owning 68%. Four participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 25%, 18%, 16% and 16%, respectively.

### **E. Line of Credit**

The Fund and other affiliated funds (the “Participants”) share in a \$375 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a daily fluctuating rate per annum equal to the sum of 0.10% plus the higher of the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus 1.25%. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2022.

### **F. Other — COVID-19 Pandemic**

A novel coronavirus known as COVID-19, declared a pandemic by the World Health Organization, has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain interruptions. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve, including the risk of future increased rates of infection due to significant portions of the population remaining unvaccinated and/or the lack of effectiveness of current vaccines against new variants. The pandemic has affected and may continue to affect certain countries, industries, economic sectors, companies and investment products more than others, may exacerbate existing economic, political, or social tensions and may increase the probability of an economic recession or depression. The Fund and its investments may be adversely affected by the effects of the COVID-19 pandemic, and the pandemic may result in the Fund and its service providers experiencing operational difficulties in coordinating a remote workforce and implementing their business continuity plans, among others. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund’s accounting and financial reporting.

## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2022 to June 30, 2022).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2022

| <b>Actual Fund Return</b>      | <b>Class A</b> | <b>Class B</b> |
|--------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22 | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22   | \$ 809.60      | \$ 808.30      |
| Expenses Paid per \$1,000*     | \$ 3.72        | \$ 5.38        |

| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 1/1/22     | \$ 1,000.00    | \$ 1,000.00    |
| Ending Account Value 6/30/22       | \$ 1,020.68    | \$ 1,018.84    |
| Expenses Paid per \$1,000*         | \$ 4.16        | \$ 6.01        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 181 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                              | <b>Class A</b> | <b>Class B</b> |
|---|----------------|----------------|
| Deutsche DWS Variable Series II — DWS Small Mid Cap Value VIP | .83%           | 1.20%          |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2022, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2020 through November 30, 2021 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within 3 business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported that there were no material changes made to the Program during the Reporting Period.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS Small Mid Cap Value VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2021.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”).
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board also considered the risks to DIMA in sponsoring or managing the Fund, including financial, operational and reputational risks, the potential economic impact to DIMA from such risks and DIMA’s approach to addressing such risks. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2020, the Fund’s performance (Class A shares) was in the 4th quartile of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has underperformed its benchmark in the



one-, three- and five-year periods ended December 31, 2020. The Board noted the disappointing investment performance of the Fund in recent periods and continued to discuss with senior management of DIMA the factors contributing to such underperformance and actions being taken to improve performance. The Board noted certain changes in the Fund's portfolio management team that were made effective February 14, 2019. The Board observed that the Fund had experienced improved relative performance during the first seven months of 2021. The Board recognized the efforts by DIMA in recent years to enhance its investment platform and improve long-term performance across the DWS fund complex.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.097% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (2nd quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2020). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (2nd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2020, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to a comparable DWS U.S. registered fund ("DWS Funds") and considered differences between the Fund and the comparable DWS Fund. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA

products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

# Notes



VS2SMCV-3 (R-028381-11 8/22)

## Invesco V.I. Equity and Income Fund

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The Fund provides a complete list of its portfolio holdings four times each year, at the end of each fiscal quarter. For the second and fourth quarters, the list appears, respectively, in the Fund's semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the list with the Securities and Exchange Commission (SEC) as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT filings are available on the SEC website, [sec.gov](http://sec.gov). The SEC file numbers for the Fund are 811-07452 and 033-57340. The Fund's most recent portfolio holdings, as filed on Form N-PORT, have also been made available to insurance companies issuing variable annuity contracts and variable life insurance policies ("variable products") that invest in the Fund.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 959 4246 or at [invesco.com/corporate/about-us/esg](http://invesco.com/corporate/about-us/esg). The information is also available on the SEC website, [sec.gov](http://sec.gov).

Information regarding how the Fund voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 is available at [invesco.com/proxysearch](http://invesco.com/proxysearch). The information is also available on the SEC website, [sec.gov](http://sec.gov).

Invesco Advisers, Inc. is an investment adviser; it provides investment advisory services to individual and institutional clients and does not sell securities. Invesco Distributors, Inc. is the US distributor for Invesco Ltd.'s retail mutual funds, exchange-traded funds and institutional money market funds. Both are wholly owned, indirect subsidiaries of Invesco Ltd.

**This report must be accompanied or preceded by a currently effective Fund prospectus and variable product prospectus, which contain more complete information, including sales charges and expenses. Investors should read each carefully before investing.**

# Fund Performance

## Performance summary

### Fund vs. Indexes

Cumulative total returns, 12/31/21 to 6/30/22, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

|   |         |
|---|---------|
| Series I Shares   | -12.03% |
| Series II Shares  | -12.12  |
| Russell 1000 Value Index <sup>▼</sup> (Broad Market Index)                                  | -12.86  |
| Bloomberg U.S. Government/Credit Index <sup>▼</sup> (Style-Specific Index)                  | -11.05  |
| Lipper VUF Mixed-Asset Target Allocation Growth Funds Index <sup>■</sup> (Peer Group Index) | -17.76  |

Source(s): <sup>▼</sup>RIMES Technologies Corp.; <sup>■</sup>Lipper Inc.

The **Russell 1000<sup>®</sup> Value Index** is an unmanaged index considered representative of large-cap value stocks. The Russell 1000 Value Index is a trademark/service mark of the Frank Russell Co. Russell<sup>®</sup> is a trademark of the Frank Russell Co.

The **Bloomberg U.S. Government/Credit Index** is a broad-based benchmark that includes investment-grade, US dollar-denominated, fixed-rate Treasuries, government-related and corporate securities.

The **Lipper VUF Mixed-Asset Target Allocation Growth Funds Index** is an unmanaged index considered representative of mixed-asset target allocation growth variable insurance underlying funds tracked by Lipper.

The Fund is not managed to track the performance of any particular index, including the index(es) described here, and consequently, the performance of the Fund may deviate significantly from the performance of the index(es).

A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges. Performance of the peer group, if applicable, reflects fund expenses; performance of a market index does not.

## Average Annual Total Returns

As of 6/30/22

### Series I Shares

|                    |       |
|--------------------|-------|
| Inception (6/1/10) | 8.62% |
| 10 Years           | 8.46  |
| 5 Years            | 5.92  |
| 1 Year             | -7.90 |

### Series II Shares

|                     |       |
|---------------------|-------|
| Inception (4/30/03) | 7.50% |
| 10 Years            | 8.19  |
| 5 Years             | 5.64  |
| 1 Year              | -8.11 |

Effective June 1, 2010, Class II shares of the predecessor fund, Universal Institutional Funds Equity and Income Portfolio, advised by Morgan Stanley Investment Management Inc. were reorganized into Series II shares of Invesco Van Kampen V.I. Equity and Income Fund (renamed Invesco V.I. Equity and Income Fund on April 29, 2013). Returns shown above, prior to June 1, 2010, for Series II shares are those of the Class II shares of the predecessor fund. Share class returns will differ from the predecessor fund because of different expenses.

The performance data quoted represent past performance and cannot guarantee future results; current performance may be lower or higher. Please contact your variable product issuer or financial adviser for

the most recent month-end variable product performance. Performance figures reflect Fund expenses, reinvested distributions and changes in net asset value. Performance figures do not reflect deduction of taxes a shareholder would pay on Fund distributions or sale of Fund shares. Investment return and principal value will fluctuate so that you may have a gain or loss when you sell shares.

Invesco V.I. Equity and Income Fund, a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds), is currently offered through insurance companies issuing variable products. You cannot purchase shares of the Fund directly. Performance figures given represent the Fund and are not intended to reflect actual variable product values. They do not reflect

sales charges, expenses and fees assessed in connection with a variable product. Sales charges, expenses and fees, which are determined by the variable product issuers, will vary and will lower the total return.

The most recent month-end performance at the Fund level, excluding variable product charges, is available at 800 451 4246. As mentioned above, for the most recent month-end performance including variable product charges, please contact your variable product issuer or financial adviser.

Fund performance reflects any applicable fee waivers and/or expense reimbursements. Had the adviser not waived fees and/or reimbursed expenses currently or in the past, returns would have been lower. See current prospectus for more information.

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## Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), the Fund has adopted and implemented a liquidity risk management program in accordance with the Liquidity Rule (the "Program"). The Program is reasonably designed to assess and manage the Fund's liquidity risk, which is the risk that the Fund could not meet redemption requests without significant dilution of remaining investors' interests in the Fund. The Board of Trustees of the Fund (the "Board") has appointed Invesco Advisers, Inc. ("Invesco"), the Fund's investment adviser, as the Program's administrator, and Invesco has delegated oversight of the Program to the Liquidity Risk Management Committee (the "Committee"), which is composed of senior representatives from relevant business groups at Invesco.

As required by the Liquidity Rule, the Program includes policies and procedures providing for an assessment, no less frequently than annually, of the Fund's liquidity risk that takes into account, as relevant to the Fund's liquidity risk: (1) the Fund's investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions; (2) short-term and long-term cash flow projections for the Fund during both normal and reasonably foreseeable stressed conditions; and (3) the Fund's holdings of cash and cash equivalents and any borrowing arrangements. The Liquidity Rule also requires the classification of the Fund's investments into categories that reflect the assessment of their relative liquidity under current market conditions. The Fund classifies its investments into one of four categories defined in the Liquidity Rule: "Highly Liquid," "Moderately Liquid," "Less Liquid," and "Illiquid." Funds that are not invested primarily in "Highly Liquid Investments" that are assets (cash or investments that are reasonably expected to be convertible into cash within three business days without significantly changing the market value of the investment) are required to establish a "Highly Liquid Investment Minimum" ("HLIM"), which is the minimum percentage of net assets that must be invested in Highly Liquid Investments. Funds with HLIMs have procedures for addressing HLIM shortfalls, including reporting to the Board and the SEC (on a non-public basis) as required by the Program and the Liquidity Rule. In addition, the Fund may not acquire an investment if, immediately after the acquisition, over 15% of the Fund's net assets would consist of "Illiquid Investments" that are assets (an investment that cannot reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment). The Liquidity Rule and the Program also require reporting to the Board and the SEC (on a non-public basis) if a Fund's holdings of Illiquid Investments exceed 15% of the Fund's assets.

At a meeting held on March 21-23, 2022, the Committee presented a report to the Board that addressed the operation of the Program and assessed the Program's adequacy and effectiveness of implementation (the "Report"). The Report covered the period from January 1, 2021 through December 31, 2021 (the "Program Reporting Period"). The Report discussed notable events affecting liquidity over the Program Reporting Period, including the impact of the coronavirus pandemic on the Fund and the overall market. The Report noted that there were no material changes to the Program during the Program Reporting Period.

The Report stated, in relevant part, that during the Program Reporting Period:

- The Program, as adopted and implemented, remained reasonably designed to assess and manage the Fund's liquidity risk and was operated effectively to achieve that goal;
- The Fund's investment strategy remained appropriate for an open-end fund;
- The Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund;
- The Fund did not breach the 15% limit on Illiquid Investments; and
- The Fund primarily held Highly Liquid Investments and therefore has not adopted an HLIM.

# Schedule of Investments<sup>(a)</sup>

June 30, 2022

(Unaudited)

|  | Shares  | Value        |
|--|---------|--------------|
| <b>Common Stocks &amp; Other Equity Interests-62.47%</b> |         |              |
| <b>Aerospace &amp; Defense-2.64%</b>                     |         |              |
| General Dynamics Corp. <sup>(b)</sup>                    | 14,573  | \$ 3,224,276 |
| Raytheon Technologies Corp.                              | 142,559 | 13,701,346   |
| Textron, Inc.  | 191,560 | 11,698,569   |
|  |         | 28,624,191   |
| <b>Apparel Retail-1.03%</b>                              |         |              |
| TJX Cos., Inc. (The)                                     | 200,670 | 11,207,420   |
| <b>Application Software-0.49%</b>                        |         |              |
| Splunk, Inc. <sup>(c)</sup>                              | 60,294  | 5,333,607    |
| <b>Automobile Manufacturers-1.60%</b>                    |         |              |
| General Motors Co. <sup>(c)</sup>                        | 547,263 | 17,381,073   |
| <b>Building Products-1.03%</b>                           |         |              |
| Johnson Controls International PLC                       | 232,264 | 11,120,800   |
| <b>Cable &amp; Satellite-1.72%</b>                       |         |              |
| Charter Communications, Inc.,<br>Class A <sup>(c)</sup>  | 18,407  | 8,624,232    |
| Comcast Corp., Class A                                   | 255,314 | 10,018,521   |
|  |         | 18,642,753   |
| <b>Casinos &amp; Gaming-0.58%</b>                        |         |              |
| Las Vegas Sands Corp. <sup>(c)</sup>                     | 188,210 | 6,321,974    |
| <b>Communications Equipment-1.15%</b>                    |         |              |
| Cisco Systems, Inc. <sup>(b)</sup>                       | 293,302 | 12,506,397   |
| <b>Construction &amp; Engineering-0.71%</b>              |         |              |
| Quanta Services, Inc. <sup>(b)</sup>                     | 61,202  | 7,671,059    |
| <b>Consumer Finance-0.98%</b>                            |         |              |
| American Express Co.                                     | 76,494  | 10,603,598   |
| <b>Data Processing &amp; Outsourced Services-1.32%</b>   |         |              |
| Fiserv, Inc. <sup>(c)</sup>                              | 78,950  | 7,024,181    |
| PayPal Holdings, Inc. <sup>(c)</sup>                     | 103,663 | 7,239,824    |
|  |         | 14,264,005   |
| <b>Distillers &amp; Vintners-0.96%</b>                   |         |              |
| Diageo PLC (United Kingdom)                              | 240,703 | 10,384,365   |
| <b>Diversified Banks-3.92%</b>                           |         |              |
| Bank of America Corp.                                    | 552,619 | 17,203,029   |
| Wells Fargo & Co.  | 646,356 | 25,317,765   |
|  |         | 42,520,794   |
| <b>Electric Utilities-1.30%</b>                          |         |              |
| American Electric Power Co., Inc.                        | 66,799  | 6,408,696    |
| Exelon Corp. <sup>(b)</sup>                              | 99,143  | 4,493,161    |
| FirstEnergy Corp.  | 83,539  | 3,207,062    |
|  |         | 14,108,919   |
| <b>Electrical Components &amp; Equipment-0.57%</b>       |         |              |
| Emerson Electric Co.                                     | 77,780  | 6,186,621    |

|   | Shares  | Value        |
|---|---------|--------------|
| <b>Electronic Manufacturing Services-0.52%</b>          |         |              |
| TE Connectivity Ltd. (Switzerland)                      | 49,867  | \$ 5,642,451 |
| <b>Fertilizers &amp; Agricultural Chemicals-1.11%</b>   |         |              |
| Corteva, Inc.   | 222,173 | 12,028,446   |
| <b>Food Distributors-1.27%</b>                          |         |              |
| Sysco Corp. <sup>(b)</sup>                              | 95,048  | 8,051,516    |
| US Foods Holding Corp. <sup>(c)</sup>                   | 186,570 | 5,723,968    |
|   |         | 13,775,484   |
| <b>Gold-0.48%</b>                                       |         |              |
| Barrick Gold Corp. (Canada)                             | 292,319 | 5,171,123    |
| <b>Health Care Distributors-1.02%</b>                   |         |              |
| McKesson Corp.  | 34,018  | 11,097,012   |
| <b>Health Care Equipment-1.70%</b>                      |         |              |
| Medtronic PLC   | 136,677 | 12,266,761   |
| Zimmer Biomet Holdings, Inc.                            | 58,369  | 6,132,247    |
|   |         | 18,399,008   |
| <b>Health Care Facilities-0.60%</b>                     |         |              |
| Universal Health Services, Inc., Class B <sup>(b)</sup> | 64,797  | 6,525,706    |
| <b>Health Care Services-2.14%</b>                       |         |              |
| Cigna Corp.   | 55,192  | 14,544,196   |
| CVS Health Corp.  | 93,637  | 8,676,404    |
|   |         | 23,220,600   |
| <b>Hotels, Resorts &amp; Cruise Lines-0.80%</b>         |         |              |
| Booking Holdings, Inc. <sup>(c)</sup>                   | 4,937   | 8,634,764    |
| <b>Industrial Machinery-0.97%</b>                       |         |              |
| Parker-Hannifin Corp.                                   | 42,707  | 10,508,057   |
| <b>Insurance Brokers-0.78%</b>                          |         |              |
| Willis Towers Watson PLC                                | 42,802  | 8,448,687    |
| <b>Integrated Oil &amp; Gas-1.53%</b>                   |         |              |
| Chevron Corp.   | 114,848 | 16,627,693   |
| <b>Internet &amp; Direct Marketing Retail-0.75%</b>     |         |              |
| Amazon.com, Inc. <sup>(c)</sup>                         | 76,505  | 8,125,596    |
| <b>Investment Banking &amp; Brokerage-2.96%</b>         |         |              |
| Charles Schwab Corp. (The)                              | 148,186 | 9,362,392    |
| Goldman Sachs Group, Inc. (The)                         | 42,450  | 12,608,499   |
| Morgan Stanley  | 132,454 | 10,074,451   |
|   |         | 32,045,342   |
| <b>IT Consulting &amp; Other Services-1.72%</b>         |         |              |
| Cognizant Technology Solutions Corp.,<br>Class A        | 276,247 | 18,643,910   |
| <b>Managed Health Care-1.63%</b>                        |         |              |
| Centene Corp. <sup>(c)</sup>                            | 117,260 | 9,921,369    |
| Elevance Health, Inc.                                   | 16,056  | 7,748,304    |
|   |         | 17,669,673   |

See accompanying Notes to Financial Statements which are an integral part of the financial statements.



|   | Shares           | Value        |
|---|------------------|--------------|
| <b>Movies &amp; Entertainment-0.89%</b>                           |                  |              |
| Walt Disney Co. (The) <sup>(c)</sup>                              | 101,857          | \$ 9,615,301 |
| <b>Multi-line Insurance-1.60%</b>                                 |                  |              |
| American International Group, Inc.                                | 339,264          | 17,346,568   |
| <b>Oil &amp; Gas Exploration &amp; Production-4.40%</b>           |                  |              |
| Canadian Natural Resources Ltd. (Canada)                          | 133,365          | 7,166,608    |
| ConocoPhillips  | 223,215          | 20,046,939   |
| Devon Energy Corp. <sup>(b)</sup>                                 | 208,010          | 11,463,431   |
| Pioneer Natural Resources Co. <sup>(b)</sup>                      | 40,224           | 8,973,170    |
|   |                  | 47,650,148   |
| <b>Other Diversified Financial Services-0.51%</b>                 |                  |              |
| Voya Financial, Inc. <sup>(b)</sup>                               | 93,038           | 5,538,552    |
| <b>Pharmaceuticals-5.09%</b>                                      |                  |              |
| Bristol-Myers Squibb Co.  | 182,434          | 14,047,418   |
| GSK PLC   | 381,979          | 8,213,469    |
| Johnson & Johnson   | 40,530           | 7,194,481    |
| Merck & Co., Inc.   | 170,254          | 15,522,057   |
| Sanofi (France)   | 101,257          | 10,239,683   |
|   |                  | 55,217,108   |
| <b>Railroads-1.14%</b>  |                  |              |
| CSX Corp.   | 423,192          | 12,297,960   |
| <b>Real Estate Services-1.41%</b>                                 |                  |              |
| CBRE Group, Inc., Class A <sup>(c)</sup>                          | 208,244          | 15,328,841   |
| <b>Regional Banks-1.62%</b>                                       |                  |              |
| Citizens Financial Group, Inc.                                    | 335,082          | 11,959,077   |
| PNC Financial Services Group, Inc. (The)                          | 35,251           | 5,561,550    |
|   |                  | 17,520,627   |
| <b>Semiconductor Equipment-0.43%</b>                              |                  |              |
| Lam Research Corp.  | 10,826           | 4,613,500    |
| <b>Semiconductors-2.14%</b>                                       |                  |              |
| Intel Corp.   | 244,808          | 9,158,267    |
| NXP Semiconductors N.V. (China)                                   | 42,029           | 6,221,553    |
| QUALCOMM, Inc.  | 60,997           | 7,791,757    |
|   |                  | 23,171,577   |
| <b>Tobacco-1.19%</b>  |                  |              |
| Philip Morris International, Inc. (Switzerland)                   | 130,472          | 12,882,805   |
| <b>Trading Companies &amp; Distributors-0.80%</b>                 |                  |              |
| Ferguson PLC <sup>(b)</sup>                                       | 77,909           | 8,625,305    |
| <b>Wireless Telecommunication Services-1.27%</b>                  |                  |              |
| T-Mobile US, Inc. <sup>(c)</sup>                                  | 102,626          | 13,807,302   |
| Total Common Stocks & Other Equity Interests (Cost \$514,953,717) |                  | 677,056,722  |
|   | Principal Amount |              |
| <b>U.S. Dollar Denominated Bonds &amp; Notes-22.08%</b>           |                  |              |
| <b>Advertising-0.05%</b>  |                  |              |
| Omnicom Group, Inc./Omnicom Capital, Inc., 3.60%, 04/15/2026      | \$ 550,000       | 534,967      |

|   | Principal Amount | Value        |
|---|------------------|--------------|
| <b>Aerospace &amp; Defense-0.25%</b>  |                  |              |
| Boeing Co. (The), 5.81%, 05/01/2050   | \$ 1,625,000     | \$ 1,495,461 |
| Lockheed Martin Corp., 4.15%, 06/15/2053 <sup>(b)</sup>                         | 643,000          | 601,469      |
| Precision Castparts Corp., 2.50%, 01/15/2023                                    | 333,000          | 333,031      |
| Raytheon Technologies Corp., 4.45%, 11/16/2038                                  | 308,000          | 294,325      |
|   |                  | 2,724,286    |
| <b>Agricultural Products-0.02%</b>  |                  |              |
| Ingredion, Inc., 6.63%, 04/15/2037  | 232,000          | 265,342      |
| <b>Air Freight &amp; Logistics-0.06%</b>  |                  |              |
| FedEx Corp., 4.90%, 01/15/2034  | 402,000          | 402,345      |
| United Parcel Service, Inc., 3.40%, 11/15/2046                                  | 240,000          | 200,661      |
|   |                  | 603,006      |
| <b>Airlines-0.33%</b>   |                  |              |
| American Airlines Pass-Through Trust, Series 2014-1, Class A, 3.70%, 04/01/2028 | 261,127          | 226,665      |
| JetBlue Airways Corp., Conv., 0.50%, 04/01/2026                                 | 1,732,000        | 1,282,546    |
| Spirit Airlines, Inc., Conv., 1.00%, 05/15/2026                                 | 1,157,000        | 1,048,821    |
| United Airlines Pass-Through Trust, Series 2012-1, Class A, 4.15%, 04/11/2024   | 259,020          | 254,441      |
| Series 2014-2, Class A, 3.75%, 09/03/2026                                       | 334,836          | 319,417      |
| Series 2018-1, Class AA, 3.50%, 03/01/2030                                      | 426,955          | 390,981      |
|   |                  | 3,522,871    |
| <b>Alternative Carriers-0.22%</b>   |                  |              |
| Liberty Latin America Ltd. (Chile), Conv., 2.00%, 07/15/2024                    | 2,743,000        | 2,388,124    |
| <b>Application Software-1.20%</b>   |                  |              |
| Dropbox, Inc., Conv., 0.00%, 03/01/2026 <sup>(d)</sup>                          | 5,339,000        | 4,834,464    |
| salesforce.com, inc., 2.70%, 07/15/2041   | 1,413,000        | 1,094,724    |
| Splunk, Inc., Conv., 1.13%, 06/15/2027  | 7,967,000        | 6,612,610    |
| Workday, Inc., 3.50%, 04/01/2027  | 528,000          | 505,355      |
|   |                  | 13,047,153   |
| <b>Asset Management &amp; Custody Banks-0.45%</b>                               |                  |              |
| Apollo Management Holdings L.P., 4.00%, 05/30/2024 <sup>(e)</sup>               | 2,755,000        | 2,720,751    |
| Brookfield Asset Management, Inc. (Canada), 4.00%, 01/15/2025                   | 445,000          | 443,288      |
| KKR Group Finance Co. III LLC, 5.13%, 06/01/2044 <sup>(e)</sup>                 | 372,000          | 355,764      |
| KKR Group Finance Co. XII LLC, 4.85%, 05/17/2032 <sup>(e)</sup>                 | 1,364,000        | 1,348,319    |
|   |                  | 4,868,122    |

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

|  | Principal<br>Amount | Value        |
|--|---------------------|--------------|
| <b>Automobile Manufacturers-0.32%</b>  |                     |              |
| American Honda Finance Corp.,<br>2.05%, 01/10/2023   | \$ 1,540,000        | \$ 1,531,170 |
| General Motors Co., 6.60%,<br>04/01/2036   | 377,000             | 382,343      |
| General Motors Financial Co., Inc.,<br>5.25%, 03/01/2026   | 480,000             | 481,338      |
| Honda Motor Co. Ltd. (Japan),<br>2.97%, 03/10/2032   | 1,138,000           | 1,019,648    |
|  |                     | 3,414,499    |
| <b>Biotechnology-1.10%</b>   |                     |              |
| AbbVie, Inc.,<br>4.50%, 05/14/2035   | 694,000             | 674,642      |
| 4.05%, 11/21/2039  | 1,322,000           | 1,181,095    |
| 4.85%, 06/15/2044  | 264,000             | 252,817      |
| Gilead Sciences, Inc., 3.25%,<br>09/01/2022  | 2,070,000           | 2,070,000    |
| Halozyne Therapeutics, Inc., Conv.,<br>0.25%, 03/01/2027   | 3,840,000           | 3,406,764    |
| Jazz Investments I Ltd., Conv.,<br>2.00%, 06/15/2026   | 1,556,000           | 1,832,190    |
| Neurocrine Biosciences, Inc., Conv.,<br>2.25%, 05/15/2024  | 1,875,000           | 2,489,063    |
|  |                     | 11,906,571   |
| <b>Brewers-0.24%</b>   |                     |              |
| Anheuser-Busch Cos. LLC/Anheuser-<br>Busch InBev Worldwide, Inc.<br>(Belgium),<br>4.70%, 02/01/2036                | 959,000             | 920,297      |
| 4.90%, 02/01/2046  | 538,000             | 506,670      |
| Heineken N.V. (Netherlands),<br>3.50%, 01/29/2028 <sup>(e)</sup>   | 945,000             | 912,251      |
| Molson Coors Beverage Co., 4.20%,<br>07/15/2046  | 377,000             | 310,322      |
|  |                     | 2,649,540    |
| <b>Broadcasting-0.03%</b>  |                     |              |
| Paramount Global, 4.00%,<br>01/15/2026   | 367,000             | 358,475      |
| <b>Cable &amp; Satellite-1.90%</b>   |                     |              |
| BofA Finance LLC, Conv., 0.13%,<br>09/01/2022  | 2,213,000           | 2,214,106    |
| Cable One, Inc.,<br>Conv.,<br>0.00%, 03/15/2026 <sup>(d)</sup>   | 5,466,000           | 4,531,314    |
| 1.13%, 03/15/2028  | 2,850,000           | 2,402,550    |
| Charter Communications<br>Operating LLC/Charter<br>Communications Operating<br>Capital Corp., 4.91%,<br>07/23/2025 | 550,000             | 552,023      |
| Comcast Corp.,<br>3.15%, 03/01/2026  | 1,101,000           | 1,073,510    |
| 4.15%, 10/15/2028  | 935,000             | 933,302      |
| 3.90%, 03/01/2038  | 756,000             | 684,925      |
| 2.89%, 11/01/2051  | 352,000             | 251,922      |
| 2.94%, 11/01/2056  | 265,000             | 184,687      |
| Cox Communications, Inc., 2.95%,<br>10/01/2050 <sup>(e)</sup>  | 202,000             | 134,137      |
| DISH Network Corp., Conv., 3.38%,<br>08/15/2026  | 7,604,000           | 5,155,512    |

|   | Principal<br>Amount | Value        |
|---|---------------------|--------------|
| <b>Cable &amp; Satellite-(continued)</b>  |                     |              |
| Liberty Broadband Corp., Conv.,<br>1.25%, 10/05/2023 <sup>(e)(f)</sup>                    | \$ 2,645,000        | \$ 2,483,655 |
|   |                     | 20,601,643   |
| <b>Commodity Chemicals-0.04%</b>  |                     |              |
| LYB Finance Co. B.V. (Netherlands),<br>8.10%, 03/15/2027 <sup>(e)</sup>                   | 339,000             | 388,039      |
| <b>Computer &amp; Electronics Retail-0.22%</b>  |                     |              |
| Dell International LLC/EMC Corp.,<br>5.45%, 06/15/2023                                    | 163,000             | 164,697      |
| 6.02%, 06/15/2026   | 2,125,000           | 2,209,569    |
| 8.35%, 07/15/2046   | 4,000               | 4,992        |
|   |                     | 2,379,258    |
| <b>Consumer Finance-0.39%</b>   |                     |              |
| American Express Co.,<br>3.38%, 05/03/2024  | 2,490,000           | 2,474,379    |
| 3.63%, 12/05/2024   | 324,000             | 322,376      |
| Capital One Financial Corp., 3.20%,<br>01/30/2023   | 958,000             | 958,745      |
| Synchrony Financial, 3.95%,<br>12/01/2027   | 556,000             | 507,367      |
|   |                     | 4,262,867    |
| <b>Data Processing &amp; Outsourced Services-0.47%</b>                                    |                     |              |
| Block, Inc., Conv., 0.13%,<br>03/01/2025  | 3,914,000           | 3,688,945    |
| Fiserv, Inc., 3.80%, 10/01/2023   | 1,412,000           | 1,413,342    |
|   |                     | 5,102,287    |
| <b>Diversified Banks-1.39%</b>  |                     |              |
| Bank of America Corp.,<br>3.25%, 10/21/2027   | 525,000             | 493,968      |
| 2.57%, 10/20/2032 <sup>(g)</sup>  | 874,000             | 721,792      |
| BBVA Bancomer S.A. (Mexico),<br>4.38%, 04/10/2024 <sup>(e)</sup>                          | 700,000             | 696,168      |
| Citigroup, Inc.,<br>4.00%, 08/05/2024   | 60,000              | 59,874       |
| 3.67%, 07/24/2028 <sup>(g)</sup>  | 511,000             | 482,847      |
| 6.68%, 09/13/2043   | 741,000             | 832,760      |
| 5.30%, 05/06/2044   | 228,000             | 218,849      |
| 4.75%, 05/18/2046   | 356,000             | 318,610      |
| Discover Bank, 3.35%,<br>02/06/2023   | 1,500,000           | 1,500,412    |
| HSBC Holdings PLC (United Kingdom),<br>2.63%, 11/07/2025 <sup>(g)</sup>                   | 1,775,000           | 1,694,507    |
| JPMorgan Chase & Co.,<br>Series V, 5.60%(3 mo. USD LIBOR<br>+ 3.32%) <sup>(b)(h)(i)</sup> | 732,000             | 687,165      |
| 3.20%, 06/15/2026   | 394,000             | 380,842      |
| 3.51%, 01/23/2029 <sup>(g)</sup>  | 1,058,000           | 990,697      |
| 4.26%, 02/22/2048 <sup>(g)</sup>  | 489,000             | 437,220      |
| 3.90%, 01/23/2049 <sup>(g)</sup>  | 1,058,000           | 895,386      |
| Mizuho Financial Group Cayman 3<br>Ltd. (Japan), 4.60%,<br>03/27/2024 <sup>(e)</sup>      | 200,000             | 200,692      |
| Societe Generale S.A. (France),<br>5.00%, 01/17/2024 <sup>(e)</sup>                       | 735,000             | 738,480      |
| U.S. Bancorp, Series W, 3.10%,<br>04/27/2026  | 2,097,000           | 2,023,847    |

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

|   | Principal Amount | Value      |
|---|------------------|------------|
| <b>Diversified Banks-(continued)</b>  |                  |            |
| Wells Fargo & Co.,<br>3.55%, 09/29/2025   | \$ 626,000       | \$ 615,767 |
| 4.10%, 06/03/2026   | 505,000          | 497,622    |
| 4.65%, 11/04/2044   | 647,000          | 583,293    |
|   |                  | 15,070,798 |
| <b>Diversified Capital Markets-0.06%</b>  |                  |            |
| Credit Suisse AG (Switzerland),<br>6.50%, 08/08/2023 <sup>(e)</sup>                         | 686,000          | 687,715    |
| <b>Diversified Metals &amp; Mining-0.02%</b>  |                  |            |
| Rio Tinto Finance USA Ltd.<br>(Australia), 7.13%, 07/15/2028                                | 182,000          | 209,776    |
| <b>Diversified REITs-0.08%</b>  |                  |            |
| CubeSmart L.P., 2.50%,<br>02/15/2032  | 1,063,000        | 864,492    |
| <b>Diversified Support Services-0.23%</b>   |                  |            |
| Siemens Financieringsmaatschappij<br>N.V. (Germany), 0.40%,<br>03/11/2023 <sup>(b)(e)</sup> | 2,490,000        | 2,444,882  |
| <b>Drug Retail-0.08%</b>  |                  |            |
| CVS Pass-Through Trust, 6.04%,<br>12/10/2028  | 485,376          | 498,340    |
| Walgreens Boots Alliance, Inc.,<br>4.50%, 11/18/2034  | 428,000          | 393,921    |
|   |                  | 892,261    |
| <b>Electric Utilities-0.58%</b>   |                  |            |
| Electricite de France S.A. (France),<br>4.88%, 01/22/2044 <sup>(e)</sup>                    | 846,000          | 716,956    |
| Georgia Power Co., Series B, 3.70%,<br>01/30/2050   | 350,000          | 278,669    |
| National Rural Utilities Cooperative<br>Finance Corp., 2.75%,<br>04/15/2032                 | 1,227,000        | 1,069,873  |
| NextEra Energy Capital Holdings, Inc.,<br>0.65%, 03/01/2023                                 | 2,415,000        | 2,374,374  |
| 3.55%, 05/01/2027   | 530,000          | 512,157    |
| PPL Electric Utilities Corp., 6.25%,<br>05/15/2039  | 46,000           | 52,647     |
| Xcel Energy, Inc.,<br>0.50%, 10/15/2023   | 566,000          | 544,910    |
| 3.50%, 12/01/2049   | 964,000          | 765,150    |
|   |                  | 6,314,736  |
| <b>Electrical Components &amp; Equipment-0.02%</b>  |                  |            |
| Rockwell Automation, Inc., 1.75%,<br>08/15/2031   | 307,000          | 250,436    |
| <b>General Merchandise Stores-0.03%</b>   |                  |            |
| Dollar General Corp., 3.25%,<br>04/15/2023  | 353,000          | 351,372    |
| <b>Health Care Equipment-0.48%</b>  |                  |            |
| Becton, Dickinson and Co., 4.88%,<br>05/15/2044   | 428,000          | 390,594    |
| Integra LifeSciences Holdings Corp.,<br>Conv., 0.50%, 08/15/2025                            | 4,244,000        | 3,994,453  |
| Medtronic, Inc., 4.38%,<br>03/15/2035   | 249,000          | 248,719    |

|   | Principal Amount | Value      |
|---|------------------|------------|
| <b>Health Care Equipment-(continued)</b>                                |                  |            |
| Tandem Diabetes Care, Inc., Conv.,<br>1.50%, 05/01/2025 <sup>(e)</sup>  | \$ 579,000       | \$ 539,049 |
|   |                  | 5,172,815  |
| <b>Health Care Services-0.15%</b>                                       |                  |            |
| Cigna Corp., 4.80%, 08/15/2038  | 307,000          | 299,153    |
| CVS Health Corp., 3.38%,<br>08/12/2024                                  | 361,000          | 359,085    |
| Laboratory Corp. of America<br>Holdings, 4.70%, 02/01/2045              | 263,000          | 234,102    |
| NXP B.V./NXP Funding LLC (China),<br>5.35%, 03/01/2026                  | 676,000          | 689,608    |
|   |                  | 1,581,948  |
| <b>Health Care Technology-0.23%</b>                                     |                  |            |
| Teladoc Health, Inc., Conv., 1.25%,<br>06/01/2027                       | 3,430,000        | 2,529,625  |
| <b>Home Improvement Retail-0.04%</b>                                    |                  |            |
| Lowe's Cos., Inc., 4.25%,<br>04/01/2052                                 | 497,000          | 431,519    |
| <b>Hotels, Resorts &amp; Cruise Lines-0.68%</b>                         |                  |            |
| Airbnb, Inc., Conv., 0.00%,<br>03/15/2026 <sup>(d)</sup>                | 4,881,000        | 4,080,516  |
| Booking Holdings, Inc., Conv.,<br>0.75%, 05/01/2025                     | 396,000          | 476,705    |
| Trip.com Group Ltd. (China), Conv.,<br>1.25%, 09/15/2022                | 2,834,000        | 2,812,745  |
|   |                  | 7,369,966  |
| <b>Industrial Conglomerates-0.04%</b>                                   |                  |            |
| Honeywell International, Inc.,<br>0.48%, 08/19/2022                     | 480,000          | 478,939    |
| <b>Industrial Machinery-0.14%</b>                                       |                  |            |
| Burlington Northern Santa Fe LLC,<br>3.85%, 09/01/2023                  | 735,000          | 739,659    |
| John Bean Technologies Corp.,<br>Conv., 0.25%, 05/15/2026               | 868,000          | 803,768    |
|   |                  | 1,543,427  |
| <b>Insurance Brokers-0.02%</b>  |                  |            |
| Willis North America, Inc., 3.60%,<br>05/15/2024                        | 233,000          | 229,668    |
| <b>Integrated Oil &amp; Gas-0.40%</b>                                   |                  |            |
| BP Capital Markets America, Inc.,<br>2.94%, 06/04/2051                  | 991,000          | 710,738    |
| Chevron Corp., 2.95%,<br>05/16/2026                                     | 952,000          | 929,514    |
| Exxon Mobil Corp.,<br>2.71%, 03/06/2025                                 | 549,000          | 537,696    |
| 3.04%, 03/01/2026   | 1,098,000        | 1,078,875  |
| Shell International Finance B.V.<br>(Netherlands), 3.25%,<br>05/11/2025 | 1,098,000        | 1,086,013  |
|   |                  | 4,342,836  |

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

|   | Principal Amount | Value      |
|---|------------------|------------|
| <b>Integrated Telecommunication Services-0.37%</b>                    |                  |            |
| AT&T, Inc.,<br>4.30%, 02/15/2030                                      | \$ 318,000       | \$ 310,590 |
| 3.50%, 09/15/2053   | 447,000          | 339,579    |
| 3.55%, 09/15/2055   | 157,000          | 117,892    |
| 3.80%, 12/01/2057   | 255,000          | 197,530    |
| Telefonica Emisiones S.A. (Spain),<br>4.67%, 03/06/2038               | 750,000          | 663,186    |
| 5.21%, 03/08/2047   | 700,000          | 621,811    |
| Verizon Communications, Inc.,<br>3.38%, 02/15/2025                    | 1,284,000        | 1,276,067  |
| 3.40%, 03/22/2041   | 561,000          | 457,685    |
|   |                  | 3,984,340  |
| <b>Interactive Home Entertainment-0.03%</b>                           |                  |            |
| Take-Two Interactive Software, Inc.,<br>3.70%, 04/14/2027             | 357,000          | 346,863    |
| <b>Interactive Media &amp; Services-0.46%</b>                         |                  |            |
| Snap, Inc., Conv., 0.75%,<br>08/01/2026                               | 3,098,000        | 2,948,522  |
| TripAdvisor, Inc., Conv., 0.25%,<br>04/01/2026                        | 338,000          | 259,415    |
| Twitter, Inc., Conv., 0.00%,<br>03/15/2026 <sup>(d)</sup>             | 2,051,000        | 1,825,519  |
|   |                  | 5,033,456  |
| <b>Internet &amp; Direct Marketing Retail-0.22%</b>                   |                  |            |
| Amazon.com, Inc.,<br>4.80%, 12/05/2034                                | 9,000            | 9,439      |
| 2.88%, 05/12/2041   | 2,996,000        | 2,401,819  |
|   |                  | 2,411,258  |
| <b>Internet Services &amp; Infrastructure-0.25%</b>                   |                  |            |
| Shopify, Inc. (Canada), Conv.,<br>0.13%, 11/01/2025                   | 3,174,000        | 2,658,225  |
| <b>Investment Banking &amp; Brokerage-0.70%</b>                       |                  |            |
| Goldman Sachs Group, Inc. (The),<br>4.25%, 10/21/2025                 | 529,000          | 525,772    |
| 2.91%, 07/21/2042 <sup>(g)</sup>                                      | 323,000          | 236,394    |
| GS Finance Corp., Series 0001,<br>Conv., 0.25%, 07/08/2024            | 6,118,000        | 6,138,189  |
| Morgan Stanley, 4.00%,<br>07/23/2025                                  | 654,000          | 654,394    |
|   |                  | 7,554,749  |
| <b>IT Consulting &amp; Other Services-0.13%</b>                       |                  |            |
| International Business Machines<br>Corp., 2.88%, 11/09/2022           | 1,421,000        | 1,423,011  |
| <b>Leisure Products-0.23%</b>   |                  |            |
| Peloton Interactive, Inc., Conv.,<br>0.00%, 02/15/2026 <sup>(d)</sup> | 4,003,000        | 2,541,685  |
| <b>Life &amp; Health Insurance-0.82%</b>                              |                  |            |
| American Equity Investment Life<br>Holding Co., 5.00%,<br>06/15/2027  | 853,000          | 842,887    |
| Athene Global Funding, 2.75%,<br>06/25/2024 <sup>(e)</sup>            | 260,000          | 251,298    |
| Athene Holding Ltd., 3.45%,<br>05/15/2052                             | 1,465,000        | 1,008,908  |
| BrightHouse Financial, Inc., 3.85%,<br>12/22/2051                     | 1,846,000        | 1,258,936  |

|   | Principal Amount | Value        |
|---|------------------|--------------|
| <b>Life &amp; Health Insurance-(continued)</b>                                    |                  |              |
| Delaware Life Global Funding,<br>Series 21-1, 2.66%,<br>06/29/2026 <sup>(e)</sup> | \$ 2,184,000     | \$ 2,008,756 |
| Guardian Life Global Funding,<br>2.90%, 05/06/2024 <sup>(b)(e)</sup>              | 689,000          | 679,463      |
| Jackson National Life Global<br>Funding, 3.25%, 01/30/2024 <sup>(e)</sup>         | 453,000          | 448,465      |
| Nationwide Financial Services, Inc.,<br>5.30%, 11/18/2044 <sup>(e)</sup>          | 440,000          | 424,940      |
| Protective Life Global Funding,<br>2.62%, 08/22/2022 <sup>(e)</sup>               | 1,865,000        | 1,864,057    |
| Prudential Financial, Inc., 3.91%,<br>12/07/2047                                  | 141,000          | 121,864      |
|   |                  | 8,909,574    |
| <b>Managed Health Care-0.05%</b>  |                  |              |
| UnitedHealth Group, Inc., 3.50%,<br>08/15/2039                                    | 559,000          | 488,302      |
| <b>Movies &amp; Entertainment-1.43%</b>   |                  |              |
| Discovery Communications LLC,<br>4.90%, 03/11/2026                                | 367,000          | 369,070      |
| Liberty Media Corp., Conv., 1.38%,<br>10/15/2023                                  | 5,671,000        | 6,666,261    |
| Liberty Media Corp.-Liberty Formula<br>One, Conv., 1.00%, 01/30/2023              | 540,000          | 933,323      |
| Live Nation Entertainment, Inc.,<br>Conv., 2.50%, 03/15/2023                      | 2,015,000        | 2,610,634    |
| Magallanes, Inc.,<br>3.79%, 03/15/2025 <sup>(e)</sup>                             | 1,720,000        | 1,668,885    |
| 5.05%, 03/15/2042 <sup>(e)</sup>  | 835,000          | 711,698      |
| 5.14%, 03/15/2052 <sup>(e)</sup>  | 1,036,000        | 870,922      |
| TWDC Enterprises 18 Corp., 3.00%,<br>02/13/2026                                   | 367,000          | 356,623      |
| Walt Disney Co. (The), 3.00%,<br>09/15/2022                                       | 1,350,000        | 1,351,696    |
|   |                  | 15,539,112   |
| <b>Multi-line Insurance-0.06%</b>   |                  |              |
| Liberty Mutual Group, Inc., 3.95%,<br>05/15/2060 <sup>(e)</sup>                   | 887,000          | 640,005      |
| <b>Multi-Utilities-0.09%</b>  |                  |              |
| NiSource, Inc., 4.38%,<br>05/15/2047  | 571,000          | 503,720      |
| Semprea Energy, 3.80%,<br>02/01/2038  | 559,000          | 472,713      |
|   |                  | 976,433      |
| <b>Oil &amp; Gas Exploration &amp; Production-0.07%</b>                           |                  |              |
| Cameron LNG LLC, 3.70%,<br>01/15/2039 <sup>(e)</sup>                              | 622,000          | 525,503      |
| ConocoPhillips Co., 4.15%,<br>11/15/2034  | 230,000          | 213,838      |
|   |                  | 739,341      |
| <b>Oil &amp; Gas Refining &amp; Marketing-0.04%</b>                               |                  |              |
| Valero Energy Corp., 4.00%,<br>06/01/2052   | 531,000          | 424,788      |

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|   | Principal Amount | Value        |
|---|------------------|--------------|
| <b>Oil &amp; Gas Storage &amp; Transportation-0.75%</b> |                  |              |
| Energy Transfer L.P.,<br>Series 5Y, 4.20%, 09/15/2023   | \$ 1,724,000     | \$ 1,727,335 |
| 4.90%, 03/15/2035                                       | 344,000          | 309,031      |
| 5.30%, 04/01/2044                                       | 587,000          | 510,271      |
| 5.00%, 05/15/2050                                       | 724,000          | 617,190      |
| Enterprise Products Operating LLC,<br>6.45%, 09/01/2040 | 23,000           | 24,928       |
| 4.25%, 02/15/2048                                       | 696,000          | 586,942      |
| Kinder Morgan, Inc.,<br>4.30%, 06/01/2025               | 878,000          | 874,783      |
| 5.30%, 12/01/2034                                       | 407,000          | 398,381      |
| MPLX L.P.,<br>4.50%, 07/15/2023                         | 1,721,000        | 1,726,419    |
| 4.50%, 04/15/2038                                       | 810,000          | 711,541      |
| Spectra Energy Partners L.P.,<br>4.50%, 03/15/2045      | 488,000          | 425,621      |
| Texas Eastern Transmission L.P.,<br>7.00%, 07/15/2032   | 169,000          | 192,243      |
|   |                  | 8,104,685    |

#### Other Diversified Financial Services-0.03%

|  |         |         |
|--|---------|---------|
| AerCap Ireland Capital DAC/AerCap<br>Global Aviation Trust (Ireland),<br>3.85%, 10/29/2041 | 410,000 | 296,090 |
|--|---------|---------|

#### Packaged Foods & Meats-0.01%

|   |        |        |
|---|--------|--------|
| Mead Johnson Nutrition Co. (United<br>Kingdom), 4.13%, 11/15/2025 | 63,000 | 63,710 |
|---|--------|--------|

#### Paper Packaging-0.02%

|   |         |         |
|---|---------|---------|
| International Paper Co., 6.00%,<br>11/15/2041 | 223,000 | 231,955 |
|---|---------|---------|

#### Personal Products-0.03%

|   |         |         |
|---|---------|---------|
| GSK Consumer Healthcare Capital<br>U.S. LLC, 4.00%, 03/24/2052 <sup>(e)</sup> | 315,000 | 270,501 |
|---|---------|---------|

#### Pharmaceuticals-0.56%

|  |           |           |
|--|-----------|-----------|
| Bayer US Finance II LLC (Germany),<br>4.38%, 12/15/2028 <sup>(e)</sup> | 985,000   | 960,203   |
| Bristol-Myers Squibb Co., 4.13%,<br>06/15/2039                         | 621,000   | 594,258   |
| GlaxoSmithKline Capital, Inc. (United<br>Kingdom), 6.38%, 05/15/2038   | 64,000    | 76,569    |
| Pacira BioSciences, Inc., Conv.,<br>0.75%, 08/01/2025                  | 2,870,000 | 2,979,060 |
| Supernus Pharmaceuticals, Inc.,<br>Conv., 0.63%, 04/01/2023            | 1,182,000 | 1,153,189 |
| Zoetis, Inc., 4.70%, 02/01/2043  | 333,000   | 319,391   |
|  |           | 6,082,670 |

#### Property & Casualty Insurance-0.16%

|  |         |           |
|--|---------|-----------|
| Allstate Corp. (The), 3.28%,<br>12/15/2026       | 302,000 | 296,148   |
| Markel Corp.,<br>5.00%, 03/30/2043               | 351,000 | 334,236   |
| 5.00%, 05/20/2049                                | 497,000 | 476,299   |
| Travelers Cos., Inc. (The), 4.60%,<br>08/01/2043 | 605,000 | 576,033   |
|  |         | 1,682,716 |

#### Railroads-0.26%

|   |         |         |
|---|---------|---------|
| Canadian Pacific Railway Co.<br>(Canada), 3.00%, 12/02/2041 | 399,000 | 312,810 |
|---|---------|---------|

|  | Principal Amount | Value      |
|--|------------------|------------|
| <b>Railroads-(continued)</b>                 |                  |            |
| CSX Corp., 5.50%, 04/15/2041                 | \$ 346,000       | \$ 362,419 |
| Norfolk Southern Corp., 3.40%,<br>11/01/2049 | 461,000          | 363,586    |
| Union Pacific Corp.,<br>3.65%, 02/15/2024    | 92,000           | 92,160     |
| 3.20%, 05/20/2041                            | 1,018,000        | 832,282    |
| 4.15%, 01/15/2045                            | 426,000          | 376,358    |
| 3.84%, 03/20/2060                            | 519,000          | 434,579    |
|  |                  | 2,774,194  |

#### Real Estate Services-0.21%

|  |           |           |
|--|-----------|-----------|
| Redfin Corp., Conv., 0.00%,<br>10/15/2025 <sup>(d)</sup> | 3,783,000 | 2,252,672 |
|--|-----------|-----------|

#### Regional Banks-0.06%

|  |         |         |
|--|---------|---------|
| PNC Financial Services Group, Inc.<br>(The), 3.45%, 04/23/2029 | 689,000 | 643,511 |
|--|---------|---------|

#### Reinsurance-0.08%

|  |         |         |
|--|---------|---------|
| PartnerRe Finance B LLC, 3.70%,<br>07/02/2029            | 500,000 | 475,694 |
| Reinsurance Group of America, Inc.,<br>4.70%, 09/15/2023 | 352,000 | 355,205 |
|  |         | 830,899 |

#### Renewable Electricity-0.06%

|  |         |         |
|--|---------|---------|
| Oglethorpe Power Corp., 4.55%,<br>06/01/2044 | 679,000 | 599,766 |
|--|---------|---------|

#### Restaurants-0.06%

|                                       |         |         |
|---------------------------------------|---------|---------|
| Starbucks Corp., 3.55%,<br>08/15/2029 | 705,000 | 662,630 |
|---------------------------------------|---------|---------|

#### Retail REITs-0.20%

|   |           |           |
|---|-----------|-----------|
| Kimco Realty Corp., 3.20%,<br>04/01/2032 <sup>(b)</sup> | 1,500,000 | 1,312,468 |
| Regency Centers L.P.,<br>2.95%, 09/15/2029              | 750,000   | 659,940   |
| 4.65%, 03/15/2049                                       | 256,000   | 229,488   |
|   |           | 2,201,896 |

#### Semiconductors-0.89%

|   |           |           |
|---|-----------|-----------|
| Broadcom, Inc., 3.47%,<br>04/15/2034 <sup>(e)</sup>         | 640,000   | 521,726   |
| Marvell Technology, Inc., 2.45%,<br>04/15/2028              | 1,210,000 | 1,057,314 |
| Microchip Technology, Inc., Conv.,<br>0.13%, 11/15/2024     | 5,161,000 | 5,161,000 |
| Micron Technology, Inc.,<br>4.66%, 02/15/2030               | 680,000   | 652,774   |
| 3.37%, 11/01/2041   | 179,000   | 130,007   |
| Texas Instruments, Inc., 2.63%,<br>05/15/2024               | 215,000   | 213,197   |
| Wolfspeed, Inc., Conv., 0.25%,<br>02/15/2028 <sup>(e)</sup> | 2,257,000 | 1,878,952 |
|   |           | 9,614,970 |

#### Specialized REITs-0.35%

|   |           |           |
|---|-----------|-----------|
| American Tower Corp., 1.60%,<br>04/15/2026 <sup>(b)</sup> | 852,000   | 762,558   |
| Crown Castle International Corp.,<br>2.50%, 07/15/2031    | 1,413,000 | 1,157,772 |
| 4.75%, 05/15/2047   | 46,000    | 41,650    |

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|  | Principal<br>Amount | Value        |
|--|---------------------|--------------|
| <b>Specialized REITs-(continued)</b>                                 |                     |              |
| EPR Properties, 4.75%,<br>12/15/2026                                 | \$ 1,556,000        | \$ 1,463,416 |
| LifeStorage L.P., 3.50%,<br>07/01/2026                               | 404,000             | 386,771      |
|  |                     | 3,812,167    |
| <b>Specialty Chemicals-0.01%</b>                                     |                     |              |
| Sherwin-Williams Co. (The), 4.50%,<br>06/01/2047                     | 159,000             | 141,133      |
| <b>Systems Software-0.38%</b>  |                     |              |
| Mandiant, Inc., Series A, Conv.,<br>1.00%, 06/01/2025 <sup>(f)</sup> | 1,642,000           | 1,639,497    |
| Microsoft Corp., 3.50%,<br>02/12/2035 <sup>(b)</sup>                 | 404,000             | 387,786      |
| Oracle Corp., 3.60%, 04/01/2040                                      | 965,000             | 722,666      |
| VMware, Inc., 1.00%, 08/15/2024                                      | 1,509,000           | 1,413,128    |
|  |                     | 4,163,077    |
| <b>Technology Distributors-0.06%</b>                                 |                     |              |
| Avnet, Inc., 4.63%, 04/15/2026 <sup>(b)</sup>                        | 671,000             | 675,552      |
| <b>Technology Hardware, Storage &amp; Peripherals-0.26%</b>          |                     |              |
| Apple, Inc., 3.35%, 02/09/2027 <sup>(b)</sup>                        | 315,000             | 313,236      |
| Western Digital Corp., Conv., 1.50%,<br>02/01/2024                   | 2,649,000           | 2,529,795    |
|  |                     | 2,843,031    |
| <b>Tobacco-0.22%</b>   |                     |              |
| Altria Group, Inc., 5.80%,<br>02/14/2039                             | 1,124,000           | 1,023,153    |
| Philip Morris International, Inc.,<br>3.60%, 11/15/2023              | 369,000             | 370,280      |
| 4.88%, 11/15/2043  | 1,102,000           | 982,719      |
|  |                     | 2,376,152    |
| <b>Trading Companies &amp; Distributors-0.11%</b>                    |                     |              |
| Air Lease Corp.,<br>3.00%, 09/15/2023                                | 63,000              | 61,620       |
| 4.25%, 09/15/2024  | 427,000             | 419,371      |
| Aircastle Ltd., 4.40%, 09/25/2023                                    | 771,000             | 761,388      |
|  |                     | 1,242,379    |
| <b>Trucking-0.06%</b>  |                     |              |
| Aviation Capital Group LLC, 4.88%,<br>10/01/2025 <sup>(e)</sup>      | 709,000             | 688,192      |
| <b>Wireless Telecommunication Services-0.34%</b>                     |                     |              |
| America Movil S.A.B. de C.V.<br>(Mexico), 4.38%, 07/16/2042          | 600,000             | 545,576      |
| Rogers Communications, Inc. (Canada),<br>4.50%, 03/15/2043           | 533,000             | 459,272      |
| 4.30%, 02/15/2048  | 1,394,000           | 1,169,497    |
| T-Mobile USA, Inc.,<br>2.70%, 03/15/2032                             | 1,074,000           | 902,370      |
| 3.40%, 10/15/2052  | 750,000             | 555,542      |
|  |                     | 3,632,257    |
| Total U.S. Dollar Denominated Bonds & Notes<br>(Cost \$261,025,100)  |                     | 239,342,208  |

|  | Principal<br>Amount | Value      |
|--|---------------------|------------|
| <b>U.S. Treasury Securities-8.71%</b>  |                     |            |
| <b>U.S. Treasury Bills-0.00%</b>   |                     |            |
| 0.84%, 09/15/2022 <sup>(j)(k)</sup>  | \$ 1,000            | \$ 997     |
| 1.46% - 1.49%,<br>11/17/2022 <sup>(j)(k)</sup>   | 14,000              | 13,889     |
|  |                     | 14,886     |
| <b>U.S. Treasury Bonds-0.88%</b>   |                     |            |
| 4.50%, 02/15/2036  | 2,636,800           | 3,101,845  |
| 4.50%, 08/15/2039  | 36,400              | 42,828     |
| 4.38%, 05/15/2040  | 72,800              | 83,962     |
| 3.25%, 05/15/2042  | 5,122,800           | 5,001,133  |
| 2.25%, 02/15/2052  | 1,588,000           | 1,307,371  |
|  |                     | 9,537,139  |
| <b>U.S. Treasury Notes-7.83%</b>   |                     |            |
| 2.50%, 05/31/2024 <sup>(b)</sup>   | 24,664,300          | 24,443,670 |
| 2.88%, 06/15/2025  | 24,618,500          | 24,522,334 |
| 2.63%, 05/31/2027  | 13,218,000          | 12,969,646 |
| 2.75%, 05/31/2029  | 22,222,100          | 21,788,075 |
| 2.88%, 05/15/2032  | 1,155,800           | 1,142,978  |
|  |                     | 84,866,703 |
| Total U.S. Treasury Securities<br>(Cost \$95,158,219)                                  |                     | 94,418,728 |
| <b>Shares</b>  |                     |            |
| <b>Preferred Stocks-0.63%</b>  |                     |            |
| <b>Asset Management &amp; Custody Banks-0.20%</b>                                      |                     |            |
| AMG Capital Trust II, 5.15%, Conv. Pfd.  | 44,432              | 2,155,841  |
| <b>Diversified Banks-0.02%</b>   |                     |            |
| Wells Fargo & Co., 5.85%, Series Q,<br>Pfd. <sup>(g)</sup>                             | 10,911              | 259,027    |
| <b>Oil &amp; Gas Storage &amp; Transportation-0.41%</b>                                |                     |            |
| El Paso Energy Capital Trust I, 4.75%,<br>Conv. Pfd.                                   | 95,499              | 4,435,929  |
| Total Preferred Stocks (Cost \$5,960,701)  |                     | 6,850,797  |
| <b>Principal<br/>Amount</b>  |                     |            |
| <b>U.S. Government Sponsored Agency Mortgage-Backed<br/>Securities-0.08%</b>           |                     |            |
| <b>Federal Home Loan Mortgage Corp. (FHLMC)-0.08%</b>                                  |                     |            |
| 6.75%, 03/15/2031  | \$ 682,000          | 855,559    |
| 5.50%, 02/01/2037  | 3                   | 4          |
|  |                     | 855,563    |
| <b>Federal National Mortgage Association (FNMA)-0.00%</b>                              |                     |            |
| 9.50%, 04/01/2030  | 314                 | 329        |
| Total U.S. Government Sponsored Agency<br>Mortgage-Backed Securities (Cost \$842,674)  |                     | 855,892    |
| <b>Shares</b>  |                     |            |
| <b>Money Market Funds-5.87%</b>  |                     |            |
| Invesco Government & Agency Portfolio,<br>Institutional Class, 1.38% <sup>(l)(m)</sup> | 23,167,259          | 23,167,259 |
| Invesco Liquid Assets Portfolio,<br>Institutional Class, 1.41% <sup>(l)(m)</sup>       | 13,938,334          | 13,936,940 |

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

|   | Shares     | Value         |
|---|------------|---------------|
| <b>Money Market Funds-(continued)</b>   |            |               |
| Invesco Treasury Portfolio, Institutional Class, 1.35% <sup>(l)(m)</sup>  | 26,476,867 | \$ 26,476,867 |
| Total Money Market Funds (Cost \$63,580,658)  |            | 63,581,066    |
| <b>TOTAL INVESTMENTS IN SECURITIES</b><br>(excluding investments purchased with cash collateral from securities on loan)-99.84%<br>(Cost \$941,521,069) |            |               |
|   |            | 1,082,105,413 |

**Investments Purchased with Cash Collateral from Securities on Loan**

**Money Market Funds-6.46%**

|   |            |            |
|---|------------|------------|
| Invesco Private Government Fund, 1.38% <sup>(l)(m)(n)</sup> | 19,609,732 | 19,609,732 |
|---|------------|------------|

Investment Abbreviations:

Conv. - Convertible  
LIBOR - London Interbank Offered Rate  
Pfd. - Preferred  
REIT - Real Estate Investment Trust  
USD - U.S. Dollar

Notes to Schedule of Investments:

- (a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.
- (b) All or a portion of this security was out on loan at June 30, 2022.
- (c) Non-income producing security.
- (d) Zero coupon bond issued at a discount.
- (e) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at June 30, 2022 was \$28,780,424, which represented 2.66% of the Fund's Net Assets.
- (f) Security has an irrevocable call by the issuer or mandatory put by the holder. Maturity date reflects such call or put.
- (g) Security issued at a fixed rate for a specific period of time, after which it will convert to a variable rate.
- (h) Perpetual bond with no specified maturity date.
- (i) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on June 30, 2022.
- (j) All or a portion of the value was pledged as collateral to cover margin requirements for open futures contracts. See Note 1L.
- (k) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.
- (l) Affiliated issuer. The issuer and/or the Fund is a wholly-owned subsidiary of Invesco Ltd., or is affiliated by having an investment adviser that is under common control of Invesco Ltd. The table below shows the Fund's transactions in, and earnings from, its investments in affiliates for the six months ended June 30, 2022.

|  | Shares     | Value           |
|--|------------|-----------------|
| <b>Money Market Funds-(continued)</b>  |            |                 |
| Invesco Private Prime Fund, 1.66% <sup>(l)(m)(n)</sup>                                       | 50,423,317 | \$ 50,423,317   |
| Total Investments Purchased with Cash Collateral from Securities on Loan (Cost \$70,033,049) |            | 70,033,049      |
| <b>TOTAL INVESTMENTS IN SECURITIES-106.30%</b><br>(Cost \$1,011,554,118)                     |            |                 |
|  |            | 1,152,138,462   |
| <b>OTHER ASSETS LESS LIABILITIES-(6.30)%</b>   |            |                 |
|  |            | (68,236,444)    |
| <b>NET ASSETS-100.00%</b>  |            |                 |
|  |            | \$1,083,902,018 |

|  | Value<br>December 31, 2021 | Purchases<br>at Cost | Proceeds<br>from Sales | Change in<br>Unrealized<br>Appreciation<br>(Depreciation) | Realized<br>Gain<br>(Loss) | Value<br>June 30, 2022 | Dividend Income |
|--|----------------------------|----------------------|------------------------|---|----------------------------|------------------------|-----------------|
| <b>Investments in Affiliated Money Market Funds:</b>                       |                            |                      |                        |   |                            |                        |                 |
| Invesco Government & Agency Portfolio, Institutional Class                 | \$ 18,629,728              | \$ 76,264,381        | \$ (71,726,850)        | \$ -  | \$ -                       | \$ 23,167,259          | \$ 34,750       |
| Invesco Liquid Assets Portfolio, Institutional Class                       | 7,883,240                  | 54,474,558           | (48,418,895)           | (4,778)   | 2,815                      | 13,936,940             | 17,687          |
| Invesco Treasury Portfolio, Institutional Class                            | 21,291,118                 | 87,159,292           | (81,973,543)           | -   | -                          | 26,476,867             | 32,177          |
| <b>Investments Purchased with Cash Collateral from Securities on Loan:</b> |                            |                      |                        |   |                            |                        |                 |
| Invesco Private Government Fund  | 22,604,761                 | 370,331,435          | (373,326,464)          | -   | -                          | 19,609,732             | 35,400*         |
| Invesco Private Prime Fund   | 52,744,442                 | 846,490,728          | (848,808,532)          | -   | (3,321)                    | 50,423,317             | 100,445*        |
| Total  | \$123,153,289              | \$1,434,720,394      | \$(1,424,254,284)      | \$(4,778)   | \$ (506)                   | \$133,614,115          | \$ 220,459      |

\* Represents the income earned on the investment of cash collateral, which is included in securities lending income on the Statement of Operations. Does not include rebates and fees paid to lending agent or premiums received from borrowers, if any.

(m) The rate shown is the 7-day SEC standardized yield as of June 30, 2022.

(n) The security has been segregated to satisfy the commitment to return the cash collateral received in securities lending transactions upon the borrower's return of the securities loaned. See Note 1L.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

## Open Futures Contracts

| Short Futures Contracts    | Number of Contracts | Expiration Month | Notional Value | Value   | Unrealized Appreciation |
|----------------------------|---------------------|------------------|----------------|---------|-------------------------|
| <b>Interest Rate Risk</b>  |                     |                  |                |         |                         |
| U.S. Treasury 5 Year Notes | 9                   | September-2022   | \$(1,010,250)  | \$9,839 | \$9,839                 |

## Open Forward Foreign Currency Contracts

| Settlement Date                          | Counterparty                  | Contract to |            | Unrealized Appreciation (Depreciation) |            |            |
|--|-------------------------------|-------------|------------|--|------------|------------|
|  |                               | Deliver     | Receive    |  |            |            |
| <b>Currency Risk</b>                     |                               |             |            |  |            |            |
| 07/01/2022                               | Bank of New York Mellon (The) | EUR         | 7,516,364  | USD                                    | 8,058,723  | \$ 181,949 |
| 07/01/2022                               | Bank of New York Mellon (The) | GBP         | 11,056,940 | USD                                    | 13,817,913 | 358,297    |
| 07/29/2022                               | Bank of New York Mellon (The) | CAD         | 6,461,534  | USD                                    | 5,031,489  | 11,744     |
| 07/29/2022                               | Bank of New York Mellon (The) | EUR         | 7,563,139  | USD                                    | 7,989,405  | 51,164     |
| 07/29/2022                               | Bank of New York Mellon (The) | GBP         | 11,635,826 | USD                                    | 14,224,425 | 54,414     |
| 07/01/2022                               | State Street Bank & Trust Co. | EUR         | 822,114    | USD                                    | 870,954    | 9,421      |
| 07/01/2022                               | State Street Bank & Trust Co. | GBP         | 1,272,377  | USD                                    | 1,567,366  | 18,501     |
| 07/01/2022                               | State Street Bank & Trust Co. | USD         | 315,479    | EUR                                    | 301,977    | 979        |
| 07/01/2022                               | State Street Bank & Trust Co. | USD         | 485,934    | GBP                                    | 399,656    | 567        |
| 07/05/2022                               | State Street Bank & Trust Co. | CAD         | 8,778,998  | USD                                    | 6,869,788  | 49,559     |
| 07/05/2022                               | State Street Bank & Trust Co. | USD         | 1,709,166  | CAD                                    | 2,216,441  | 12,741     |
| 07/29/2022                               | State Street Bank & Trust Co. | CAD         | 414,099    | USD                                    | 322,537    | 838        |
| 07/29/2022                               | State Street Bank & Trust Co. | GBP         | 17,502     | USD                                    | 21,405     | 91         |
| 07/29/2022                               | State Street Bank & Trust Co. | USD         | 130,436    | CAD                                    | 168,039    | 108        |
| Subtotal-Appreciation                    |                               |             |            |  | 750,373    |            |
| <b>Currency Risk</b>                     |                               |             |            |  |            |            |
| 07/01/2022                               | Bank of New York Mellon (The) | USD         | 7,975,330  | EUR                                    | 7,563,139  | (49,538)   |
| 07/01/2022                               | Bank of New York Mellon (The) | USD         | 14,218,979 | GBP                                    | 11,635,826 | (54,685)   |
| 07/05/2022                               | Bank of New York Mellon (The) | USD         | 5,031,956  | CAD                                    | 6,461,534  | (12,119)   |
| 07/01/2022                               | State Street Bank & Trust Co. | USD         | 503,980    | EUR                                    | 473,362    | (7,920)    |
| 07/01/2022                               | State Street Bank & Trust Co. | USD         | 365,613    | GBP                                    | 293,835    | (7,928)    |
| 07/05/2022                               | State Street Bank & Trust Co. | CAD         | 484,438    | USD                                    | 375,104    | (1,246)    |
| 07/05/2022                               | State Street Bank & Trust Co. | USD         | 463,232    | CAD                                    | 585,461    | (8,399)    |
| 07/29/2022                               | State Street Bank & Trust Co. | CAD         | 309,072    | USD                                    | 239,706    | (402)      |
| Subtotal-Depreciation                    |                               |             |            |  | (142,237)  |            |
| Total Forward Foreign Currency Contracts |                               |             |            |  | \$ 608,136 |            |

### Abbreviations:

CAD - Canadian Dollar  
 EUR - Euro  
 GBP - British Pound Sterling  
 USD - U.S. Dollar

## Portfolio Composition

By security type, based on Net Assets  
 as of June 30, 2022

|   |        |
|---|--------|
| Common Stocks & Other Equity Interests                | 62.47% |
| U.S. Dollar Denominated Bonds & Notes                 | 22.08  |
| U.S. Treasury Securities                              | 8.71   |
| Security Types Each Less Than 1% of Portfolio         | 0.71   |
| Money Market Funds Plus Other Assets Less Liabilities | 6.03   |

See accompanying Notes to Financial Statements which are an integral part of the financial statements.



# Statement of Assets and Liabilities

June 30, 2022

(Unaudited)

## Assets:

|  |                 |
|--|-----------------|
| Investments in unaffiliated securities, at value<br>(Cost \$877,940,411)*      | \$1,018,524,347 |
| Investments in affiliated money market funds, at value<br>(Cost \$133,613,707) | 133,614,115     |
| Other investments:   |                 |
| Unrealized appreciation on forward foreign currency<br>contracts outstanding   | 750,373         |
| Cash   | 1,547,419       |
| Foreign currencies, at value (Cost \$3,428)                                    | 3,497           |
| Receivable for:  |                 |
| Investments sold   | 904,798         |
| Fund shares sold   | 163,156         |
| Dividends  | 1,277,111       |
| Interest   | 1,881,320       |
| Investment for trustee deferred compensation and<br>retirement plans           | 158,373         |
| Other assets   | 775             |
| Total assets   | 1,158,825,284   |

## Liabilities:

|  |                 |
|--|-----------------|
| Other investments:   |                 |
| Variation margin payable - futures contracts                                 | 6,309           |
| Unrealized depreciation on forward foreign currency<br>contracts outstanding | 142,237         |
| Payable for:   |                 |
| Investments purchased  | 3,404,211       |
| Fund shares reacquired   | 439,403         |
| Collateral upon return of securities loaned                                  | 70,033,049      |
| Accrued fees to affiliates   | 646,008         |
| Accrued trustees' and officers' fees and benefits                            | 2,881           |
| Accrued other operating expenses   | 73,331          |
| Trustee deferred compensation and retirement plans                           | 175,837         |
| Total liabilities  | 74,923,266      |
| Net assets applicable to shares outstanding                                  | \$1,083,902,018 |

## Net assets consist of:

|                               |                 |
|-------------------------------|-----------------|
| Shares of beneficial interest | \$ 748,932,696  |
| Distributable earnings        | 334,969,322     |
|                               | \$1,083,902,018 |

## Net Assets:

|           |                 |
|-----------|-----------------|
| Series I  | \$ 70,057,756   |
| Series II | \$1,013,844,262 |

## Shares outstanding, no par value, with an unlimited number of shares authorized:

|                           |            |
|---------------------------|------------|
| Series I                  | 3,849,211  |
| Series II                 | 56,148,612 |
| Series I:                 |            |
| Net asset value per share | \$ 18.20   |
| Series II:                |            |
| Net asset value per share | \$ 18.06   |

\* At June 30, 2022, securities with an aggregate value of \$68,515,034 were on loan to brokers.

# Statement of Operations

For the six months ended June 30, 2022

(Unaudited)

## Investment income:

|  |              |
|--|--------------|
| Interest   | \$ 4,452,396 |
| Dividends (net of foreign withholding taxes of \$98,154)   | 8,597,842    |
| Dividends from affiliated money market funds (includes<br>securities lending income of \$86,864) | 171,478      |
| Total investment income  | 13,221,716   |

## Expenses:

|   |           |
|---|-----------|
| Advisory fees                             | 2,361,277 |
| Administrative services fees              | 1,030,351 |
| Custodian fees                            | 9,001     |
| Distribution fees - Series II             | 1,458,485 |
| Transfer agent fees                       | 33,851    |
| Trustees' and officers' fees and benefits | 11,884    |
| Reports to shareholders                   | 3,541     |
| Professional services fees                | 27,632    |
| Other                                     | 7,092     |
| Total expenses                            | 4,943,114 |
| Less: Fees waived                         | (15,731)  |
| Net expenses                              | 4,927,383 |
| Net investment income                     | 8,294,333 |

## Realized and unrealized gain (loss) from:

|  |                 |
|--|-----------------|
| Net realized gain (loss) from:                                     |                 |
| Unaffiliated investment securities                                 | 30,252,826      |
| Affiliated investment securities                                   | (506)           |
| Foreign currencies   | (9,748)         |
| Forward foreign currency contracts                                 | 1,345,776       |
| Futures contracts  | 57,397          |
|  | 31,645,745      |
| Change in net unrealized appreciation (depreciation) of:           |                 |
| Unaffiliated investment securities                                 | (195,975,345)   |
| Affiliated investment securities                                   | (4,778)         |
| Foreign currencies   | (8,625)         |
| Forward foreign currency contracts                                 | 1,037,855       |
| Futures contracts  | 14,409          |
|  | (194,936,484)   |
| Net realized and unrealized gain (loss)                            | (163,290,739)   |
| Net increase (decrease) in net assets resulting from<br>operations | \$(154,996,406) |

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

# Statement of Changes in Net Assets

For the six months ended June 30, 2022 and the year ended December 31, 2021

(Unaudited)

|   | June 30,<br>2022 | December 31,<br>2021 |
|---|------------------|----------------------|
| <b>Operations:</b>  |                  |                      |
| Net investment income   | \$ 8,294,333     | \$ 13,493,343        |
| Net realized gain   | 31,645,745       | 157,674,818          |
| Change in net unrealized appreciation (depreciation)                    | (194,936,484)    | 52,887,271           |
| Net increase (decrease) in net assets resulting from operations         | (154,996,406)    | 224,055,432          |
| <b>Distributions to shareholders from distributable earnings:</b>       |                  |                      |
| Series I  | -                | (2,210,004)          |
| Series II   | -                | (33,156,264)         |
| Total distributions from distributable earnings                         | -                | (35,366,268)         |
| <b>Share transactions-net:</b>  |                  |                      |
| Series I  | 310,166          | 28,892,785           |
| Series II   | (124,565,871)    | (121,909,012)        |
| Net increase (decrease) in net assets resulting from share transactions | (124,255,705)    | (93,016,227)         |
| Net increase (decrease) in net assets                                   | (279,252,111)    | 95,672,937           |
| <b>Net assets:</b>  |                  |                      |
| Beginning of period   | 1,363,154,129    | 1,267,481,192        |
| End of period   | \$1,083,902,018  | \$1,363,154,129      |

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

# Financial Highlights

(Unaudited)

The following schedule presents financial highlights for a share of the Fund outstanding throughout the periods indicated.

|                           | Net asset value, beginning of period | Net investment income <sup>(a)</sup> | Net gains (losses) on securities (both realized and unrealized) | Total from investment operations | Dividends from net investment income | Distributions from net realized gains | Total distributions | Net asset value, end of period | Total return <sup>(b)</sup> | Net assets, end of period (000's omitted) | Ratio of expenses to average net assets with fee waivers and/or expenses absorbed | Ratio of expenses to average net assets without fee waivers and/or expenses absorbed | Ratio of net investment income to average net assets | Portfolio turnover <sup>(c)</sup> |
|---------------------------|--------------------------------------|--------------------------------------|---|----------------------------------|--------------------------------------|---------------------------------------|---------------------|--------------------------------|-----------------------------|---|---|--|--|-----------------------------------|
| <b>Series I</b>           |                                      |                                      |   |                                  |                                      |                                       |                     |                                |                             |   |   |  |  |                                   |
| Six months ended 06/30/22 | \$20.69                              | \$0.16                               | \$(2.65)  | \$(2.49)                         | \$ -                                 | \$ -                                  | \$ -                | \$18.20                        | (12.03)%                    | \$ 70,058                                 | 0.56% <sup>(d)</sup>  | 0.56% <sup>(d)</sup>   | 1.57% <sup>(d)</sup>                                 | 80%                               |
| Year ended 12/31/21       | 17.93                                | 0.25                                 | 3.09  | 3.34                             | (0.38)                               | (0.20)                                | (0.58)              | 20.69                          | 18.65                       | 79,349                                    | 0.55  | 0.55   | 1.24   | 144                               |
| Year ended 12/31/20       | 17.52                                | 0.30                                 | 1.30  | 1.60                             | (0.42)                               | (0.77)                                | (1.19)              | 17.93                          | 9.95                        | 43,099                                    | 0.56  | 0.57   | 1.84   | 96                                |
| Year ended 12/31/19       | 16.12                                | 0.36                                 | 2.82  | 3.18                             | (0.47)                               | (1.31)                                | (1.78)              | 17.52                          | 20.37                       | 50,731                                    | 0.54  | 0.55   | 2.02   | 150                               |
| Year ended 12/31/18       | 19.04                                | 0.35                                 | (2.00)  | (1.65)                           | (0.43)                               | (0.84)                                | (1.27)              | 16.12                          | (9.50)                      | 165,924                                   | 0.54  | 0.55   | 1.91   | 150                               |
| Year ended 12/31/17       | 17.76                                | 0.35 <sup>(e)</sup>                  | 1.58  | 1.93                             | (0.31)                               | (0.34)                                | (0.65)              | 19.04                          | 11.03                       | 184,768                                   | 0.55  | 0.56   | 1.93 <sup>(e)</sup>                                  | 119                               |
| <b>Series II</b>          |                                      |                                      |   |                                  |                                      |                                       |                     |                                |                             |   |   |  |  |                                   |
| Six months ended 06/30/22 | 20.55                                | 0.13                                 | (2.62)  | (2.49)                           | -                                    | -                                     | -                   | 18.06                          | (12.12)                     | 1,013,844                                 | 0.81 <sup>(d)</sup>   | 0.81 <sup>(d)</sup>  | 1.32 <sup>(d)</sup>                                  | 80                                |
| Year ended 12/31/21       | 17.82                                | 0.20                                 | 3.07  | 3.27                             | (0.34)                               | (0.20)                                | (0.54)              | 20.55                          | 18.35                       | 1,283,805                                 | 0.80  | 0.80   | 0.99   | 144                               |
| Year ended 12/31/20       | 17.42                                | 0.26                                 | 1.28  | 1.54                             | (0.37)                               | (0.77)                                | (1.14)              | 17.82                          | 9.65                        | 1,224,382                                 | 0.81  | 0.82   | 1.59   | 96                                |
| Year ended 12/31/19       | 16.04                                | 0.31                                 | 2.80  | 3.11                             | (0.42)                               | (1.31)                                | (1.73)              | 17.42                          | 20.01                       | 1,235,269                                 | 0.79  | 0.80   | 1.77   | 150                               |
| Year ended 12/31/18       | 18.95                                | 0.31                                 | (2.00)  | (1.69)                           | (0.38)                               | (0.84)                                | (1.22)              | 16.04                          | (9.73)                      | 1,041,911                                 | 0.79  | 0.80   | 1.66   | 150                               |
| Year ended 12/31/17       | 17.68                                | 0.31 <sup>(e)</sup>                  | 1.57  | 1.88                             | (0.27)                               | (0.34)                                | (0.61)              | 18.95                          | 10.78                       | 1,385,490                                 | 0.80  | 0.81   | 1.68 <sup>(e)</sup>                                  | 119                               |

<sup>(a)</sup> Calculated using average shares outstanding.

<sup>(b)</sup> Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Total returns are not annualized for periods less than one year, if applicable, and do not reflect charges assessed in connection with a variable product, which if included would reduce total returns.

<sup>(c)</sup> Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable. For the year ended December 31, 2021, the portfolio turnover calculation excludes the value of securities purchased of \$22,225,472 in connection with the acquisition of Invesco V.I. Managed Volatility Fund into the Fund.

<sup>(d)</sup> Annualized.

<sup>(e)</sup> Net investment income per share and the ratio of net investment income to average net assets includes significant dividends received during the year ended December 31, 2017. Net investment income per share and the ratio of net investment income to average net assets excluding the significant dividends are \$0.30 and 1.64% and \$0.26 and 1.39% for Series I and Series II shares, respectively.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

# Notes to Financial Statements

June 30, 2022  
(Unaudited)

## NOTE 1—Significant Accounting Policies

Invesco V.I. Equity and Income Fund (the “Fund”) is a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the “Trust”). The Trust is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end series management investment company. Information presented in these financial statements pertains only to the Fund. Matters affecting the Fund or each class will be voted on exclusively by the shareholders of the Fund or each class. Current Securities and Exchange Commission (“SEC”) guidance, however, requires participating insurance companies offering separate accounts to vote shares proportionally in accordance with the instructions of the contract owners whose investments are funded by shares of each Fund or class.

The Fund’s investment objectives are both capital appreciation and current income.

The Fund currently offers two classes of shares, Series I and Series II, both of which are offered to insurance company separate accounts funding variable annuity contracts and variable life insurance policies (“variable products”).

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 946, *Financial Services - Investment Companies*.

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements.

### A. Security Valuations – Securities, including restricted securities, are valued according to the following policy.

A security listed or traded on an exchange is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and asked prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and asked prices. For purposes of determining net asset value (“NAV”) per share, futures and option contracts may be valued up to 15 minutes after the close of the customary trading session of the New York Stock Exchange (“NYSE”).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end-of-day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Debt obligations (including convertible debt securities) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate (for unlisted equities), yield (for debt obligations), quality, type of issue, coupon rate (for debt obligations), maturity (for debt obligations), individual trading characteristics and other market data. Pricing services generally value debt obligations assuming orderly transactions of institutional round lot size, but a fund may hold or transact in the same securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. Debt obligations are subject to interest rate and credit risks. In addition, all debt obligations involve some risk of default with respect to interest and/or principal payments.

Foreign securities’ (including foreign exchange contracts) prices are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange-traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that the investment adviser determines are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities’ prices meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities. The mean between the last bid and asked prices is used to value debt obligations, including corporate loans.

Securities for which market quotations are not readily available or became unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust’s officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/asked quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security’s fair value.

The Fund may invest in securities that are subject to interest rate risk, meaning the risk that the prices will generally fall as interest rates rise and, conversely, the prices will generally rise as interest rates fall. Specific securities differ in their sensitivity to changes in interest rates depending on their individual characteristics. Changes in interest rates may result in increased market volatility, which may affect the value and/or liquidity of certain Fund investments.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer’s assets, general market conditions which are not specifically related to the particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, regional or global instability, natural or environmental disasters, widespread disease or other public health issues, war, acts of terrorism or adverse investor sentiment generally and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

### B. Securities Transactions and Investment Income – Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on an accrual basis from settlement date and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable. Pay-in-kind interest income and non-cash dividend income received in the form of securities in-lieu of cash are recorded at the fair value of the securities received. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date.

The Fund may periodically participate in litigation related to Fund investments. As such, the Fund may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Fund's net asset value and, accordingly, they reduce the Fund's total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and the Statement of Changes in Net Assets, or the net investment income per share and the ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Fund and the investment adviser.

The Fund allocates income and realized and unrealized capital gains and losses to a class based on the relative net assets of each class.

**C. Country Determination** – For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer's securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.

**D. Distributions** - Distributions from net investment income and net realized capital gain, if any, are generally declared and paid to separate accounts of participating insurance companies annually and recorded on the ex-dividend date.

**E. Federal Income Taxes** – The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), necessary to qualify as a regulated investment company and to distribute substantially all of the Fund's taxable earnings to shareholders. As such, the Fund will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained. Management has analyzed the Fund's uncertain tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The Fund files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally, the Fund is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.

**F. Expenses** - Fees provided for under the Rule 12b-1 plan of a particular class of the Fund and which are directly attributable to that class are charged to the operations of such class. All other expenses are allocated among the classes based on relative net assets.

**G. Accounting Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Fund monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.

**H. Indemnifications** - Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund's servicing agreements, that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

**I. Securities Lending** - The Fund may lend portfolio securities having a market value up to one-third of the Fund's total assets. Such loans are secured by collateral equal to no less than the market value of the loaned securities determined daily by the securities lending provider. Such collateral will be cash or debt securities issued or guaranteed by the U.S. Government or any of its sponsored agencies. Cash collateral received in connection with these loans is invested in short-term money market instruments or affiliated, unregistered investment companies that comply with Rule 2a-7 under the Investment Company Act and money market funds (collectively, "affiliated money market funds") and is shown as such on the Schedule of Investments. The Fund bears the risk of loss with respect to the investment of collateral. It is the Fund's policy to obtain additional collateral from or return excess collateral to the borrower by the end of the next business day, following the valuation date of the securities loaned. Therefore, the value of the collateral held may be temporarily less than the value of the securities on loan. When loaning securities, the Fund retains certain benefits of owning the securities, including the economic equivalent of dividends or interest generated by the security. Lending securities entails a risk of loss to the Fund if, and to the extent that, the market value of the securities loaned were to increase and the borrower did not increase the collateral accordingly, and the borrower failed to return the securities. The securities loaned are subject to termination at the option of the borrower or the Fund. Upon termination, the borrower will return to the Fund the securities loaned and the Fund will return the collateral. Upon the failure of the borrower to return the securities, collateral may be liquidated and the securities may be purchased on the open market to replace the loaned securities. The Fund could experience delays and costs in gaining access to the collateral and the securities may lose value during the delay which could result in potential losses to the Fund. Some of these losses may be indemnified by the lending agent. The Fund bears the risk of any deficiency in the amount of the collateral available for return to the borrower due to any loss on the collateral invested. Dividends received on cash collateral investments for securities lending transactions, which are net of compensation to counterparties, are included in *Dividends from affiliated money market funds* on the Statement of Operations. The aggregate value of securities out on loan, if any, is shown as a footnote on the Statement of Assets and Liabilities.

Invesco Advisers, Inc. (the "Adviser" or "Invesco") serves as an affiliated securities lending agent for the Fund. The Bank of New York Mellon also continues to serve as a lending agent. To the extent the Fund utilizes the Adviser as an affiliated securities lending agent, the Fund conducts its securities lending in accordance with, and in reliance upon, no-action letters issued by the SEC staff that provide guidance on how an affiliate may act as a direct agent lender and receive compensation for those services in a manner consistent with the federal securities laws. For the six months ended June 30, 2022, the Fund paid the Adviser \$808 in fees for securities lending agent services. Fees paid to the Adviser for securities lending agent services are included in *Dividends from affiliated money market funds* on the Statement of Operations.

**J. Foreign Currency Translations** – Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized

foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

The Fund may invest in foreign securities, which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests and are shown in the Statement of Operations.

**K. Forward Foreign Currency Contracts** – The Fund may engage in foreign currency transactions either on a spot (i.e. for prompt delivery and settlement) basis, or through forward foreign currency contracts, to manage or minimize currency or exchange rate risk.

The Fund may also enter into forward foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to “lock in” the U.S. dollar price of that security, or the Fund may also enter into forward foreign currency contracts that do not provide for physical settlement of the two currencies, but instead are settled by a single cash payment calculated as the difference between the agreed upon exchange rate and the spot rate at settlement based upon an agreed upon notional amount (non-deliverable forwards). The Fund will set aside liquid assets in an amount equal to the daily mark-to-market obligation for forward foreign currency contracts.

A forward foreign currency contract is an obligation between two parties (“Counterparties”) to purchase or sell a specific currency for an agreed-upon price at a future date. The use of forward foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Fund owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The primary risks associated with forward foreign currency contracts include failure of the Counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.

**L. Futures Contracts** – The Fund may enter into futures contracts to manage exposure to interest rate, equity and market price movements and/or currency risks. A futures contract is an agreement between Counterparties to purchase or sell a specified underlying security, currency or commodity (or delivery of a cash settlement price, in the case of an index future) for a fixed price at a future date. The Fund currently invests only in exchange-traded futures and they are standardized as to maturity date and underlying financial instrument. Initial margin deposits required upon entering into futures contracts are satisfied by the segregation of specific securities or cash as collateral at the futures commission merchant (broker). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by recalculating the value of the contracts on a daily basis. Subsequent or variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. These amounts are reflected as receivables or payables on the Statement of Assets and Liabilities. When the contracts are closed or expire, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund’s basis in the contract. The net realized gain (loss) and the change in unrealized gain (loss) on futures contracts held during the period is included on the Statement of Operations. The primary risks associated with futures contracts are market risk and the absence of a liquid secondary market. If the Fund were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Fund would continue to be subject to market risk with respect to the value of the contracts and continue to be required to maintain the margin deposits on the futures contracts. Futures contracts have minimal Counterparty risk since the exchange’s clearinghouse, as Counterparty to all exchange-traded futures, guarantees the futures against default. Risks may exceed amounts recognized in the Statement of Assets and Liabilities.

**M. Leverage Risk** – Leverage exists when the Fund can lose more than it originally invests because it purchases or sells an instrument or enters into a transaction without investing an amount equal to the full economic exposure of the instrument or transaction.

**N. Collateral** – To the extent the Fund has designated or segregated a security as collateral and that security is subsequently sold, it is the Fund’s practice to replace such collateral no later than the next business day. This practice does not apply to securities pledged as collateral for securities lending transactions.

**O. Other Risks** - Active trading of portfolio securities may result in added expenses, a lower return and increased tax liability.

**P. COVID-19 Risk** - The COVID-19 strain of coronavirus has resulted in instances of market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain its spread have resulted in travel restrictions, disruptions of healthcare systems, business operations (including business closures) and supply chains, layoffs, lower consumer demand and employee availability, and defaults and credit downgrades, among other significant economic impacts that have disrupted global economic activity across many industries. Such economic impacts may exacerbate other pre-existing political, social and economic risks locally or globally and cause general concern and uncertainty. The full economic impact and ongoing effects of COVID-19 (or other future epidemics or pandemics) at the macro-level and on individual businesses are unpredictable and may result in significant and prolonged effects on the Fund’s performance.

## NOTE 2–Advisory Fees and Other Fees Paid to Affiliates

The Trust has entered into a master investment advisory agreement with the Adviser. Under the terms of the investment advisory agreement, the Fund accrues daily and pays monthly an advisory fee to the Adviser based on the annual rate of the Fund’s average daily net assets as follows:

| Average Daily Net Assets | Rate   |
|--------------------------|--------|
| First \$150 million      | 0.500% |
| Next \$100 million       | 0.450% |
| Next \$100 million       | 0.400% |
| Over \$350 million       | 0.350% |

For the six months ended June 30, 2022, the effective advisory fee rate incurred by the Fund was 0.38%.

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. and separate sub-advisory agreements with Invesco Capital Management LLC and Invesco Asset Management (India) Private Limited (collectively, the “Affiliated Sub-Advisers”) the Adviser, not the Fund, will pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide(s) discretionary investment management services to the Fund based on the percentage of assets allocated to such Affiliated Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2023, to waive advisory fees and/or reimburse expenses of all shares to the extent necessary to limit total annual fund operating expenses after fee waiver and/or expense reimbursement (excluding certain items discussed below) of Series I shares to 1.50% and Series II shares to 1.75% of the Fund’s average daily net assets (the “expense limits”). In determining the Adviser’s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the total annual fund operating expenses after fee waiver and/or expense reimbursement to exceed the numbers reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless Invesco continues the fee waiver agreement, it will terminate on June 30, 2023. During its term, the fee waiver agreement cannot be terminated or amended to increase the expense limits or reduce the advisory fee waiver without approval of the Board of Trustees. The Adviser did not waive fees and/or reimburse expenses during the period under these expense limits.

Further, the Adviser has contractually agreed, through at least June 30, 2024, to waive the advisory fee payable by the Fund in an amount equal to 100% of the net advisory fees the Adviser receives from the affiliated money market funds on investments by the Fund of uninvested cash (excluding investments of cash collateral from securities lending) in such affiliated money market funds.

For the six months ended June 30, 2022, the Adviser waived advisory fees of \$15,731.

The Trust has entered into a master administrative services agreement with Invesco pursuant to which the Fund has agreed to pay Invesco a fee for costs incurred in providing accounting services and fund administrative services to the Fund and to reimburse Invesco for fees paid to insurance companies that have agreed to provide certain administrative services to the Fund. These administrative services provided by the insurance companies may include, among other things: maintenance of master accounts with the Fund; tracking, recording and transmitting net purchase and redemption orders for Fund shares; maintaining and preserving records related to the purchase, redemption and other account activity of variable product owners; distributing copies of Fund documents such as prospectuses, proxy materials and periodic reports, to variable product owners, and responding to inquiries from variable product owners about the Fund. Pursuant to such agreement, for the six months ended June 30, 2022, Invesco was paid \$98,694 for accounting and fund administrative services and was reimbursed \$931,657 for fees paid to insurance companies. Invesco has entered into a sub-administration agreement whereby State Street Bank and Trust Company ("SSB") serves as fund accountant and provides certain administrative services to the Fund. Pursuant to a custody agreement with the Trust on behalf of the Fund, SSB also serves as the Fund's custodian.

The Trust has entered into a transfer agency and service agreement with Invesco Investment Services, Inc. ("IIS") pursuant to which the Fund has agreed to pay IIS a fee for providing transfer agency and shareholder services to the Fund and reimburse IIS for certain expenses incurred by IIS in the course of providing such services. IIS may make payments to intermediaries that provide omnibus account services, sub-accounting services and/or networking services. All fees payable by IIS to intermediaries that provide omnibus account services or sub-accounting services are charged back to the Fund, subject to certain limitations approved by the Trust's Board of Trustees. For the six months ended June 30, 2022, expenses incurred under the agreement are shown in the Statement of Operations as *Transfer agent fees*.

The Trust has entered into a master distribution agreement with Invesco Distributors, Inc. ("IDI") to serve as the distributor for the Fund. The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act with respect to the Fund's Series II shares (the "Plan"). The Fund, pursuant to the Plan, pays IDI compensation at the annual rate of 0.25% of the Fund's average daily net assets of Series II shares. The fees are accrued daily and paid monthly. Of the Plan payments, up to 0.25% of the average daily net assets of the Series II shares may be paid to insurance companies who furnish continuing personal shareholder services to customers who purchase and own Series II shares of the Fund. For the six months ended June 30, 2022, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

For the six months ended June 30, 2022, the Fund incurred \$10,151 in brokerage commissions with Invesco Capital Markets, Inc., an affiliate of the Adviser and IDI, for portfolio transactions executed on behalf of the Fund.

Certain officers and trustees of the Trust are officers and directors of the Adviser, IIS and/or IDI.

### NOTE 3—Additional Valuation Information

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3), generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment's assigned level:

Level 1 - Prices are determined using quoted prices in an active market for identical assets.

Level 2 - Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 - Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of June 30, 2022. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

|   | Level 1              | Level 2              | Level 3    | Total                  |
|---|----------------------|----------------------|------------|------------------------|
| <b>Investments in Securities</b>                            |                      |                      |            |                        |
| Common Stocks & Other Equity Interests                      | \$648,219,205        | \$ 28,837,517        | \$-        | \$ 677,056,722         |
| U.S. Dollar Denominated Bonds & Notes                       | -                    | 239,342,208          | -          | 239,342,208            |
| U.S. Treasury Securities                                    | -                    | 94,418,728           | -          | 94,418,728             |
| Preferred Stocks  | 6,850,797            | -                    | -          | 6,850,797              |
| U.S. Government Sponsored Agency Mortgage-Backed Securities | -                    | 855,892              | -          | 855,892                |
| Money Market Funds  | 63,581,066           | 70,033,049           | -          | 133,614,115            |
| <b>Total Investments in Securities</b>                      | <b>718,651,068</b>   | <b>433,487,394</b>   | <b>-</b>   | <b>1,152,138,462</b>   |
| <b>Other Investments - Assets*</b>                          |                      |                      |            |                        |
| Futures Contracts   | 9,839                | -                    | -          | 9,839                  |
| Forward Foreign Currency Contracts                          | -                    | 750,373              | -          | 750,373                |
|   | 9,839                | 750,373              | -          | 760,212                |
| <b>Other Investments - Liabilities*</b>                     |                      |                      |            |                        |
| Forward Foreign Currency Contracts                          | -                    | (142,237)            | -          | (142,237)              |
| <b>Total Other Investments</b>                              | <b>9,839</b>         | <b>608,136</b>       | <b>-</b>   | <b>617,975</b>         |
| <b>Total Investments</b>                                    | <b>\$718,660,907</b> | <b>\$434,095,530</b> | <b>\$-</b> | <b>\$1,152,756,437</b> |

\* Unrealized appreciation (depreciation).

## NOTE 4—Derivative Investments

The Fund may enter into an International Swaps and Derivatives Association Master Agreement (“ISDA Master Agreement”) under which a fund may trade OTC derivatives. An OTC transaction entered into under an ISDA Master Agreement typically involves a collateral posting arrangement, payment netting provisions and close-out netting provisions. These netting provisions allow for reduction of credit risk through netting of contractual obligations. The enforceability of the netting provisions of the ISDA Master Agreement depends on the governing law of the ISDA Master Agreement, among other factors.

For financial reporting purposes, the Fund does not offset OTC derivative assets or liabilities that are subject to ISDA Master Agreements in the Statement of Assets and Liabilities.

### Value of Derivative Investments at Period-End

The table below summarizes the value of the Fund’s derivative investments, detailed by primary risk exposure, held as of June 30, 2022:

|  | Value         |                    |                      |
|--|---------------|--------------------|----------------------|
|  | Currency Risk | Interest Rate Risk | Total                |
| <b>Derivative Assets</b>   |               |                    |                      |
| Unrealized appreciation on futures contracts –Exchange-Traded <sup>(a)</sup> | \$ -          | \$ 9,839           | \$ 9,839             |
| Unrealized appreciation on forward foreign currency contracts outstanding    | 750,373       | -                  | 750,373              |
| Total Derivative Assets  | 750,373       | 9,839              | 760,212              |
| Derivatives not subject to master netting agreements                         | -             | (9,839)            | (9,839)              |
| Total Derivative Assets subject to master netting agreements                 | \$750,373     | \$ -               | \$750,373            |
|  |               |                    | <b>Value</b>         |
| <b>Derivative Liabilities</b>  |               |                    | <b>Currency Risk</b> |
| Unrealized depreciation on forward foreign currency contracts outstanding    |               |                    | \$(142,237)          |
| Derivatives not subject to master netting agreements                         |               |                    | -                    |
| Total Derivative Liabilities subject to master netting agreements            |               |                    | \$(142,237)          |

<sup>(a)</sup> The daily variation margin receivable (payable) at period-end is recorded in the Statement of Assets and Liabilities.

### Offsetting Assets and Liabilities

The table below reflects the Fund’s exposure to Counterparties subject to either an ISDA Master Agreement or other agreement for OTC derivative transactions as of June 30, 2022.

| Counterparty                  | Financial Derivative Assets        | Financial Derivative Liabilities   | Net Value of Derivatives | Collateral (Received)/Pledged |      | Net Amount |
|-------------------------------|------------------------------------|------------------------------------|--------------------------|-------------------------------|------|------------|
|                               | Forward Foreign Currency Contracts | Forward Foreign Currency Contracts |                          | Non-Cash                      | Cash |            |
| Bank of New York Mellon (The) | \$657,568                          | \$(116,342)                        | \$541,226                | \$-                           | \$-  | \$541,226  |
| State Street Bank & Trust Co. | 92,805                             | (25,895)                           | 66,910                   | -                             | -    | 66,910     |
| Total                         | \$750,373                          | \$(142,237)                        | \$608,136                | \$-                           | \$-  | \$608,136  |

### Effect of Derivative Investments for the six months ended June 30, 2022

The table below summarizes the gains (losses) on derivative investments, detailed by primary risk exposure, recognized in earnings during the period:

|   | Location of Gain on Statement of Operations |                    |             |
|---|---|--------------------|-------------|
|   | Currency Risk                               | Interest Rate Risk | Total       |
| <b>Realized Gain:</b>                         |   |                    |             |
| Forward foreign currency contracts            | \$1,345,776                                 | \$ -               | \$1,345,776 |
| Futures contracts                             | -   | 57,397             | 57,397      |
| <b>Change in Net Unrealized Appreciation:</b> |   |                    |             |
| Forward foreign currency contracts            | 1,037,855                                   | -                  | 1,037,855   |
| Futures contracts                             | -   | 14,409             | 14,409      |
| Total   | \$2,383,631                                 | \$71,806           | \$2,455,437 |

The table below summarizes the average notional value of derivatives held during the period.

|                        | Forward Foreign Currency Contracts | Futures Contracts |
|------------------------|------------------------------------|-------------------|
| Average notional value | \$40,568,346                       | \$1,035,070       |



## NOTE 5—Trustees' and Officers' Fees and Benefits

*Trustees' and Officers' Fees and Benefits* include amounts accrued by the Fund to pay remuneration to certain Trustees and Officers of the Fund. Trustees have the option to defer compensation payable by the Fund, and *Trustees' and Officers' Fees and Benefits* also include amounts accrued by the Fund to fund such deferred compensation amounts. Those Trustees who defer compensation have the option to select various Invesco Funds in which their deferral accounts shall be deemed to be invested. Finally, certain current Trustees were eligible to participate in a retirement plan that provided for benefits to be paid upon retirement to Trustees over a period of time based on the number of years of service. The Fund may have certain former Trustees who also participate in a retirement plan and receive benefits under such plan. *Trustees' and Officers' Fees and Benefits* include amounts accrued by the Fund to fund such retirement benefits. Obligations under the deferred compensation and retirement plans represent unsecured claims against the general assets of the Fund.

## NOTE 6—Cash Balances

The Fund is permitted to temporarily carry a negative or overdrawn balance in its account with SSB, the custodian bank. Such balances, if any at period-end, are shown in the Statement of Assets and Liabilities under the payable caption *Amount due custodian*. To compensate the custodian bank for such overdrafts, the overdrawn Fund may either (1) leave funds as a compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (2) compensate by paying the custodian bank at a rate agreed upon by the custodian bank and Invesco, not to exceed the contractually agreed upon rate. The Fund may not purchase additional securities when any borrowings from banks or broker-dealers exceed 5% of the Fund's total assets, or when any borrowings from an Invesco Fund are outstanding.

## NOTE 7—Tax Information

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from GAAP. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryforward) under income tax regulations. The tax character of distributions paid during the year and the tax components of net assets will be reported at the Fund's fiscal year-end.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Fund to utilize. The ability to utilize capital loss carryforward in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund did not have a capital loss carryforward as of December 31, 2021.

## NOTE 8—Investment Transactions

The aggregate amount of investment securities (other than short-term securities, U.S. Government obligations and money market funds, if any) purchased and sold by the Fund during the six months ended June 30, 2022 was \$154,741,889 and \$231,913,082, respectively. Cost of investments, including any derivatives, on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed federal income tax reporting period-end.

### Unrealized Appreciation (Depreciation) of Investments on a Tax Basis

|  |               |
|--|---------------|
| Aggregate unrealized appreciation of investments   | \$191,478,729 |
| Aggregate unrealized (depreciation) of investments | (61,712,004)  |
| Net unrealized appreciation of investments         | \$129,766,725 |

Cost of investments for tax purposes is \$1,022,989,712.

## NOTE 9—Share Information

### Summary of Share Activity

|  | Six months ended<br>June 30, 2022 <sup>(a)</sup> |              | Year ended<br>December 31, 2021 |               |
|--|--|--------------|---------------------------------|---------------|
|  | Shares   | Amount       | Shares                          | Amount        |
| <b>Sold:</b>   |  |              |                                 |               |
| Series I   | 318,819  | \$ 6,395,547 | 500,860                         | \$ 10,189,630 |
| Series II  | 2,798,613  | 54,822,945   | 1,860,777                       | 37,310,495    |
| <b>Issued as reinvestment of dividends:</b>                  |  |              |                                 |               |
| Series I   | -  | -            | 107,752                         | 2,210,004     |
| Series II  | -  | -            | 1,626,902                       | 33,156,264    |
| <b>Issued in connection with acquisitions:<sup>(b)</sup></b> |  |              |                                 |               |
| Series I   | -  | -            | 1,421,249                       | 28,595,529    |
| Series II  | -  | -            | 55,570                          | 1,110,840     |

## Summary of Share Activity

|  | Six months ended<br>June 30, 2022 <sup>(a)</sup> |                        | Year ended<br>December 31, 2021 |                        |
|--|--|------------------------|---------------------------------|------------------------|
|  | Shares   | Amount                 | Shares                          | Amount                 |
| <b>Reacquired:</b>                               |  |                        |                                 |                        |
| Series I   | (304,425)  | \$ (6,085,381)         | (599,027)                       | \$ (12,102,378)        |
| Series II  | (9,112,246)                                      | (179,388,816)          | (9,775,168)                     | (193,486,611)          |
| <b>Net increase (decrease) in share activity</b> | <b>(6,299,239)</b>                               | <b>\$(124,255,705)</b> | <b>(4,801,085)</b>              | <b>\$ (93,016,227)</b> |

<sup>(a)</sup> There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 71% of the outstanding shares of the Fund. The Fund and the Fund's principal underwriter or adviser, are parties to participation agreements with these entities whereby these entities sell units of interest in separate accounts funding variable products that are invested in the Fund. The Fund, Invesco and/or Invesco affiliates may make payments to these entities, which are considered to be related to the Fund, for providing services to the Fund, Invesco and/or Invesco affiliates including but not limited to services such as, securities brokerage, third party record keeping and account servicing and administrative services. The Fund has no knowledge as to whether all or any portion of the shares owned of record by these entities are also owned beneficially.

<sup>(b)</sup> After the close of business on April 30, 2021, the Fund acquired all the net assets of Invesco V.I. Managed Volatility Fund (the "Target Fund") pursuant to a plan of reorganization approved by the Board of Trustees of the Fund on December 3, 2020 and by the shareholders of the Target Fund on April 5, 2021. The reorganization was executed in order to reduce overlap and increase efficiencies in the Adviser's product line. The acquisition was accomplished by a tax-free exchange of 1,476,819 shares of the Fund for 2,408,211 shares outstanding of the Target Fund as of the close of business on April 30, 2021. Shares of the Target Fund were exchanged for the like class of shares of the Fund, based on the relative net asset value of the Target Fund to the net asset value of the Fund on the close of business, April 30, 2021. The Target Fund's net assets as of the close of business on April 30, 2021 of \$29,706,369, including \$8,543,643 of unrealized appreciation (depreciation), were combined with those of the Fund. The net assets of the Fund immediately before the acquisition were \$1,356,523,614 and \$1,386,229,983 immediately after the acquisition.

The pro forma results of operations for the year ended December 31, 2021 assuming the reorganization had been completed on January 1, 2021, the beginning of the annual reporting period are as follows:

|  |               |
|--|---------------|
| Net investment income                          | \$ 13,487,872 |
| Net realized/unrealized gains                  | 212,925,767   |
| Change in net assets resulting from operations | \$226,413,639 |

As the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Fund that have been included in the Fund's Statement of Operations since May 1, 2021.

# Calculating your ongoing Fund expenses

## Example

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution and/or service fees (12b-1); and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period January 1, 2022 through June 30, 2022.

The actual and hypothetical expenses in the examples below do not represent the effect of any fees or other expenses assessed in connection with a variable product; if they did, the expenses shown would be higher while the ending account values shown would be lower.

## Actual expenses

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

## Hypothetical example for comparison purposes

The table below 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, which is not the Fund's actual return.

*The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.*

Please note that the expenses shown in the table are meant to highlight your ongoing costs. Therefore, the hypothetical information is useful in comparing ongoing costs, and will not help you determine the relative total costs of owning different funds.

|           | Beginning Account Value (01/01/22) | ACTUAL                                       |  | HYPOTHETICAL (5% annual return before expenses) |  | Annualized Expense Ratio |
|-----------|------------------------------------|--|--|---|--|--------------------------|
|           |                                    | Ending Account Value (06/30/22) <sup>1</sup> | Expenses Paid During Period <sup>2</sup> | Ending Account Value (06/30/22)                 | Expenses Paid During Period <sup>2</sup> |                          |
| Series I  | \$1,000.00                         | \$879.70                                     | \$2.61                                   | \$1,022.02                                      | \$2.81                                   | 0.56%                    |
| Series II | 1,000.00                           | 878.80                                       | 3.77                                     | 1,020.78  | 4.06                                     | 0.81                     |

<sup>1</sup> The actual ending account value is based on the actual total return of the Fund for the period January 1, 2022 through June 30, 2022, after actual expenses and will differ from the hypothetical ending account value which is based on the Fund's expense ratio and a hypothetical annual return of 5% before expenses.

<sup>2</sup> Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by 181/365 to reflect the most recent fiscal half year.

# Approval of Investment Advisory and Sub-Advisory Contracts

At meetings held on June 13, 2022, the Board of Trustees (the Board or the Trustees) of AIM Variable Insurance Funds (Invesco Variable Insurance Funds) as a whole, and the independent Trustees, who comprise over 75% of the Board, voting separately, approved the continuance of the Invesco V.I. Equity and Income Fund's (the Fund) Master Investment Advisory Agreement with Invesco Advisers, Inc. (Invesco Advisers and the investment advisory agreement) and the Master Intergroup Sub-Advisory Contract for Mutual Funds with Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. and separate sub-advisory contracts with Invesco Capital Management LLC and Invesco Asset Management (India) Private Limited (collectively, the Affiliated Sub-Advisers and the sub-advisory contracts) for another year, effective July 1, 2022. After evaluating the factors discussed below, among others, the Board approved the renewal of the Fund's investment advisory agreement and the sub-advisory contracts and determined that the compensation payable thereunder by the Fund to Invesco Advisers and by Invesco Advisers to the Affiliated Sub-Advisers is fair and reasonable.

## The Board's Evaluation Process

The Board has established an Investments Committee, which in turn has established Sub-Committees that meet throughout the year to review the performance of funds advised by Invesco Advisers (the Invesco Funds). The Sub-Committees meet regularly with portfolio managers for their assigned Invesco Funds and other members of management to review detailed information about investment performance and portfolio attributes of these funds. The Board has established additional standing and ad hoc committees that meet regularly throughout the year to review matters within their purview. The Board took into account evaluations and reports that it received from its committees and sub-committees, as well as the information provided to the Board and its committees and sub-committees throughout the year, in considering whether to approve each Invesco Fund's investment advisory agreement and sub-advisory contracts.

As part of the contract renewal process, the Board reviews and considers information provided in response to detailed requests for information submitted to management by the independent Trustees with assistance from legal counsel to the independent Trustees and the Senior Officer, an officer of the Invesco Funds who reports directly to the independent Trustees. The Board receives comparative investment performance and fee and expense data regarding the Invesco Funds prepared by Broadridge Financial Solutions, Inc. (Broadridge), an independent mutual fund data provider, as well as information on the composition of the peer groups provided by Broadridge and its methodology for determining peer groups. The Board also receives an independent written evaluation from the Senior Officer. The Senior Officer's evaluation is prepared as part of his responsibility to manage the process by which the Invesco Funds' proposed management fees are negotiated during the annual contract renewal

process to ensure they are negotiated in a manner that is at arms' length and reasonable in accordance with certain negotiated regulatory requirements. In addition to meetings with Invesco Advisers and fund counsel throughout the year and as part of meetings convened on May 2, 2022 and June 13, 2022, the independent Trustees also discussed the continuance of the investment advisory agreement and sub-advisory contracts in separate sessions with the Senior Officer and with independent legal counsel. Also, as part of the contract renewal process, the independent Trustees reviewed and considered information provided in response to detailed follow-up requests for information submitted by the independent Trustees to management. The independent Trustees met and discussed those follow-up responses with legal counsel to the independent Trustees and the Senior Officer.

The discussion below is a summary of the Senior Officer's independent written evaluation with respect to the Fund's investment advisory agreement and sub-advisory contracts, as well as a discussion of the material factors and related conclusions that formed the basis for the Board's approval of the Fund's investment advisory agreement and sub-advisory contracts. The Trustees' review and conclusions are based on the comprehensive consideration of all information presented to them during the course of the year and in prior years and are not the result of any single determinative factor. Moreover, one Trustee may have weighed a particular piece of information or factor differently than another Trustee. The information received and considered by the Board was current as of various dates prior to the Board's approval on June 13, 2022.

## Factors and Conclusions and Summary of Independent Written Fee Evaluation

### A. Nature, Extent and Quality of Services Provided by Invesco Advisers and the Affiliated Sub-Advisers

The Board reviewed the nature, extent and quality of the advisory services provided to the Fund by Invesco Advisers under the Fund's investment advisory agreement, and the credentials and experience of the officers and employees of Invesco Advisers who provide these services, including the Fund's portfolio manager(s). The Board's review included consideration of Invesco Advisers' investment process and oversight, credit analysis, and research capabilities. The Board considered information regarding Invesco Advisers' programs for and resources devoted to risk management, including management of investment, enterprise, operational, liquidity, valuation and compliance risks, and technology used to manage such risks. The Board also received and reviewed information about Invesco Advisers' role as administrator of the Invesco Funds' liquidity risk management program. The Board received a description of, and reports related to, Invesco Advisers' global security program and business continuity plans and of its approach to data privacy and cybersecurity, including related testing. The Board considered how the cybersecurity and business continuity plans of Invesco Advisers and its key service providers operated in the remote and hybrid working environment resulting from the novel coronavirus ("COVID-19") pandemic and paved the way for a hybrid working framework in a normalized

environment as employees return to the office. The Board also considered non-advisory services that Invesco Advisers and its affiliates provide to the Invesco Funds, such as various back office support functions, third party oversight, internal audit, valuation, portfolio trading and legal and compliance. The Board observed that Invesco Advisers' systems preparedness and ongoing investment enabled Invesco Advisers to manage, operate and oversee the Invesco Funds with minimal impact or disruption through challenging environments. The Board reviewed and considered the benefits to shareholders of investing in a Fund that is part of the family of funds under the umbrella of Invesco Ltd., Invesco Advisers' parent company, and noted Invesco Ltd.'s depth and experience in running an investment management business, as well as its commitment of financial and other resources to such business. The Board concluded that the nature, extent and quality of the services provided to the Fund by Invesco Advisers are appropriate and satisfactory.

The Board reviewed the services that may be provided by the Affiliated Sub-Advisers under the sub-advisory contracts and the credentials and experience of the officers and employees of the Affiliated Sub-Advisers who provide these services. The Board noted the Affiliated Sub-Advisers' expertise with respect to certain asset classes and that the Affiliated Sub-Advisers have offices and personnel that are located in financial centers around the world. As a result, the Board noted that the Affiliated Sub-Advisers can provide research and investment analysis on the markets and economies of various countries in which the Fund may invest, make recommendations regarding securities and assist with security trades. The Board concluded that the sub-advisory contracts may benefit the Fund and its shareholders by permitting Invesco Advisers to use the resources and talents of the Affiliated Sub-Advisers in managing the Fund. The Board concluded that the nature, extent and quality of the services that may be provided to the Fund by the Affiliated Sub-Advisers are appropriate and satisfactory.

### B. Fund Investment Performance

The Board considered Fund investment performance as a relevant factor in considering whether to approve the investment advisory agreement. The Board did not view Fund investment performance as a relevant factor in considering whether to approve the sub-advisory contracts for the Fund, as no Affiliated Sub-Adviser currently manages assets of the Fund.

The Board compared the Fund's investment performance over multiple time periods ending December 31, 2021 to the performance of funds in the Broadridge performance universe and against the Russell 1000® Value Index (Index). The Board noted that performance of Series II shares of the Fund was in the first quintile of its performance universe for the one year period, the third quintile for the three year period, and the fourth quintile for the five year period (the first quintile being the best performing funds and the fifth quintile being the worst performing funds). The Board noted that performance of Series II shares of the Fund was below the performance of the Index for the one, three and five year periods. The Board noted that the Fund is one of the few in the peer group classified as a value fund as

opposed to a core or growth fund, and the value investment style has lagged behind the core and growth investment styles, which contributed to the Fund's relative underperformance. The Board recognized that the performance data reflects a snapshot in time as of a particular date and that selecting a different performance period could produce different results. The Board also reviewed more recent Fund performance as well as other performance metrics, which did not change its conclusions.

*C. Advisory and Sub-Advisory Fees and Fund Expenses*

The Board compared the Fund's contractual management fee rate to the contractual management fee rates of funds in the Fund's Broadridge expense group. The Board noted that the contractual management fee rate for Series II shares of the Fund was below the median contractual management fee rate of funds in its expense group. The Board noted that the term "contractual management fee" for funds in the expense group may include both advisory and certain non-portfolio management administrative services fees, but that Broadridge is not able to provide information on a fund by fund basis as to what is included. The Board also reviewed the methodology used by Broadridge in calculating expense group information, which includes using each fund's contractual management fee schedule (including any applicable breakpoints) as reported in the most recent prospectus or statement of additional information for each fund in the expense group. The Board also considered comparative information regarding the Fund's total expense ratio and its various components.

The Board noted that Invesco Advisers has contractually agreed to waive fees and/or limit expenses of the Fund for the term disclosed in the Fund's registration statement in an amount necessary to limit total annual operating expenses to a specified percentage of average daily net assets for each class of the Fund.

The Board also considered the fees charged by Invesco Advisers and its affiliates to other client accounts that are similarly managed. Invesco Advisers reviewed with the Board differences in the scope of services it provides to the Invesco Funds relative to that provided by Invesco Advisers and its affiliates to certain other types of client accounts, including, among others: management of cash flows as a result of redemptions and purchases; necessary infrastructure such as officers, office space, technology, legal and distribution; oversight of service providers; costs and business risks associated with launching new funds and sponsoring and maintaining the product line; and compliance with federal and state laws and regulations. Invesco Advisers also advised the Board that many of the similarly managed client accounts have all-inclusive fee structures, which are not easily un-bundled.

The Board also compared the Fund's effective advisory fee rate (defined for this purpose as the advisory fee rate after advisory fee waivers and before other expense limitations/waivers) to the effective advisory fee rates of other similarly managed third-party mutual funds advised or sub-advised by Invesco Advisers and its affiliates, based on asset balances as of December 31, 2021.

The Board also considered the services that may be provided by the Affiliated Sub-Advisers pursuant to the sub-advisory contracts, as well as the fees

payable by Invesco Advisers to the Affiliated Sub-Advisers pursuant to the sub-advisory contracts.

*D. Economies of Scale and Breakpoints*

The Board considered the extent to which there may be economies of scale in the provision of advisory services to the Fund and the Invesco Funds, and the extent to which such economies of scale are shared with the Fund and the Invesco Funds. The Board considered that the Fund benefits from economies of scale through contractual breakpoints in the Fund's advisory fee schedule, which generally operate to reduce the Fund's expense ratio as it grows in size. The Board considered information from Invesco Advisers regarding the levels of the Fund's breakpoints in light of current assets. The Board noted that the Fund also shares in economies of scale through Invesco Advisers' ability to negotiate lower fee arrangements with third party service providers. The Board noted that the Fund may also benefit from economies of scale through initial fee setting, fee waivers and expense reimbursements, as well as Invesco Advisers' investment in its business, including investments in business infrastructure, technology and cybersecurity.

*E. Profitability and Financial Resources*

The Board reviewed information from Invesco Advisers concerning the costs of the advisory and other services that Invesco Advisers and its affiliates provide to the Fund and the Invesco Funds and the profitability of Invesco Advisers and its affiliates in providing these services in the aggregate and on an individual Fund-by-Fund basis. The Board considered the methodology used for calculating profitability and the periodic review and enhancement of such methodology. The Board noted that Invesco Advisers continues to operate at a net profit from services Invesco Advisers and its affiliates provide to the Invesco Funds in the aggregate and to most Funds individually. The Board did not deem the level of profits realized by Invesco Advisers and its affiliates from providing such services to be excessive, given the nature, extent and quality of the services provided. The Board noted that Invesco Advisers provided information demonstrating that Invesco Advisers is financially sound and has the resources necessary to perform its obligations under the investment advisory agreement, and provided representations indicating that the Affiliated Sub-Advisers are financially sound and have the resources necessary to perform their obligations under the sub-advisory contracts.

*F. Collateral Benefits to Invesco Advisers and its Affiliates*

The Board considered various other benefits received by Invesco Advisers and its affiliates from the relationship with the Fund, including the fees received for providing administrative, transfer agency and distribution services to the Fund. The Board received comparative information regarding fees charged for these services, including information provided by Broadridge and other independent sources. The Board reviewed the performance of Invesco Advisers and its affiliates in providing these services and the organizational structure employed to provide these services. The Board noted that these services are provided to the Fund pursuant to written contracts that are reviewed and subject to approval on an annual basis by the Board based on its determination that the services are required for the operation of the Fund.

The Board considered the benefits realized by Invesco Advisers and the Affiliated Sub-Advisers as a

result of portfolio brokerage transactions executed through "soft dollar" arrangements. The Board noted that soft dollar arrangements may result in the Fund bearing costs to purchase research that may be used by Invesco Advisers or the Affiliated Sub-Advisers with other clients and may reduce Invesco Advisers' or the Affiliated Sub-Advisers' expenses. The Board also considered that it receives from Invesco Advisers periodic reports that include a representation to the effect that these arrangements are consistent with regulatory requirements. The Board did not deem the soft dollar arrangements to be inappropriate.

The Board considered that the Fund's uninvested cash and cash collateral from any securities lending arrangements may be invested in registered money market funds or, with regard to securities lending cash collateral, unregistered funds that comply with Rule 2a-7 (collectively referred to as "affiliated money market funds") advised by Invesco Advisers. The Board considered information regarding the returns of the affiliated money market funds relative to comparable overnight investments, as well as the fees paid by the affiliated money market funds to Invesco Advisers and its affiliates. In this regard, the Board noted that Invesco Advisers receives advisory fees from these affiliated money market funds attributable to the Fund's investments. The Board also noted that Invesco Advisers has contractually agreed to waive through varying periods an amount equal to 100% of the net advisory fee Invesco Advisers receives from the affiliated money market funds with respect to the Fund's investment in the affiliated money market funds of uninvested cash, but not cash collateral. The Board concluded that the advisory fees payable to Invesco Advisers from the Fund's investment of cash collateral from any securities lending arrangements in the affiliated money market funds are for services that are not duplicative of services provided by Invesco Advisers to the Fund.

The Board considered that Invesco Advisers may serve as the Fund's affiliated securities lending agent and evaluated the benefits realized by Invesco Advisers when serving in such role, including the compensation received. The Board considered Invesco Advisers' securities lending platform and corporate governance structure for securities lending, including Invesco Advisers' Securities Lending Governance Committee and its related responsibilities. The Board noted that to the extent the Fund utilizes Invesco Advisers as an affiliated securities lending agent, the Fund conducts its securities lending in accordance with, and in reliance upon, no-action letters issued by the SEC staff that provide guidance on how an affiliate may act as a direct agent lender and receive compensation for those services without obtaining exemptive relief. The Board considered information provided by Invesco Advisers related to the performance of Invesco Advisers as securities lending agent, including a summary of the securities lending services provided to the Fund by Invesco Advisers and the compensation paid to Invesco Advisers for such services, as well as any revenues generated for the Fund in connection with such securities lending activity and the allocation of such revenue between the Fund and Invesco Advisers.

The Board also received information about commissions that an affiliated broker may receive for executing certain trades for the Fund. Invesco Advisers and the Affiliated Sub-Advisers advised the Board of the benefits to the Fund of executing trades

through the affiliated broker and that such trades were executed in compliance with rules under the federal securities laws and consistent with best execution obligations.

# Janus Henderson VIT Forty Portfolio

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Janus Aspen Series

## HIGHLIGHTS

- Investment strategy behind your portfolio
- Portfolio performance, characteristics and holdings

**Janus Henderson**  
— INVESTORS —

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## Janus Henderson VIT Forty Portfolio

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### PORTFOLIO SNAPSHOT

Forty Fund is a concentrated large-cap growth fund, leveraging Janus Henderson's three decades of experience in high-conviction investing. By investing in our best wide-moat ideas, the Fund seeks to add excess return over the long term. Given its concentrated nature, the Fund may exhibit moderately higher volatility than its benchmark.



Brian Recht  
co-portfolio manager

Doug Rao  
co-portfolio manager

Nick Schommer  
co-portfolio manager



**Janus Henderson VIT Forty Portfolio (unaudited)**  
**Portfolio At A Glance**  
**June 30, 2022**

**5 Top Contributors - Holdings**

|                        | <b>Average Weight</b> | <b>Relative Contribution</b> |
|------------------------|-----------------------|------------------------------|
| Mastercard Inc         | 5.14%                 | 0.46%                        |
| UnitedHealth Group Inc | 2.48%                 | 0.46%                        |
| American Tower Corp    | 2.90%                 | 0.37%                        |
| NVIDIA Corp            | 1.29%                 | 0.28%                        |
| Procter & Gamble Co    | 1.75%                 | 0.28%                        |

**5 Top Detractors - Holdings**

|                                 | <b>Average Weight</b> | <b>Relative Contribution</b> |
|---------------------------------|-----------------------|------------------------------|
| Snap Inc - Class A              | 2.61%                 | -1.55%                       |
| Align Technology Inc            | 2.32%                 | -1.08%                       |
| Twilio Inc                      | 1.68%                 | -0.92%                       |
| Workday Inc - Class A           | 2.74%                 | -0.59%                       |
| Rivian Automotive Inc - Class A | 0.62%                 | -0.54%                       |

**5 Top Contributors - Sectors\***

|             | <b>Relative Contribution</b> | <b>Portfolio Average Weight</b> | <b>Russell 1000 Growth Index Average Weight</b> |
|-------------|------------------------------|---------------------------------|---|
| Other**     | 0.35%                        | 1.50%                           | 0.00%   |
| Real Estate | 0.31%                        | 2.90%                           | 1.80%   |
| Industrials | -0.04%                       | 5.00%                           | 6.24%   |
| Financials  | -0.14%                       | 3.54%                           | 2.51%   |
| Energy      | -0.21%                       | 0.00%                           | 0.51%   |

**5 Top Detractors - Sectors\***

|                        | <b>Relative Contribution</b> | <b>Portfolio Average Weight</b> | <b>Russell 1000 Growth Index Average Weight</b> |
|------------------------|------------------------------|---------------------------------|---|
| Communication Services | -2.37%                       | 14.18%                          | 10.47%  |
| Information Technology | -1.34%                       | 36.72%                          | 45.87%  |
| Health Care            | -0.89%                       | 14.06%                          | 9.07%   |
| Consumer Discretionary | -0.75%                       | 17.44%                          | 17.95%  |
| Consumer Staples       | -0.54%                       | 1.75%                           | 4.53%   |

Relative contribution reflects how the portfolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown. For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, excluding fixed income securities, gross of advisory fees, may exclude certain derivatives and will differ from actual performance.

Performance attribution reflects returns gross of advisory fees and may differ from actual returns as they are based on end of day holdings.

Attribution is calculated by geometrically linking daily returns for the portfolio and index.

\* Based on sector classification according to the Global Industry Classification Standard ("GICS") codes, which are the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.

\*\* Not a GICS classified sector.

# Janus Henderson VIT Forty Portfolio (unaudited)

## Portfolio At A Glance

### June 30, 2022

#### 5 Largest Equity Holdings - (% of Net Assets)

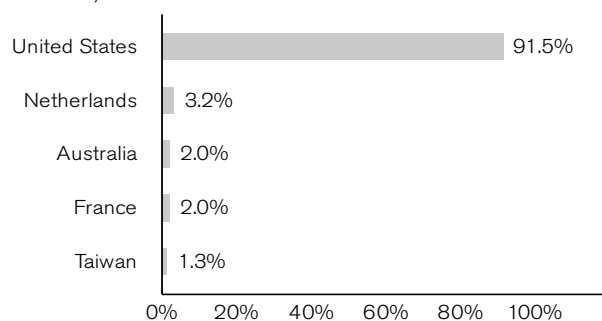
|  |              |
|--|--------------|
| Microsoft Corp                             |              |
| Software                                   | 11.7%        |
| Amazon.com Inc                             |              |
| Internet & Direct Marketing Retail         | 8.0%         |
| Mastercard Inc                             |              |
| Information Technology Services            | 5.8%         |
| Alphabet Inc - Class C                     |              |
| Interactive Media & Services               | 5.1%         |
| Apple Inc                                  |              |
| Technology Hardware, Storage & Peripherals | 4.9%         |
|  | <u>35.5%</u> |

#### Asset Allocation - (% of Net Assets)

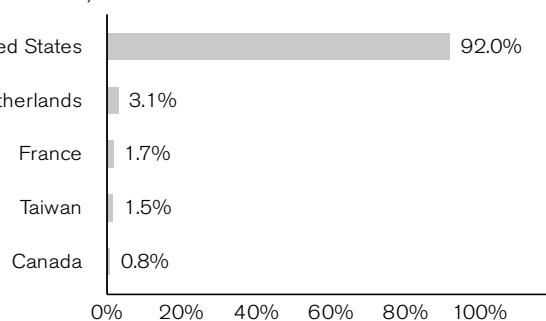
|                                    |               |
|------------------------------------|---------------|
| Common Stocks                      | 98.6%         |
| Investment Companies               | 1.4%          |
| Investments Purchased with Cash    |               |
| Collateral from Securities Lending | 0.3%          |
| Other                              | (0.3)%        |
|                                    | <u>100.0%</u> |

#### Top Country Allocations - Long Positions - (% of Investment Securities)

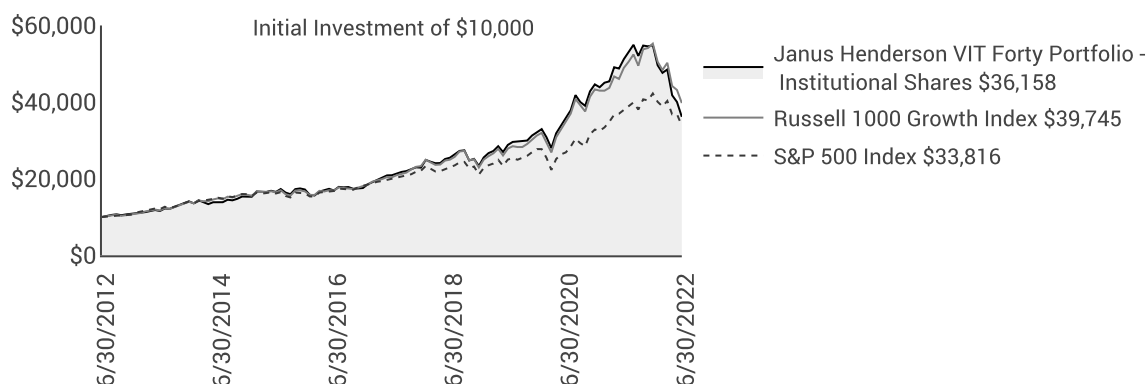
As of June 30, 2022



As of December 31, 2021



# Janus Henderson VIT Forty Portfolio (unaudited) Performance



| Average Annual Total Return - for the periods ended June 30, 2022   |                     |           |           |           |                  | Prospectus Expense Ratios                         |
|---|---------------------|-----------|-----------|-----------|------------------|---|
|   | Fiscal Year-to-Date | One Year  | Five Year | Ten Year  | Since Inception* | Total Annual Fund Operating Expenses <sup>†</sup> |
| Institutional Shares  | -34.06%             | -29.39%   | 11.58%    | 13.72%    | 11.31%           | 0.77%   |
| Service Shares  | -34.16%             | -29.57%   | 11.30%    | 13.43%    | 11.00%           | 1.02%   |
| Russell 1000 Growth Index   | -28.07%             | -18.77%   | 14.29%    | 14.80%    | 8.54%            |   |
| S&P 500 Index   | -19.96%             | -10.62%   | 11.31%    | 12.96%    | 8.38%            |   |
| Morningstar Quartile - Institutional Shares                         | -                   | 4th       | 2nd       | 1st       | 1st              |   |
| Morningstar Ranking - based on total returns for Large Growth Funds | -                   | 937/1,264 | 488/1,147 | 249/1,053 | 9/516            |   |

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit [janushenderson.com/VITperformance](http://janushenderson.com/VITperformance).

This Portfolio has a performance-based management fee that may adjust up or down based on the Portfolio's performance.

Performance may be affected by risks that include those associated with foreign and emerging markets, fixed income securities, high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), Environmental, Social and Governance (ESG) factors, non-diversification, portfolio turnover, derivatives, short sales, initial public offerings (IPOs) and potential conflicts of interest. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

Returns do not reflect the deduction of fees, charges or expenses of any insurance product or qualified plan. If applied, returns would have been lower.

Returns include reinvestment of all dividends and distributions and do not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares. The returns do not include adjustments in accordance with generally accepted accounting principles required at the period end for financial reporting purposes.

Performance for Service Shares prior to December 31, 1999 reflects the performance of Institutional Shares, adjusted to reflect the expenses of Service Shares.

Ranking is for the share class shown only; other classes may have different performance characteristics.

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There is no assurance that the investment process will consistently lead to successful investing.

See Notes to Schedule of Investments and Other Information for index definitions.

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

See important disclosures on the next page.

## **Janus Henderson VIT Forty Portfolio (unaudited) Performance**

See "Useful Information About Your Portfolio Report."

\*The Portfolio's inception date – May 1, 1997

‡ As stated in the prospectus. See Financial Highlights for actual expense ratios during the reporting period.

## Janus Henderson VIT Forty Portfolio (unaudited) Expense Examples

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; 12b-1 distribution and shareholder servicing fees (applicable to Service Shares only); transfer agent fees and expenses payable pursuant to the Transfer Agency Agreement; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The example is based upon an investment of \$1,000 invested at the beginning of the period and held for the six-months indicated, unless noted otherwise in the table and footnotes below.

### Actual Expenses

The information in the table under the heading "Actual" provides information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the appropriate column for your share class under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

### Hypothetical Example for Comparison Purposes

The information in the table under the heading "Hypothetical (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based upon the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Additionally, for an analysis of the fees associated with an investment in either share class or other similar funds, please visit [www.finra.org/fundanalyzer](http://www.finra.org/fundanalyzer).

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as any charges at the separate account level or contract level. These fees are fully described in the Portfolio's prospectuses. Therefore, the hypothetical examples are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

|                | Actual                                    |   |  | Hypothetical<br>(5% return before expenses) |   |  | Net Annualized<br>Expense Ratio<br>(1/1/22 - 6/30/22) |
|----------------|---|---|--|---|---|--|---|
|                | Beginning<br>Account<br>Value<br>(1/1/22) | Ending<br>Account<br>Value<br>(6/30/22) | Expenses<br>Paid During<br>Period<br>(1/1/22 - 6/30/22)† | Beginning<br>Account<br>Value<br>(1/1/22)   | Ending<br>Account<br>Value<br>(6/30/22) | Expenses<br>Paid During<br>Period<br>(1/1/22 - 6/30/22)† |   |
| Institutional  |   |   |  |   |   |  |   |
| Shares         | \$1,000.00                                | \$659.40                                | \$2.30   | \$1,000.00                                  | \$1,022.02                              | \$2.81   | 0.56%   |
| Service Shares | \$1,000.00                                | \$658.40                                | \$3.29   | \$1,000.00                                  | \$1,020.83                              | \$4.01   | 0.80%   |

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Expenses in the examples include the effect of applicable fee waivers and/or expense reimbursements, if any. Had such waivers and/or reimbursements not been in effect, your expenses would have been higher. Please refer to the Notes to Financial Statements or the Portfolio's prospectuses for more information regarding waivers and/or reimbursements.

**Janus Henderson VIT Forty Portfolio**  
**Schedule of Investments (unaudited)**  
**June 30, 2022**

|   | <i>Shares or<br/>Principal Amounts</i> | <i>Value</i> |
|---|--|--------------|
| Common Stocks– 98.6%                                |  |              |
| Automobiles – 0.5%                                  |  |              |
| Rivian Automotive Inc - Class A*.#                  | 140,515                                | \$3,616,856  |
| Biotechnology – 3.7%                                |  |              |
| AbbVie Inc  | 191,511                                | 29,331,825   |
| Capital Markets – 2.9%                              |  |              |
| Blackstone Group Inc                                | 254,706                                | 23,236,828   |
| Chemicals – 1.8%                                    |  |              |
| Sherwin-Williams Co                                 | 61,784                                 | 13,834,055   |
| Entertainment – 0.9%                                |  |              |
| Walt Disney Co*                                     | 79,022                                 | 7,459,677    |
| Equity Real Estate Investment Trusts (REITs) – 3.7% |  |              |
| American Tower Corp                                 | 114,263                                | 29,204,480   |
| Health Care Equipment & Supplies – 9.1%             |  |              |
| Align Technology Inc*                               | 48,189                                 | 11,404,891   |
| Danaher Corp  | 139,453                                | 35,354,125   |
| DexCom Inc*   | 158,648                                | 11,824,035   |
| Edwards Lifesciences Corp*                          | 144,863                                | 13,775,023   |
|   |  | 72,358,074   |
| Health Care Providers & Services – 2.8%             |  |              |
| UnitedHealth Group Inc                              | 42,630                                 | 21,896,047   |
| Hotels, Restaurants & Leisure – 0.6%                |  |              |
| Caesars Entertainment Inc*                          | 125,382                                | 4,802,131    |
| Household Products – 1.0%                           |  |              |
| Procter & Gamble Co                                 | 56,057                                 | 8,060,436    |
| Information Technology Services – 7.9%              |  |              |
| Mastercard Inc                                      | 145,588                                | 45,930,102   |
| Square Inc*   | 61,836                                 | 3,800,441    |
| Twilio Inc*   | 150,080                                | 12,578,205   |
|   |  | 62,308,748   |
| Interactive Media & Services – 10.9%                |  |              |
| Alphabet Inc - Class C*                             | 18,298                                 | 40,025,960   |
| Match Group Inc*                                    | 187,195                                | 13,045,619   |
| Meta Platforms Inc - Class A*                       | 130,250                                | 21,002,812   |
| Snap Inc - Class A*                                 | 951,423                                | 12,492,184   |
|   |  | 86,566,575   |
| Internet & Direct Marketing Retail – 10.1%          |  |              |
| Amazon.com Inc*                                     | 594,020                                | 63,090,864   |
| Booking Holdings Inc*                               | 9,690                                  | 16,947,713   |
|   |  | 80,038,577   |
| Machinery – 3.2%                                    |  |              |
| Deere & Co  | 84,487                                 | 25,301,322   |
| Metals & Mining – 1.0%                              |  |              |
| Freeport-McMoRan Inc                                | 276,834                                | 8,100,163    |
| Professional Services – 2.6%                        |  |              |
| CoStar Group Inc*                                   | 334,939                                | 20,233,665   |
| Semiconductor & Semiconductor Equipment – 8.0%      |  |              |
| ASML Holding NV                                     | 53,776                                 | 25,590,923   |
| NVIDIA Corp   | 58,131                                 | 8,812,078    |
| Taiwan Semiconductor Manufacturing Co Ltd (ADR)     | 124,088                                | 10,144,194   |
| Texas Instruments Inc                               | 119,602                                | 18,376,847   |
|   |  | 62,924,042   |
| Software – 17.3%                                    |  |              |
| Atlassian Corp PLC - Class A*                       | 85,015                                 | 15,931,811   |
| Microsoft Corp                                      | 361,707                                | 92,897,209   |
| Workday Inc - Class A*                              | 200,044                                | 27,922,141   |
|   |  | 136,751,161  |
| Specialty Retail – 2.4%                             |  |              |
| TJX Cos Inc   | 345,093                                | 19,273,444   |
| Technology Hardware, Storage & Peripherals – 4.9%   |  |              |
| Apple Inc   | 284,469                                | 38,892,602   |

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

**Janus Henderson VIT Forty Portfolio**  
**Schedule of Investments (unaudited)**  
**June 30, 2022**

|  | <i>Shares or<br/>Principal Amounts</i> | <i>Value</i>         |
|--|--|----------------------|
| Common Stocks– (continued)   |  |                      |
| Textiles, Apparel & Luxury Goods – 3.3%  |  |                      |
| LVMH Moet Hennessy Louis Vuitton SE  | 25,693                                 | \$15,660,029         |
| NIKE Inc - Class B   | 103,783                                | 10,606,623           |
|  |  | 26,266,652           |
| <b>Total Common Stocks (cost \$592,085,564)</b>  |  | <b>780,457,360</b>   |
| Investment Companies– 1.4%   |  |                      |
| Money Markets – 1.4%   |  |                      |
| Janus Henderson Cash Liquidity Fund LLC, 1.3877% <sup>0.0</sup> (cost \$11,046,044)                | 11,045,374                             | 11,046,479           |
| Investments Purchased with Cash Collateral from Securities Lending– 0.3%                           |  |                      |
| Investment Companies – 0.3%  |  |                      |
| Janus Henderson Cash Collateral Fund LLC, 1.3810% <sup>0.0</sup>                                   | 2,259,476                              | 2,259,476            |
| Time Deposits – 0%   |  |                      |
| Royal Bank of Canada, 1.5600%, 7/1/22  | \$564,869                              | 564,869              |
| <b>Total Investments Purchased with Cash Collateral from Securities Lending (cost \$2,824,345)</b> |  | <b>2,824,345</b>     |
| <b>Total Investments (total cost \$605,955,953) – 100.3%</b>                                       |  | <b>794,328,184</b>   |
| Liabilities, net of Cash, Receivables and Other Assets – (0.3)%                                    |  | (2,656,860)          |
| <b>Net Assets – 100%</b>   |  | <b>\$791,671,324</b> |

**Summary of Investments by Country - (Long Positions) (unaudited)**

| <i>Country</i> | <i>Value</i>         | <i>% of<br/>Investment<br/>Securities</i> |
|----------------|----------------------|---|
| United States  | \$727,001,227        | 91.5 %                                    |
| Netherlands    | 25,590,923           | 3.2                                       |
| Australia      | 15,931,811           | 2.0                                       |
| France         | 15,660,029           | 2.0                                       |
| Taiwan         | 10,144,194           | 1.3                                       |
| <b>Total</b>   | <b>\$794,328,184</b> | <b>100.0 %</b>                            |

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

**Janus Henderson VIT Forty Portfolio**  
**Schedule of Investments (unaudited)**  
**June 30, 2022**

**Schedules of Affiliated Investments – (% of Net Assets)**

|   | Dividend<br>Income  | Realized<br>Gain/(Loss) | Change in<br>Unrealized<br>Appreciation/<br>Depreciation | Value<br>at 6/30/22  |
|---|---------------------|-------------------------|--|----------------------|
| Investment Companies - 1.4%   |                     |                         |  |                      |
| Money Markets - 1.4%  |                     |                         |  |                      |
| Janus Henderson Cash Liquidity Fund<br>LLC, 1.3877%                       | \$ 27,202           | \$ (140)                | \$ 435   | \$ 11,046,479        |
| Investments Purchased with Cash Collateral from Securities Lending - 0.3% |                     |                         |  |                      |
| Investment Companies - 0.3%   |                     |                         |  |                      |
| Janus Henderson Cash Collateral Fund<br>LLC, 1.3810%                      | 37,439 <sup>A</sup> | -                       | -  | 2,259,476            |
| <b>Total Affiliated Investments - 1.7%</b>                                | <b>\$ 64,641</b>    | <b>\$ (140)</b>         | <b>\$ 435</b>  | <b>\$ 13,305,955</b> |

|   | Value<br>at 12/31/21 | Purchases   | Sales Proceeds | Value<br>at 6/30/22 |
|---|----------------------|-------------|----------------|---------------------|
| Investment Companies - 1.4%   |                      |             |                |                     |
| Money Markets - 1.4%  |                      |             |                |                     |
| Janus Henderson Cash Liquidity Fund<br>LLC, 1.3877%                       | 14,134,404           | 115,057,147 | (118,145,367)  | 11,046,479          |
| Investments Purchased with Cash Collateral from Securities Lending - 0.3% |                      |             |                |                     |
| Investment Companies - 0.3%   |                      |             |                |                     |
| Janus Henderson Cash Collateral Fund<br>LLC, 1.3810%                      | 1,025,066            | 34,107,425  | (32,873,015)   | 2,259,476           |

**Offsetting of Financial Assets and Derivative Assets**

| Counterparty                                 | Gross Amounts<br>of Recognized<br>Assets | Offsetting Asset<br>or Liability <sup>(a)</sup> | Collateral<br>Pledged <sup>(b)</sup> | Net Amount |
|--|--|---|--------------------------------------|------------|
| JPMorgan Chase Bank, National<br>Association | \$ 2,712,636                             | \$ —  | \$ (2,712,636)                       | \$ —       |

(a) Represents the amount of assets or liabilities that could be offset with the same counterparty under master netting or similar agreements that management elects not to offset on the Statement of Assets and Liabilities.

(b) Collateral pledged is limited to the net outstanding amount due to/from an individual counterparty. The actual collateral amounts pledged may exceed these amounts and may fluctuate in value.

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.



# Janus Henderson VIT Forty Portfolio

## Notes to Schedule of Investments and Other Information (unaudited)

Russell 1000<sup>®</sup> Growth Index      Russell 1000<sup>®</sup> Growth Index reflects the performance of U.S. large-cap equities with higher price-to-book ratios and higher forecasted growth values.

S&P 500<sup>®</sup> Index      S&P 500<sup>®</sup> Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.

ADR      American Depositary Receipt

LLC      Limited Liability Company

PLC      Public Limited Company

\*      Non-income producing security.

°°      Rate shown is the 7-day yield as of June 30, 2022.

#      Loaned security; a portion of the security is on loan at June 30, 2022.

£      The Portfolio may invest in certain securities that are considered affiliated companies. As defined by the Investment Company Act of 1940, as amended, an affiliated company is one in which the Portfolio owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control.

Δ      Net of income paid to the securities lending agent and rebates paid to the borrowing counterparties.

The following is a summary of the inputs that were used to value the Portfolio's investments in securities and other financial instruments as of June 30, 2022. See Notes to Financial Statements for more information.

### Valuation Inputs Summary

|   | <b>Level 1 -<br/>Quoted Prices</b> | <b>Level 2 -<br/>Other Significant<br/>Observable Inputs</b> | <b>Level 3 -<br/>Significant<br/>Unobservable Inputs</b> |
|---|------------------------------------|--|--|
| <b>Assets</b>   |                                    |  |  |
| <b>Investments In Securities:</b>   |                                    |  |  |
| <i>Common Stocks</i>  | \$ 780,457,360                     | \$ -   | \$ -   |
| <i>Investment Companies</i>   | -                                  | 11,046,479   | -  |
| <i>Investments Purchased with Cash Collateral from Securities Lending</i> | -                                  | 2,824,345  | -  |
| <b>Total Assets</b>   | <b>\$ 780,457,360</b>              | <b>\$ 13,870,824</b>   | <b>\$ -</b>  |

**Janus Henderson VIT Forty Portfolio**  
**Statement of Assets and Liabilities (unaudited)**  
**June 30, 2022**

|  |           |                    |
|--|-----------|--------------------|
| Assets:  |           |                    |
| Unaffiliated investments, at value (cost \$592,650,433) <sup>(1)</sup> | \$        | 781,022,229        |
| Affiliated investments, at value (cost \$13,305,520)                   |           | 13,305,955         |
| Trustees' deferred compensation  |           | 23,135             |
| Receivables:   |           |                    |
| Portfolio shares sold  |           | 1,198,221          |
| Investments sold   |           | 436,842            |
| Dividends  |           | 373,517            |
| Foreign tax reclaims   |           | 36,793             |
| Dividends from affiliates  |           | 9,257              |
| Other assets   |           | 3,854              |
| <b>Total Assets</b>  |           | <b>796,409,803</b> |
| Liabilities:   |           |                    |
| Due to custodian   |           | 629                |
| Collateral for securities loaned (Note 2)                              |           | 2,824,345          |
| Payables:  |           |                    |
| Portfolio shares repurchased   |           | 1,325,818          |
| Advisory fees  |           | 307,282            |
| 12b-1 Distribution and shareholder servicing fees                      |           | 98,988             |
| Transfer agent fees and expenses                                       |           | 35,328             |
| Professional fees  |           | 25,108             |
| Trustees' deferred compensation fees                                   |           | 23,135             |
| Trustees' fees and expenses  |           | 4,443              |
| Custodian fees   |           | 2,856              |
| Affiliated portfolio administration fees payable                       |           | 1,693              |
| Accrued expenses and other payables                                    |           | 88,854             |
| <b>Total Liabilities</b>   |           | <b>4,738,479</b>   |
| <b>Net Assets</b>  | <b>\$</b> | <b>791,671,324</b> |
| Net Assets Consist of:   |           |                    |
| Capital (par value and paid-in surplus)                                | \$        | 581,751,536        |
| Total distributable earnings (loss)                                    |           | 209,919,788        |
| <b>Total Net Assets</b>  | <b>\$</b> | <b>791,671,324</b> |
| <b>Net Assets - Institutional Shares</b>                               | <b>\$</b> | <b>328,818,320</b> |
| Shares Outstanding, \$0.001 Par Value (unlimited shares authorized)    |           | 9,757,522          |
| <b>Net Asset Value Per Share</b>                                       | <b>\$</b> | <b>33.70</b>       |
| <b>Net Assets - Service Shares</b>                                     | <b>\$</b> | <b>462,853,004</b> |
| Shares Outstanding, \$0.001 Par Value (unlimited shares authorized)    |           | 15,283,998         |
| <b>Net Asset Value Per Share</b>                                       | <b>\$</b> | <b>30.28</b>       |

(1) Includes \$2,712,636 of securities on loan. See Note 2 in Notes to Financial Statements.

See Notes to Financial Statements.

**Janus Henderson VIT Forty Portfolio**  
**Statement of Operations (unaudited)**  
**For the period ended June 30, 2022**

|  |                         |
|--|-------------------------|
| Investment Income:   |                         |
| Dividends  | \$ 3,722,460            |
| Affiliated securities lending income, net                                      | 37,439                  |
| Dividends from affiliates  | 27,202                  |
| Unaffiliated securities lending income, net                                    | 612                     |
| Foreign tax withheld   | (87,177)                |
| <b>Total Investment Income</b>   | <b>3,700,536</b>        |
| Expenses:  |                         |
| Advisory fees  | 2,371,669               |
| 12b-1 Distribution and shareholder servicing fees:                             |                         |
| Service Shares   | 705,403                 |
| Transfer agent administrative fees and expenses:                               |                         |
| Institutional Shares   | 101,494                 |
| Service Shares   | 141,330                 |
| Other transfer agent fees and expenses:  |                         |
| Institutional Shares   | 5,631                   |
| Service Shares   | 3,842                   |
| Professional fees  | 21,761                  |
| Registration fees  | 13,868                  |
| Affiliated portfolio administration fees                                       | 12,141                  |
| Trustees' fees and expenses  | 9,284                   |
| Custodian fees   | 4,377                   |
| Shareholder reports expense  | 2,327                   |
| Other expenses   | 50,291                  |
| <b>Total Expenses</b>  | <b>3,443,418</b>        |
| <b>Net Investment Income/(Loss)</b>  | <b>257,118</b>          |
| Net Realized Gain/(Loss) on Investments:                                       |                         |
| Investments and foreign currency transactions                                  | 23,523,369              |
| Investments in affiliates  | (140)                   |
| <b>Total Net Realized Gain/(Loss) on Investments</b>                           | <b>23,523,229</b>       |
| Change in Unrealized Net Appreciation/Depreciation:                            |                         |
| Investments, foreign currency translations and Trustees' deferred compensation | (439,406,864)           |
| Investments in affiliates  | 435                     |
| <b>Total Change in Unrealized Net Appreciation/Depreciation</b>                | <b>(439,406,429)</b>    |
| <b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b>         | <b>\$ (415,626,082)</b> |

See Notes to Financial Statements.

## Janus Henderson VIT Forty Portfolio

### Statements of Changes in Net Assets

|  | <i>Period ended</i>   |                          |
|--|-----------------------|--------------------------|
|  | <i>June 30, 2022</i>  | <i>Year ended</i>        |
|  | <i>(unaudited)</i>    | <i>December 31, 2021</i> |
| Operations:  |                       |                          |
| Net investment income/(loss)   | \$ 257,118            | \$ (4,701,680)           |
| Net realized gain/(loss) on investments                                | 23,523,229            | 149,827,984              |
| Change in unrealized net appreciation/depreciation                     | (439,406,429)         | 94,109,183               |
| <b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b> | <b>(415,626,082)</b>  | <b>239,235,487</b>       |
| Dividends and Distributions to Shareholders:                           |                       |                          |
| Institutional Shares   | (57,213,426)          | (57,583,957)             |
| Service Shares   | (87,790,728)          | (86,533,730)             |
| <b>Net Decrease from Dividends and Distributions to Shareholders</b>   | <b>(145,004,154)</b>  | <b>(144,117,687)</b>     |
| Capital Share Transactions:  |                       |                          |
| Institutional Shares   | 35,801,969            | 17,956,305               |
| Service Shares   | 73,752,633            | 33,063,766               |
| <b>Net Increase/(Decrease) from Capital Share Transactions</b>         | <b>109,554,602</b>    | <b>51,020,071</b>        |
| <b>Net Increase/(Decrease) in Net Assets</b>                           | <b>(451,075,634)</b>  | <b>146,137,871</b>       |
| Net Assets:  |                       |                          |
| Beginning of period  | 1,242,746,958         | 1,096,609,087            |
| <b>End of period</b>   | <b>\$ 791,671,324</b> | <b>\$ 1,242,746,958</b>  |

See Notes to Financial Statements.

# Janus Henderson VIT Forty Portfolio

## Financial Highlights

### Institutional Shares

For a share outstanding during the period ended June 30, 2022 (unaudited) and the year ended December 31

|   | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Net Asset Value, Beginning of Period                      | \$61.75   | \$57.00   | \$44.38   | \$35.20   | \$39.76   | \$32.19   |
| Income/(Loss) from Investment Operations:                 |           |           |           |           |           |           |
| Net investment income/(loss) <sup>(1)</sup>               | 0.05      | (0.15)    | (0.01)    | 0.09      | 0.07      | 0.02      |
| Net realized and unrealized gain/(loss)                   | (21.03)   | 12.39     | 16.29     | 12.55     | 1.31      | 9.58      |
| Total from Investment Operations                          | (20.98)   | 12.24     | 16.28     | 12.64     | 1.38      | 9.60      |
| Less Dividends and Distributions:                         |           |           |           |           |           |           |
| Dividends (from net investment income)                    | —         | —         | (0.14)    | (0.06)    | —         | —         |
| Distributions (from capital gains)                        | (7.07)    | (7.49)    | (3.52)    | (3.40)    | (5.94)    | (2.03)    |
| Total Dividends and Distributions                         | (7.07)    | (7.49)    | (3.66)    | (3.46)    | (5.94)    | (2.03)    |
| Net Asset Value, End of Period                            | \$33.70   | \$61.75   | \$57.00   | \$44.38   | \$35.20   | \$39.76   |
| Total Return*   | (34.06)%  | 22.90%    | 39.40%    | 37.16%    | 1.98%     | 30.31%    |
| Net Assets, End of Period (in thousands)                  | \$328,818 | \$523,822 | \$462,216 | \$362,001 | \$292,132 | \$309,258 |
| Average Net Assets for the Period (in thousands)          | \$415,161 | \$497,818 | \$389,419 | \$337,416 | \$327,962 | \$297,125 |
| Ratios to Average Net Assets**:                           |           |           |           |           |           |           |
| Ratio of Gross Expenses                                   | 0.56%     | 0.77%     | 0.76%     | 0.77%     | 0.71%     | 0.82%     |
| Ratio of Net Expenses (After Waivers and Expense Offsets) | 0.56%     | 0.77%     | 0.76%     | 0.77%     | 0.71%     | 0.82%     |
| Ratio of Net Investment Income/(Loss)                     | 0.19%     | (0.25)%   | (0.02)%   | 0.23%     | 0.17%     | 0.05%     |
| Portfolio Turnover Rate                                   | 16%       | 31%       | 41%       | 35%       | 41%       | 39%       |

\* Total return includes adjustments in accordance with generally accepted accounting principles required at the year or period end and are not annualized for periods of less than one full year. Total return does not include fees, charges, or expenses imposed by the variable annuity and life insurance contracts for which Janus Aspen Series serves as an underlying investment vehicle.

\*\* Annualized for periods of less than one full year.

(1) Per share amounts are calculated based on average shares outstanding during the year or period.

See Notes to Financial Statements.

# Janus Henderson VIT Forty Portfolio

## Financial Highlights

### Service Shares

For a share outstanding during the period ended June 30, 2022 (unaudited) and the year ended December 31

|   | 2022            | 2021          | 2020          | 2019          | 2018          | 2017          |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|
| Net Asset Value, Beginning of Period                      | \$56.64         | \$52.96       | \$41.53       | \$33.15       | \$37.84       | \$30.79       |
| Income/(Loss) from Investment Operations:                 |                 |               |               |               |               |               |
| Net investment income/(loss) <sup>(1)</sup>               | (0.01)          | (0.28)        | (0.12)        | (0.01)        | (0.03)        | (0.07)        |
| Net realized and unrealized gain/(loss)                   | (19.28)         | 11.45         | 15.15         | 11.80         | 1.28          | 9.15          |
| <b>Total from Investment Operations</b>                   | <b>(19.29)</b>  | <b>11.17</b>  | <b>15.03</b>  | <b>11.79</b>  | <b>1.25</b>   | <b>9.08</b>   |
| Less Dividends and Distributions:                         |                 |               |               |               |               |               |
| Dividends (from net investment income)                    | —               | —             | (0.08)        | (0.01)        | —             | —             |
| Distributions (from capital gains)                        | (7.07)          | (7.49)        | (3.52)        | (3.40)        | (5.94)        | (2.03)        |
| <b>Total Dividends and Distributions</b>                  | <b>(7.07)</b>   | <b>(7.49)</b> | <b>(3.60)</b> | <b>(3.41)</b> | <b>(5.94)</b> | <b>(2.03)</b> |
| Net Asset Value, End of Period                            | \$30.28         | \$56.64       | \$52.96       | \$41.53       | \$33.15       | \$37.84       |
| <b>Total Return*</b>                                      | <b>(34.16)%</b> | <b>22.60%</b> | <b>39.03%</b> | <b>36.85%</b> | <b>1.72%</b>  | <b>29.99%</b> |
| Net Assets, End of Period (in thousands)                  | \$462,853       | \$718,925     | \$634,393     | \$525,112     | \$427,321     | \$466,969     |
| Average Net Assets for the Period (in thousands)          | \$578,000       | \$686,446     | \$548,645     | \$495,465     | \$487,559     | \$457,168     |
| <b>Ratios to Average Net Assets**:</b>                    |                 |               |               |               |               |               |
| Ratio of Gross Expenses                                   | 0.80%           | 1.02%         | 1.01%         | 1.02%         | 0.96%         | 1.06%         |
| Ratio of Net Expenses (After Waivers and Expense Offsets) | 0.80%           | 1.02%         | 1.01%         | 1.02%         | 0.96%         | 1.06%         |
| Ratio of Net Investment Income/(Loss)                     | (0.05)%         | (0.50)%       | (0.27)%       | (0.02)%       | (0.08)%       | (0.19)%       |
| Portfolio Turnover Rate                                   | 16%             | 31%           | 41%           | 35%           | 41%           | 39%           |

\* Total return includes adjustments in accordance with generally accepted accounting principles required at the year or period end and are not annualized for periods of less than one full year. Total return does not include fees, charges, or expenses imposed by the variable annuity and life insurance contracts for which Janus Aspen Series serves as an underlying investment vehicle.

\*\* Annualized for periods of less than one full year.

(1) Per share amounts are calculated based on average shares outstanding during the year or period.

See Notes to Financial Statements.

# Janus Henderson VIT Forty Portfolio

## Notes to Financial Statements (unaudited)

### 1. Organization and Significant Accounting Policies

Janus Henderson VIT Forty Portfolio (the "Portfolio") is a series of Janus Aspen Series (the "Trust"), which is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company, and therefore has applied the specialized accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. The Trust offers 11 portfolios, each of which offers multiple share classes, with differing investment objectives and policies. The Portfolio seeks long-term growth of capital. The Portfolio is classified as nondiversified, as defined in the 1940 Act. Janus Henderson Investors US LLC is the investment adviser (the "Adviser") to the Portfolio.

The Portfolio currently offers two classes of shares: Institutional Shares and Service Shares. Each class represents an interest in the same portfolio of investments. Institutional Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans. Service Shares are offered only in connection with investment in and payments under variable insurance contracts as well as certain qualified retirement plans that require a fee from Portfolio assets to procure distribution and administrative services to contract owners and plan participants.

Shareholders, including participating insurance companies, as well as accounts, may from time to time own (beneficially or of record) a significant percentage of the Portfolio's Shares and can be considered to "control" the Portfolio when that ownership exceeds 25% of the Portfolio's assets (and which may differ from control as determined in accordance with United States of America generally accepted accounting principles ("US GAAP")).

The following accounting policies have been followed by the Portfolio and are in conformity with US GAAP.

#### Investment Valuation

Securities held by the Portfolio are valued in accordance with policies and procedures established by and under the supervision of the Trustees (the "Valuation Procedures"). Equity securities traded on a domestic securities exchange are generally valued at the closing prices on the primary market or exchange on which they trade. If such price is lacking for the trading period immediately preceding the time of determination, such securities are generally valued at their current bid price. Equity securities that are traded on a foreign exchange are generally valued at the closing prices on such markets. In the event that there is no current trading volume on a particular security in such foreign exchange, the bid price from the primary exchange is generally used to value the security. Securities that are traded on the over-the-counter ("OTC") markets are generally valued at their closing or latest bid prices as available. Foreign securities and currencies are converted to U.S. dollars using the applicable exchange rate in effect at the close of the New York Stock Exchange ("NYSE"). The Portfolio will determine the market value of individual securities held by it by using prices provided by one or more approved professional pricing services or, as needed, by obtaining market quotations from independent broker-dealers. Most debt securities are valued in accordance with the evaluated bid price supplied by the pricing service that is intended to reflect market value. The evaluated bid price supplied by the pricing service is an evaluation that may consider factors such as security prices, yields, maturities and ratings. Certain short-term securities maturing within 60 days or less may be evaluated and valued on an amortized cost basis provided that the amortized cost determined approximates market value. Securities for which market quotations or evaluated prices are not readily available or deemed unreliable are valued at fair value determined in good faith under the Valuation Procedures. Circumstances in which fair value pricing may be utilized include, but are not limited to: (i) a significant event that may affect the securities of a single issuer, such as a merger, bankruptcy, or significant issuer-specific development; (ii) an event that may affect an entire market, such as a natural disaster or significant governmental action; (iii) a nonsignificant event such as a market closing early or not opening, or a security trading halt; and (iv) pricing of a nonvalued security and a restricted or nonpublic security. Special valuation considerations may apply with respect to "odd-lot" fixed-income transactions which, due to their small size, may receive evaluated prices by pricing services which reflect a large block trade and not what actually could be obtained for the odd-lot position. The Portfolio uses systematic fair valuation models provided by independent third parties to value international equity securities in order to adjust for stale pricing, which may occur between the close of certain foreign exchanges and the close of the NYSE.

#### Valuation Inputs Summary

FASB ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements regarding fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that

# Janus Henderson VIT Forty Portfolio

## Notes to Financial Statements (unaudited)

market participants would use in pricing an asset or liability and establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. These inputs are summarized into three broad levels:

Level 1 – Unadjusted quoted prices in active markets the Portfolio has the ability to access for identical assets or liabilities.

Level 2 – Observable inputs other than unadjusted quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Assets or liabilities categorized as Level 2 in the hierarchy generally include: debt securities fair valued in accordance with the evaluated bid or ask prices supplied by a pricing service; securities traded on OTC markets and listed securities for which no sales are reported that are fair valued at the latest bid price (or yield equivalent thereof) obtained from one or more dealers transacting in a market for such securities or by a pricing service approved by the Portfolio's Trustees; certain short-term debt securities with maturities of 60 days or less that are fair valued at amortized cost; and equity securities of foreign issuers whose fair value is determined by using systematic fair valuation models provided by independent third parties in order to adjust for stale pricing which may occur between the close of certain foreign exchanges and the close of the NYSE. Other securities that may be categorized as Level 2 in the hierarchy include, but are not limited to, preferred stocks, bank loans, swaps, investments in unregistered investment companies, options, and forward contracts.

Level 3 – Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Portfolio's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Portfolio since the beginning of the fiscal year.

The inputs or methodology used for fair valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2022 to fair value the Portfolio's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" in the Notes to Schedule of Investments and Other Information.

### Investment Transactions and Investment Income

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded as soon as the Portfolio is informed of the dividend, if such information is obtained subsequent to the ex-dividend date. Dividends from foreign securities may be subject to withholding taxes in foreign jurisdictions. Non-cash dividends, if any, are recorded on the ex-dividend date at fair value. Interest income is recorded daily on the accrual basis and includes amortization of premiums and accretion of discounts. The Portfolio classifies gains and losses on prepayments received as an adjustment to interest income. Debt securities may be placed in non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivables when collection of all or a portion of interest has become doubtful. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes.

### Expenses

The Portfolio bears expenses incurred specifically on its behalf. Each class of shares bears a portion of general expenses, which are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets. Expenses directly attributable to a specific class of shares are charged against the operations of such class.

### Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.



# Janus Henderson VIT Forty Portfolio

## Notes to Financial Statements (unaudited)

### Indemnifications

In the normal course of business, the Portfolio may enter into contracts that contain provisions for indemnification of other parties against certain potential liabilities. The Portfolio's maximum exposure under these arrangements is unknown, and would involve future claims that may be made against the Portfolio that have not yet occurred. Currently, the risk of material loss from such claims is considered remote.

### Foreign Currency Translations

The Portfolio does not isolate that portion of the results of operations resulting from the effect of changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held at the date of the financial statements. Net unrealized appreciation or depreciation of investments and foreign currency translations arise from changes in the value of assets and liabilities, including investments in securities held at the date of the financial statements, resulting from changes in the exchange rates and changes in market prices of securities held.

Currency gains and losses are also calculated on payables and receivables that are denominated in foreign currencies. The payables and receivables are generally related to foreign security transactions and income translations.

Foreign currency-denominated assets and forward currency contracts may involve more risks than domestic transactions, including currency risk, counterparty risk, political and economic risk, regulatory risk and equity risk. Risks may arise from unanticipated movements in the value of foreign currencies relative to the U.S. dollar.

### Dividends and Distributions

The Portfolio may make semiannual distributions of substantially all of its investment income and an annual distribution of its net realized capital gains (if any).

The Portfolio may make certain investments in real estate investment trusts ("REITs") which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REITs' taxable earnings and profits, resulting in the excess portion of such dividends being designated as a return of capital. If the Portfolio distributes such amounts, such distributions could constitute a return of capital to shareholders for federal income tax purposes.

### Federal Income Taxes

The Portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income in accordance with the requirements of Subchapter M of the Internal Revenue Code. Management has analyzed the Portfolio's tax positions taken for all open federal income tax years, generally a three-year period, and has concluded that no provision for federal income tax is required in the Portfolio's financial statements. The Portfolio is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

## 2. Other Investments and Strategies

### Additional Investment Risk

In response to the COVID-19 pandemic, the U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets, including reducing interest rates to record-low levels. Extremely low or negative interest rates may become more prevalent or may not work as intended. As there is little precedent for this situation, the impact on various markets that interest rate or other significant policy changes may have is unknown. The withdrawal of this support, a failure of measures put in place in response to such economic uncertainty, or investor perception that such efforts were not sufficient could each negatively affect financial markets generally, and the value and liquidity of specific securities. In addition, policy and legislative changes in the United States and in other countries continue to impact many aspects of financial regulation.

Widespread disease, including pandemics and epidemics, and natural or environmental disasters, including those which may be attributable to global climate change, such as earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Portfolio's investments. Economies and financial markets throughout the world have become increasingly interconnected, which increases the likelihood that events or conditions in one region or country will adversely affect markets or issuers in other regions or countries, including the United

## **Janus Henderson VIT Forty Portfolio**

### **Notes to Financial Statements (unaudited)**

States. These disruptions could prevent a Portfolio from executing advantageous investment decisions in a timely manner and negatively impact a Portfolio's ability to achieve its investment objective(s). Any such event(s) could have a significant adverse impact on the value of a Portfolio. In addition, these disruptions could also impair the information technology and other operational systems upon which the Portfolio's service providers, including the Adviser or the subadviser (as applicable), rely, and could otherwise disrupt the ability of employees of the Portfolio's service providers to perform essential tasks on behalf of the Portfolio. Adverse weather conditions may also have a particularly significant negative effect on issuers in the agricultural sector and on insurance and reinsurance companies that insure or reinsure against the impact of natural disasters.

A number of countries in the European Union (the "EU") have experienced, and may continue to experience, severe economic and financial difficulties. In particular, many EU nations are susceptible to economic risks associated with high levels of debt. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts. Many other issuers have faced difficulties obtaining credit or refinancing existing obligations. Financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit. As a result, financial markets in the EU have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen, or spread further within the EU. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. Among other things, these developments have adversely affected the value and exchange rate of the euro and pound sterling, and may continue to significantly affect the economies of all EU countries, which in turn may have a material adverse effect on the Portfolio's investments in such countries, other countries that depend on EU countries for significant amounts of trade or investment, or issuers with exposure to debt issued by certain EU countries.

#### **Counterparties**

Portfolio transactions involving a counterparty are subject to the risk that the counterparty or a third party will not fulfill its obligation to the Portfolio ("counterparty risk"). Counterparty risk may arise because of the counterparty's financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market activities and developments, or other reasons, whether foreseen or not. A counterparty's inability to fulfill its obligation may result in significant financial loss to the Portfolio. The Portfolio may be unable to recover its investment from the counterparty or may obtain a limited recovery, and/or recovery may be delayed. The extent of the Portfolio's exposure to counterparty risk with respect to financial assets and liabilities approximates its carrying value.

The Portfolio may be exposed to counterparty risk through participation in various programs, including, but not limited to, lending its securities to third parties, cash sweep arrangements whereby the Portfolio's cash balance is invested in one or more types of cash management vehicles, as well as investments in, but not limited to, repurchase agreements, debt securities, and derivatives, including various types of swaps, futures and options. The Portfolio intends to enter into financial transactions with counterparties that the Adviser believes to be creditworthy at the time of the transaction. There is always the risk that the Adviser's analysis of a counterparty's creditworthiness is incorrect or may change due to market conditions. To the extent that the Portfolio focuses its transactions with a limited number of counterparties, it will have greater exposure to the risks associated with one or more counterparties.

#### **Offsetting Assets and Liabilities**

The Portfolio presents gross and net information about transactions that are either offset in the financial statements or subject to an enforceable master netting arrangement or similar agreement with a designated counterparty, regardless of whether the transactions are actually offset in the Statement of Assets and Liabilities.

The Offsetting Assets and Liabilities table located in the Schedule of Investments presents gross amounts of recognized assets and/or liabilities and the net amounts after deducting collateral that has been pledged by counterparties or has been pledged to counterparties (if applicable). For corresponding information grouped by type of instrument, see the Portfolio's Schedule of Investments.

JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. For financial reporting purposes, the Portfolio does not offset financial instruments' payables and receivables and related collateral on the Statement of Assets and Liabilities. Securities on loan will be continuously secured by collateral which

## Janus Henderson VIT Forty Portfolio

### Notes to Financial Statements (unaudited)

may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the Securities and Exchange Commission (the "SEC"). See "Securities Lending" in the "Notes to Financial Statements" for additional information.

#### Real Estate Investing

The Portfolio may invest in equity and debt securities of real estate-related companies. Such companies may include those in the real estate industry or real estate-related industries. These securities may include common stocks, corporate bonds, preferred stocks, and other equity securities, including, but not limited to, mortgage-backed securities, real estate-backed securities, securities of REITs and similar REIT-like entities. A REIT is a trust that invests in real estate-related projects, such as properties, mortgage loans, and construction loans. REITs are generally categorized as equity, mortgage, or hybrid REITs. A REIT may be listed on an exchange or traded OTC.

#### Securities Lending

Under procedures adopted by the Trustees, the Portfolio may seek to earn additional income by lending securities to certain qualified broker-dealers and institutions. JPMorgan Chase Bank, National Association acts as securities lending agent and a limited purpose custodian or subcustodian to receive and disburse cash balances and cash collateral, hold short-term investments, hold collateral, and perform other custodial functions in accordance with the Non-Custodial Securities Lending Agreement. The Portfolio may lend portfolio securities in an amount equal to up to 1/3 of its total assets as determined at the time of the loan origination. There is the risk of delay in recovering a loaned security or the risk of loss in collateral rights if the borrower fails financially. In addition, the Adviser makes efforts to balance the benefits and risks from granting such loans. All loans will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral as permitted by the SEC. If the Portfolio is unable to recover a security on loan, the Portfolio may use the collateral to purchase replacement securities in the market. There is a risk that the value of the collateral could decrease below the cost of the replacement security by the time the replacement investment is made, resulting in a loss to the Portfolio. In certain circumstances individual loan transactions could yield negative returns.

Upon receipt of cash collateral, the Adviser may invest it in affiliated or non-affiliated cash management vehicles, whether registered or unregistered entities, as permitted by the 1940 Act and rules promulgated thereunder. The Adviser currently intends to primarily invest the cash collateral in a cash management vehicle for which the Adviser serves as investment adviser, Janus Henderson Cash Collateral Fund LLC, or in time deposits. An investment in Janus Henderson Cash Collateral Fund LLC is generally subject to the same risks that shareholders experience when investing in similarly structured vehicles, such as the potential for significant fluctuations in assets as a result of the purchase and redemption activity of the securities lending program, a decline in the value of the collateral, and possible liquidity issues. Such risks may delay the return of the cash collateral and cause the Portfolio to violate its agreement to return the cash collateral to a borrower in a timely manner. As adviser to the Portfolio and Janus Henderson Cash Collateral Fund LLC, the Adviser has an inherent conflict of interest as a result of its fiduciary duties to both the Portfolio and Janus Henderson Cash Collateral Fund LLC. Additionally, the Adviser receives an investment advisory fee of 0.05% for managing Janus Henderson Cash Collateral Fund LLC, but it may not receive a fee for managing certain other affiliated cash management vehicles in which the Portfolio may invest, and therefore may have an incentive to allocate preferred investment opportunities to investment vehicles for which it is receiving a fee.

The value of the collateral must be at least 102% of the market value of the loaned securities that are denominated in U.S. dollars and 105% of the market value of the loaned securities that are not denominated in U.S. dollars. Loaned securities and related collateral are marked-to-market each business day based upon the market value of the loaned securities at the close of business, employing the most recent available pricing information. Collateral levels are then adjusted based on this mark-to-market evaluation. Additional required collateral, or excess collateral returned, is delivered on the next business day. Therefore, the value of the collateral held may be temporarily less than 102% or 105% value of the securities on loan. The cash collateral invested by the Adviser is disclosed in the Schedule of Investments (if applicable).

Income earned from the investment of the cash collateral, net of rebates paid to, or fees paid by, borrowers and less the fees paid to the lending agent are included as "Affiliated securities lending income, net" on the Statement of Operations. As of June 30, 2022, securities lending transactions accounted for as secured borrowings with an overnight and

## Janus Henderson VIT Forty Portfolio

### Notes to Financial Statements (unaudited)

continuous contractual maturity are \$2,712,636. Gross amounts of recognized liabilities for securities lending (collateral received) as of June 30, 2022 is \$2,824,345, resulting in the net amount due to the counterparty of \$111,709.

#### 3. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays the Adviser an investment advisory fee rate that may adjust up or down based on the Portfolio's performance relative to its benchmark index.

The investment advisory fee rate paid to the Adviser by the Portfolio consists of two components: (1) a base fee calculated by applying the contractual fixed rate of the advisory fee to the Portfolio's average daily net assets during the previous month (the "Base Fee Rate"), plus or minus (2) a performance-fee adjustment (the "Performance Adjustment") calculated by applying a variable rate of up to 0.15% (positive or negative) to the Portfolio's average daily net assets based on the Portfolio's relative performance compared to the cumulative investment record of its benchmark index over a 36-month performance measurement period or shorter time period, as applicable. The investment advisory fee rate is calculated daily and paid monthly.

The investment performance of the Portfolio's Service Shares for the performance measurement period is used to calculate the Performance Adjustment. The Portfolio's Base Fee Rate prior to any performance adjustment (expressed as an annual rate) is 0.64%, and the Portfolio's benchmark index used in the calculation is the Russell 1000<sup>®</sup> Growth Index.

No Performance Adjustment is applied unless the difference between the Portfolio's investment performance and the cumulative investment record of the Portfolio's benchmark index is 0.50% or greater (positive or negative) during the applicable performance measurement period. The Base Fee Rate is subject to an upward or downward Performance Adjustment for every full 0.50% increment by which the Portfolio outperforms or underperforms its benchmark index, up to the Portfolio's full performance rate of  $\pm 8.50\%$ . Because the Performance Adjustment is tied to a Portfolio's relative performance compared to its benchmark index (and not its absolute performance), the Performance Adjustment could increase the Adviser's fee even if the Portfolio's Shares lose value during the performance measurement period and could decrease the Adviser's fee even if the Portfolio's Shares increase in value during the performance measurement period. For purposes of computing the Base Fee Rate and the Performance Adjustment, net assets are averaged over different periods (average daily net assets during the previous month for the Base Fee Rate, versus average daily net assets during the performance measurement period for the Performance Adjustment). Performance of the Portfolio is calculated net of expenses whereas the Portfolio's benchmark index does not have any fees or expenses. Reinvestment of dividends and distributions is included in calculating both the performance of a Portfolio and the Portfolio's benchmark index.

The Portfolio's prospectuses and statement(s) of additional information contain additional information about performance-based fees. The amount shown as advisory fees on the Statement of Operations reflects the Base Fee Rate plus/minus any Performance Adjustment. For the period ended June 30, 2022, the performance adjusted investment advisory fee rate before any waivers and/or reimbursements of expenses is 0.48%.

The Adviser serves as administrator to the Portfolio pursuant to an administration agreement between the Adviser and the Trust. Under the administration agreement, the Adviser is authorized to perform, or cause others to perform certain administration, compliance, and accounting services to the Portfolio, including providing office space for the Portfolio, and is reimbursed by the Portfolio for certain of its costs in providing these services (to the extent the Adviser seeks reimbursement and such costs are not otherwise waived). In addition, employees of the Adviser and/or its affiliates may serve as officers of the Trust. The Portfolio pays for some or all of the salaries, fees, and expenses of the Adviser employees and Portfolio officers, with respect to certain specified administration functions they perform on behalf of the Portfolio. The Portfolio pays these costs based on out-of-pocket expenses incurred by the Adviser, and these costs are separate and apart from advisory fees and other expenses paid in connection with the investment advisory services the Adviser (or any subadvisor, as applicable) provides to the Portfolio. These amounts are disclosed as "Affiliated portfolio administration fees" on the Statement of Operations. In addition, some expenses related to compensation payable to the Portfolio's Chief Compliance Officer and certain compliance staff, all of whom are employees of the Adviser and/or its affiliates, are shared with the Portfolio. Total compensation of \$26,340 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the period ended June 30, 2022. The Portfolio's portion is reported as part of "Other expenses" on the Statement of Operations.

## Janus Henderson VIT Forty Portfolio

### Notes to Financial Statements (unaudited)

Janus Henderson Services US LLC (the "Transfer Agent"), a wholly-owned subsidiary of the Adviser, is the Portfolio's transfer agent. The Transfer Agent receives an administrative services fee at an annual rate of 0.05% of the average daily net assets of the Portfolio for arranging for the provision by participating insurance companies and qualified plan service providers of administrative services, including, but not limited to, recordkeeping, subaccounting, answering inquiries regarding accounts, order processing, transaction confirmations, the mailing of prospectuses and shareholder reports, and other shareholder services provided on behalf of contract holders or plan participants investing in the Portfolio. The Transfer Agent expects to use this entire fee to compensate insurance companies and qualified plan service providers for providing these services to their customers who invest in the Portfolio.

The Transfer Agent is not compensated for internal services related to the shares, except for out-of-pocket costs. These amounts are disclosed as "Other transfer agent fees and expenses" on the Statement of Operations.

Under a distribution and shareholder servicing plan (the "Plan") adopted in accordance with Rule 12b-1 under the 1940 Act, the Service Shares may pay the Trust's distributor, Janus Henderson Distributors US LLC (the "Distributor"), a wholly-owned subsidiary of the Adviser, a fee for the sale and distribution and/or shareholder servicing of the Service Shares at an annual rate of up to 0.25% of the average daily net assets of the Service Shares. Under the terms of the Plan, the Trust is authorized to make payments to the Distributor for remittance to insurance companies and qualified plan service providers as compensation for distribution and/or shareholder services performed by such entities. These amounts are disclosed as "12b-1 Distribution and shareholder servicing fees" on the Statement of Operations.

The Board of Trustees has adopted a deferred compensation plan (the "Deferred Plan") for independent Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Portfolio. All deferred fees are credited to an account established in the name of the Trustees. The amounts credited to the account then increase or decrease, as the case may be, in accordance with the performance of one or more of the Janus Henderson funds that are selected by the Trustees. The account balance continues to fluctuate in accordance with the performance of the selected fund or funds until final payment of all amounts are credited to the account. The fluctuation of the account balance is recorded by the Portfolio as unrealized appreciation/(depreciation) and is included as of June 30, 2022 on the Statement of Assets and Liabilities in the asset, "Trustees' deferred compensation," and liability, "Trustees' deferred compensation fees." Additionally, the recorded unrealized appreciation/(depreciation) is included in "Total distributable earnings (loss)" on the Statement of Assets and Liabilities. Deferred compensation expenses for the period ended June 30, 2022 are included in "Trustees' fees and expenses" on the Statement of Operations. Trustees are allowed to change their designation of mutual funds from time to time. Amounts will be deferred until distributed in accordance with the Deferred Plan. Deferred fees of \$226,926 were paid by the Trust to the Trustees under the Deferred Plan during the period ended June 30, 2022.

Pursuant to the provisions of the 1940 Act and related rules, the Portfolio may participate in an affiliated or non-affiliated cash sweep program. In the cash sweep program, uninvested cash balances of the Portfolio may be used to purchase shares of affiliated or non-affiliated money market funds or cash management pooled investment vehicles that operate as money market funds. The Portfolio is eligible to participate in the cash sweep program (the "Investing Funds"). The Adviser has an inherent conflict of interest because of its fiduciary duties to the affiliated money market funds or cash management pooled investment vehicles and the Investing Funds. Janus Henderson Cash Liquidity Fund LLC (the "Sweep Vehicle") is an affiliated unregistered cash management pooled investment vehicle that invests primarily in highly-rated short-term fixed-income securities. The Sweep Vehicle operates pursuant to the provisions of the 1940 Act that govern the operation of money market funds and prices its shares at NAV reflecting market-based values of its portfolio securities (i.e., a "floating" NAV) rounded to the fourth decimal place (e.g., \$1.0000). The Sweep Vehicle is permitted to impose a liquidity fee (of up to 2%) on redemptions from the Sweep Vehicle or a redemption gate that temporarily suspends redemptions from the Sweep Vehicle for up to 10 business days during a 90 day period. There are no restrictions on the Portfolio's ability to withdraw investments from the Sweep Vehicle at will, and there are no unfunded capital commitments due from the Portfolio to the Sweep Vehicle. The Sweep Vehicle does not charge any management fee, sales charge or service fee.

Any purchases and sales, realized gains/losses and recorded dividends from affiliated investments during the period ended June 30, 2022 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

# Janus Henderson VIT Forty Portfolio

## Notes to Financial Statements (unaudited)

### 4. Federal Income Tax

Income and capital gains distributions are determined in accordance with income tax regulations that may differ from US GAAP. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, foreign currency transactions, net investment losses, and capital loss carryovers.

The Portfolio has elected to treat gains and losses on forward foreign currency contracts as capital gains and losses, if applicable. Other foreign currency gains and losses on debt instruments are treated as ordinary income for federal income tax purposes pursuant to Section 988 of the Internal Revenue Code.

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of June 30, 2022 are noted below. The primary differences between book and tax appreciation and depreciation of investments are wash sale loss deferrals and investments in partnerships.

| <i>Federal Tax Cost</i> | <i>Unrealized<br/>Appreciation</i> | <i>Unrealized<br/>(Depreciation)</i> | <i>Net Tax Appreciation/<br/>(Depreciation)</i> |
|-------------------------|------------------------------------|--------------------------------------|---|
| \$ 610,146,803          | \$281,009,281                      | \$(96,827,900)                       | \$ 184,181,381                                  |

### 5. Capital Share Transactions

|  | <i>Period ended June 30, 2022</i> |                     | <i>Year ended December 31, 2021</i> |                      |
|--|-----------------------------------|---------------------|-------------------------------------|----------------------|
|  | <i>Shares</i>                     | <i>Amount</i>       | <i>Shares</i>                       | <i>Amount</i>        |
| Institutional Shares:                  |                                   |                     |                                     |                      |
| Shares sold                            | 320,939                           | \$15,595,555        | 616,212                             | \$ 36,999,487        |
| Reinvested dividends and distributions | 1,684,234                         | 57,213,426          | 1,032,896                           | 57,583,957           |
| Shares repurchased                     | (730,805)                         | (37,007,012)        | (1,275,262)                         | (76,627,139)         |
| <b>Net Increase/(Decrease)</b>         | <b>1,274,368</b>                  | <b>\$35,801,969</b> | <b>373,846</b>                      | <b>\$ 17,956,305</b> |
| Service Shares:                        |                                   |                     |                                     |                      |
| Shares sold                            | 717,336                           | \$31,630,356        | 1,062,017                           | \$ 58,666,038        |
| Reinvested dividends and distributions | 2,875,556                         | 87,790,728          | 1,689,782                           | 86,533,730           |
| Shares repurchased                     | (1,002,396)                       | (45,668,451)        | (2,037,017)                         | (112,136,002)        |
| <b>Net Increase/(Decrease)</b>         | <b>2,590,496</b>                  | <b>\$73,752,633</b> | <b>714,782</b>                      | <b>\$ 33,063,766</b> |

### 6. Purchases and Sales of Investment Securities

For the period ended June 30, 2022, the aggregate cost of purchases and proceeds from sales of investment securities (excluding any short-term securities, short-term options contracts, TBAs, and in-kind transactions, as applicable) was as follows:

| <i>Purchases of<br/>Securities</i> | <i>Proceeds from Sales<br/>of Securities</i> | <i>Purchases of Long-<br/>Term U.S. Government<br/>Obligations</i> | <i>Proceeds from Sales<br/>of Long-Term U.S.<br/>Government Obligations</i> |
|------------------------------------|--|--|---|
| \$158,009,590                      | \$ 191,174,210                               | \$ -   | \$ -  |

### 7. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to June 30, 2022 and through the date of issuance of the Portfolio's financial statements and determined that there were no material events or transactions that would require recognition or disclosure in the Portfolio's financial statements.

# Janus Henderson VIT Forty Portfolio

## Additional Information (unaudited)

### Proxy Voting Policies and Voting Record

A description of the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities is available without charge: (i) upon request, by calling 1-800-525-1093; (ii) on the Portfolio's website at [janushenderson.com/proxyvoting](http://janushenderson.com/proxyvoting); and (iii) on the SEC's website at <http://www.sec.gov>. Additionally, information regarding the Portfolio's proxy voting record for the most recent twelve-month period ended June 30 is also available, free of charge, through [janushenderson.com/proxyvoting](http://janushenderson.com/proxyvoting) and from the SEC's website at <http://www.sec.gov>.

### Full Holdings

The Portfolio files its complete portfolio holdings (schedule of investments) with the SEC as an exhibit to Form N-PORT within 60 days of the end of the first and third fiscal quarters, and in the annual report and semiannual report to shareholders. The Portfolio's Form N-PORT filings and annual and semiannual reports: (i) are available on the SEC's website at <http://www.sec.gov>; (ii) may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (information on the Public Reference Room may be obtained by calling 1-800-SEC-0330); and (iii) are available without charge, upon request, by calling a Janus Henderson representative at 1-877-335-2687 (toll free). Portfolio holdings consisting of at least the names of the holdings are generally available on a monthly basis with a 30-day lag under Full Holdings for the Portfolio at [janushenderson.com/vit](http://janushenderson.com/vit).

### APPROVAL OF ADVISORY AGREEMENTS DURING THE PERIOD

The Trustees of Janus Aspen Series, each of whom serves as an "independent" Trustee (the "Trustees"), oversee the management of each portfolio of Janus Aspen Series (each, a "VIT Portfolio," and collectively, the "VIT Portfolios"), as well as each fund of Janus Investment Fund (each, a "Fund," and collectively, the "Funds" and together with the VIT Portfolios, the "Janus Henderson Funds," and each, a "Janus Henderson Fund"). As required by law, the Trustees determine annually whether to continue the investment advisory agreement for each Janus Henderson Fund and the subadvisory agreement for each Janus Henderson Fund that utilizes a subadviser.

In connection with their most recent consideration of those agreements for each Janus Henderson Fund, the Trustees received and reviewed information provided by Janus Henderson Investors US LLC (the "Adviser") and the subadviser in response to requests of the Trustees and their independent legal counsel. They also received and reviewed information and analysis provided by, and in response to requests of, their independent fee consultant. Throughout their consideration of the agreements, the Trustees were advised by their independent legal counsel. The Trustees met with management to consider the agreements, and also met separately in executive session with their independent legal counsel and their independent fee consultant.

At meetings held on November 3-4, 2021 and December 7-8, 2021, the Trustees' evaluated the information provided by the Adviser, the subadviser, and the independent fee consultant, as well as other information addressed during the year. Following such evaluation, the Trustees determined that the overall arrangements between each Janus Henderson Fund and the Adviser and each subadviser, as applicable, were fair and reasonable in light of the nature, extent and quality of the services provided by the Adviser, its affiliates and the subadviser, the fees charged for those services, and other matters that the Trustees considered relevant in the exercise of their business judgment and unanimously approved the continuation of the investment advisory agreement for each Janus Henderson Fund and the subadvisory agreement for each subadvised Janus Henderson Fund, for the period from February 1, 2022 through February 1, 2023, subject to earlier termination as provided for in each agreement.

In considering the continuation of those agreements, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors described below, none of which by itself was considered dispositive. However, the material factors and conclusions that formed the basis for the Trustees' determination to approve the continuation of the agreements are discussed separately below. Also included is a summary of the independent fee consultant's conclusions and opinions that arose during, and were included as part of, the Trustees' consideration of the agreements. "Management fees," as used herein, reflect actual annual advisory fees and, for the purpose of peer comparisons any administration fees (excluding out of pocket costs), net of any waivers, paid by a fund as a percentage of average net assets.

### Nature, Extent and Quality of Services

The Trustees reviewed the nature, extent and quality of the services provided by the Adviser and the subadviser to the Janus Henderson Funds, taking into account the investment objective, strategies and policies of each Janus Henderson Fund, and the knowledge the Trustees gained from their regular meetings with management on at least a quarterly

## **Janus Henderson VIT Forty Portfolio**

### **Additional Information (unaudited)**

basis and their ongoing review of information related to the Janus Henderson Funds. In addition, the Trustees reviewed the resources and key personnel of the Adviser and the subadviser, particularly noting those employees who provide investment and risk management services to the Janus Henderson Funds. The Trustees also considered other services provided to the Janus Henderson Funds by the Adviser or the subadviser, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions. The Trustees considered the Adviser's role as administrator to the Janus Henderson Funds, noting that the Adviser generally does not receive a fee for its services as administrator, but is reimbursed for its out-of-pocket costs. The Trustees considered the role of the Adviser in monitoring adherence to the Janus Henderson Funds' investment restrictions, providing support services for the Trustees and Trustee committees, and overseeing communications with shareholders and the activities of other service providers, including monitoring compliance with various policies and procedures of the Janus Henderson Funds and with applicable securities laws and regulations.

In this regard, the independent fee consultant noted that the Adviser provides a number of different services for the Janus Henderson Funds and fund shareholders, ranging from investment management services to various other servicing functions, and that, in its view, the Adviser is a capable provider of those services. The independent fee consultant also provided its belief that the Adviser has developed a number of institutional competitive advantages that should enable it to provide superior investment and service performance over the long term.

The Trustees concluded that the nature, extent and quality of the services provided by the Adviser and the subadviser to each Janus Henderson Fund were appropriate and consistent with the terms of the respective advisory and subadvisory agreements, and that, taking into account steps taken to address those Janus Henderson Funds whose performance lagged that of their peers for certain periods, the Janus Henderson Funds were likely to benefit from the continued provision of those services. They also concluded that the Adviser and the subadviser had sufficient personnel, with the appropriate education and experience, to serve the Janus Henderson Funds effectively and each had demonstrated its ability to attract well-qualified personnel.

#### ***Performance of the Funds***

The Trustees considered the performance results of each Janus Henderson Fund over various time periods. They noted that they considered Janus Henderson Fund performance data throughout the year, including periodic meetings with each Janus Henderson Fund's portfolio manager(s), and also reviewed information comparing each Janus Henderson Fund's performance with the performance of comparable funds and peer groups identified by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent data provider, and with the Janus Henderson Fund's benchmark index. In this regard, the independent fee consultant found that the overall Janus Henderson Funds' performance has been reasonable: for the 36 months ended September 30, 2021, approximately 55% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers, and for the 12 months ended September 30, 2021, approximately 45% of the Janus Henderson Funds were in the top two quartiles of performance versus Broadridge peers.

The Trustees considered the performance of each Janus Henderson Fund, noting that performance may vary by share class, and noted the following with respect to the VIT Portfolios:

- For Janus Henderson Balanced Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2021 and the second Broadridge quartile for the 12 months ended May 31, 2021.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2021 and the third Broadridge quartile for the 12 months ended May 31, 2021. The Trustees noted the reasons for the Fund's underperformance and the steps the Adviser had taken or was taking to improve performance.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2021 and the third Broadridge quartile for the 12 months ended May 31, 2021.
- For Janus Henderson Forty Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2021 and the first Broadridge quartile for the 12 months ended May 31, 2021.



## Janus Henderson VIT Forty Portfolio

### Additional Information (unaudited)

- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2021 and the third Broadridge quartile for the 12 months ended May 31, 2021. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps the Adviser had taken or was taking to improve performance.
- For Janus Henderson Global Technology and Innovation Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2021 and the second Broadridge quartile for the 12 months ended May 31, 2021.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2021 and the bottom Broadridge quartile for the 12 months ended May 31, 2021. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps the Adviser had taken or was taking to improve performance.
- For Janus Henderson Overseas Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2021 and the first Broadridge quartile for the 12 months ended May 31, 2021.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2021 and the third Broadridge quartile for the 12 months ended May 31, 2021. The Trustees noted the reasons for the Fund's underperformance, while also noting that the Fund has a performance fee structure that results in lower management fees during periods of underperformance, and the steps the Adviser had taken or was taking to improve performance.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2021 and the bottom Broadridge quartile for the 12 months ended May 31, 2021. The Trustees noted the reasons for the Fund's underperformance and the steps the Adviser and subadviser had taken or were taking to improve performance.

In consideration of each Janus Henderson Fund's performance, the Trustees concluded that, taking into account the factors relevant to performance, as well as other considerations, including steps taken to improve performance, the Janus Henderson Fund's performance warranted continuation of such Janus Henderson Fund's investment advisory and subadvisory agreement(s).

#### **Costs of Services Provided**

The Trustees examined information regarding the fees and expenses of each Janus Henderson Fund in comparison to similar information for other comparable funds as provided by Broadridge, an independent data provider. They also reviewed an analysis of that information provided by their independent fee consultant and noted that the rate of management fees (investment advisory fees and any administration fees but excluding out-of-pocket costs) for many of the Janus Henderson Funds, after applicable waivers, was below the average management fee rate of the respective peer group of funds selected by an independent data provider. The Trustees also examined information regarding the subadvisory fees charged for subadvisory services, as applicable, noting that all such fees were paid by the Adviser out of its management fees collected from such Janus Henderson Fund.

The independent fee consultant provided its belief that the management fees charged by the Adviser to each of the Janus Henderson Funds under the current investment advisory and administration agreements are reasonable in relation to the services provided by the Adviser. The independent fee consultant found: (1) the total expenses and management fees of the Janus Henderson Funds to be reasonable relative to other comparable mutual funds; (2) the total expenses, on average, were 8% under the average total expenses of the respective Broadridge Expense Group peers; and (3) the management fees for the Janus Henderson Funds, on average, were 6% under the average management fees for the respective Broadridge Expense Group. The Trustees also considered the total expenses for each share class of each Janus Henderson Fund compared to the average total expenses for its Broadridge Expense Group and to average total expenses for its Broadridge Expense Universe.

For certain Janus Henderson Funds, the independent fee consultant also performed a systematic "focus list" analysis of expenses which assessed fund fees in the context of fund performance being delivered. Based on this analysis, the

## Janus Henderson VIT Forty Portfolio

### Additional Information (unaudited)

independent fee consultant found that the combination of service quality/performance and expenses on these individual Janus Henderson Funds was reasonable in light of performance trends, performance histories, and existence of performance fees, breakpoints, and/or expense waivers on such Janus Henderson Funds.

The Trustees considered the methodology used by the Adviser and subadviser in determining compensation payable to portfolio managers, the competitive environment for investment management talent, and the competitive market for mutual funds in different distribution channels.

The Trustees also reviewed management fees charged by the Adviser and subadviser to comparable separate account clients and to comparable non-affiliated funds subadvised by the Adviser or subadviser (for which the Adviser or the subadviser provides only or primarily portfolio management services). Although in most instances subadvisory and separate account fee rates for various investment strategies were lower than management fee rates for Janus Henderson Funds having a similar strategy, the Trustees considered that the Adviser noted that, under the terms of the management agreements with the Janus Henderson Funds, the Adviser performs significant additional services for the Janus Henderson Funds that it does not provide to those other clients, including administration services, oversight of the Janus Henderson Funds' other service providers, trustee support, regulatory compliance and numerous other services, and that, in serving the Janus Henderson Funds, the Adviser assumes many legal risks and other costs that it does not assume in servicing its other clients. Moreover, the Trustees noted that the independent fee consultant found that: (1) the management fees the Adviser charges to the Janus Henderson Funds are reasonable in relation to the management fees the Adviser charges to funds subadvised by the Adviser and to the fees the Adviser charges to its institutional separate account clients; (2) these subadvised and institutional separate accounts have different service and infrastructure needs and operate in markets very distinct relative to retail funds; (3) Janus Henderson mutual fund investors enjoy reasonable fees relative to the fees charged to Janus Henderson subadvised fund and separate account investors; and (4) as part of its 2020 review, 9 of 10 Janus Henderson Funds have lower management fees than similar funds subadvised by the Adviser.

The Trustees considered the fees for each Janus Henderson Fund for its fiscal year ended in 2020, including the VIT Portfolios, and noted the following with regard to each VIT Portfolio's total expenses, net of applicable fee waivers (the VIT Portfolio's "total expenses"):

- For Janus Henderson Balanced Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that the Adviser has contractually agreed to limit the Fund's expenses.
- For Janus Henderson Forty Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Global Research Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Global Technology and Innovation Portfolio, the Trustees noted that the Fund's total expenses were below the peer group for both share classes.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that, although the Fund's total expenses exceeded the peer group for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that the Adviser has contractually agreed to limit the Fund's expenses, although this limit did not apply because the Fund's total expenses were already below the applicable fee limit.
- For Janus Henderson Overseas Portfolio, the Trustees noted that although the Fund's total expenses exceeded the peer group average for one share class, overall the Fund's total expenses were reasonable.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.

## Janus Henderson VIT Forty Portfolio

### Additional Information (unaudited)

- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's total expenses were below the peer group for its sole share class.

The Trustees reviewed information on the overall profitability to the Adviser and its affiliates from their relationships with the Janus Henderson Funds, and considered profitability data of other publicly traded mutual fund advisers. The Trustees recognized that profitability comparisons among fund managers are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund manager is affected by numerous factors, including the organizational structure of the particular fund manager, differences in complex size, difference in product mix, difference in types of business (mutual fund, institutional and other), differences in the types of funds and other accounts it manages, possible other lines of business, the methodology for allocating expenses and the fund manager's capital structure and cost of capital.

Additionally, the Trustees considered the estimated profitability to the Adviser from the investment management services it provided to each Janus Henderson Fund. In their review, the Trustees considered whether the Adviser and subadviser receive adequate incentives and resources to manage the Janus Henderson Funds effectively. In reviewing profitability, the Trustees noted that the estimated profitability for an individual Janus Henderson Fund is necessarily a product of the allocation methodology utilized by the Adviser to allocate its expenses as part of the estimated profitability calculation. In this regard, the Trustees noted that the independent fee consultant found that (1) the expense allocation methodology and rationales utilized by the Adviser were reasonable and (2) no clear correlation exists between expense allocations and operating margins. The Trustees also considered that the estimated profitability for an individual Janus Henderson Fund was influenced by a number of factors, including not only the allocation methodology selected, but also the presence of fee waivers and expense caps, and whether the Janus Henderson Fund's investment management agreement contained breakpoints or a performance fee component. The Trustees determined, after taking into account these factors, among others, that the Adviser's estimated profitability with respect to each Janus Henderson Fund was not unreasonable in relation to the services provided, and that the variation in the range of such estimated profitability among the Janus Henderson Funds was not a material factor in the Board's approval of the reasonableness of any Janus Henderson Fund's investment management fees.

The Trustees concluded that the management fees payable by each Janus Henderson Fund to the Adviser and its affiliates, as well as the fees paid by the Adviser to the subadviser of subadvised Janus Henderson Funds, were reasonable in relation to the nature, extent, and quality of the services provided, taking into account the fees charged by other advisers for managing comparable mutual funds with similar strategies, the fees the Adviser and the subadviser charge to other clients, and, as applicable, the impact of fund performance on management fees payable by the Janus Henderson Funds. The Trustees also concluded that each Janus Henderson Fund's total expenses were reasonable, taking into account the size of the Janus Henderson Fund, the quality of services provided by the Adviser and subadviser, the investment performance of the Janus Henderson Fund, and any expense limitations agreed to or provided by the Adviser.

#### ***Economies of Scale***

The Trustees considered information about the potential for the Adviser to realize economies of scale as the assets of the Janus Henderson Funds increase. They noted that their independent fee consultant published a report to the Trustees in November 2019 which provided its research and analysis into economies of scale. They also noted that, although many Janus Henderson Funds pay advisory fees at a fixed base rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 75% of these Janus Henderson Funds' have contractual management fees (gross of waivers) below their Broadridge Expense Group averages. The Trustees also noted the following: (1) that for those Janus Henderson Funds whose expenses are being reduced by the contractual expense limitations of the Adviser, the Adviser is subsidizing certain of these Janus Henderson Funds because they have not reached adequate scale; (2) performance fee structures have been implemented for various Janus Henderson Funds that have caused the effective rate of advisory fees payable by such Janus Henderson Fund to vary depending on the investment performance of the Janus Henderson Fund relative to its benchmark index over the measurement period; and (3) a few Janus Henderson Funds have fee schedules with breakpoints and reduced fee rates above certain asset levels. The Trustees also noted that the Janus Henderson Funds share directly in economies of scale through the significant investments made by the Adviser and its affiliates related to services provided to the Funds and the lower charges of third-party service providers that are based in part on the combined scale of all of the Janus Henderson Funds.

## **Janus Henderson VIT Forty Portfolio**

### **Additional Information (unaudited)**

The Trustees also considered the independent fee consultant's conclusion that, given the limitations of various analytical approaches to economies of scale and their conflicting results, it is difficult to analytically confirm or deny the existence of economies of scale in the Janus Henderson complex. In this regard, the independent consultant concluded that (1) to the extent there were economies of scale at the Adviser, the Adviser's general strategy of setting fixed management fees below peers appeared to share any such economies with investors even on smaller Janus Henderson Funds which have not yet achieved those economies and (2) by setting lower fixed fees from the start on these Janus Henderson Funds, the Adviser appeared to be investing to increase the likelihood that these Janus Henderson Funds will grow to a level to achieve any economies of scale that may exist. Further, the independent fee consultant provided its belief that Janus Henderson Fund investors are well-served by the fee levels and performance fee structures in place on the Janus Henderson Funds in light of any economies of scale that may be present at the Adviser.

Based on all of the information reviewed, including the recent and past research and analysis conducted by the Trustees' independent fee consultant, the Trustees concluded that the current fee structure of each Janus Henderson Fund was reasonable and that the current rates of fees do reflect a sharing between the Adviser and the Janus Henderson Fund of any economies of scale that may be present at the current asset level of the Janus Henderson Fund.

#### ***Other Benefits to the Adviser***

The Trustees also considered benefits that accrue to the Adviser and its affiliates and subadviser to the Janus Henderson Funds from their relationships with the Janus Henderson Funds. They recognized that two affiliates of the Adviser separately serve the Janus Henderson Funds as transfer agent and distributor, respectively, and the transfer agent receives compensation directly from the non-money market funds for services provided, and that such compensation contributes to the overall profitability of the Adviser and its affiliates that results from their relationship with the Janus Henderson Funds. The Trustees also considered the Adviser's past and proposed use of commissions paid by the Janus Henderson Funds on portfolio brokerage transactions to obtain proprietary and third-party research products and services benefiting the Janus Henderson Fund and/or other clients of the Adviser and/or the Adviser, and/or subadviser to a Janus Henderson Fund. The Trustees concluded that the Adviser's and the subadviser's use of these types of client commission arrangements to obtain proprietary and third-party research products and services was consistent with regulatory requirements and guidelines and was likely to benefit each Janus Henderson Fund. The Trustees also concluded that, other than the services provided by the Adviser and its affiliates and subadviser pursuant to the agreements and the fees to be paid by each Janus Henderson Fund therefor, the Janus Henderson Funds and the Adviser and the subadviser may potentially benefit from their relationship with each other in other ways. They concluded that the Adviser and its affiliates share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of the Janus Henderson Funds and other clients serviced by the Adviser and its affiliates. They also concluded that the Adviser and the subadviser benefit from the receipt of research products and services acquired through commissions paid on portfolio transactions of the Janus Henderson Funds and that the Janus Henderson Funds benefit from the Adviser's and/or the subadviser's receipt of those products and services as well as research products and services acquired through commissions paid by other clients of the Adviser and/or other clients of the subadviser. They further concluded that the success of any Janus Henderson Fund could attract other business to the Adviser, the subadviser or other Janus Henderson funds, and that the success of the Adviser and the subadviser could enhance the Adviser's and the subadviser's ability to serve the Janus Henderson Funds.

## **Janus Henderson VIT Forty Portfolio**

### **Liquidity Risk Management Program (unaudited)**

#### **Liquidity Risk Management Program**

Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), requires open-end funds (but not money market funds) to adopt and implement a written liquidity risk management program (the “LRMP”) that is reasonably designed to assess and manage liquidity risk, which is the risk that a fund could not meet redemption requests without significant dilution of remaining investors' interest in the fund. The Fund has implemented a LRMP, which incorporates the following elements: (i) assessment, management, and periodic review of liquidity risk; (ii) classification of portfolio holdings; (iii) the establishment and monitoring of a highly liquid investment minimum, as applicable; (iv) a 15% limitation on a Portfolio's illiquid investments; (v) redemptions in-kind; and (vi) board oversight.

The Trustees of the Portfolio (the “Trustees”) have designated Janus Henderson Investors US LLC, the Portfolio's investment adviser (the “Adviser”), as the Program Administrator for the LRMP responsible for administering the LRMP and carrying out the specific responsibilities of the LRMP. A working group comprised of various teams within the Adviser's business is responsible for administering the LRMP and carrying out the specific responsibilities of different aspects of the LRMP (the “Liquidity Risk Working Group”). In assessing each Fund's liquidity risk, the Liquidity Risk Working Group periodically considers, as relevant, factors including (i) the liquidity of a Fund's portfolio investments during normal and reasonably foreseeable stressed conditions; (ii) whether a Fund's investment strategy is appropriate for an open-end fund; (iii) the extent to which a Fund's strategy involves a relatively concentrated portfolio or large positions in any issuer; (iv) a Fund's use of borrowing for investment purposes; and (v) a Fund's use of derivatives.

The Liquidity Rule requires the Trustees to review at least annually a written report provided by the Program Administrator that addresses the operation of the LRMP and assesses its adequacy and the effectiveness of its implementation, including, if applicable, the operation of the highly liquid investment minimum, and any material changes to the LRMP (the “Program Administrator Report”). At a meeting held on March 16, 2022, the Adviser provided the Program Administrator Report to the Trustees which covered the operation of the LRMP from January 1, 2021 through December 31, 2021 (the “Reporting Period”).

The Program Administrator Report discussed the operation and effectiveness of the LRMP during the Reporting Period. It noted that the Portfolio was able to meet redemptions during the normal course of business during the Reporting Period. The Program Administrator Report also stated that the Portfolio did not exceed the 15% limit on illiquid assets during the Reporting Period, that the Portfolio held primarily highly liquid assets, and was considered to be a primarily highly liquid fund during the Reporting Period. In addition, the Adviser expressed its belief in the Program Administrator Report that the LRMP is reasonably designed and adequate to assess and manage the Portfolio's liquidity risk, considering the Portfolio's particular risks and circumstances, and includes policies and procedures reasonably designed to implement each required component of the Liquidity Rule.

There can be no assurance that the LRMP will achieve its objectives in the future. Please refer to your Portfolio's prospectus for more information regarding the risks to which an investment in the Portfolio may be subject.

# Janus Henderson VIT Forty Portfolio

## Useful Information About Your Portfolio Report (unaudited)

### Performance Overviews

Performance overview graphs compare the performance of a hypothetical \$10,000 investment in the Portfolio with one or more widely used market indices. When comparing the performance of the Portfolio with an index, keep in mind that market indices are not available for investment and do not reflect deduction of expenses.

Average annual total returns are quoted for a Portfolio with more than one year of performance history. Average annual total return is calculated by taking the growth or decline in value of an investment over a period of time, including reinvestment of dividends and distributions, then calculating the annual compounded percentage rate that would have produced the same result had the rate of growth been constant throughout the period. Average annual total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Cumulative total returns are quoted for a Portfolio with less than one year of performance history. Cumulative total return is the growth or decline in value of an investment over time, independent of the period of time involved. Cumulative total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Pursuant to federal securities rules, expense ratios shown in the performance chart reflect subsidized (if applicable) and unsubsidized ratios. The total annual fund operating expenses ratio is gross of any fee waivers, reflecting the Portfolio's unsubsidized expense ratio. The net annual fund operating expenses ratio (if applicable) includes contractual waivers of the Adviser and reflects the Portfolio's subsidized expense ratio. Ratios may be higher or lower than those shown in the "Financial Highlights" in this report.

### Schedule of Investments

Following the performance overview section is the Portfolio's Schedule of Investments. This schedule reports the types of securities held in the Portfolio on the last day of the reporting period. Securities are usually listed by type (common stock, corporate bonds, U.S. Government obligations, etc.) and by industry classification (banking, communications, insurance, etc.). Holdings are subject to change without notice.

The value of each security is quoted as of the last day of the reporting period. The value of securities denominated in foreign currencies is converted into U.S. dollars.

If the Portfolio invests in foreign securities, it will also provide a summary of investments by country. This summary reports the Portfolio exposure to different countries by providing the percentage of securities invested in each country. The country of each security represents the country of risk. A company may be allocated to a country based on other factors such as location of the company's principal office, the location of the principal trading market for the company's securities, or the country where a majority of the company's revenues are derived. The Portfolio's Schedule of Investments relies upon the industry group and country classifications published by Bloomberg and/or MSCI Inc.

Tables listing details of individual forward currency contracts, futures, written options, swaptions, and swaps follow the Portfolio's Schedule of Investments (if applicable).

### Statement of Assets and Liabilities

This statement is often referred to as the "balance sheet." It lists the assets and liabilities of the Portfolio on the last day of the reporting period.

The Portfolio's assets are calculated by adding the value of the securities owned, the receivable for securities sold but not yet settled, the receivable for dividends declared but not yet received on securities owned, and the receivable for Portfolio shares sold to investors but not yet settled. The Portfolio's liabilities include payables for securities purchased but not yet settled, Portfolio shares redeemed but not yet paid, and expenses owed but not yet paid. Additionally, there may be other assets and liabilities such as unrealized gain or loss on forward currency contracts.

The section entitled "Net Assets Consist of" breaks down the components of the Portfolio's net assets. Because the Portfolio must distribute substantially all earnings, you will notice that a significant portion of net assets is shareholder capital.

## **Janus Henderson VIT Forty Portfolio**

### **Useful Information About Your Portfolio Report (unaudited)**

The last section of this statement reports the net asset value (“NAV”) per share on the last day of the reporting period. The NAV is calculated by dividing the Portfolio’s net assets for each share class (assets minus liabilities) by the number of shares outstanding.

#### **Statement of Operations**

This statement details the Portfolio’s income, expenses, realized gains and losses on securities and currency transactions, and changes in unrealized appreciation or depreciation of Portfolio holdings.

The first section in this statement, entitled “Investment Income,” reports the dividends earned from securities and interest earned from interest-bearing securities in the Portfolio.

The next section reports the expenses incurred by the Portfolio, including the advisory fee paid to the investment adviser, transfer agent fees and expenses, and printing and postage for mailing statements, financial reports and prospectuses. Expense offsets and expense reimbursements, if any, are also shown.

The last section lists the amounts of realized gains or losses from investment and foreign currency transactions, and changes in unrealized appreciation or depreciation of investments and foreign currency-denominated assets and liabilities. The Portfolio will realize a gain (or loss) when it sells its position in a particular security. A change in unrealized gain (or loss) refers to the change in net appreciation or depreciation of the Portfolio during the reporting period. “Net Realized and Unrealized Gain/(Loss) on Investments” is affected both by changes in the market value of Portfolio holdings and by gains (or losses) realized during the reporting period.

#### **Statements of Changes in Net Assets**

These statements report the increase or decrease in the Portfolio’s net assets during the reporting period. Changes in the Portfolio’s net assets are attributable to investment operations, dividends and distributions to investors, and capital share transactions. This is important to investors because it shows exactly what caused the Portfolio’s net asset size to change during the period.

The first section summarizes the information from the Statement of Operations regarding changes in net assets due to the Portfolio’s investment operations. The Portfolio’s net assets may also change as a result of dividend and capital gains distributions to investors. If investors receive their dividends and/or distributions in cash, money is taken out of the Portfolio to pay the dividend and/or distribution. If investors reinvest their dividends and/or distributions, the Portfolio’s net assets will not be affected.

The reinvestment of dividends and distributions is included under “Capital Share Transactions.” “Capital Shares” refers to the money investors contribute to the Portfolio through purchases or withdrawals via redemptions. The Portfolio’s net assets will increase and decrease in value as investors purchase and redeem shares from the Portfolio.

#### **Financial Highlights**

This schedule provides a per-share breakdown of the components that affect the Portfolio’s NAV for current and past reporting periods as well as total return, asset size, ratios, and portfolio turnover rate.

The first line in the table reflects the NAV per share at the beginning of the reporting period. The next line reports the net investment income/(loss) per share. Following is the per share total of net gains/(losses), realized and unrealized. Per share dividends and distributions to investors are then subtracted to arrive at the NAV per share at the end of the period. The next line reflects the total return for the period. The total return may include adjustments in accordance with generally accepted accounting principles required at the period end for financial reporting purposes. As a result, the total return may differ from the total return reflected for individual shareholder transactions. Also included are ratios of expenses and net investment income to average net assets.

The Portfolio’s expenses may be reduced through expense offsets and expense reimbursements. The ratios shown reflect expenses before and after any such offsets and reimbursements.

The ratio of net investment income/(loss) summarizes the income earned less expenses, divided by the average net assets of the Portfolio during the reporting period. Do not confuse this ratio with the Portfolio’s yield. The net investment income ratio is not a true measure of the Portfolio’s yield because it does not take into account the dividends distributed to the Portfolio’s investors.

## **Janus Henderson VIT Forty Portfolio**

### **Useful Information About Your Portfolio Report (unaudited)**

The next figure is the portfolio turnover rate, which measures the buying and selling activity in the Portfolio. Portfolio turnover is affected by market conditions, changes in the asset size of the Portfolio, fluctuating volume of shareholder purchase and redemption orders, the nature of the Portfolio's investments, and the investment style and/or outlook of the portfolio manager(s) and/or investment personnel. A 100% rate implies that an amount equal to the value of the entire portfolio was replaced once during the fiscal year; a 50% rate means that an amount equal to the value of half the portfolio is traded in a year; and a 200% rate means that an amount equal to the value of the entire portfolio is traded every six months.



**Janus Henderson VIT Forty Portfolio  
Notes**

**Janus Henderson**  
— INVESTORS —

*This report is submitted for the general information of shareholders of the Portfolio. It is not an offer or solicitation for the Portfolio and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.*

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