ZURICH®

February 28, 2020

Dear Contract Owner:

Zurich American Life Insurance Company is pleased to continue with our customized process for producing and distributing annual reports for the registered funds underlying the investment choices you have selected in your Destinations VA or Farmers VA I variable annuity contract.

Your customized annual report is enclosed. The report provides an update on the relevant funds' performance as of December 31, 2019. Fund performance does not take into account the fees charged by your contract. If these fees had been included, the performance would have been lower. As always, past performance cannot predict or guarantee future returns.

Zurich American
Life Insurance Company

Administrative Office:
PO Box 7728
Overland Park, KS 66207-0728

Telephone 877-301-5376
Fax 1-866-315-0729

ZURICHAMERICANLIFEINSURANCE.COM

In addition, please be advised that beginning on January 1, 2021, as permitted by regulations adopted by the SEC, paper copies of the shareholder reports for the registered funds available under your Contract will no longer be sent by mail, unless you specifically request paper copies of the reports from us. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

You may elect to receive all future reports in paper free of charge. You can inform us that you wish to continue receiving paper copies of your shareholder reports by calling the Service Center toll-free at 1-800-449-0523. Your election to receive reports in paper will apply to all registered funds available under your Contract.

We hope that the enclosed information is helpful. If you have any questions concerning your contract, please do not hesitate to call our Service Center at (800) 449-0523 (toll free).

Thank you for placing your variable annuity contract with us.

Sincerely,

Audrey Martin
Head of Business Performance Management and Execution

Enclosure

Summary Prospectus, Statutory Prospectus and Statement of Additional Information Supplement dated December 20, 2019

The purpose of this supplement is to provide you with changes to the current Summary and Statutory Prospectuses and Statements of Additional Information of the Funds listed below:

Invesco V.I. Equity and Income Fund
Invesco V.I. Growth and Income Fund
Invesco V.I. Managed Volatility Fund

This supplement amends each Summary Prospectus, Statutory Prospectus and Statement of Additional Information of the above referenced funds (the "Funds") and is in addition to any other supplement(s), unless otherwise specified. *You should read this supplement in conjunction with the applicable Summary Prospectus, Statutory Prospectus and Statement of Additional Information and retain it for future reference.*

Effective December 20, 2019, Thomas Bastian no longer serves as a Portfolio Manager to the Funds. Therefore, all references to Mr. Bastian in the Summary and Statutory Prospectuses and Statements of Additional Information are hereby removed.

SUPPLEMENT TO THE CURRENTLY EFFECTIVE SUMMARY PROSPECTUS

DWS CROCI® International VIP

Class A

The following changes are effective on or about December 1, 2019:

The following information replaces the existing disclosure contained under the "AVERAGE ANNUAL TOTAL RETURNS" sub-heading of the "PAST PERFORMANCE" section of the fund's summary prospectus.

AVERAGE ANNUAL TOTAL RETURNS

(For periods ended 12/31/2018 expressed as a %)

	Class Inception	1 Year	5 Years	10 Years
Class A before tax	5/1/1987	-14.39	-2.59	3.70
MSCI EAFE® Value Index (reflects no deduction for fees, expenses or taxes)		-14.78	-0.61	5.50
MSCI EAFE® Index (reflects no deduction for fees, expenses or taxes)		-13.79	0.53	6.32

The MSCI EAFE® Value Index has replaced the MSCI EAFE® Index as the fund's primary benchmark index and will no longer serve as the fund's secondary benchmark index. The Advisor believes that the MSCI EAFE® Value Index better represents the fund's investment strategy and is therefore more suitable for performance comparison.

Please Retain This Supplement for Future Reference

November 22, 2019
PROSTKR-122

DWS

SUPPLEMENT TO THE CURRENTLY EFFECTIVE SUMMARY PROSPECTUSES, STATUTORY PROSPECTUSES AND STATEMENT OF ADDITIONAL INFORMATION FOR EACH OF THE LISTED FUNDS

DWS Equity 500 Index VIP

DWS Small Cap Index VIP

The following changes are effective May 1, 2020.

The following disclosure is added to the "Principal Investment Strategy – Main Investments" section of each fund's summary prospectuses and summary section of each fund's statutory prospectuses, and the "Fund Details" section of each fund's statutory prospectuses:

The fund may become "non-diversified," as defined under the Investment Company Act of 1940, as amended, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index that the fund is designed to track. Shareholder approval will not be sought when the fund crosses from diversified to non-diversified status under such circumstances.

The following disclosure is added to the "Main Risks" section of each fund's summary prospectuses and summary section of each fund's statutory prospectuses:

Non-diversification risk. At any given time the fund may be classified as "non-diversified" under the Investment Company Act of 1940, as amended. This means that the fund may invest in securities of relatively few issuers. Thus, the performance of one or a small number of portfolio holdings can affect overall performance.

The following disclosure is added to the "Main Risks" in the "Fund Details" section of each fund's statutory prospectuses:

Non-diversification risk. At any given time the fund may be classified as "non-diversified" and may invest a larger percentage of its assets in securities of a few issuers or a single issuer than that of a diversified fund. As a result, the fund may be more susceptible to the risks associated with these particular issuers, or to a single economic, political or regulatory occurrence affecting these issuers. This may increase the fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the fund's performance.

The following disclosure is added to the fourth paragraph of the "INVESTMENT RESTRICTIONS" section of Part I of each fund's Statement of Additional Information:

In reliance on no-action relief furnished by the SEC, the fund may be diversified or non-diversified at any given time, based on the composition of the index that the fund seeks to track. Shareholder approval will not be sought when the fund crosses from diversified to non-diversified status under such circumstances.

Please Retain This Supplement for Future Reference

November 22, 2019
PRO_SAISTKR-54

DWS

SUPPLEMENT TO THE CURRENTLY EFFECTIVE SUMMARY PROSPECTUS

DWS CROCI® U.S. VIP

Class A

The following changes are effective on or about December 1, 2019:

The following information replaces the existing disclosure contained under the "AVERAGE ANNUAL TOTAL RETURNS" sub-heading of the "PAST PERFORMANCE" section of the fund's summary prospectus.

AVERAGE ANNUAL TOTAL RETURNS

(For periods ended 12/31/2018 expressed as a %)

	Class Inception	1 Year	5 Years	10 Years
Class A before tax	5/1/1996	-10.50	1.63	8.02
Russell 1000® Value Index (reflects no deduction for fees, expenses or taxes)		-8.27	5.95	11.18
S&P 500® Index (reflects no deduction for fees, expenses or taxes)		-4.38	8.49	13.12

The Russell 1000® Value Index has replaced the S&P 500® Index as the fund's primary benchmark index. The Advisor believes that the new index better represents the fund's investment strategy and is therefore more suitable for performance comparison.

Please Retain This Supplement for Future Reference

November 22, 2019
PROSTKR-130

SUPPLEMENT TO THE CURRENTLY EFFECTIVE PROSPECTUSES AND SUMMARY PROSPECTUSES

DWS Government & Agency Securities VIP

Upon the recommendation of DWS Government & Agency Securities VIP's (the "fund") investment advisor, DWS Investment Management Americas, Inc. (the "Advisor"), the Board of Trustees of Deutsche DWS Variable Series II has authorized the termination and liquidation of the fund, which will be effective on or about February 27, 2020 (the "Liquidation Date"). Accordingly, the fund will involuntarily redeem the shares of any shareholder (i.e., a participating insurance company that offers the fund) outstanding on the Liquidation Date. The liquidation will be effected according to a Plan of Liquidation and Termination. The costs of the liquidation, including the mailing of notifications to shareholders, will be borne by the Advisor. As the Liquidation Date approaches, the fund's assets will be converted to cash or cash equivalents and the fund will not be pursuing its investment objective. Shareholders whose shares are involuntarily redeemed by the fund on the Liquidation Date will receive the net asset value per share for all shares they own on the Liquidation Date.

Existing participating insurance company investors that currently offer the fund as an investment option may continue to offer it to their contract owners until the Liquidation Date.

Please Retain This Supplement for Future Reference

November 22, 2019
PROSTKR-105

DWS

SUPPLEMENT TO THE CURRENTLY EFFECTIVE SUMMARY PROSPECTUS

DWS Global Income Builder VIP

Class A

The following changes are effective on or about December 1, 2019:

The following information replaces the existing disclosure contained under the "AVERAGE ANNUAL TOTAL RETURNS" sub-heading of the "PAST PERFORMANCE" section of the fund's summary prospectus.

AVERAGE ANNUAL TOTAL RETURNS

(For periods ended 12/31/2018 expressed as a %)

	Class Inception	1 Year	5 Years	10 Years
Class A before tax	4/6/1982	-7.66	3.30	7.69
MSCI All Country World Index (reflects no deduction for fees, expenses or taxes)		-9.42	4.26	9.46
Blended Index 60/40 (reflects no deduction for fees, expenses or taxes)		-5.63	3.79	8.10
Bloomberg Barclays US Universal Index (reflects no deduction for fees, expenses or taxes)		-0.25	2.72	4.06
S&P Target Risk Moderate Index (reflects no deduction for fees, expenses or taxes)		-3.72	3.31	5.92
Blended Index 50/50 (reflects no deduction for fees, expenses or taxes)		-3.79	3.20	6.78

Blended Index 60/40 consists of a blend of 60% MSCI All Country World Index and 40% Bloomberg Barclays U.S. Universal Index.

Blended Index 50/50 consists of an equally weighted blend (50%/50%) of the MSCI World High Dividend Yield Index and Bloomberg Barclays U.S. Universal Index.

The MSCI All Country World Index has replaced the S&P Target Risk Moderate Index as the fund's primary comparative broad-based securities market index. The Blended Index 60/40 and the Bloomberg Barclays U.S. Universal Index have replaced the Blended Index 50/50 as the additional secondary and tertiary comparative indexes, respectively. The Advisor believes that the new indexes collectively better represent the fund's investment strategy and overall strategic asset allocations and are therefore more suitable for performance comparison.

Please Retain This Supplement for Future Reference

November 22, 2019
PROSTKR-126

DWS

SUPPLEMENT TO THE CURRENTLY EFFECTIVE PROSPECTUS AND SUMMARY PROSPECTUS

DWS Multisector Income VIP

Upon the recommendation of DWS Multisector Income VIP's (the "fund") investment advisor, DWS Investment Management Americas, Inc. (the "Advisor"), the Board of Trustees of Deutsche DWS Variable Series II has authorized the termination and liquidation of the fund, which will be effective on or about February 27, 2020 (the "Liquidation Date"). Accordingly, the fund will involuntarily redeem the shares of any shareholder (i.e., a participating insurance company that offers the fund) outstanding on the Liquidation Date. The liquidation will be effected according to a Plan of Liquidation and Termination. The costs of the liquidation, including the mailing of notifications to shareholders, will be borne by the Advisor. As the Liquidation Date approaches, the fund's assets will be converted to cash or cash equivalents and the fund will not be pursuing its investment objective. Shareholders whose shares are involuntarily redeemed by the fund on the Liquidation Date will receive the net asset value per share for all shares they own on the Liquidation Date.

Existing participating insurance company investors that currently offer the fund as an investment option may continue to offer it to their contract owners until the Liquidation Date.

Please Retain This Supplement for Future Reference

November 22, 2019
PROSTKR-104

November 7, 2019

BNY MELLON SUSTAINABLE U.S. EQUITY PORTFOLIO, INC.

Supplement to Current Summary Prospectus and Prospectus and Statement of Additional Information

On or about December 31, 2019 (the "Effective Date"), Newton Investment Management (North America) Limited ("NIMNA"), the fund's sub-adviser, will reorganize into Newton Investment Management Limited ("NIM"). Consequently, as of the Effective Date, the sub-investment advisory agreement between BNY Mellon Investment Adviser, Inc. ("BNYM Investment Adviser"), the fund's investment adviser, and NIMNA will be terminated and NIM will serve as the fund's sub-adviser pursuant to a sub-investment advisory agreement between BNYM Investment Adviser and NIM. There will be no change to the fund's investment objective, policies or strategies as a result of the reorganization of NIMNA into NIM.

NIMNA and NIM are indirect, wholly-owned subsidiaries The Bank of New York Mellon Corporation and affiliates of BNYM Investment Adviser. NIMNA and NIM are located at the same principal office in London, United Kingdom, and each is regulated by the Financial Conduct Authority in the United Kingdom and registered or, in the case of NIM, will be registered as of the Effective Date, in the United States with the SEC as an investment adviser. The fund's current portfolio managers who are responsible for the day-to-day management of the fund's investments will continue to manage the fund's investments as of the Effective Date. The rate of sub-investment advisory fee payable by BNYM Investment Adviser to NIM will be the same as that currently payable by BNYM Investment Adviser to NIMNA and the terms of the sub-investment advisory agreement between BNYM Investment Adviser and NIM are substantially similar to those of the sub-investment advisory agreement between BNYM Investment Adviser and NIMNA. A discussion regarding the basis for the board's approving the sub-investment advisory agreement between BNYM Investment Adviser and NIM will be available in the fund's annual report for the fiscal year ended December 31, 2019.

ALGER

THE ALGER PORTFOLIOS

Alger Balanced Portfolio

ANNUAL REPORT

DECEMBER 31, 2019

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ALGER BALANCED PORTFOLIO

Optional Internet Availability of Alger Shareholder Reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Portfolios' shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Portfolio, the insurance company that offers your variable annuity or variable life insurance contract, or from your financial intermediary. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Portfolio electronically by signing up for paperless delivery at www.icsdelivery.com/alger. If you own these shares through a financial intermediary or an insurance company, contact your financial intermediary or insurance company.

You may elect to receive all future reports in paper free of charge. You can inform the Portfolio, the insurance company, or financial intermediary that you wish to continue receiving paper copies of your shareholder reports by contacting us at 1-866-345-5954 or fundreports.com. If you own these shares through a financial intermediary or an insurance company, contact your financial intermediary or an insurance company, to elect to continue to receive paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held within the Alger Fund Complex, your insurance company, or your financial intermediary.

Dear Shareholders,

Frequent Shifts in Market Performance Occur Despite Strong Secular Growth

Researchers at the Max Planck Institute for Biological Cybernetics conducted a study of hikers in areas such as deserts that lack visual reference points. They equipped the study participants with GPS tracking technology and instructed them to walk a straight path. Within several hours, many of the hikers unknowingly returned to their starting point. Others repeatedly walked in circles.

In some ways, investors may learn an important lesson from this experiment: failing to focus on appropriate reference points in understanding secular growth may lead one astray. In this letter, I explore how investors can easily become distracted and I urge them to focus on actual reference points.

During the 12-month period ended December 31, 2019, the S&P 500 Index generated a 31.49% return. Key developments included the ebb and flow of optimism regarding U.S.-China trade negotiations, monetary policy and a changing view of the economy. We believe those factors are important, but unlike the powerful nature of secular growth, they typically influence corporate earnings and stock prices only temporarily. These transitory events can be distracting; however, we believe long-term equity results have been more important. In fact, the S&P 500's 2019 return was the strongest showing since 2013.

Trade Conflicts Drive Volatility

For most of the reporting period, concerns about U.S.-China trade tariffs intensified as both countries imposed additional tariffs while frequent shifts in the outlook for trade negotiations fueled market volatility. In October, however, President Trump proposed measures that would prevent or delay both an increase in certain existing tariffs and the implementation of new tariffs and China proposed increasing its purchases of U.S. agriculture products. In early December, the U.S. and China reached a phase one agreement. The U.S. pledged to hold off on a planned 15% tariff on various consumer goods and to reduce tariffs from 15% to 7.5% on an additional $120 billion in goods. At the same time, China agreed to various measures, such as increasing its purchases of U.S. goods, including agriculture products, by $200 billion over the next two years. It also agreed to suspend certain retaliatory tariffs and implement intellectual property safeguards.

Investors Watch the Fed

Much like investors' frequently varying views of trade negotiations, shifts in expectations for the Federal Reserve to cut interest rates caused market performance to oscillate. On July 31, 2019, the Federal Reserve announced an anticipated fed funds rate cut of 25 basis points (bps), but Federal Reserve Chairman Jerome Powell described the change as a mid-cycle adjustment rather than the start of a prolonged series of rate cuts, which disappointed market participants. The Federal Reserve eventually ushered in two additional 25 bps cuts.

Economic Sentiment Improves and Valuations Increase

In an encouraging development, the Bloomberg Economic Surprise Index turned consistently positive in September and strengthened in October after having been in negative territory for most of the first eight months of 2019. The index measures economic readings against forecasts. The improved economic data combined with optimism about trade negotiations and a dovish Federal Reserve provided a major boost to investor sentiment and resulted in the S&P 500 Index forward price-to-earnings ratio increasing during the year from 14 to 18. Growth equities continued their multiyear pattern of outperforming with the Russell 1000 Growth Index's 2019 return of 36.4% outpacing the Russell 1000 Value index by nearly 10 percentage points.

We believe this outperformance is a result, in large part, of growth companies benefiting from disrupting their respective industries with innovative products. In the process, the fundamentals of value companies, e.g., brick and mortar retailers, have become victims of disruption by innovative companies, such as online retailers, that are rapidly capturing market share. This secular trend, and other growth opportunities driven by demographic changes and other advances, suggests that growth companies still have the edge in the longer term.

Additionally, the role of accounting practices in classifying companies as growth or value is another important factor. The price-to-book ratio is the predominant metric for classifying companies as either growth or value, but modern accounting practices do not fully capitalize intangible assets. This means that the value of intangible assets, such as algorithms and computer software, may not be included in a company's book value. With lower book values, New Economy companies, which are companies that are based on new technology such as online retailing, cloud computing, innovative healthcare devices and other medical breakthroughs, are likely to be classified as growth companies. Conversely, Old Economy companies, which are companies based on legacy business models, such as manufacturing or brick-and-mortar retailing that require significant tangible assets, may have lower price-to-book metrics and be classified as value companies. As a result of these accounting issues, investors may be inadvertently allocating capital based on business models—with New Economy digital companies that utilize intangible assets classified as growth irrespective of their valuation while Old Economy companies that utilize tangible assets may be classified as value. As long as this persists, it may be an incremental tailwind for the growth style of investing.

International markets were also strong in calendar year 2019 with the MSCI ACWI ex USA Index generating a 22.13% return. Developed markets led with the MSCI World Index generating a 28.40% return and outpacing the 18.88% return of the MSCI Emerging Markets Index.

A Better Framework for Making Investment Decisions

We believe investors should focus on unprecedented levels of innovation and secular growth as reference points rather than short-term events.

A small sampling of strong secular growth themes includes cloud computing, mobile device advertising and disruption in healthcare, all of which are allowing companies to capture market share and reward investors with strong earnings growth.

- Cloud computing, or the use of off-premises IT resources, is allowing companies and governments to quickly develop new services while reducing overall operating costs. By capturing market share from providers of on-premises technology, cloud computing is growing rapidly with the market for the public cloud expected to have expanded 35% in 2019.

- Digital advertising is another powerful secular growth theme, with some of the largest technology firms, such as Alphabet, Inc., Facebook, Inc. and Amazon.com, Inc., having generated rapid earnings growth by capturing advertising market share from traditional publishers. As smartphones have become indispensable, brands are increasingly placing content on them and other portable devices. While overall digital advertising grew 21.8% in 2018, according to the Interactive Advertising Bureau, revenues for advertising on mobile devices increased 39.7%. We estimate that revenues for advertising on mobile devices continued to grow at a faster pace than overall digital marketing in 2019.
- Healthcare innovations, such as new drugs and novel medical devices, are also creating secular growth. For treating diabetes, Dexcom, Inc. has developed a continuous glucose monitoring system and Insulet Corp. has developed a wearable insulin pump. These products are disrupting older technologies that require injections and frequent finger stick tests to monitor and control patients' glucose levels. In the pharmaceutical industry, novel drugs are noteworthy, with cancer immunotherapy being just one example. Unlike chemotherapy, which kills cancer cells using toxic compounds, immunotherapy enlists the immune system to attack cancer. The category of drugs is only five years old, but its annual market size is expected to reach $44 billion by 2024, according to investment banking firm Cowen Inc..

Going Forward

Innovation and disruption are increasingly high stakes matters. In 2019, we estimated that S&P 500 companies representing 14% of the index's market capitalization were disrupting companies with a total market capitalization of 31% of the index. We believe investors can potentially benefit the most by utilizing active portfolio management based on in-depth fundamental research that seeks to discern the winners and losers of the New Economy. At Alger, we continue to focus on corporate fundamentals as we pursue attractive investment opportunities for our shareholders.

Portfolio Matters

Alger Balanced Portfolio

The Alger Balanced Portfolio returned 19.50% during the fiscal 12-month period ended December 31, 2019. The equity portion of the Portfolio underperformed the 31.49% return of the S&P 500 Index and the fixed income portion underperformed the 9.71% return of the Bloomberg Barclays U.S. Gov't/Credit Bond Index.

Contributors to Performance

Regarding the equity portion of the Portfolio, the largest sector weightings were Information Technology and Financials. The largest sector overweight was Financials and the largest underweight was Information Technology. The Financials and Energy sectors provided the greatest contributions to performance relative to the Portfolio's benchmark.

Regarding individual positions, Microsoft Corp.; Apple, Inc.; JPMorgan Chase & Co.; Blackstone Group, Inc., Cl. A; and KLA Corp. were among the top contributors to performance. Microsoft created the world's leading desktop operating system. The company is transitioning its products to the cloud under the guidance of CEO Satya Nadella.

Microsoft also owns LinkedIn, the Xbox brand and the video chat and voice call platform, Skype. Additionally, Microsoft is building artificial intelligence services and an enterprise cloud offering called Azure. The company has been generating very strong free cash flow that it is returning to shareholders as dividends and share repurchases. At the same time, investors are cheering the positive life cycle change as the company reports strong success in moving its products to the cloud and in growing its enterprise cloud service.

Detractors from Performance

The Consumer Discretionary and Information Technology sectors were among the sectors that detracted from results. Regarding individual positions, DuPont de Nemours, Inc.; Pfizer, Inc.; Gap, Inc.; Kohl's Corp.; and Tapestry, Inc. were among the top detractors from performance. Tapestry is a luxury lifestyle brand that produces Coach, Kate Spade and Stuart Weitzman accessories. Its shares underperformed after the company said Kate Spade handbag sales disappointed despite the introduction of a new collection and increased promotional activity. The sales shortfall necessitated an earnings expectations reset, driving the share price lower.

At the end of the reporting period, the fixed income portion of the Portfolio consisted of 10 corporate bonds and two U.S. Treasury bills. The corporate bonds represented 29% of Portfolio assets and the Treasury bills represented 6% of Portfolio assets. The option-adjusted spread of the Bloomberg Barclays U.S. Corporate Bond Index entered the year at its highest level in 30 months and overall yields were near five-year highs. Both yields and spreads reversed sharply during the year, with yields more than erasing the upward movement of 2018 and finishing near 5-year lows. Spreads narrowed back to near the lows of early 2018. As a result, total returns for corporate bonds were strong for 2019.

As always, we strive to deliver consistently superior investment results for 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 12-month period return of Class I-2 shares. Returns include reinvestment of dividends and distributions.

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

Standard performance results can be found on the following pages. The investment return and principal value of an investment in a 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, 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 a 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 a 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 a 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 December 31, 2019. Securities mentioned in the Shareholders' Letter, if not found in the Schedule of Investments, may have been held by the Portfolio during the 12-month fiscal period.

Risk Disclosure

Investing in the stock market involves risks and may not be suitable for all investors. Growth stocks tend to 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.

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

Before investing, carefully consider a 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. Read it carefully before investing.

Fred Alger & Company, LLC, Distributor. Member NYSE Euronext, SIPC.

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

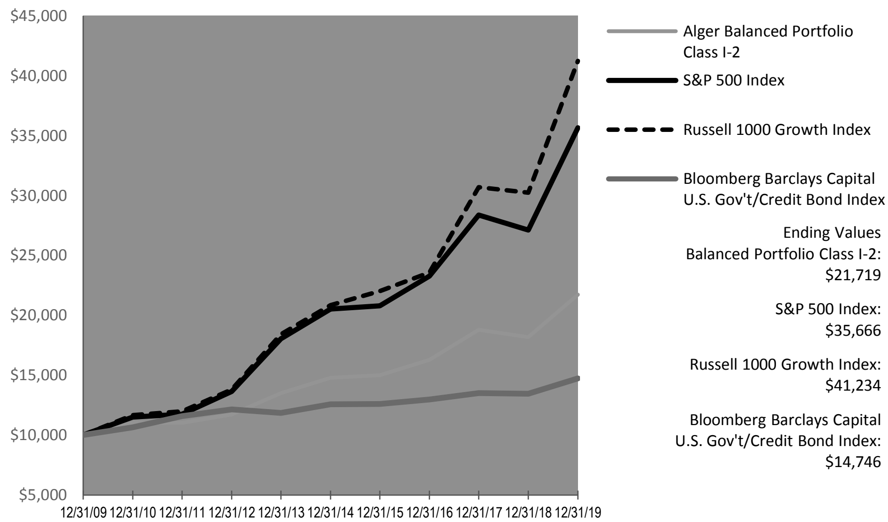
Definitions:

- The S&P 500: An index of large company stocks considered to be representative of the U.S. stock market.
- The Bloomberg Economic Surprise Index shows the degree to which economic analysts under- or over-estimate the trends in the business cycle. The surprise element is defined as the percentage (or percentage point) difference between analyst forecasts and the published value of economic data releases.
- The Interactive Advertising Bureau is an advertising business organization that develops industry standards, conducts research, and provides legal support for the online advertising industry.
- The forward price-to-earnings ratio (P/E) is the current market price of a company divided by its expected earnings during the next 12 months.
- The MSCI ACWI ex USA Index (gross) captures large and mid cap representation across 23 of 24 Developed Markets (DM) countries (excluding the US) and 23 Emerging Markets (EM) countries. The index covers approximately 85% of the global equity opportunity set outside the US.
- The Morgan Stanley Capital International (MSCI) Emerging Markets Index (gross) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.
- The MSCI World Index is a broad global equity benchmark that represents large and mid-cap equity performance across 23 (DM) countries.
- The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher growth earning potential as defined by Russell's leading style methodology. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment.
- Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price/book ratios and lower forecasted growth values.
- The Bloomberg Barclays U.S. Gov't/Credit Bond Index measures the performance of government and corporate bonds.
- The Bloomberg Barclays U.S. Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

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

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

— 10 years ended 12/31/19



The chart above illustrates the change in value of a hypothetical $10,000 investment made in Alger Balanced Portfolio Class I-2 shares, the Russell 1000 Growth Index and the S&P 500 Index (each an unmanaged index of common stocks) and the Bloomberg Barclays Capital U.S. Gov't/Credit Bond Index (an unmanaged index of government and corporate bonds) for the ten years ended December 31, 2019. Figures for each of the Alger Balanced Portfolio Class I-2 shares, the Russell 1000 Growth Index, the Bloomberg Barclays Capital 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.

Alger Balanced Portfolio's primary benchmark is the S&P 500 Index. Prior to June 1, 2019, Alger Balanced Portfolio's primary benchmark was the Russell 1000 Growth Index. Alger Management believes that the S&P 500 Index is a more appropriate benchmark for Alger Balanced Portfolio than the Russell 1000 Growth Index because the equity holdings of Alger Balanced Portfolio are more similar to the securities comprising the S&P 500 Index than those comprising the Russell 1000 Growth Index. In future periods, Alger Balanced Portfolio will no longer compare its performance to that of the Russell 1000 Growth Index.

PERFORMANCE COMPARISON AS OF 12/31/19

AVERAGE ANNUAL TOTAL RETURNS

	1 YEAR	5 YEARS	10 YEARS	Since 9/5/1989
Class I-2 (Inception 9/5/89)	19.50%	7.99%	8.06%	7.71%
S&P 500 Index	31.49%	11.70%	13.56%	9.90%
Russell 1000 Growth Index	36.39%	14.63%	15.22%	10.00%
Bloomberg Barclays Capital U.S. Gov't/Credit Bond Index	9.71%	3.23%	3.96%	6.04%

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 month end, visit us at 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 cost of 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†
December 31, 2019 (Unaudited)

SECTORS/SECURITY TYPES	Alger Balanced Portfolio
Communication Services	6.8%
Consumer Discretionary	5.8
Consumer Staples	4.7
Energy	3.4
Financials	10.5
Healthcare	9.1
Industrials	5.6
Information Technology	12.8
Materials	1.1
Real Estate	2.4
Utilities	0.9
Total Equity Securities	63.1
Corporate Bonds	28.8
U.S. Treasury Obligations	6.0
Total Debt Securities	34.8
Short-Term Investments and Net Other Assets	2.1
	100.0%

† *Based on net assets for the Portfolio.*

COMMON STOCKS—59.4%	SHARES		VALUE
AEROSPACE & DEFENSE—2.4%			
General Dynamics Corp.	1,083	$	190,987
The Boeing Co.	1,338		435,867
TransDigm Group, Inc.	549		307,440
United Technologies Corp.	1,837		275,109
			1,209,403
AIR FREIGHT & LOGISTICS—0.3%			
United Parcel Service, Inc., Cl. B	1,221		**142,930**
APPAREL ACCESSORIES & LUXURY GOODS—0.4%			
Tapestry, Inc.	6,419		**173,120**
ASSET MANAGEMENT & CUSTODY BANKS—1.9%			
BlackRock, Inc., Cl. A	1,026		515,770
The Blackstone Group, Inc., Cl. A	7,866		440,024
			955,794
BIOTECHNOLOGY—1.3%			
AbbVie, Inc.	2,705		239,501
Amgen, Inc.	1,056		254,569
Gilead Sciences, Inc.	2,516		163,490
			657,560
BUILDING PRODUCTS—0.3%			
Johnson Controls International PLC	3,449		**140,409**
CABLE & SATELLITE—0.9%			
Comcast Corp., Cl. A	9,684		**435,489**
CASINOS & GAMING—0.3%			
Las Vegas Sands Corp.	2,121		**146,434**
COMMODITY CHEMICALS—0.2%			
Dow, Inc.	1,424		**77,936**
COMMUNICATIONS EQUIPMENT—0.8%			
Cisco Systems, Inc.	8,567		**410,873**
CONSUMER ELECTRONICS—0.3%			
Garmin Ltd.	1,641		**160,096**
DEPARTMENT STORES—0.3%			
Kohl's Corp.	3,272		**166,708**
DIVERSIFIED BANKS—4.5%			
Bank of America Corp.	12,178		428,909
JPMorgan Chase & Co.	10,405		1,450,457
Wells Fargo & Co.	5,357		288,207
			2,167,573
ELECTRIC UTILITIES—0.4%			
NextEra Energy, Inc.	875		**211,890**
ELECTRICAL COMPONENTS & EQUIPMENT—0.5%			
Eaton Corp. PLC	2,452		**232,253**
FINANCIAL EXCHANGES & DATA—1.5%			
CME Group, Inc., Cl. A	3,591		**720,786**

COMMON STOCKS—59.4% (CONT.)	SHARES	VALUE
HEALTHCARE EQUIPMENT—0.5%		
Medtronic PLC	1,995	$ **226,333**
HEALTHCARE SERVICES—0.8%		
CVS Health Corp.	5,182	**384,971**
HOME IMPROVEMENT RETAIL—1.7%		
The Home Depot, Inc.	3,936	**859,544**
HOTELS RESORTS & CRUISE LINES—0.6%		
Extended Stay America, Inc.	9,124	135,583
Royal Caribbean Cruises Ltd.	1,352	180,505
		316,088
HOUSEHOLD PRODUCTS—1.3%		
The Procter & Gamble Co.	5,117	**639,113**
HYPERMARKETS & SUPER CENTERS—0.7%		
Walmart, Inc.	3,100	**368,404**
INDUSTRIAL CONGLOMERATES—1.6%		
Honeywell International, Inc.	4,508	**797,916**
INDUSTRIAL GASES—0.7%		
Air Products & Chemicals, Inc.	1,525	**358,360**
INTEGRATED OIL & GAS—1.8%		
Chevron Corp.	2,090	251,866
Exxon Mobil Corp.	5,101	355,948
TOTAL SA#	4,838	267,541
		875,355
INTEGRATED TELECOMMUNICATION SERVICES—1.9%		
AT&T, Inc.	8,245	322,215
Verizon Communications, Inc.	9,896	607,614
		929,829
INTERACTIVE MEDIA & SERVICES—4.0%		
Alphabet, Inc., Cl. A*	536	717,913
Alphabet, Inc., Cl. C*	508	679,206
Facebook, Inc., Cl. A*	2,818	578,395
		1,975,514
INTERNET & DIRECT MARKETING RETAIL—1.0%		
Amazon.com, Inc.*	259	**478,591**
INVESTMENT BANKING & BROKERAGE—1.3%		
Morgan Stanley	12,323	**629,952**
LEISURE FACILITIES—0.5%		
Six Flags Entertainment Corp.	2,669	120,399
Vail Resorts, Inc.	604	144,857
		265,256
MANAGED HEALTHCARE—1.3%		
UnitedHealth Group, Inc.	2,167	**637,055**
MULTI-LINE INSURANCE—0.4%		
The Hartford Financial Services Group, Inc.	3,432	**208,563**

COMMON STOCKS—59.4% (CONT.)	SHARES		VALUE
MULTI-UTILITIES—0.5%			
Sempra Energy	1,710	$	**259,031**
OIL & GAS EXPLORATION & PRODUCTION—0.6%			
ConocoPhillips	4,449		**289,318**
OIL & GAS REFINING & MARKETING—0.2%			
Valero Energy Corp.	1,282		**120,059**
OIL & GAS STORAGE & TRANSPORTATION—0.4%			
ONEOK, Inc.	2,694		**203,855**
PHARMACEUTICALS—5.2%			
AstraZeneca PLC#	5,078		253,189
Eli Lilly & Co.	2,502		328,838
GlaxoSmithKline PLC#	5,029		236,313
Johnson & Johnson	4,133		602,880
Merck & Co., Inc.	4,949		450,112
Novartis AG#	1,551		146,864
Pfizer, Inc.	13,443		526,697
			2,544,893
RAILROADS—0.5%			
Union Pacific Corp.	1,259		**227,615**
RESTAURANTS—0.7%			
Darden Restaurants, Inc.	1,279		139,424
McDonald's Corp.	1,140		225,275
			364,699
SEMICONDUCTOR EQUIPMENT—1.0%			
KLA Corp.	2,787		**496,560**
SEMICONDUCTORS—2.0%			
Broadcom, Inc.	1,559		492,675
QUALCOMM, Inc.	3,508		309,511
Taiwan Semiconductor Manufacturing Co., Ltd.#	3,542		205,790
			1,007,976
SOFT DRINKS—1.7%			
PepsiCo, Inc.	3,958		540,940
The Coca-Cola Co.	5,315		294,185
			835,125
SPECIALTY CHEMICALS—0.2%			
DuPont de Nemours, Inc.	1,424		**91,421**
SYSTEMS SOFTWARE—5.5%			
Microsoft Corp.	17,338		**2,734,202**
TECHNOLOGY HARDWARE STORAGE & PERIPHERALS—3.5%			
Apple, Inc.	5,911		**1,735,765**
TOBACCO—1.0%			
Altria Group, Inc.	9,899		**494,059**
TOTAL COMMON STOCKS			
(Cost $16,224,579)			**29,364,676**

MASTER LIMITED PARTNERSHIP—0.8%	SHARES		VALUE
ASSET MANAGEMENT & CUSTODY BANKS—0.4%			
The Carlyle Group LP	6,242	$	**200,244**
OIL & GAS STORAGE & TRANSPORTATION—0.4%			
Cheniere Energy Partners LP	4,546		**180,976**
TOTAL MASTER LIMITED PARTNERSHIP (Cost $290,474)			**381,220**

REAL ESTATE INVESTMENT TRUST—2.9%	SHARES	VALUE
HEALTHCARE—0.4%		
Welltower, Inc.	2,421	**197,989**
INDUSTRIAL—0.3%		
Americold Realty Trust	4,853	**170,146**
MORTGAGE—0.5%		
Blackstone Mortgage Trust, Inc., Cl. A	6,717	**250,007**
SPECIALIZED—1.7%		
Crown Castle International Corp.	2,997	426,024
CyrusOne, Inc.	2,548	166,716
Lamar Advertising Co., Cl. A	2,654	236,896
		829,636
TOTAL REAL ESTATE INVESTMENT TRUST (Cost $1,035,652)		**1,447,778**

CORPORATE BONDS—28.8%	PRINCIPAL AMOUNT	VALUE
AGRICULTURAL & FARM MACHINERY—3.6%		
John Deere Capital Corp., 2.75%, 3/15/22	1,750,000	**1,784,316**
DIVERSIFIED BANKS—4.2%		
JPMorgan Chase & Co., 4.35%, 8/15/21	1,000,000	1,038,781
Wells Fargo & Co., 3.30%, 9/9/24	1,000,000	1,048,685
		2,087,466
INTEGRATED OIL & GAS—2.0%		
Total Capital SA, 4.45%, 6/24/20	1,000,000	**1,011,882**
INTEGRATED TELECOMMUNICATION SERVICES—2.9%		
Verizon Communications, Inc., 5.15%, 9/15/23	1,300,000	**1,446,320**
PACKAGED FOODS & MEATS—4.1%		
Campbell Soup Co., 2.50%, 8/2/22	2,000,000	**2,025,125**
SEMICONDUCTORS—3.3%		
Altera Corp., 4.10%, 11/15/23	1,500,000	**1,617,753**
SYSTEMS SOFTWARE—2.0%		
Microsoft Corp., 1.85%, 2/12/20	1,000,000	**1,000,011**
TECHNOLOGY HARDWARE STORAGE & PERIPHERALS—6.7%		
Apple, Inc., 1.80%, 5/11/20	1,200,000	1,199,008
HP, Inc., 4.38%, 9/15/21	2,000,000	2,075,481
		3,274,489
TOTAL CORPORATE BONDS (Cost $13,934,967)		**14,247,362**

U.S. TREASURY OBLIGATIONS—6.0%	PRINCIPAL AMOUNT		VALUE
ZCP, 2/6/20	1,500,000	$	1,497,565
ZCP, 5/14/20	1,500,000		1,491,471
TOTAL U.S. TREASURY OBLIGATIONS			
(Cost $2,989,036)			**2,989,036**
Total Investments			
(Cost $34,474,708)	97.9%	**$**	**48,430,072**
Unaffiliated Securities (Cost $34,474,708)			48,430,072
Other Assets in Excess of Liabilities	2.1%		1,044,941
NET ASSETS	100.0%	**$**	**49,475,013**

American Depositary Receipts.
* *Non-income producing security.*

See Notes to Financial Statements.

ALGER BALANCED PORTFOLIO
Statement of Assets and Liabilities December 31, 2019

		Alger Balanced Portfolio
ASSETS:		
Investments in unaffiliated securities, at value (Identified cost below)* see accompanying schedule of investments	$	48,430,072
Cash and cash equivalents		929,155
Receivable for shares of beneficial interest sold		5,215
Dividends and interest receivable		196,475
Prepaid expenses		19,090
Total Assets		49,580,007
LIABILITIES:		
Payable for shares of beneficial interest redeemed		29,764
Accrued investment advisory fees		30,435
Accrued printing fees		14,652
Accrued professional fees		9,984
Accrued custody fees		9,740
Accrued transfer agent fees		2,087
Accrued administrative fees		1,179
Accrued shareholder administrative fees		429
Accrued other expenses		6,724
Total Liabilities		104,994
NET ASSETS	**$**	**49,475,013**
NET ASSETS CONSIST OF:		
Paid in capital (par value of $.001 per share)		35,307,870
Distributable earnings		14,167,143
NET ASSETS	**$**	**49,475,013**
* Identified cost	$	34,474,708[(a)]

See Notes to Financial Statements.

[(a)] At December 31, 2019, the net unrealized appreciation on investments, based on cost for federal income tax purposes of $34,368,430, amounted to $14,061,642 which consisted of aggregate gross unrealized appreciation of $14,431,089 and aggregate gross unrealized depreciation of $369,447.

		Alger Balanced Portfolio
NET ASSETS BY CLASS:		
Class I-2	$	49,475,013
SHARES OF BENEFICIAL INTEREST OUTSTANDING — NOTE 6:		
Class I-2		3,148,461
NET ASSET VALUE PER SHARE:		
Class I-2	$	15.71

See Notes to Financial Statements.

ALGER BALANCED PORTFOLIO
Statement of Operations for the year ended December 31, 2019

		Alger Balanced Portfolio
INCOME:		
Dividends (net of foreign withholding taxes*)	$	805,180
Interest		461,648
Total Income		1,266,828
EXPENSES:		
Investment advisory fees — Note 3(a)		325,243
Shareholder administrative fees — Note 3(f)		4,581
Administration fees — Note 3(b)		12,597
Custodian fees		48,771
Transfer agent fees — Note 3(f)		13,344
Printing fees		21,630
Professional fees		34,670
Registration fees		21,854
Trustee fees — Note 3(g)		1,605
Fund accounting fees		15,521
Other expenses		4,081
Total Expenses		503,897
NET INVESTMENT INCOME		762,931
REALIZED AND UNREALIZED GAIN ON INVESTMENTS:		
Net realized gain on unaffiliated investments		1,025,967
Net change in unrealized appreciation on unaffiliated investments		6,286,842
Net realized and unrealized gain on investments		7,312,809
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	**$**	**8,075,740**
* Foreign withholding taxes	$	3,715

See Notes to Financial Statements.

ALGER BALANCED PORTFOLIO
Statements of Changes in Net Assets

	Alger Balanced Portfolio	
	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
Net investment income	$ 762,931	$ 741,932
Net realized gain on investments	1,025,967	1,153,673
Net change in unrealized appreciation (depreciation) on investments	6,286,842	(3,274,025)
Net increase (decrease) in net assets resulting from operations	8,075,740	(1,378,420)
Dividends and distributions to shareholders:		
Class I-2	(1,880,741)	(7,553,651)
Total dividends and distributions to shareholders	(1,880,741)	(7,553,651)
Increase from shares of beneficial interest transactions — Note 6:		
Class I-2	1,242,901	3,468,329
Total increase (decrease)	7,437,900	(5,463,742)
Net Assets:		
Beginning of period	42,037,113	47,500,855
END OF PERIOD	**$ 49,475,013**	**$ 42,037,113**

See Notes to Financial Statements.

Alger Balanced Portfolio

	Class I-2				
	Year ended 12/31/2019	Year ended 12/31/2018	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015
Net asset value, beginning of period	$ 13.67	$ 17.20	$ 15.32	$ 14.39	$ 14.48
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income[(i)]	0.25	0.28	0.29	0.29	0.29
Net realized and unrealized gain (loss) on investments	2.41	(0.84)	2.08	0.94	(0.08)
Total from investment operations	2.66	(0.56)	2.37	1.23	0.21
Dividends from net investment income	(0.23)	(0.72)	(0.49)	(0.30)	(0.30)
Distributions from net realized gains	(0.39)	(2.25)	–	–	–
Net asset value, end of period	$ 15.71	$ 13.67	$ 17.20	$ 15.32	$ 14.39
Total return	19.50%	(3.32)%	15.44%	8.51%	1.47%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (000's omitted)	$ 49,475	$ 42,037	$ 47,501	$ 71,534	$ 75,350
Ratio of net expenses to average net assets	1.10%	1.14%	0.96%	0.96%	0.92%
Ratio of net investment income to average net assets	1.67%	1.61%	1.77%	1.97%	1.97%
Portfolio turnover rate	5.71%	5.04%	10.89%	3.58%	9.64%

See Notes to Financial Statements.

(i) *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 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 (formerly Alger SMid Cap Focus 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. The Portfolio offers Class I-2 shares.

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 ("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 foreign 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.

Financial Accounting Standards Board 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 principle 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 values may significantly differ from the values if there was an active market.

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

While the Portfolio's Committee meets on an as-needed basis, the Portfolio's Committee generally meets quarterly to review and evaluate the effectiveness of the procedures for making fair value determinations. The Portfolio's 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 price.

The Portfolio will record a change to a security's fair value level if new inputs are available or it becomes evident that inputs previously considered for leveling have changed or are no longer relevant. Transfers between Levels 1, 2 and 3 are recognized at the end of the reporting period.

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

(c) Security Transactions and Investment Income: Security transactions are recorded on a trade date basis. Realized gains and losses from security 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) Option Contracts: When the Portfolio writes an option, an amount equal to the premium received by the Portfolio is recorded as a liability and is subsequently adjusted to reflect the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Portfolio on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Portfolio has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Portfolio. The Portfolio as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option.

The Portfolio may also purchase put and call options. The Portfolio pays a premium which is included in the Portfolio's accompanying Statement of Assets and Liabilities as an investment and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire unexercised are treated as realized losses. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying security to determine the realized gain or loss.

(f) 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 (the "Custodian"), in an amount equal to at least 102 percent of the current market value of U.S. loaned securities or 105 percent 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 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 December 31, 2019.

(g) 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 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.

(h) 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 provision is required.

Financial Accounting Standards Board 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 2016-2019. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

(i) 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.

(j) 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. Actual results may differ from those estimates. All such estimates are of normal recurring nature.

(k) Recent Accounting Pronouncements: In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2018-13 "Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13") which modifies disclosure requirements for fair value measurements, principally for Level 3

securities and transfers between levels of the fair value hierarchy. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years.

Management is currently evaluating the application of ASU 2018-13 and its impact, if any, on the Portfolio's financial statements.

In March 2017, the FASB issued Accounting Standards Update 2017-08 ("ASU 2017-08"), *Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities*, which amends the amortization period for certain purchased callable debt securities. Management has adopted the amendment and incorporated the changes in the current financial statements and related disclosures. For public business entities, the amendments in this ASU 2017-08 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.

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 Fred Alger Management, LLC ("Alger Management" or 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 year ended December 31, 2019, is set forth below under the heading "Actual Rate":

	Tier 1	Tier 2	Actual Rate
Alger Balanced Portfolio[(a)]	0.71%	0.55%	0.71%

[(a)] *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 year ended December 31, 2019, the Portfolio paid Fred Alger & Company, LLC, the Fund's distributor (the "Distributor" or "Alger LLC") and an affiliate of Alger Management, $5 in connection with securities transactions.

(d) Interfund Loans: The Portfolio and other funds advised by Alger Management 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. If the Portfolio has borrowed from other funds 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. 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 December 31, 2019.

(e) Other Transactions with Affiliates: Certain officers of the Fund are directors and/or officers

of Alger Management, the Distributor, or their affiliates.

(f) Shareholder Administrative Fees: The Fund has entered into a shareholder administrative services agreement with Alger Management to compensate Alger Management for its liaison and administrative oversight of the Portfolio's transfer agent, and for other related services. Effective October 5, 2019, the Portfolio engaged UMB Fund Services, Inc. as the Portfolio's new transfer agent (DST Asset Manager Solutions, Inc. previously served as the Portfolio's transfer agent). The Portfolio compensates Alger Management at the annual rate of 0.01% of the average daily net assets for these services.

(g) Trustee Fees: For 2019, each trustee who is not an "interested person" of the Fund, as defined in the Investment Company Act of 1940, as amended ("Independent Trustee") received a fee of $122,000 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 and Alger Global Focus Fund, each of which is a registered investment company managed by Alger Management. The Independent Trustee appointed as Chairman of the Board of Trustees received additional compensation of $30,000 per annum paid pro rata based on net assets by each fund in the Alger Fund Complex. Additionally, each member of the Audit Committee received a fee of $11,000 per annum, paid pro rata based on net assets by each fund in the Alger Fund Complex.

On December 17, 2019, the Board of Trustees approved the following changes in Trustee compensation. Effective January 1, 2020, each Independent Trustee receives a fee of $134,000 per annum, paid pro rata by each fund in the Alger Fund Complex, plus travel expenses incurred for attending board meetings. The Independent Trustee appointed as Chairman of the Board of Trustees receives additional compensation of $20,000 per annum paid pro rata 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 by each fund in the Alger Fund Complex.

(h) Interfund Trades: The Portfolio may engage in purchase and sale transactions with other funds advised by Alger Management. There were no interfund trades during the year ended December 31, 2019.

NOTE 4 — Securities Transactions:

Purchases and sales of securities, other than U.S. Government securities and short-term securities, for the year ended December 31, 2019, were as follows:

	PURCHASES	SALES
Alger Balanced Portfolio	$ 2,488,551	$ 5,629,629

Transactions in foreign securities may involve certain considerations and risks not typically associated with those of U.S. companies because of, among other factors, the level of governmental supervision and regulation of foreign security markets, and the possibility of political or economic instability. Additional risks associated with investing in emerging markets include increased volatility, limited liquidity, and less stringent regulatory and legal systems.

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, 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 advised by Alger Management, as discussed in Note 3(d). For the year ended December 31, 2019, the Portfolio had the following borrowings from the Custodian and other funds:

	AVERAGE DAILY BORROWING	WEIGHTED AVERAGE INTEREST RATE
Alger Balanced Portfolio	$ 15	3.82%

The highest amount borrowed from the Custodian and other funds during the year ended December 31, 2019 for the Portfolio was as follows:

	HIGHEST BORROWING
Alger Balanced Portfolio	$ 5,639

NOTE 6 — Share Capital:

The Portfolio has an unlimited number of authorized shares of beneficial interest of $.001 par value. During the year ended December 31, 2019 and the year ended December 31, 2018, transactions of shares of beneficial interest were as follows:

	FOR THE YEAR ENDED DECEMBER 31, 2019		FOR THE YEAR ENDED DECEMBER 31, 2018	
	SHARES	AMOUNT	SHARES	AMOUNT
Alger Balanced Portfolio				
Class I-2:				
Shares sold	400,185	$ 6,067,637	208,207	$ 3,600,652
Dividends reinvested	120,637	1,880,740	549,357	7,553,651
Shares redeemed	(446,811)	(6,705,476)	(445,232)	(7,685,974)
Net increase	**74,011**	**$ 1,242,901**	**312,332**	**$ 3,468,329**

NOTE 7 — Income Tax Information:

The tax character of distributions paid during the year ended December 31, 2019 and the year ended December 31, 2018 were as follows:

		FOR THE YEAR ENDED DECEMBER 31, 2019		FOR THE YEAR ENDED DECEMBER 31, 2018
Alger Balanced Portfolio				
Distributions paid from:				
Ordinary Income	$	716,934	$	1,824,401
Long-term capital gain		1,163,807		5,729,250
Total distributions paid	**$**	**1,880,741**	**$**	**7,553,651**

As of December 31, 2019, the components of accumulated gains (losses) on a tax basis were as follows:

Alger Balanced Portfolio		
Undistributed ordinary income	$	25,008
Undistributed long-term gains		80,493
Net accumulated earnings		105,501
Capital loss carryforwards		—
Net unrealized appreciation		14,061,642
Total accumulated earnings	$	14,167,143

At December 31, 2019, the Portfolio, for federal income tax purposes, had no capital loss carryforwards and no capital loss carryforwards were utilized in 2019.

Net capital losses incurred after October 31 and within the taxable year are deemed to arise on the first business day of the Portfolio's next taxable year.

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, the tax treatment of partnership investments, the realization of unrealized appreciation of passive foreign investment companies, and return of capital from real estate investment trust investments.

No reclassification has been made among the Portfolio's components of net assets at December 31, 2019.

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 December 31, 2019, the Portfolio has determined that presenting them by security type and sector is appropriate.

Alger Balanced Portfolio	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
COMMON STOCKS				
Communication Services	$ 3,340,832	$ 3,340,832	$ —	$ —
Consumer Discretionary	2,930,536	2,930,536	—	—
Consumer Staples	2,336,701	2,336,701	—	—
Energy	1,488,587	1,488,587	—	—
Financials	4,682,668	4,682,668	—	—
Healthcare	4,450,812	4,450,812	—	—
Industrials	2,750,526	2,750,526	—	—
Information Technology	6,385,376	6,385,376	—	—
Materials	527,717	527,717	—	—
Utilities	470,921	470,921	—	—
TOTAL COMMON STOCKS	**$ 29,364,676**	**$ 29,364,676**	**$ —**	**$ —**
MASTER LIMITED PARTNERSHIP				
Energy	180,976	180,976	—	—
Financials	200,244	200,244	—	—
TOTAL MASTER LIMITED PARTNERSHIP	**$ 381,220**	**$ 381,220**	**$ —**	**$ —**

Alger Balanced Portfolio	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
REAL ESTATE INVESTMENT TRUST				
Financials	$ 250,007	$ 250,007	$ —	$ —
Real Estate	1,197,771	1,197,771	—	—
TOTAL REAL ESTATE INVESTMENT TRUST	**$ 1,447,778**	**$ 1,447,778**	**$ —**	**$ —**
CORPORATE BONDS				
Communication Services	1,446,320	—	1,446,320	—
Consumer Staples	2,025,125	—	2,025,125	—
Energy	1,011,882	—	1,011,882	—
Financials	2,087,466	—	2,087,466	—
Industrials	1,784,316	—	1,784,316	—
Information Technology	5,892,253	—	5,892,253	—
TOTAL CORPORATE BONDS	**$ 14,247,362**	**$ —**	**$ 14,247,362**	**$ —**
SHORT-TERM INVESTMENT				
U.S. Treasury Obligations	2,989,036	—	2,989,036	—
TOTAL INVESTMENTS IN SECURITIES	**$ 48,430,072**	**$ 31,193,674**	**$ 17,236,398**	**$ —**

As of December 31, 2019, there were no transfers of securities between Level 1 and Level 2.

Certain of the Portfolio's assets and liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of December 31, 2019, such assets were categorized within the ASC 820 disclosure hierarchy as follows:

	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Cash and cash equivalents	$ 929,155	$ —	$ 929,155	$ —

NOTE 9 — Derivatives:

Financial Accounting Standards Board Accounting Standards Codification 815 – Derivatives and Hedging ("ASC 815") requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements.

Options —The Portfolio seeks to capture the majority of the returns associated with equity market investments. To meet this investment goal, the Portfolio invests in a broadly diversified portfolio of common stocks and may also buy and sell call and put options on equities and equity indexes. The Portfolio may purchase call options to increase its exposure to the stock market and also provide diversification of risk. The Portfolio may purchase put options in order to protect from significant market declines that may occur over a short period of time. The Portfolio may write covered call and cash-secured put options to generate cash flows while reducing the volatility of the portfolio. The cash flows may be an important source of the Portfolio's return, although written call options may reduce the Portfolio's ability to profit from increases in the value of the underlying security or equity portfolio. The value of a call option generally increases as the price of the underlying stock increases and decreases as the stock decreases in price. Conversely, the value of a put option generally increases as the price of the underlying stock decreases and decreases as the stock increases in price. The combination of the diversified stock portfolio and the purchase and sale of options is intended to provide the Portfolio with the majority of the returns associated with equity market investments but with reduced volatility and returns that are augmented with the cash flows from the sale of options.

There were no derivative instruments held by the Portfolio throughout the year or as of December 31, 2019.

NOTE 10 — Risk Disclosures:

Investing in the stock market involves risks, and may not be suitable for all investors. Growth stocks tend to 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 primary risks arising from the fixed-income portion of the portfolio are interest rate sensitivity, risk of default, credit rating sensitivity, prepayment risk, illiquidity, changes in regulations, and suspensions of U.S. government support to government sponsored agencies or instrumentalities.

NOTE 11 — Subsequent Events:

Management of the Portfolio has evaluated events that have occurred subsequent to December 31, 2019, through the issuance date of the Financial Statements. No such events have been identified which require recognition and/or disclosure.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Alger Balanced Portfolio and the Board of Trustees of The Alger Portfolios:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of Alger Balanced Portfolio, one of the portfolios constituting The Alger Portfolios (the "Fund"), including the schedule of investments, as of December 31, 2019, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
New York, New York
February 20, 2020

We have served as the auditor of one or more investment companies within the group of investment companies since 2009.

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 July 1, 2019 and ending December 31, 2019.

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 would have 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 December 31, 2019" 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 Portfolio's actual expense ratios for each class of 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 transaction 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.

		Beginning Account Value July 1, 2019	Ending Account Value December 31, 2019	Expenses Paid During the Six Months Ended December 31, 2019[(a)]	Annualized Expense Ratio For the Six Months Ended December 31, 2019[(b)]
Alger Balanced Portfolio					
Class I-2	Actual	$ 1,000.00	$ 1,081.10	$ 5.77	1.10%
	Hypothetical[(c)]	1,000.00	1,019.66	5.60	1.10

(a) *Expenses are equal to the annualized expense ratio of the share class, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).*

(b) *Annualized.*

(c) *5% annual return before expenses.*

Trustees and Officers of the Fund

Information about the trustees and officers of the Fund is set forth below. In the table the term "Alger Fund Complex" refers to the Fund, The Alger Funds, The Alger Institutional Funds, Alger Global Focus Fund and The Alger Funds II, each of which is a registered investment company managed by Alger Management. Each Trustee serves until an event of termination, such as death or resignation, or until his or her successor is duly elected; each officer's term of office is one year. Unless otherwise noted, the address of each person named below is 360 Park Avenue South, New York, NY 10010.

Name (Year of Birth) and Address[1]	Position(s) Held with the Fund and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Funds in the Alger Fund Complex[3] which are Overseen by Trustee	Other Directorships Held by Trustee During Past Five Years
Interested Trustee[2]:				
Hilary M. Alger (1961)	Trustee since 2003	Fundraising Consultant since 2015, Schultz & Williams; Trustee since 2013, Pennsylvania Ballet; School Committee Member since 2017, Germantown Friends School.	27	Board of Directors, Alger Associates, Inc.; Trustee of Target Margin Theater
Non-Interested Trustees:				
Charles F. Baird, Jr. (1953)	Trustee since 2000	Managing Director since 1997, North Castle Partners (private equity securities group).	27	None
Roger P. Cheever (1945)	Trustee since 2000	Associate Vice President for Principal Gifts since 2008, Harvard University.	27	Board of Directors, Alger SICAV Fund
Stephen E. O'Neil (1932)	Trustee since 1986	Retired.	27	None
David Rosenberg (1962)	Trustee since 2007	Associate Professor of Law since August 2000, Zicklin School of Business, Baruch College, City University of New York.	27	None
Nathan E. Saint-Amand M.D. (1938)	Trustee since 1986	Medical doctor in private practice since 1970; Member of the Board of the Manhattan Institute (non-profit policy research) since 1988.	27	None

[1] The address of each Trustee is c/o Fred Alger Management, LLC, 360 Park Avenue South, New York, NY 10010.
[2] Ms. Alger is an "interested person" (as defined in the Investment Company Act of 1940, as amended) of the Fund by virtue of her ownership control of Alger Associates, Inc. ("Alger Associates"), which controls Alger Management and its affiliates.
[3] "Alger Fund Complex" refers to the Fund and the four other registered investment companies managed by Alger Management. Each Trustee serves until an event of termination, such as death or resignation, or until his or her successor is duly elected. Each of the Trustees serves on the Boards of Trustees of the other four registered investment companies in the Alger Fund Complex.

Name (Year of Birth), Position with Fund and Address[(1)]	Principal Occupations	Officer Since
Officers[(2)]:		
Hal Liebes (1964) President	Executive Vice President, Chief Operating Officer ("COO") and Secretary of Alger Management; COO and Secretary of Alger Associates, Inc. and Alger Alternative Holdings, LLC; Director of Alger SICAV, Alger International Holdings, and Alger Dynamic Return Offshore Fund; Vice President, COO, Member, and Secretary, Alger Capital, LLC and Alger Group Holdings, LLC; Executive Director and Chairman, Alger Management, Ltd.; Manager and Secretary, Weatherbie Capital, LLC and Alger Apple Real Estate LLC; Manager, Alger Partners Investors I, LLC and Alger Partners Investors KEIGF; Secretary of Alger-Weatherbie Holdings, LLC and Alger Boulder I LLC; and Director and Secretary, The Foundation for Alger Families.	2005
Tina Payne (1974) Secretary, Chief Compliance Officer	Since 2017, Senior Vice President, General Counsel, and Chief Compliance Officer ("CCO"), Alger Management; Senior Vice President, General Counsel, and Secretary, Alger LLC; CCO, Alger Management, Ltd.; Assistant Secretary, Weatherbie Capital, LLC and Alger Alternative Holdings, LLC; and since 2019, Assistant Secretary, Alger-Weatherbie Holdings, LLC. Formerly, Senior Vice President and Associate General Counsel, Cohen & Steers Capital Management, from 2007 to 2017.	2017
Michael D. Martins (1965) Treasurer, AML Compliance Officer	Senior Vice President of Alger Management.	2005
Anthony S. Caputo (1955) Assistant Treasurer	Vice President of Alger Management.	2007
Sergio M. Pavone (1961) Assistant Treasurer	Vice President of Alger Management.	2007

(1) The address of each officer is c/o Fred Alger Management, LLC, 360 Park Avenue South, New York, NY 10010.
(2) Each officer's term of office is one year. Each officer serves in the same capacity for the other funds in the Alger Fund Complex.

The Statement of Additional Information contains additional information about the Fund's Trustees and is available without charge upon request by calling (800) 992-3863.

Board Approval of Investment Advisory Agreements

THE ALGER PORTFOLIOS
Alger Balanced Portfolio
(the Fund)

At an in-person meeting held on September 17, 2019 (Meeting), the Board of Trustees (Board) of The Alger Portfolios (Trust), including a majority of the trustees who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the Trust (Independent Trustees), reviewed and approved the continuance of the investment advisory agreement between Fred Alger Management, Inc. (Fred Alger Management) and the Trust, on behalf of the Fund (each, a Management Agreement), for an additional one-year period. The Independent Trustees received advice from, and met separately with, Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. The Board considered the information provided to it about the series of the Trust together, and each series separately, as the Board deemed appropriate. Fred Alger Management is referred to herein as the "Manager."

In considering the continuation of each Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed request for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process, as well as information provided in response to a supplemental request list. The materials for the Meeting included a presentation and analysis of the Fund and the Manager's services by FUSE Research Network LLC (FUSE), an independent consulting firm. In addition, prior to the Meeting, the chair of the Board conferred with Independent Trustee counsel about the contract renewal process. The Board reviewed the materials provided and considered all of the factors it deemed relevant in approving the continuance of each Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's determination.

Nature, Extent and Quality of Services
The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager to the Fund and its

shareholders. This information included, among other things, the qualifications, background and experience of the professional personnel who perform services for the Fund; the structure of investment professional compensation; oversight of third-party service providers; investment performance, fee information and related financial information for the Fund; fees and payments to intermediaries for fund administration, transfer agency and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and the range of management fees charged by the Manager and its affiliates to other funds and accounts, including management's explanation of differences among accounts where relevant. The Board noted Fred Alger Managements history of expertise in the "growth" style of investment management and management's ongoing efforts to develop strategies and adjust portfolios to express conviction in portfolio investments, and to address areas of heightened concern in the mutual fund industry, such as market conditions and fee pressure. The Board noted the length of time the Manager had provided services as an investment adviser to the Fund and also noted FUSE's analysis that certain of the Manager's offerings should sustain growth and maintain interest in the Manager's investment capabilities.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a Fund that is part of the Alger family of funds. The Board noted the financial position of the Manager and its commitment to the mutual fund business as evidenced by a continued focus on offerings in focused strategies. The Board also noted that certain administrative, compliance, reporting and accounting services necessary for the conduct of the Fund's affairs are provided separately under a Fund Administration Agreement and a Shareholder Administrative Services Agreement with Fred Alger Management.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

Fund Performance

The Board reviewed and considered the performance results of the Fund over various time periods. The Board considered the performance returns for the Fund in comparison to the performance returns of a universe of mutual funds deemed comparable to the Fund based on various investment, operational, and pricing characteristics (Peer Universe), and a group of mutual funds from within such Peer Universe deemed comparable to the Fund based primarily on investment strategy similarity (Peer Group), each as selected by FUSE, as well as the Fund's benchmark index. The Board received a description of the methodology FUSE used to select the mutual funds included in the Peer Universe and Peer Group.

The Board also reviewed and considered Fund performance reports provided and discussions that occurred with investment personnel and senior management at Board meetings throughout the year. As had been the practice at every quarterly meeting of Trustees throughout the year, representatives of the Manager discussed with the Trustees the recent performance of the Fund. In expanding orally on the written materials they had provided to the Trustees, the FUSE representatives commented further on the performance of the Fund.

The Peer Group for the Fund included the Fund and 14 other funds with a 50% to 70% portfolio allocation to equities. The Peer Universe for this Fund included the Fund, the other funds of the Peer Group, and other funds with a 50% to 70% portfolio allocation to equities. The Board noted that the Fund's annualized total return for the one-, three- and five-year periods outperformed the median of its Peer Group, and for the 10-year period underperformed the median of its Peer Group. The Board noted that the Fund's rank within its Peer Group for the 10-year period was 11/14. The Board further noted that the Fund's annualized total return for the one-, three- and five-year periods was in the second quartile of its Peer Universe, and for the 10-year period was in the fourth quartile of its Peer Universe. The Board concluded that the Fund's performance was acceptable.

Comparative Fees and Expenses

The Board reviewed and considered information regarding the Fund's total expense ratio and its various components, including, as applicable, management fees, operating expenses, and Rule 12b-1 fees. The Board considered the total net expense ratio and, separately, the contractual management fee rate without the effect of fee waivers or expense reimbursements, if any (Management Rate), of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of the Fund's Peer Group. FUSE fee data is based upon information taken from each Peer Group fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by FUSE to be an appropriate measure of comparative fees and expenses. The FUSE Management Rate includes administrative charges, and the total net expense ratio, for comparative consistency, was shown for Class I-2 for the Fund and for similarly structured share classes for funds in the Peer Group with multiple classes of shares. The Board received a description of the methodology used by FUSE to select the mutual funds included in a Peer Group. Factors that could contribute to a Fund's total expense ratio or management fee being above the median of the Fund's Peer Group were discussed, including, for example, strong performance, considerations related to unique or specialty strategies and related costs to implement such strategies, the nature and quality of services provided by the Manager, and strategy capacity considerations.

The Board noted that the Management Rate and the total net expense ratio for the Fund were above the medians of its Peer Group, with the Management Rate in the third quartile and the total net expense ratio in the fourth (most expensive) quartile of its Peer Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability, as well as the profits, of the Manager and its affiliates in providing investment management and other services to the Fund during the year ended June 30, 2019. The Board also reviewed the profitability methodology and the changes thereto, noting that management attempts to apply its methods consistently from year to year.

The Board noted that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. The Board also noted management's expenditures related to additional regulatory and compliance requirements resulting from recent SEC and other regulatory developments.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. The Board noted the existence of management fee breakpoints for the Fund, which operate to share economies of scale with the Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that the overall size of the Manager allows it to realize other economies of scale, such as with office space, purchases of technology, and other general business expenses. The Board concluded that for the Fund, to the extent economies of scale may be realized by the Manager and its affiliates, the benefits of such economies of scale would be shared with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

Privacy Policy

U.S. Consumer Privacy Notice **Rev. 12/20/16**

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: • Social Security number and • Account balances and • Transaction history and • Purchase history and • Assets 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?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	**Yes**	**No**
For our marketing purposes — to offer our products and services to you	**Yes**	**No**
For joint marketing with other financial companies	**No**	**We don't share**
For our affiliates' everyday business purposes — information about your transactions and experiences	**Yes**	**No**
For our affiliates' everyday business purposes — information about your creditworthiness	**No**	**We don't share**
For nonaffiliates to market to you	**No**	**We don't share**
Questions? Call 1-800-342-2186		

Who we are	
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, and Alger Global Focus Fund.

What we do	
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: • Open an account or • Make deposits or withdrawals from your account or • Give us your contact information or • Provide account information or • Pay us by check.
Why can't I limit all sharing?	Federal law gives you the right to limit some but not all sharing related to: • sharing for affiliates' everyday business purposes — information about your credit worthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • Our affiliates include Fred Alger Management, LLC, Weatherbie Capital, 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, and Alger Global Focus Fund.
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 Fund 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 Fund's website at http://www.alger.com or on the SEC's website at http://www.sec.gov.

Fund Holdings

The Board of Trustees 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 makes its complete schedule of portfolio holdings available semi-annually in shareholder reports filed on Form N-CSR and after the first and third fiscal quarters as an exhibit to its reports on Form N-PORT EX. Previously, the Portfolio made its complete schedule of portfolio holdings available after the first and third fiscal quarters in regulatory filings on Form N-Q. The Portfolio's Forms N-CSR, N-PORT and N-Q are available online on the SEC's website at 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 and through other marketing communications (including printed advertising/sales literature and/or shareholder telephone customer service centers). No compensation or other consideration is 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. This agreement must be approved by the Portfolio's Chief Compliance Officer.

The Board of Trustees 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 (or price to book) ratio, EPS forecasts, alpha, beta, capture ratio, maximum drawdown, standard deviation, Sharpe ratio, information ratio, and market cap analysis), security specific impact on overall portfolio performance, return on equity statistics, geographic analysis, number of holdings, month-end top ten contributors to and detractors from performance, portfolio turnover, and other similar information. Shareholders should visit www.alger.com or may also contact the Portfolio at (800) 992-3863 to obtain such information.

Liquidity Risk Management Program

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended, the Fund established a liquidity risk management program (the "LRMP") in December 2018. The Board, including Independent Trustees, approved the LRMP in May of 2019, and appointed the Investment Manager as the administrator of the LRMP. The Investment Manager administers the LRMP through a Liquidity Risk Committee (the "Committee") that is chaired by the Fund's Chief Compliance Officer. The Board also approved an agreement with Intercontinental Exchange ("ICE"), a third party vendor hired to assist the Fund with investment classifications. The Committee is responsible for assessing the liquidity risk of the Portfolio's portfolio holdings. In conducting this assessment, the Committee evaluates qualitative factors such as the Portfolio's investment strategy and cash levels, among others, in conjunction with the quantitative classifications generated by ICE to determine the liquidity risk of each of the Portfolio's portfolio holdings. The Committee reviews daily investment classification reports and meets at least quarterly to continuously monitor the Portfolio's liquidity risk. As reported to the Board, the Committee concluded during the most recent annual review that the Fund's LRMP is operating effectively, and is adequate and effectively implemented.

THE ALGER PORTFOLIOS

360 Park Avenue South
New York, NY 10010
(800) 992-3863
www.alger.com

Investment Manager

Fred Alger Management, LLC
360 Park Avenue South
New York, NY 10010

Distributor

Fred Alger & Company, LLC
360 Park Avenue South
New York, NY 10010

Transfer Agent and Dividend Disbursing Agent

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

Custodian

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

Independent Registered Public Accounting Firm

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.

ALGER

Inspired by Change, Driven by Growth.

ALGER

THE ALGER PORTFOLIOS

Alger Capital Appreciation Portfolio

ANNUAL REPORT

DECEMBER 31, 2019

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ALGER CAPITAL APPRECIATION PORTFOLIO

Optional Internet Availability of Alger Shareholder Reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Portfolios' shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Portfolio, the insurance company that offers your variable annuity or variable life insurance contract, or from your financial intermediary. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Portfolio electronically by signing up for paperless delivery at www.icsdelivery.com/alger. If you own these shares through a financial intermediary or an insurance company, contact your financial intermediary or insurance company.

You may elect to receive all future reports in paper free of charge. You can inform the Portfolio, the insurance company, or financial intermediary that you wish to continue receiving paper copies of your shareholder reports by contacting us at 1-866-345-5954 or fundreports.com. If you own these shares through a financial intermediary or an insurance company, contact your financial intermediary or an insurance company, to elect to continue to receive paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held within the Alger Fund Complex, your insurance company, or your financial intermediary.

Dear Shareholders,

Frequent Shifts in Market Performance Occur Despite Strong Secular Growth

Researchers at the Max Planck Institute for Biological Cybernetics conducted a study of hikers in areas such as deserts that lack visual reference points. They equipped the study participants with GPS tracking technology and instructed them to walk a straight path. Within several hours, many of the hikers unknowingly returned to their starting point. Others repeatedly walked in circles.

In some ways, investors may learn an important lesson from this experiment: failing to focus on appropriate reference points in understanding secular growth may lead one astray. In this letter, I explore how investors can easily become distracted and I urge them to focus on actual reference points.

During the 12-month period ended December 31, 2019, the S&P 500 Index generated a 31.49% return. Key developments included the ebb and flow of optimism regarding U.S.-China trade negotiations, monetary policy and a changing view of the economy. We believe those factors are important, but unlike the powerful nature of secular growth, they typically influence corporate earnings and stock prices only temporarily. These transitory events can be distracting; however, we believe long-term equity results have been more important. In fact, the S&P 500's 2019 return was the strongest showing since 2013.

Trade Conflicts Drive Volatility

For most of the reporting period, concerns about U.S.-China trade tariffs intensified as both countries imposed additional tariffs while frequent shifts in the outlook for trade negotiations fueled market volatility. In October, however, President Trump proposed measures that would prevent or delay both an increase in certain existing tariffs and the implementation of new tariffs and China proposed increasing its purchases of U.S. agriculture products. In early December, the U.S. and China reached a phase one agreement. The U.S. pledged to hold off on a planned 15% tariff on various consumer goods and to reduce tariffs from 15% to 7.5% on an additional $120 billion in goods. At the same time, China agreed to various measures, such as increasing its purchases of U.S. goods, including agriculture products, by $200 billion over the next two years. It also agreed to suspend certain retaliatory tariffs and implement intellectual property safeguards.

Investors Watch the Fed

Much like investors' frequently varying views of trade negotiations, shifts in expectations for the Federal Reserve to cut interest rates caused market performance to oscillate. On July 31, 2019, the Federal Reserve announced an anticipated fed funds rate cut of 25 basis points (bps), but Federal Reserve Chairman Jerome Powell described the change as a mid-cycle adjustment rather than the start of a prolonged series of rate cuts, which disappointed market participants. The Federal Reserve eventually ushered in two additional 25 bps cuts.

Economic Sentiment Improves and Valuations Increase

In an encouraging development, the Bloomberg Economic Surprise Index turned consistently positive in September and strengthened in October after having been in negative territory for most of the first eight months of 2019. The index measures economic readings against forecasts. The improved economic data combined with optimism about trade negotiations and a dovish Federal Reserve provided a major boost to investor sentiment and resulted in the S&P 500 Index forward price-to-earnings ratio increasing during the year from 14 to 18. Growth equities continued their multiyear pattern of outperforming with the Russell 1000 Growth Index's 2019 return of 36.4% outpacing the Russell 1000 Value index by nearly 10 percentage points.

We believe this outperformance is a result, in large part, of growth companies benefiting from disrupting their respective industries with innovative products. In the process, the fundamentals of value companies, e.g., brick and mortar retailers, have become victims of disruption by innovative companies, such as online retailers, that are rapidly capturing market share. This secular trend, and other growth opportunities driven by demographic changes and other advances, suggests that growth companies still have the edge in the longer term.

Additionally, the role of accounting practices in classifying companies as growth or value is another important factor. The price-to-book ratio is the predominant metric for classifying companies as either growth or value, but modern accounting practices do not fully capitalize intangible assets. This means that the value of intangible assets, such as algorithms and computer software, may not be included in a company's book value. With lower book values, New Economy companies, which are companies that are based on new technology, such as online retailing, cloud computing, innovative healthcare devices and other medical breakthroughs, are likely to be classified as growth companies. Conversely, Old Economy companies, which are companies based on legacy business models, such as manufacturing or brick-and-mortar retailing that require significant tangible assets, may have lower price-to-book metrics and be classified as value companies. As a result of these accounting issues, investors may be inadvertently allocating capital based on business models—with New Economy digital companies that utilize intangible assets classified as growth irrespective of their valuation while Old Economy companies that utilize tangible assets may be classified as value. As long as this persists, it may be an incremental tailwind for the growth style of investing.

International markets were also strong in calendar year 2019 with the MSCI ACWI ex USA Index generating a 22.13% return. Developed markets led with the MSCI World Index generating a 28.40% return and outpacing the 18.88% return of the MSCI Emerging Markets Index.

A Better Framework for Making Investment Decisions

We believe investors should focus on unprecedented levels of innovation and secular growth as reference points rather than short-term events.

A small sampling of strong secular growth themes includes cloud computing, mobile device advertising and disruption in healthcare, all of which are allowing companies to capture market share and reward investors with strong earnings growth.

- Cloud computing, or the use of off-premises IT resources, is allowing companies and governments to quickly develop new services while reducing overall operating costs. By capturing market share from providers of on-premises technology, cloud computing is growing rapidly with the market for the public cloud expected to have expanded 35% in 2019.

- Digital advertising is another powerful secular growth theme, with some of the largest technology firms, such as Alphabet, Inc., Facebook, Inc. and Amazon.com, Inc., having generated rapid earnings growth by capturing advertising market share from traditional publishers. As smartphones have become indispensable, brands are increasingly placing content on them and other portable devices. While overall digital advertising grew 21.8% in 2018, according to the Interactive Advertising Bureau, revenues for advertising on mobile devices increased 39.7%. We estimate that revenues for advertising on mobile devices continued to grow at a faster pace than overall digital marketing in 2019.
- Healthcare innovations, such as new drugs and novel medical devices, are also creating secular growth. For treating diabetes, Dexcom, Inc. has developed a continuous glucose monitoring system and Insulet Corp. has developed a wearable insulin pump. These products are disrupting older technologies that require injections and frequent finger stick tests to monitor and control patients' glucose levels. In the pharmaceutical industry, novel drugs are noteworthy, with cancer immunotherapy being just one example. Unlike chemotherapy, which kills cancer cells using toxic compounds, immunotherapy enlists the immune system to attack cancer. The category of drugs is only five years old, but its annual market size is expected to reach $44 billion by 2024, according to investment banking firm Cowen Inc.

Going Forward

Innovation and disruption are increasingly high stakes matters. In 2019, we estimated that S&P 500 companies representing 14% of the index's market capitalization were disrupting companies with a total market capitalization of 31% of the index. We believe investors can potentially benefit the most by utilizing active portfolio management based on in-depth fundamental research that seeks to discern the winners and losers of the New Economy. At Alger, we continue to focus on corporate fundamentals as we pursue attractive investment opportunities for our shareholders.

Portfolio Matters

Alger Capital Appreciation Portfolio

The Alger Capital Appreciation Portfolio generated a 33.58% return for the fiscal 12-month period ended December 31, 2019, compared to the 36.39% return of its benchmark, the Russell 1000 Growth Index.

Contributors to Performance

During the reporting period, the largest sector weightings were Information Technology and Healthcare. The largest sector overweight was Healthcare and the largest underweight was Industrials. The Healthcare and Consumer Discretionary sectors provided the largest contributions to relative performance.

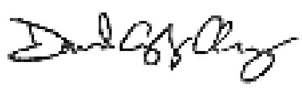
Regarding individual positions, Microsoft Corp. Apple, Inc.; Amazon.com, Inc.; Visa, Inc., Cl. A; and Facebook, Inc., Cl. A were among the top contributors to performance. Amazon.com is the leading U.S. online retailer. It also provides cloud computing services and it has been quickly expanding into digital advertising. Its shares contributed to performance as the company generated very strong high unit volume growth by continuing to capture market share from brick and mortar retailers. The success of the company's cloud computing business has also supported performance of Amazon, with the company announcing in May that Volkswagen has selected it to build a platform that will combine data for the machines, plants and systems for all 122 facilities that the car manufacturer operates.

Detractors from Performance

The Industrials and Consumer Staples sectors were among the sectors that detracted from results. Regarding individual positions, QUALCOMM, Inc.; Xilinx, Inc.; Pinterest, Inc., Cl. A; Cigna Corp.; and Workday, Inc., Cl. A were among the top detractors from performance. QUALCOMM is a leading semiconductor company with strong positions in telecommunications end markets that position the company as a primary beneficiary of the rollout of the innovative 5G network standard. Legal, regulatory and geopolitical developments impacted QUALCOMM throughout the year due to the mission critical nature of its intellectual property for mobile phone telecommunications and global 5G rollouts. Most of those issues are related to intellectual property arguments with its customers. Separately, U.S.–China trade relations developments also hurt the performance of the company's shares. Concerns that Huawei, which is an important QUALCOMM customer, could be a threat to national security, also weighed upon the performance of the shares.

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 12-month period return of Class I-2 shares. Returns include reinvestment of dividends and distributions.

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

Standard performance results can be found on the following pages. The investment return and principal value of an investment in a 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, 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 a 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 a 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 a 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 December 31, 2019. Securities mentioned in the Shareholders' Letter, if not found in the Schedule of Investments, may have been held by the Portfolio during the 12-month fiscal period.

Risk Disclosure

Investing in the stock market involves risks and may not be suitable for all investors. Growth stocks tend to 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 will be invested in technology and healthcare companies, which may be significantly affected by competition, innovation, regulation, and product obsolescence, and may be more volatile than the securities of other companies.

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

Before investing, carefully consider a 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. Read it carefully before investing.

Fred Alger & Company, LLC, Distributor. Member NYSE Euronext, SIPC.

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

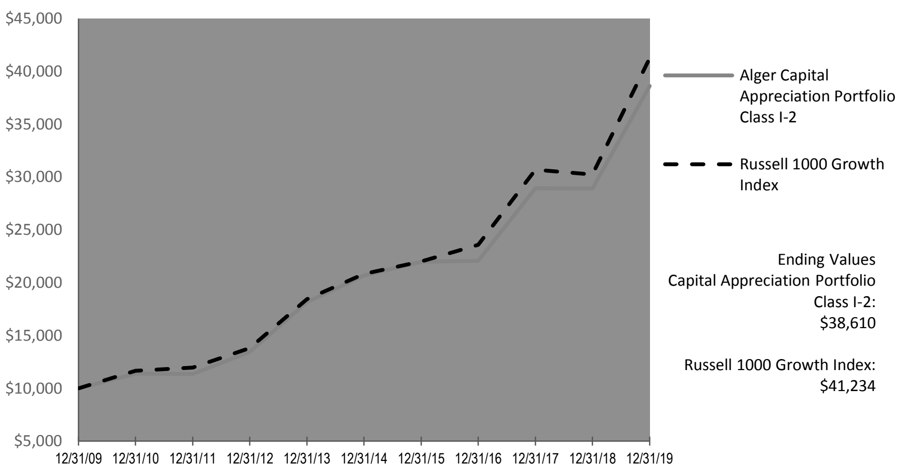
Definitions:

- S&P 500 Index: An index of large company stocks considered to be representative of the U.S. stock market.
- The Bloomberg Economic Surprise Index shows the degree to which economic analysts under- or over-estimate the trends in the business cycle. The surprise element is defined as the percentage (or percentage point) difference between analyst forecasts and the published value of economic data releases.
- The Interactive Advertising Bureau is an advertising business organization that develops industry standards, conducts research, and provides legal support for the online advertising industry.
- The forward price-to-earnings ratio (P/E) is the current market price of a company divided by its expected earnings during the next 12 months.
- The MSCI ACWI ex USA Index (gross) captures large and mid cap representation across 23 of 24 Developed Markets (DM) countries (excluding the US) and 23 Emerging Markets (EM) countries. The index covers approximately 85% of the global equity opportunity set outside the US.
- The Morgan Stanley Capital International (MSCI) Emerging Markets Index (gross) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.
- The MSCI World Index is a broad global equity benchmark that represents large and mid-cap equity performance across 23 (DM) countries.
- The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher growth earning potential as defined by Russell's leading style methodology. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment.
- The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price/book ratios and lower forecasted growth values.

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

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

— 10 years ended 12/31/19



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 December 31, 2019. 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 the higher expenses that class bears.

PERFORMANCE COMPARISON AS OF 12/31/19

AVERAGE ANNUAL TOTAL RETURNS	1 YEAR	5 YEARS	10 YEARS	Since 1/25/1995
Class I-2 (Inception 1/25/95)	33.58%	13.30%	14.46%	13.47%
Class S (Inception 5/1/02)(i)	33.24%	13.00%	14.13%	13.19%
Russell 1000 Growth Index	36.39%	14.63%	15.22%	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 month end, visit us at 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 cost of 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†
December 31, 2019 (Unaudited)

SECTORS/SECURITY TYPES	Alger Capital Appreciation Portfolio
Communication Services	11.7%
Consumer Discretionary	16.4
Consumer Staples	0.4
Energy	0.3
Financials	6.0
Healthcare	15.2
Industrials	6.0
Information Technology	40.4
Materials	2.7
Real Estate	0.8
Total Equity Securities	99.9
Short-Term Investments and Net Other Assets	0.1
	100.0%

† *Based on net assets for the Portfolio.*

COMMON STOCKS—98.9%	SHARES		VALUE
AEROSPACE & DEFENSE—2.7%			
Raytheon Co.	12,676	$	2,785,424
The Boeing Co.	10,944		3,565,117
TransDigm Group, Inc.	10,954		6,134,241
United Technologies Corp.	8,762		1,312,197
			13,796,979
APPAREL ACCESSORIES & LUXURY GOODS—0.4%			
Lululemon Athletica, Inc.*	8,679		**2,010,664**
APPLICATION SOFTWARE—9.0%			
Adobe, Inc.*	55,242		18,219,364
Autodesk, Inc.*	19,518		3,580,772
Palantir Technologies, Inc., Cl. A*,@,(a)	41,286		237,394
salesforce.com, Inc.*	129,847		21,118,317
Workday, Inc., Cl. A*	18,067		2,971,118
			46,126,965
AUTO PARTS & EQUIPMENT—1.0%			
Aptiv PLC	53,714		**5,101,219**
AUTOMOTIVE RETAIL—0.4%			
O'Reilly Automotive, Inc.*	4,870		**2,134,326**
BIOTECHNOLOGY—3.0%			
AbbVie, Inc.	28,793		2,549,332
Biogen, Inc.*	4,509		1,337,956
Sarepta Therapeutics, Inc.*	18,805		2,426,597
Vertex Pharmaceuticals, Inc.*	40,414		8,848,645
			15,162,530
CASINOS & GAMING—0.2%			
Las Vegas Sands Corp.	14,899		**1,028,627**
DATA PROCESSING & OUTSOURCED SERVICES—9.6%			
Fidelity National Information Services, Inc.	77,332		10,756,108
Fiserv, Inc.*	24,499		2,832,819
PayPal Holdings, Inc.*	82,548		8,929,217
Visa, Inc., Cl. A	142,720		26,817,088
			49,335,232
DIVERSIFIED BANKS—1.3%			
Bank of America Corp.	58,381		2,056,179
Citigroup, Inc.	21,593		1,725,065
JPMorgan Chase & Co.	20,513		2,859,512
			6,640,756
DIVERSIFIED SUPPORT SERVICES—0.9%			
Cintas Corp.	17,847		**4,802,271**
ELECTRICAL COMPONENTS & EQUIPMENT—0.3%			
Rockwell Automation, Inc.	6,664		**1,350,593**
ENVIRONMENTAL & FACILITIES SERVICES—0.1%			
Waste Management, Inc.	5,877		**669,743**
FINANCIAL EXCHANGES & DATA—2.6%			
Intercontinental Exchange, Inc.	75,855		7,020,380

COMMON STOCKS—98.9% (CONT.)	SHARES		VALUE
FINANCIAL EXCHANGES & DATA—2.6% (CONT.)			
S&P Global, Inc.	23,243	$	6,346,501
			13,366,881
FOOTWEAR—1.1%			
NIKE, Inc., Cl. B	55,999		**5,673,259**
GENERAL MERCHANDISE STORES—0.9%			
Dollar Tree, Inc.*	50,551		**4,754,322**
HEALTHCARE EQUIPMENT—7.2%			
Abbott Laboratories	100,152		8,699,203
Boston Scientific Corp.*	213,733		9,665,006
Danaher Corp.	85,894		13,183,011
DexCom, Inc.*	13,982		3,058,423
Intuitive Surgical, Inc.*	3,514		2,077,301
			36,682,944
HEALTHCARE SERVICES—0.4%			
Cigna Corp.	10,121		**2,069,643**
HYPERMARKETS & SUPER CENTERS—0.4%			
Walmart, Inc.	15,357		**1,825,026**
INDUSTRIAL CONGLOMERATES—1.1%			
Honeywell International, Inc.	32,795		**5,804,715**
INDUSTRIAL GASES—1.0%			
Air Products & Chemicals, Inc.	21,915		**5,149,806**
INTERACTIVE MEDIA & SERVICES—9.5%			
Alphabet, Inc., Cl. C*	16,665		22,281,438
Facebook, Inc., Cl. A*	120,398		24,711,690
Pinterest, Inc., Cl. A*	91,986		1,714,619
			48,707,747
INTERNET & DIRECT MARKETING RETAIL—11.8%			
Alibaba Group Holding Ltd.#,*	105,155		22,303,376
Amazon.com, Inc.*	19,364		35,781,573
MercadoLibre, Inc.*	3,786		2,165,365
			60,250,314
INTERNET SERVICES & INFRASTRUCTURE—0.5%			
VeriSign, Inc.*	12,334		**2,376,515**
INVESTMENT BANKING & BROKERAGE—0.9%			
Morgan Stanley	58,853		3,008,565
The Charles Schwab Corp.	30,696		1,459,902
			4,468,467
LEISURE FACILITIES—0.3%			
Vail Resorts, Inc.	5,375		**1,289,086**
LIFE SCIENCES TOOLS & SERVICES—0.8%			
Thermo Fisher Scientific, Inc.	12,093		**3,928,653**
MANAGED HEALTHCARE—2.6%			
UnitedHealth Group, Inc.	44,784		**13,165,600**
METAL & GLASS CONTAINERS—0.8%			
Ball Corp.	63,299		**4,093,546**

COMMON STOCKS—98.9% (CONT.)	SHARES		VALUE
MOVIES & ENTERTAINMENT—1.4%			
Netflix, Inc.*	7,342	$	2,375,651
The Walt Disney Co.	33,697		4,873,597
			7,249,248
OIL & GAS EQUIPMENT & SERVICES—0.3%			
Schlumberger Ltd.	32,013		**1,286,923**
PHARMACEUTICALS—1.2%			
Allergan PLC	1,341		256,359
GW Pharmaceuticals PLC#,*	12,618		1,319,338
Novartis AG#	7,921		750,039
Zoetis, Inc., Cl. A	28,918		3,827,298
			6,153,034
PROPERTY & CASUALTY INSURANCE—1.2%			
The Progressive Corp.	84,070		**6,085,827**
RAILROADS—0.6%			
Union Pacific Corp.	15,739		**2,845,454**
RESTAURANTS—0.3%			
Starbucks Corp.	19,986		**1,757,169**
SEMICONDUCTOR EQUIPMENT—1.0%			
Applied Materials, Inc.	61,372		3,746,147
ASML Holding NV	4,573		1,353,333
			5,099,480
SEMICONDUCTORS—4.3%			
Micron Technology, Inc.*	34,235		1,841,158
NVIDIA Corp.	19,424		4,570,467
NXP Semiconductors NV	66,692		8,487,224
QUALCOMM, Inc.	46,548		4,106,930
Taiwan Semiconductor Manufacturing Co., Ltd.#	12,728		739,497
Xilinx, Inc.	22,796		2,228,765
			21,974,041
SPECIALTY CHEMICALS—0.9%			
The Sherwin-Williams Co.	8,242		**4,809,537**
SYSTEMS SOFTWARE—10.6%			
Microsoft Corp.	320,730		50,579,121
ServiceNow, Inc.*	13,732		3,876,818
			54,455,939
TECHNOLOGY HARDWARE STORAGE & PERIPHERALS—5.2%			
Apple, Inc.	85,718		25,171,091
Samsung Electronics Co., Ltd.	34,071		1,642,926
			26,814,017
TRUCKING—0.3%			
Uber Technologies, Inc.*	48,071		**1,429,632**
WIRELESS TELECOMMUNICATION SERVICES—0.8%			
T-Mobile US, Inc.*	50,141		**3,932,057**
TOTAL COMMON STOCKS			
(Cost $342,148,938)			**505,658,787**

PREFERRED STOCKS—0.2%	SHARES		VALUE
APPLICATION SOFTWARE—0.2%			
Palantir Technologies, Inc., Cl. B*,@,(a)	168,373	$	968,145
Palantir Technologies, Inc., Cl. D*,@,(a)	21,936		126,132
			1,094,277
TOTAL PREFERRED STOCKS			
(Cost $1,256,679)			**1,094,277**
REAL ESTATE INVESTMENT TRUST—0.8%	SHARES		VALUE
SPECIALIZED—0.8%			
Crown Castle International Corp.	18,504		2,630,343
SBA Communications Corp., Cl. A	6,848		1,650,300
			4,280,643
TOTAL REAL ESTATE INVESTMENT TRUST			
(Cost $3,614,350)			**4,280,643**
Total Investments			
(Cost $347,019,967)	99.9%	**$**	**511,033,707**
Unaffiliated Securities (Cost $347,019,967)			511,033,707
Other Assets in Excess of Liabilities	0.1%		318,274
NET ASSETS	100.0%	**$**	**511,351,981**

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.*
@ *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.*

Security	*Acquisition Date(s)*	*Acquisition Cost*	*% of net assets (Acquisition Date)*	*Market Value*	*% of net assets as of 12/31/2019*
Palantir Technologies, Inc., Cl. A	*10/7/14*	*$268,648*	*0.05%*	*$237,394*	*0.05%*
Palantir Technologies, Inc., Cl. B	*10/7/14*	*1,111,840*	*0.22%*	*968,145*	*0.19%*
Palantir Technologies, Inc., Cl. D	*10/14/14*	*144,839*	*0.03%*	*126,132*	*0.02%*
Total				*$1,331,671*	*0.26%*

See Notes to Financial Statements.

		Alger Capital Appreciation Portfolio
ASSETS:		
Investments in unaffiliated securities, at value (Identified cost below)* see accompanying schedule of investments	$	511,033,707
Cash and cash equivalents		2,967,535
Receivable for investment securities sold		5,302,319
Receivable for shares of beneficial interest sold		296,237
Dividends and interest receivable		534,557
Prepaid expenses		32,928
Total Assets		520,167,283
LIABILITIES:		
Payable for investment securities purchased		5,950,250
Payable for shares of beneficial interest redeemed		2,373,503
Accrued investment advisory fees		359,539
Accrued transfer agent fees		13,043
Accrued distribution fees		10,766
Accrued administrative fees		12,207
Accrued shareholder administrative fees		4,439
Accrued other expenses		91,555
Total Liabilities		8,815,302
NET ASSETS	**$**	**511,351,981**
NET ASSETS CONSIST OF:		
Paid in capital (par value of $.001 per share)		341,979,808
Distributable earnings		169,372,173
NET ASSETS	**$**	**511,351,981**
* Identified cost	$	347,019,967[(a)]

See Notes to Financial Statements.

[(a)] *At December 31, 2019, the net unrealized appreciation on investments, based on cost for federal income tax purposes of $352,886,802, amounted to $158,146,905, which consisted of aggregate gross unrealized appreciation of $166,343,599 and aggregate gross unrealized depreciation of $8,196,694.*

		Alger Capital Appreciation Portfolio
NET ASSETS BY CLASS:		
Class I-2	$	461,685,755
Class S	$	49,666,226
SHARES OF BENEFICIAL INTEREST OUTSTANDING — NOTE 6:		
Class I-2		5,704,469
Class S		654,793
NET ASSET VALUE PER SHARE:		
Class I-2	$	80.93
Class S	$	75.85

See Notes to Financial Statements.

ALGER CAPITAL APPRECIATION PORTFOLIO
Statement of Operations for the year ended December 31, 2019

		Alger Capital Appreciation Portfolio
INCOME:		
Dividends (net of foreign withholding taxes*)	$	4,509,471
Interest		128,725
Total Income		4,638,196
EXPENSES:		
Investment advisory fees — Note 3(a)		4,031,817
Distribution fees — Note 3(c)		
Class S		117,938
Shareholder administrative fees — Note 3(f)		49,776
Administration fees — Note 3(b)		136,883
Custodian fees		76,048
Interest expenses		3,319
Transfer agent fees — Note 3(f)		79,567
Printing fees		72,475
Professional fees		88,365
Registration fees		29,363
Trustee fees — Note 3(g)		17,410
Fund accounting fees		73,473
Other expenses		42,899
Total Expenses		4,819,333
NET INVESTMENT LOSS		(181,137)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:		
Net realized gain on unaffiliated investments		52,280,598
Net realized (loss) on foreign currency transactions		(1,810)
Net change in unrealized appreciation on unaffiliated investments		90,099,941
Net change in unrealized appreciation on foreign currency		34
Net realized and unrealized gain on investments and foreign currency		142,378,763
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	**$**	**142,197,626**
* Foreign withholding taxes	$	26,788

See Notes to Financial Statements.

ALGER CAPITAL APPRECIATION PORTFOLIO
Statements of Changes in Net Assets

	Alger Capital Appreciation Portfolio	
	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
Net investment income (loss)	$ (181,137)	$ 56,286
Net realized gain on investments and foreign currency	52,278,788	75,288,855
Net change in unrealized appreciation (depreciation) on investments and foreign currency	90,099,975	(72,467,934)
Net increase in net assets resulting from operations	142,197,626	2,877,207
Dividends and distributions to shareholders:		
Class I-2	(50,466,137)	(74,212,851)
Class S	(5,738,559)	(7,812,703)
Total dividends and distributions to shareholders	(56,204,696)	(82,025,554)
Increase (decrease) from shares of beneficial interest transactions:		
Class I-2	(29,466,461)	15,321,109
Class S	239,334	(567,138)
Net increase (decrease) from shares of beneficial interest transactions — Note 6	(29,227,127)	14,753,971
Total increase (decrease)	56,765,803	(64,394,376)
Net Assets:		
Beginning of period	454,586,178	518,980,554
END OF PERIOD	**$ 511,351,981**	**$ 454,586,178**

See Notes to Financial Statements.

Alger Capital Appreciation Portfolio

	Class I-2				
	Year ended 12/31/2019	Year ended 12/31/2018	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015
Net asset value, beginning of period	$ 68.07	$ 82.64	$ 67.11	$ 67.42	$ 71.35
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income (loss)[(i)]	(0.01)	0.03	0.11	0.22	0.13
Net realized and unrealized gain on investments	22.74	0.10	20.76	0.13	4.37
Total from investment operations	22.73	0.13	20.87	0.35	4.50
Dividends from net investment income	–	(0.08)	(0.13)	(0.13)	(0.06)
Distributions from net realized gains	(9.87)	(14.62)	(5.21)	(0.53)	(8.37)
Net asset value, end of period	$ 80.93	$ 68.07	$ 82.64	$ 67.11	$ 67.42
Total return	33.58%	(0.10)%	31.08%	0.50%	6.19%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (000's omitted)	$ 461,686	$ 412,728	$ 468,883	$ 477,771	$ 559,298
Ratio of net expenses to average net assets	0.94%	0.95%	0.94%	0.94%	0.93%
Ratio of net investment income (loss) to average net assets	(0.01)%	0.03%	0.13%	0.33%	0.18%
Portfolio turnover rate	74.35%	67.68%	61.90%	89.78%	142.01%

See Notes to Financial Statements.

(i) *Amount was computed based on average shares outstanding during the period.*

Alger Capital Appreciation Portfolio

	Class S				
	Year ended 12/31/2019	Year ended 12/31/2018	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015
Net asset value, beginning of period	$ 64.44	$ 79.13	$ 64.50	$ 64.87	$ 69.08
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income (loss)[(i)]	(0.21)	(0.19)	(0.09)	0.04	(0.06)
Net realized and unrealized gain on investments	21.49	0.12	19.93	0.12	4.22
Total from investment operations	21.28	(0.07)	19.84	0.16	4.16
Distributions from net realized gains	(9.87)	(14.62)	(5.21)	(0.53)	(8.37)
Net asset value, end of period	$ 75.85	$ 64.44	$ 79.13	$ 64.50	$ 64.87
Total return	33.24%	(0.37)%	30.74%	0.22%	5.91%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (000's omitted)	$ 49,666	$ 41,858	$ 50,097	$ 39,570	$ 39,681
Ratio of net expenses to average net assets	1.21%	1.21%	1.21%	1.21%	1.20%
Ratio of net investment income (loss) to average net assets	(0.28)%	(0.23)%	(0.13)%	0.06%	(0.09)%
Portfolio turnover rate	74.35%	67.68%	61.90%	89.78%	142.01%

See Notes to Financial Statements.

(i) *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 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 (formerly Alger SMid Cap Focus 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 expenses.

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 ("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 foreign 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.

Financial Accounting Standards Board 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 principle 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 values may significantly differ from the values if there was an active market.

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

While the Portfolio's Committee meets on an as-needed basis, the Portfolio's Committee generally meets quarterly to review and evaluate the effectiveness of the procedures for making fair value determinations. The Portfolio's 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 price.

The Portfolio will record a change to a security's fair value level if new inputs are available or it becomes evident that inputs previously considered for leveling have changed or are no longer relevant. Transfers between Levels 1, 2 and 3 are recognized at the end of the reporting period.

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

(c) Security Transactions and Investment Income: Security transactions are recorded on a trade date basis. Realized gains and losses from security 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) Option Contracts: When the Portfolio writes an option, an amount equal to the premium received by the Portfolio is recorded as a liability and is subsequently adjusted to reflect the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Portfolio on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Portfolio has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Portfolio. The Portfolio as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option.

The Portfolio may also purchase put and call options. The Portfolio pays a premium which is included in the Portfolio's accompanying Statement of Assets and Liabilities as an investment and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire unexercised are treated as realized losses. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying security to determine the realized gain or loss.

(f) 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 (the "Custodian"), in an amount equal to at least 102 percent of the current market value of U.S. loaned securities or 105 percent 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 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 December, 31 2019.

(g) 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 earned.

Each share class is treated separately in determining the amounts 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.

(h) 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 provision is required.

Financial Accounting Standards Board 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 2016-2019. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

(i) 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 and transfer agency fees.

(j) 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. Actual results may differ from

those estimates. All such estimates are of normal recurring nature.

(k) Recent Accounting Pronouncements: In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2018-13 "Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13") which modifies disclosure requirements for fair value measurements, principally for Level 3 securities and transfers between levels of the fair value hierarchy. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years.

Management is currently evaluating the application of ASU 2018-13 and its impact, if any, on the Portfolio's financial statements.

In March 2017, the FASB issued Accounting Standards Update 2017-08 ("ASU 2017-08"), *Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities*, which amends the amortization period for certain purchased callable debt securities. Management has adopted the amendment and incorporated the changes in the current financial statements and related disclosures. For public business entities, the amendments in this ASU 2017-08 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.

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 Fred Alger Management, LLC ("Alger Management" or 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 year ended December 31, 2019, 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[(a)]	0.81%	0.65%	0.60%	0.55%	0.45%	0.81%

[(a)] *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 has adopted a Distribution Plan pursuant to which Class S shares of the Portfolio pay Fred Alger & Company, LLC, the Fund's distributor (the "Distributor" or "Alger LLC") and an affiliate of Alger Management, 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 year ended December 31, 2019, the Portfolio paid Alger LLC $48,751 in connection with securities transactions.

(e) Interfund Loans: The Portfolio and other funds advised by Alger Management 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. If the Portfolio has borrowed from other funds 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. 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 December 31, 2019.

During the year ended December 31, 2019, the Portfolio incurred interfund loan interest expenses of $2,954 which is included in 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 its liaison and administrative oversight of the Portfolio's transfer agent, and for other related services. Effective October 5, 2019, the Portfolio engaged UMB Fund Services, Inc. as the Portfolio's new transfer agent (DST Asset Manager Solutions, Inc. previously served as the Portfolio's transfer agent). The Portfolio compensates Alger Management at the annual rate of 0.01% of the average daily net assets for these services.

(g) Trustee Fees: For 2019, each trustee who is not an "interested person" of the Fund, as defined in the Investment Company Act of 1940, as amended ("Independent Trustee") received a fee of $122,000 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 and Alger Global Focus Fund, each of which is a registered investment company managed by Alger Management. The Independent Trustee appointed as Chairman of the Board of Trustees received additional compensation of $30,000 per annum paid pro rata based on net assets by each fund in the Alger Fund Complex. Additionally, each member of the Audit Committee received a fee of $11,000 per annum, paid pro rata based on net assets by each fund in the Alger Fund Complex.

On December 17, 2019, the Board of Trustees approved the following changes in Trustee compensation. Effective January 1, 2020, each Independent Trustee receives a fee of $134,000 per annum, paid pro rata by each fund in the Alger Fund Complex, plus travel expenses incurred for attending board meetings. The Independent Trustee appointed as Chairman of the Board of Trustees receives additional compensation of $20,000 per annum paid pro rata 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 by each fund in the Alger Fund Complex.

(h) Interfund Trades: The Portfolio may engage in purchase and sale transactions with other funds advised by Alger Management. For the year ended December 31, 2019, these purchases and sales were as follows:

	PURCHASES	SALES	REALIZED GAIN/ (LOSS)
Alger Capital Appreciation Portfolio	$ 1,206,077	$ —	$ —

(i) Other Transactions with Affiliates: Certain officers of the Fund are directors and/or officers of Alger Management, the Distributor, or their affiliates.

NOTE 4 — Securities Transactions:

Purchases and sales of securities, other than U.S. Government securities and short-term securities, for the year ended December 31, 2019, were as follows:

	PURCHASES	SALES
Alger Capital Appreciation Portfolio	$363,399,350	$433,133,224

Transactions in foreign securities may involve certain considerations and risks not typically associated with those of U.S. companies because of, among other factors, the level of governmental supervision and regulation of foreign security markets, and the possibility of political or economic instability. Additional risks associated with investing in emerging markets include increased volatility, limited liquidity, and less stringent regulatory and legal systems.

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, 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 advised by Alger Management, as discussed in Note 3(e). For the year ended December 31, 2019, the Portfolio had the following borrowings from the Custodian and other funds:

	AVERAGE DAILY BORROWING	WEIGHTED AVERAGE INTEREST RATE
Alger Capital Appreciation Portfolio	$ 118,347	2.80%

The highest amount borrowed from the Custodian and other funds during the year ended December 31, 2019 for the Portfolio was as follows:

	HIGHEST BORROWING
Alger Capital Appreciation Portfolio	$ 12,300,000

NOTE 6 — Share Capital:

The Portfolio has an unlimited number of authorized shares of beneficial interest of $.001 par value for each share class. During the year ended December 31, 2019 and the year ended December 31, 2018, transactions of shares of beneficial interest were as follows:

	FOR THE YEAR ENDED DECEMBER 31, 2019		FOR THE YEAR ENDED DECEMBER 31, 2018	
	SHARES	AMOUNT	SHARES	AMOUNT
Alger Capital Appreciation Portfolio				
Class I-2:				
Shares sold	697,600	$ 56,481,504	790,811	$ 70,463,292
Dividends reinvested	624,447	49,862,116	1,074,459	74,212,851
Shares redeemed	(1,680,589)	(135,810,081)	(1,475,903)	(129,355,034)
Net increase (decrease)	**(358,542)**	**$ (29,466,461)**	**389,367**	**$ 15,321,109**
Class S:				
Shares sold	26,738	$ 2,070,796	51,787	$ 4,427,872
Dividends reinvested	76,678	5,738,559	119,479	7,812,703
Shares redeemed	(98,224)	(7,570,021)	(154,741)	(12,807,713)
Net increase (decrease)	**5,192**	**$ 239,334**	**16,525**	**$ (567,138)**

NOTE 7 — Income Tax Information:

The tax character of distributions paid during the year ended December 31, 2019 and the year ended December 31, 2018 were as follows:

	FOR THE YEAR ENDED DECEMBER 31, 2019	FOR THE YEAR ENDED DECEMBER 31, 2018
Alger Capital Appreciation Portfolio		
Distributions paid from:		
Ordinary Income	$ 1,723,854	$ 4,492,526
Long-term capital gain	54,480,842	77,533,028
Total distributions paid	**$ 56,204,696**	**$ 82,025,554**

As of December 31, 2019, the components of accumulated gains (losses) on a tax basis were as follows:

Alger Capital Appreciation Portfolio	
Undistributed ordinary income	$ 28,186
Undistributed long-term gains	11,214,819
Net accumulated earnings	11,243,005
Capital loss carryforwards	—
Net unrealized appreciation	158,129,168
Total accumulated earnings	$ 169,372,173

At December 31, 2019, the Portfolio, for federal income tax purposes, had no capital loss carryforwards and no capital loss carryforwards were utilized in 2019.

Net capital losses incurred after October 31 and within the taxable year are deemed to arise on the first business day of the Portfolio's next taxable year.

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, the tax treatment of partnership investments, the realization of unrealized appreciation of passive foreign investment companies, and return of capital from real estate investment trust investments.

No reclassification has been made among the Portfolio's components of net assets at December 31, 2019.

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 December 31, 2019, the Portfolio has determined that presenting them by security type and sector is appropriate.

Alger Capital Appreciation Portfolio	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
COMMON STOCKS				
Communication Services	$ 59,889,052	$ 59,889,052	$ —	$ —
Consumer Discretionary	83,998,986	83,998,986	—	—
Consumer Staples	1,825,026	1,825,026	—	—
Energy	1,286,923	1,286,923	—	—
Financials	30,561,931	30,561,931	—	—
Healthcare	77,162,404	77,162,404	—	—
Industrials	30,699,387	30,699,387	—	—
Information Technology	206,182,189	204,301,869	1,642,926	237,394
Materials	14,052,889	14,052,889	—	—
TOTAL COMMON STOCKS	**$ 505,658,787**	**$ 503,778,467**	**$ 1,642,926**	**$ 237,394**
PREFERRED STOCKS				
Information Technology	1,094,277	—	—	1,094,277
REAL ESTATE INVESTMENT TRUST				
Real Estate	4,280,643	4,280,643	—	—
TOTAL INVESTMENTS IN SECURITIES	**$ 511,033,707**	**$ 508,059,110**	**$ 1,642,926**	**$ 1,331,671**

Alger Capital Appreciation Portfolio	FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) Common Stocks
Opening balance at January 1, 2019	$ 237,394
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	—
Purchases and sales	
Purchases	—
Sales	—
Closing balance at December 31, 2019	237,394
Net change in unrealized appreciation (depreciation) attributable to investments still held at December 31, 2019	$ —

Alger Capital Appreciation Portfolio	Preferred Stocks
Opening balance at January 1, 2019	$ 1,299,407
Transfers into Level 3	—
Transfers out of Level 3	—
Total gains or losses	
Included in net realized gain (loss) on investments	(342,371)
Included in net change in unrealized appreciation (depreciation) on investments	471,465
Purchases and sales	
Purchases	—
Sales	(334,224)
Closing balance at December 31, 2019	1,094,277
Net change in unrealized appreciation (depreciation) attributable to investments still held at December 31, 2019	$ —

The following table provides quantitative information about the Portfolio's Level 3 fair value measurements of the Portfolio's investments as of December 31, 2019. In addition to the methodologies and inputs noted in the table below, according to the Portfolio's valuation policy we may also use other valuation methodologies and inputs when determining the Portfolio's fair value measurements. 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 December 31, 2019	Valuation Methodology	Unobservable Input	Input/ Range	Weighted Average
Alger Capital Appreciation Portfolio					
Common Stocks	$ 237,394	Market Approach	Transaction Price	N/A	N/A
Preferred Stocks	1,094,277	Market Approach	Transaction Price	N/A	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 probabilities of success of certain outcomes. Significant increases and decreases in these inputs in isolation and interrelationships between those inputs could result in significantly higher or lower fair value measurements than those noted in the table above. Generally, increases in revenue and EBITDA multiples, decreases in discount rates, and increases in the probabilities of success result in higher fair value measurements, whereas decreases in revenues and EBITDA multiples, increases in discount rates, and decreases in the probabilities of success result in lower fair value measurements.

As of December 31, 2019, there were no transfers of securities between Level 1 and Level 2.

Certain of the Portfolio's assets and liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of December 31, 2019, such assets were categorized within the ASC 820 disclosure hierarchy as follows:

	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Cash and cash equivalents	$ 2,967,535	$ —	$ 2,967,535	$ —

NOTE 9 — Derivatives:

Financial Accounting Standards Board Accounting Standards Codification 815 – Derivatives and Hedging ("ASC 815") requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements.

Options—The Portfolio seeks to capture the majority of the returns associated with equity market investments. To meet this investment goal, the Portfolio invests in a broadly diversified portfolio of common stocks and may also buy and sell call and put options on equities and equity indexes. The Portfolio may purchase call options to increase its exposure to the stock market and also provide diversification of risk. The Portfolio may purchase put options in order to protect from significant market declines that may occur over a short period of time. The Portfolio may write covered call and cash-secured put options to generate cash flows while reducing the volatility of the portfolio. The cash flows may be an important source of the Portfolio's return, although written call options may reduce the Portfolio's ability to profit from increases in the value of the underlying security or equity portfolio. The value of a call option generally increases as the price of the underlying stock increases and decreases as the stock decreases in price. Conversely, the value of a put option generally increases as the price of the underlying stock decreases and decreases as the stock increases in price. The combination of the diversified stock portfolio and the purchase and sale of options is intended to provide the Portfolio with the majority of the returns associated with equity market investments but with reduced volatility and returns that are augmented with the cash flows from the sale of options.

There were no derivative instruments held by the Portfolio throughout the year or as of December 31, 2019.

NOTE 10 — Risk Disclosures:

Investing in the stock market involves certain risks, and may not be suitable for all investors. Growth stocks tend to 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 technology and healthcare companies, which may be significantly affected by competition, innovation, regulation, and product obsolescence, and may be more volatile than the securities of other companies.

NOTE 11 — Subsequent Events:

Management of the Portfolio has evaluated events that have occurred subsequent to December 31, 2019, through the issuance date of the Financial Statements. No such events have been identified which require recognition and/or disclosure.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Alger Capital Appreciation Portfolio and the Board of Trustees of The Alger Portfolios:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of Alger Capital Appreciation Portfolio, one of the portfolios constituting The Alger Portfolios (the "Fund"), including the schedule of investments, as of December 31, 2019, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
New York, New York
February 20, 2020

We have served as the auditor of one or more investment companies within the group of investment companies since 2009.

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 July 1, 2019 and ending December 31, 2019.

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 would have 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 December 31, 2019" 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 Portfolio's actual expense ratios for each class of 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 transaction 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.

		Beginning Account Value July 1, 2019	Ending Account Value December 31, 2019	Expenses Paid During the Six Months Ended December 31, 2019[(a)]	Annualized Expense Ratio For the Six Months Ended December 31, 2019[(b)]
Alger Capital Appreciation Portfolio					
Class I-2	Actual	$ 1,000.00	$ 1,095.90	$ 4.97	0.94%
	Hypothetical[(c)]	1,000.00	1,020.47	4.79	0.94
Class S	Actual	1,000.00	1,094.50	6.39	1.21
	Hypothetical[(c)]	1,000.00	1,019.11	6.16	1.21

(a) *Expenses are equal to the annualized expense ratio of the share class, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).*

(b) *Annualized.*

(c) *5% annual return before expenses.*

Trustees and Officers of the Fund

Information about the trustees and officers of the Fund is set forth below. In the table the term "Alger Fund Complex" refers to the Fund, The Alger Funds, The Alger Institutional Funds, Alger Global Focus Fund and The Alger Funds II, each of which is a registered investment company managed by Alger Management. Each Trustee serves until an event of termination, such as death or resignation, or until his or her successor is duly elected; each officer's term of office is one year. Unless otherwise noted, the address of each person named below is 360 Park Avenue South, New York, NY 10010.

Name (Year of Birth) and Address[1]	Position(s) Held with the Fund and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Funds in the Alger Fund Complex[3] which are Overseen by Trustee	Other Directorships Held by Trustee During Past Five Years
Interested Trustee[2]:				
Hilary M. Alger (1961)	Trustee since 2003	Fundraising Consultant since 2015, Schultz & Williams; Trustee since 2013, Pennsylvania Ballet; School Committee Member since 2017, Germantown Friends School.	27	Board of Directors, Alger Associates, Inc.; Trustee of Target Margin Theater
Non-Interested Trustees:				
Charles F. Baird, Jr. (1953)	Trustee since 2000	Managing Director since 1997, North Castle Partners (private equity securities group).	27	None
Roger P. Cheever (1945)	Trustee since 2000	Associate Vice President for Principal Gifts since 2008, Harvard University.	27	Board of Directors, Alger SICAV Fund
Stephen E. O'Neil (1932)	Trustee since 1986	Retired.	27	None
David Rosenberg (1962)	Trustee since 2007	Associate Professor of Law since August 2000, Zicklin School of Business, Baruch College, City University of New York.	27	None
Nathan E. Saint-Amand M.D. (1938)	Trustee since 1986	Medical doctor in private practice since 1970; Member of the Board of the Manhattan Institute (non-profit policy research) since 1988.	27	None

[1] The address of each Trustee is c/o Fred Alger Management, LLC, 360 Park Avenue South, New York, NY 10010.
[2] Ms. Alger is an "interested person" (as defined in the Investment Company Act of 1940, as amended) of the Fund by virtue of her ownership control of Alger Associates, Inc. ("Alger Associates"), which controls Alger Management and its affiliates.
[3] "Alger Fund Complex" refers to the Fund and the four other registered investment companies managed by Alger Management. Each Trustee serves until an event of termination, such as death or resignation, or until his or her successor is duly elected. Each of the Trustees serves on the Boards of Trustees of the other four registered investment companies in the Alger Fund Complex.

Name (Year of Birth), Position with Fund and Address[1]	Principal Occupations	Officer Since
Officers[2]:		
Hal Liebes (1964) President	Executive Vice President, Chief Operating Officer ("COO") and Secretary of Alger Management; COO and Secretary of Alger Associates, Inc. and Alger Alternative Holdings, LLC; Director of Alger SICAV, Alger International Holdings, and Alger Dynamic Return Offshore Fund; Vice President, COO, Member, and Secretary, Alger Capital, LLC and Alger Group Holdings, LLC; Executive Director and Chairman, Alger Management, Ltd.; Manager and Secretary, Weatherbie Capital, LLC and Alger Apple Real Estate LLC; Manager, Alger Partners Investors I, LLC and Alger Partners Investors KEIGF; Secretary of Alger-Weatherbie Holdings, LLC and Alger Boulder I LLC; and Director and Secretary, The Foundation for Alger Families.	2005
Tina Payne (1974) Secretary, Chief Compliance Officer	Since 2017, Senior Vice President, General Counsel, and Chief Compliance Officer ("CCO"), Alger Management; Senior Vice President, General Counsel, and Secretary, Alger LLC; CCO, Alger Management, Ltd.; Assistant Secretary, Weatherbie Capital, LLC and Alger Alternative Holdings, LLC; and since 2019, Assistant Secretary, Alger-Weatherbie Holdings, LLC. Formerly, Senior Vice President and Associate General Counsel, Cohen & Steers Capital Management, from 2007 to 2017.	2017
Michael D. Martins (1965) Treasurer, AML Compliance Officer	Senior Vice President of Alger Management.	2005
Anthony S. Caputo (1955) Assistant Treasurer	Vice President of Alger Management.	2007
Sergio M. Pavone (1961) Assistant Treasurer	Vice President of Alger Management.	2007

[1] *The address of each officer is c/o Fred Alger Management, LLC, 360 Park Avenue South, New York, NY 10010.*
[2] *Each officer's term of office is one year. Each officer serves in the same capacity for the other funds in the Alger Fund Complex.*

The Statement of Additional Information contains additional information about the Fund's Trustees and is available without charge upon request by calling (800) 992-3863.

Board Approval of Investment Advisory Agreement

THE ALGER PORTFOLIOS
Alger Capital Appreciation Portfolio
(the Fund)

At an in-person meeting held on September 17, 2019 (Meeting), the Board of Trustees (Board) of The Alger Portfolios (Trust), including a majority of the trustees who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the Trust (Independent Trustees), reviewed and approved the continuance of the investment advisory agreement between Fred Alger Management, Inc. (Fred Alger Management) and the Trust, on behalf of the Fund (each, a Management Agreement), for an additional one-year period. The Independent Trustees received advice from, and met separately with, Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. The Board considered the information provided to it about the series of the Trust together, and each series separately, as the Board deemed appropriate. Fred Alger Management is referred to herein as the "Manager."

In considering the continuation of each Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed request for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process, as well as information provided in response to a supplemental request list. The materials for the Meeting included a presentation and analysis of the Fund and the Manager's services by FUSE Research Network LLC (FUSE), an independent consulting firm. In addition, prior to the Meeting, the chair of the Board conferred with Independent Trustee counsel about the contract renewal process. The Board reviewed the materials provided and considered all of the factors it deemed relevant in approving the continuance of each Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the professional personnel who perform services for the Fund; the structure of investment professional compensation; oversight of third-party service providers; investment performance, fee information and related financial information for the Fund; fees and payments to intermediaries for fund administration, transfer agency and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and the range of management fees charged by the Manager and its affiliates to other funds and accounts, including management's explanation of differences among accounts where relevant. The Board noted Fred Alger Managements history of expertise in the "growth" style of investment management and management's ongoing efforts to develop strategies and adjust portfolios to express conviction in portfolio investments, and to address areas of heightened concern in the mutual fund industry, such as market conditions and fee pressure. The Board noted the length of time the Manager had provided services as an investment adviser to the Fund and also noted FUSE's analysis that certain of the Manager's offerings should sustain growth and maintain interest in the Manager's investment capabilities.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a Fund that is part of the Alger family of funds. The Board noted the financial position of the Manager and its commitment to the mutual fund business as evidenced by a continued focus on offerings in focused strategies. The Board also noted that certain administrative, compliance, reporting and accounting services necessary for the conduct of the Fund's affairs are provided separately under a Fund Administration Agreement and a Shareholder Administrative Services Agreement with Fred Alger Management.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

Fund Performance

The Board reviewed and considered the performance results of the Fund over various time periods. The Board considered the performance returns for the Fund in comparison to the performance returns of a universe of mutual funds deemed comparable to the Fund based on various investment, operational, and pricing characteristics (Peer Universe), and a group of mutual funds from within such Peer Universe deemed comparable to the Fund based primarily on investment strategy similarity (Peer Group), each as selected by FUSE, as well as the Fund's benchmark index. Class I-2 shares were used as the representative share class for the Fund's performance results. It was noted that each class of the Fund would have substantially similar returns because the shares are invested in the same portfolio of securities and the returns would differ only to the extent that the classes do not have the same expenses. The Board received a description of the methodology FUSE used to select the mutual funds included in the Peer Universe and Peer Group.

The Board also reviewed and considered Fund performance reports provided and discussions that occurred with investment personnel and senior management at Board meetings throughout the year. As had been the practice at every quarterly meeting of Trustees throughout the year, representatives of the Manager discussed with the Trustees the recent performance of the Fund. In expanding orally on the written materials they had provided to the Trustees, the FUSE representatives commented further on the performance of the Fund.

The Peer Group for the Fund consisted of the Fund and 15 other large cap growth funds. The Peer Universe for this Fund included the Fund, the other funds of the Peer Group, and other large cap growth funds. The Board noted that the Fund's annualized total return for the three-, five- and 10-year periods outperformed or was equal to the median of its Peer Group, and for the one-year period underperformed the median of its Peer Group. The Board noted that the Fund's rank within its Peer Group for the one-year period was 10/16. The Board further noted that the annualized total return for the one-, three-, five-, and 10-year periods was in the second quartile of its Peer Universe. The Board concluded that the Fund's performance was acceptable.

Comparative Fees and Expenses

The Board reviewed and considered information regarding the Fund's total expense ratio and its various components, including, as applicable, management fees, operating expenses, and Rule 12b-1 fees. The Board considered the total net expense ratio and, separately, the contractual management fee rate without the effect of fee waivers or expense reimbursements, if any (Management Rate), of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of the Fund's Peer Group. FUSE fee data is based upon information taken from each Peer Group fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by FUSE to be an appropriate measure of comparative fees and expenses. The FUSE Management Rate includes administrative charges, and the total net expense ratio, for comparative consistency, was shown for Class I-2 for the Fund and for similarly structured share classes for funds in the Peer Group with multiple classes of shares. The Board received a description of the methodology used by FUSE to select the mutual funds included in a Peer Group. Factors that could contribute to a Fund's total expense ratio or management fee being above the median of the Fund's Peer Group were discussed, including, for example, strong performance, considerations related to unique or specialty strategies and related costs to implement such strategies, the nature and quality of services provided by the Manager, and strategy capacity considerations.

The Board noted that the Management Rate and total net expense ratio for the Fund were above the medians and in the fourth (most expensive) quartile of its Peer Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability, as well as the profits, of the Manager and its affiliates in providing investment management and other services to the Fund during the year ended June 30, 2019. The Board also reviewed the profitability methodology and the changes thereto, noting that management attempts to apply its methods consistently from year to year.

The Board noted that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. The Board also noted management's expenditures related to additional regulatory and compliance requirements resulting from recent SEC and other regulatory developments.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. The Board noted the existence of management fee breakpoints for the Fund, which operate to share economies of scale with the Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that the overall size of the Manager allows it to realize other economies of scale, such as with office space, purchases of technology, and other general business expenses. The Board concluded that for the Fund, to the extent economies of scale may be realized by the Manager and its affiliates, the benefits of such economies of scale would be shared with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

Privacy Policy

U.S. Consumer Privacy Notice **Rev. 12/20/16**

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: • Social Security number and • Account balances and • Transaction history and • Purchase history and • Assets 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?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	**Yes**	**No**
For our marketing purposes — to offer our products and services to you	**Yes**	**No**
For joint marketing with other financial companies	**No**	**We don't share**
For our affiliates' everyday business purposes — information about your transactions and experiences	**Yes**	**No**
For our affiliates' everyday business purposes — information about your creditworthiness	**No**	**We don't share**
For nonaffiliates to market to you	**No**	**We don't share**
Questions? Call 1-800-342-2186		

Who we are	
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, and Alger Global Focus Fund.

What we do	
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: • Open an account or • Make deposits or withdrawals from your account or • Give us your contact information or • Provide account information or • Pay us by check.
Why can't I limit all sharing?	Federal law gives you the right to limit some but not all sharing related to: • sharing for affiliates' everyday business purposes — information about your credit worthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • Our affiliates include Fred Alger Management, LLC, Weatherbie Capital, 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, and Alger Global Focus Fund.
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 Fund 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 Fund's website at http://www.alger.com or on the SEC's website at http://www.sec.gov.

Fund Holdings

The Board of Trustees 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 makes its complete schedule of portfolio holdings available semi-annually in shareholder reports filed on Form N-CSR and after the first and third fiscal quarters as an exhibit to its reports on Form N-PORT EX. Previously, the Portfolio made its complete schedule of portfolio holdings available after the first and third fiscal quarters in regulatory filings on Form N-Q. The Portfolio's Forms N-CSR, N-PORT and N-Q are available online on the SEC's website at 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 and through other marketing communications (including printed advertising/sales literature and/or shareholder telephone customer service centers). No compensation or other consideration is 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. This agreement must be approved by the Portfolio's Chief Compliance Officer.

The Board of Trustees 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 (or price to book) ratio, EPS forecasts, alpha, beta, capture ratio, maximum drawdown, standard deviation, Sharpe ratio, information ratio, and market cap analysis), security specific impact on overall portfolio performance, return on equity statistics, geographic analysis, number of holdings, month-end top ten contributors to and detractors from performance, portfolio turnover, and other similar information. Shareholders should visit www.alger.com or may also contact the Portfolio at (800) 992-3863 to obtain such information.

Liquidity Risk Management Program

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended, the Fund established a liquidity risk management program (the "LRMP") in December 2018. The Board, including Independent Trustees, approved the LRMP in May of 2019, and appointed the Investment Manager as the administrator of the LRMP. The Investment Manager administers the LRMP through a Liquidity Risk Committee (the "Committee") that is chaired by the Fund's Chief Compliance Officer. The Board also approved an agreement with Intercontinental Exchange ("ICE"), a third party vendor hired to assist the Fund with investment classifications. The Committee is responsible for assessing the liquidity risk of the Portfolio's portfolio holdings. In conducting this assessment, the Committee evaluates qualitative factors such as the Portfolio's investment strategy and cash levels, among others, in conjunction with the quantitative classifications generated by ICE to determine the liquidity risk of each of the Portfolio's portfolio holdings. The Committee reviews daily investment classification reports and meets at least quarterly to continuously monitor the Portfolio's liquidity risk. As reported to the Board, the Committee concluded during the most recent annual review that the Fund's LRMP is operating effectively, and is adequate and effectively implemented.

THE ALGER PORTFOLIOS

360 Park Avenue South
New York, NY 10010
(800) 992-3863
www.alger.com

Investment Manager

Fred Alger Management, LLC
360 Park Avenue South
New York, NY 10010

Distributor

Fred Alger & Company, LLC
360 Park Avenue South
New York, NY 10010

Transfer Agent and Dividend Disbursing Agent

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

Custodian

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

Independent Registered Public Accounting Firm

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

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BNY Mellon Investment Portfolios,
MidCap Stock Portfolio

ANNUAL REPORT
December 31, 2019

BNY MELLON
INVESTMENT MANAGEMENT

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.

Contents

THE FUND

FOR MORE INFORMATION

BNY Mellon Investment Portfolios, MidCap Stock Portfolio

The Fund

A LETTER FROM THE PRESIDENT OF BNY MELLON INVESTMENT ADVISER, INC.

Dear Shareholder:

We are pleased to present this annual report for BNY Mellon Investment Portfolios, MidCap Stock Portfolio (formerly, Dreyfus Investment Portfolios, MidCap Stock Portfolio), covering the 12-month period from January 1, 2019 through December 31, 2019. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

In January 2019, a pivot in stance from the U.S. Federal Reserve (the "Fed") helped stimulate a rebound across equity markets that continued into the second quarter of the year. However, escalating trade tensions disrupted equity markets in May. The dip was short-lived, as markets rose once again in June and July of 2019, when a trade deal appeared more likely and the pace of U.S. economic growth remained steady. Nevertheless, concerns continued to emerge over slowing global growth, resulting in bouts of market volatility in August 2019. Stocks rebounded in September and continued an upward path through most of October 2019, bolstered by central bank policy and consistent consumer spending. The rally generally continued through the end of the period, supported in part by an announcement from President Trump that the first phase of a trade deal with China was in process. U.S. equity markets reached new highs during the final months of the period.

In fixed-income markets, the year began with a recovery from the prior months' volatility. After the Fed's supportive statements in January 2019, other developed-market central banks followed suit and reiterated their abilities to buttress flagging growth rates by continuing accommodative policies. The Fed cut rates in July, September and October 2019, for a total 75 basis point reduction in the federal funds rate during the 12 months. Rates across much of the Treasury curve saw a slight increase during the month of November, and the long end of the curve rose in December. The yield curve steepened during the latter portion of the period. However, demand for fixed-income instruments during the year was strong, which helped to support positive bond market returns.

We believe that over the near term, the outlook for the U.S. remains positive, but we will monitor relevant data for any signs of a change. As always, we encourage you to discuss the risks and opportunities in today's investment environment with your financial advisor.

Thank you for your continued confidence and support.

Sincerely,

R. LaRoche-Morris

Renee LaRoche-Morris
President
BNY Mellon Investment Adviser, Inc.
January 15, 2020

DISCUSSION OF FUND PERFORMANCE (Unaudited)

For the period from January 1, 2019 through December 31, 2019, as provided by Peter D. Goslin, CFA, Adam T. Logan, CFA, Chris Yao, CFA and Syed A. Zamil, CFA, Portfolio Managers
As of December 2019, C. Wesley Boggs and William S. Cazalet left the fund's portfolio management team, and Adam T. Logan and Chris Yao joined the fund's portfolio management team.

Market and Fund Performance Overview

For the 12-month period ended December 31, 2019, BNY Mellon Investment Portfolios, MidCap Stock Portfolio (formerly, Dreyfus Investment Portfolios, MidCap Stock Portfolio) Initial shares produced a total return of 20.18%, and its Service shares produced a total return of 19.85%.[1] In comparison, the fund's benchmark, the S&P MidCap 400® Index (the "Index"), produced a total return of 26.20% for the same period.[2]

Mid-cap stocks posted strong gains over the reporting period in an environment of moderate growth and supportive central bank policies. The fund lagged the Index, primarily due to security selection shortfalls in the materials, consumer discretionary and communication services 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.

Markets Pivot on Central Bank Statements and Trade Policy

January 2019 marked a turnaround in the markets. Talk of a potential trade deal between the U.S. and China helped fuel investor optimism, as equity prices recovered from fourth quarter 2018 volatility. At its first meeting of the year, the U.S. Federal Reserve (the "Fed") emphasized its focus on data as a primary driver for rate-hike decisions, and its ability to suspend additional rate increases when the data is not supportive. These sentiments reassured investors of central bankers' commitments to support flagging growth. In addition, the European Central Bank announced it would provide additional stimulus to support the eurozone economy. China also announced plans to stoke its slowing economic growth rate. The rebound continued throughout the month of January 2019, and equity markets maintained an upward trajectory through April 2019. However, renewed trade tensions between the U.S. and China in May caused stocks to pull back once again. The dip was short-lived, as markets rose once again in June.

However, concerns over slowing economic growth continued, and inflation floundered. The Fed decided to provide additional stimulus by cutting the federal funds rate. It did so three times during the period, each time by 25 basis points. These cuts occurred in July, September and October. Supported by rate cuts, moderate economic growth and optimism regarding a preliminary trade agreement with China, equity markets went on to post solid gains during the last several months of the year.

According to the S&P family of indices, large-cap stocks generally outperformed their mid- and small-cap counterparts during the period.

Security Selections Drove Fund Performance

The fund's performance compared to the Index was mainly the result of stock selection shortfalls across a few market sectors. In the materials sector, stock selection within the containers and packaging industry was a leading detractor. The price of Allegheny Technologies fell, after it was purchased in February 2019, when the company lowered guidance twice during the period. Although the price partially recovered towards the end of the 12 months, it was still among the leading negative contributors. Within the consumer discretionary sector, *Weight Watchers International* was among the top detractors from portfolio performance. The stock of the weight management services company trended downward since the beginning of the period, most significantly after the company issued below-guidance earnings expectations for 2019, during its quarterly call in February. We eliminated the position in June. Within the communication services sector, a position in media company AMC Networks also constrained results during the period. Elsewhere in the markets, energy company Cabot Oil & Gas was among the leading individual detractors. After purchasing the stock in May 2019, the price dropped in July and August, when the company reduced its production guidance. *Resideo Technologies* was also among the top negative contributors. After its July purchase, the stock fell in October, when the company preannounced lower-than-expected 2019 guidance. We have since closed the position.

The fund achieved better results in several other areas. Our stock selection among real estate investment trusts (REITs) benefited performance, as did several positions within the information technology sector. A position in supply chain management system provider Manhattan Associates boosted returns. The stock price rose on better-than-expected quarterly results. A position in Zebra Technologies also benefited performance, as did the stock of Tech Data, which initially rallied on the back of favorable earnings and increased guidance. Later in the period, the company agreed to be acquired at a premium. Elsewhere in the markets, a position in Teledyne Technologies was also among the top contributors to portfolio performance. The electronics and communications product provider saw its stock price rise throughout much of the period, after beating earnings and raising guidance several times.

A Disciplined Approach to Stock Picking

As of the reporting period's end, our quantitative models have continued to identify what we believe are attractive investment opportunities across a broad spectrum of mid-cap companies and industry groups. Stock market volatility experienced during the past year may have provided opportunities to purchase the stocks of companies ranked highly by our process. When the fund's holdings reach what we perceive to be fuller valuations, we expect to replace them with high-quality companies that display then-currently-attractive valuations in our model. In addition, we continue to maintain a broadly diversified portfolio.

January 15, 2020

[1] *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.*

[2] *Source: Lipper Inc. — The S&P MidCap 400® 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.*

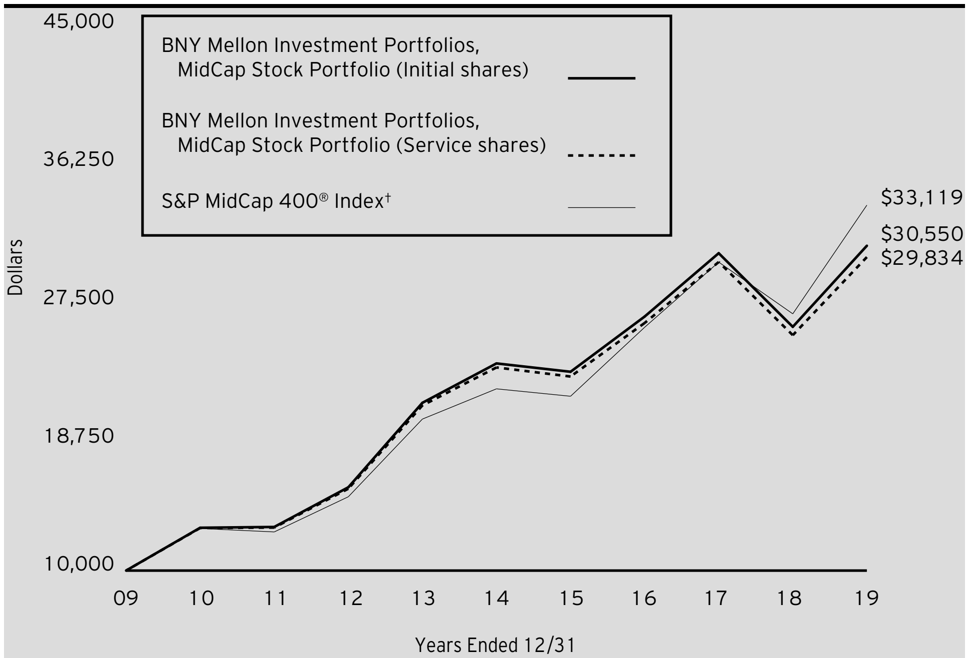
Please note: the position in any security highlighted with italicized typeface was sold during the reporting period.

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.

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.

FUND PERFORMANCE (Unaudited)



Comparison of change in value of a $10,000 investment in Initial shares and Service shares of BNY Mellon Investment Portfolios, MidCap Stock Portfolio with a hypothetical investment of $10,000 in the S&P MidCap 400® Index (the "Index")

† *Source: Lipper Inc.*

Past performance is not predictive of future performance. 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 above graph compares a hypothetical investment of $10,000 investment made in Initial and Service shares of BNY Mellon Investment Portfolios, MidCap Stock Portfolio on 12/31/09 to a hypothetical investment of $10,000 made in the Index on that date. The fund's performance shown in the line graph above takes into account all applicable fees and expenses. The Index provides investors with a benchmark for midsized companies. The Index measures the performance of midsized companies, reflecting the distinctive risk and return characteristics of this market segment. Unlike a mutual fund, the Index is not subject to charges, fees and other expenses. Investors cannot invest directly in any index. Further information relating to fund performance, including expense reimbursements, if applicable, is contained in the Financial Highlights section of the prospectus and elsewhere in this report.

Average Annual Total Returns as of 12/31/19

	1 Year	5 Years	10 Years
Initial shares	**20.18%**	**5.75%**	**11.82%**
Service shares	**19.85%**	**5.48%**	**11.55%**
S&P MidCap 400® Index	**26.20%**	**9.03%**	**12.72%**

The performance data quoted represents past performance, which is no guarantee of future results. Share price and investment return fluctuate and an investor's shares may be worth more or less than original cost upon redemption. Current performance may be lower or higher than the performance quoted. Go to www.bnymellonim.com/us for the fund's most recent month-end returns.

The fund's Initial shares are not subject to a Rule 12b-1 fee. The fund's Service shares are subject to a 0.25% annual Rule 12b-1 fee. All dividends and capital gain distributions are reinvested.

The fund's performance shown in the graph and table does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

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 July 1, 2019 to December 31, 2019. It also shows how much a $1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

Expenses and Value of a $1,000 Investment
Assume actual returns for the six months ended December 31, 2019

	Initial Shares	Service Shares
Expense paid per $1,000†	$4.52	$5.81
Ending value (after expenses)	$1,060.90	$1,059.50

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.

Expenses and Value of a $1,000 Investment
Assuming a hypothetical 5% annualized return for the six months ended December 31, 2019

	Initial Shares	Service Shares
Expense paid per $1,000†	$4.43	$5.70
Ending value (after expenses)	$1,020.82	$1,019.56

† *Expenses are equal to the fund's annualized expense ratio of .87% for Initial Shares and 1.12% for Service Shares, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).*

STATEMENT OF INVESTMENTS
December 31, 2019

Description	Shares	Value ($)
Common Stocks - 99.4%		
Automobiles & Components - 1.9%		
Dana	29,770	541,814
Gentex	79,040	2,290,579
		2,832,393
Banks - 5.7%		
BancorpSouth Bank	21,150	664,322
Cathay General Bancorp	51,435	1,957,102
Commerce Bancshares	5,397 [a]	366,672
First Financial Bankshares	10,550 [a]	370,305
Frost Bankers	4,930 [a]	482,055
MGIC Investment	98,910	1,401,555
PacWest Bancorp	4,030	154,228
Popular	27,550	1,618,562
Signature Bank	1,240	169,396
Trustmark	25,600	883,456
Umpqua Holdings	33,590	594,543
		8,662,196
Capital Goods - 12.5%		
Acuity Brands	14,080	1,943,040
Allison Transmission Holdings	25,440	1,229,261
Carlisle	13,880	2,246,339
Curtiss-Wright	15,260	2,149,981
EMCOR Group	23,200	2,002,160
ITT	13,150	971,917
MasTec	26,120 [a,b]	1,675,859
Oshkosh	24,530	2,321,764
Spirit AeroSystems Holdings, Cl. A	3,595	262,004
Teledyne Technologies	3,030 [b]	1,050,016
The Timken Company	37,270	2,098,674
Valmont Industries	6,340	949,605
		18,900,620
Commercial & Professional Services - 1.8%		
HNI	21,620	809,885
Manpowergroup	20,430	1,983,753
		2,793,638
Consumer Durables & Apparel - 4.2%		
Deckers Outdoor	12,060 [b]	2,036,452
Tempur Sealy International	21,130 [b]	1,839,578
TRI Pointe Group	74,490 [b]	1,160,554
Whirlpool	9,270 [a]	1,367,603
		6,404,187

Description	Shares	Value ($)
Common Stocks - 99.4% (continued)		
Consumer Services - 1.8%		
Churchill Downs	3,730	511,756
Jack in the Box	16,770 [a]	1,308,563
Norwegian Cruise Line Holdings	14,770 [b]	862,716
		2,683,035
Diversified Financials - 5.0%		
Evercore, Cl. A	9,910	740,872
Federated Investors, Cl. B	49,480	1,612,553
Navient	12,350	168,948
OneMain Holdings	34,390	1,449,539
SEI Investments	34,790	2,278,049
Synchrony Financial	34,570	1,244,866
		7,494,827
Energy - 3.0%		
Apergy	8,570 [b]	289,495
Cabot Oil & Gas	62,160	1,082,206
The Williams Companies	54,920	1,302,702
World Fuel Services	42,400	1,841,008
		4,515,411
Food & Staples Retailing - 1.3%		
Casey's General Stores	12,090	**1,922,189**
Health Care Equipment & Services - 3.8%		
Hill-Rom Holdings	16,430	1,865,298
Masimo	6,780 [b]	1,071,647
STERIS	8,700	1,326,054
Veeva Systems, Cl. A	8,890 [b]	1,250,467
West Pharmaceutical Services	1,880	282,620
		5,796,086
Insurance - 6.2%		
Brighthouse Financial	44,630 [b]	1,750,835
Brown & Brown	58,970	2,328,136
Globe Life	9,750	1,026,188
Kemper	11,780	912,950
Primerica	15,615	2,038,694
Unum Group	45,460	1,325,614
		9,382,417
Materials - 5.7%		
Allegheny Technologies	80,640 [a,b]	1,666,022
Element Solutions	79,090 [b]	923,771
Reliance Steel & Aluminum	18,560	2,222,746
Sensient Technologies	21,340 [a]	1,410,361
Valvoline	73,350	1,570,424
Worthington Industries	19,490	822,088
		8,615,412

Description	Shares	Value ($)
Common Stocks - 99.4% (continued)		
Media & Entertainment - 2.4%		
AMC Networks, Cl. A	34,820 [a,b]	1,375,390
TEGNA	39,060 [a]	651,911
The New York Times Company, Cl. A	49,870 [a]	1,604,318
		3,631,619
Pharmaceuticals Biotechnology & Life Sciences - 8.0%		
Agilent Technologies	3,750	319,913
Bio-Rad Laboratories, Cl. A	5,500 [b]	2,035,165
Charles River Laboratories International	16,040 [b]	2,450,270
Exelixis	103,760 [b]	1,828,251
Incyte	16,620 [b]	1,451,258
Jazz Pharmaceuticals	8,240 [b]	1,230,067
Mettler-Toledo International	750 [b]	594,960
PRA Health Sciences	2,530 [b]	281,210
Prestige Consumer Healthcare	4,610 [a,b]	186,705
Syneos Health	3,110 [b]	184,967
Waters	2,960 [b]	691,604
Zoetis	6,480	857,628
		12,111,998
Real Estate - 8.7%		
Apartment Investment & Management, Cl. A	2,890 [c]	149,269
CubeSmart	6,030 [c]	189,824
EastGroup Properties	2,510 [c]	333,002
First Industrial Realty Trust	50,500 [c]	2,096,255
Highwoods Properties	24,310 [c]	1,189,002
Lamar Advertising, Cl. A	26,685 [c]	2,381,903
Medical Properties Trust	104,280 [a,c]	2,201,351
Piedmont Office Realty Trust, Cl. A	17,670 [c]	392,981
PS Business Parks	8,910 [c]	1,468,992
Service Properties Trust	15,885 [c]	386,482
Tanger Factory Outlet Centers	26,010 [a,c]	383,127
Weingarten Realty Investors	62,750 [c]	1,960,310
		13,132,498
Retailing - 2.1%		
AutoNation	14,560 [b]	708,053
Etsy	15,230 [b]	674,689
Foot Locker	5,890	229,651
Murphy USA	13,940 [b]	1,630,980
		3,243,373
Semiconductors & Semiconductor Equipment - 3.7%		
Cirrus Logic	28,760 [b]	2,370,112
Semtech	3,090 [b]	163,461
Silicon Laboratories	7,610 [b]	882,608

Description	Shares	Value ($)
Common Stocks - 99.4% (continued)		
Semiconductors & Semiconductor Equipment - 3.7% (continued)		
Synaptics	15,860 [a,b]	1,043,112
Teradyne	10,980	748,726
Universal Display	2,220	457,475
		5,665,494
Software & Services - 8.9%		
CACI International, Cl. A	9,220 [b]	2,304,908
Fair Isaac	3,950 [b]	1,479,986
Fortinet	4,450 [b]	475,082
j2 Global	20,450 [a]	1,916,369
KBR	19,900	606,950
Leidos Holdings	3,030	296,607
Manhattan Associates	24,600 [b]	1,961,850
MAXIMUS	21,170	1,574,836
Perspecta	30,630	809,857
WEX	10,020 [b]	2,098,789
		13,525,234
Technology Hardware & Equipment - 6.1%		
Ciena	43,480 [b]	1,856,161
Hewlett Packard Enterprise	21,610	342,735
Jabil	15,810	653,427
Tech Data	14,670 [b]	2,106,612
Xerox Holdings	41,130	1,516,463
Zebra Technologies, Cl. A	10,710 [b]	2,735,762
		9,211,160
Transportation - 2.6%		
JetBlue Airways	30,140 [b]	564,221
Landstar System	17,630	2,007,528
Old Dominion Freight Line	5,620 [a]	1,066,564
United Airlines Holdings	3,260 [b]	287,173
		3,925,486
Utilities - 4.0%		
MDU Resources Group	62,120	1,845,585
National Fuel Gas	24,570 [a]	1,143,488
NorthWestern	4,240	303,881
NRG Energy	8,140	323,565
OGE Energy	53,050	2,359,133
		5,975,652
Total Common Stocks (cost $125,228,696)		**150,424,925**

Description	1-Day Yield (%)	Shares	Value ($)
Investment Companies - .7%			
Registered Investment Companies - .7%			
Dreyfus Institutional Preferred Government Plus Money Market Fund (cost $1,003,692)	1.60	1,003,692 [d]	**1,003,692**
Investment of Cash Collateral for Securities Loaned - .2%			
Registered Investment Companies - .2%			
Dreyfus Institutional Preferred Government Plus Money Market Fund (cost $386,235)	1.60	386,235 [d]	**386,235**
Total Investments (cost $126,618,623)		**100.3%**	**151,814,852**
Liabilities, Less Cash and Receivables		**(.3%)**	**(526,670)**
Net Assets		**100.0%**	**151,288,182**

[a] *Security, or portion thereof, on loan. At December 31, 2019, the value of the fund's securities on loan was $17,634,701 and the value of the collateral was $17,921,903, consisting of cash collateral of $386,235 and U.S. Government & Agency securities valued at $17,535,668.*
[b] *Non-income producing security.*
[c] *Investment in real estate investment trust within the United States.*
[d] *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	18.8
Industrials	16.9
Financials	16.9
Health Care	11.8
Consumer Discretionary	10.0
Real Estate	8.7
Materials	5.7
Utilities	3.9
Energy	3.0
Communication Services	2.4
Consumer Staples	1.3
Investment Companies	.9
	100.3

† *Based on net assets.*
See notes to financial statements.

STATEMENT OF INVESTMENTS IN AFFILIATED ISSUERS

Investment Companies	Value 12/31/18($)	Purchases($)	Sales($)	Value 12/31/19($)	Net Assets(%)	Dividends/ Distributions($)
Registered Investment Companies;						
Dreyfus Institutional Preferred Government Plus Money Market Fund	1,087,825	17,760,394	17,844,527	1,003,692	.7	17,519
Investment of Cash Collateral for Securities Loaned;						
Dreyfus Institutional Preferred Government Plus Money Market Fund	2,039,430	4,404,437	6,057,632	386,235	.2	-
Total	**3,127,255**	**22,164,831**	**23,902,159**	**1,389,927**	**.9**	**17,519**

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2019

	Cost	Value
Assets ($):		
Investments in securities—See Statement of Investments (including securities on loan, valued at $17,634,701)—Note 1(b):		
Unaffiliated issuers	125,228,696	150,424,925
Affiliated issuers	1,389,927	1,389,927
Dividends, interest and securities lending income receivable		132,636
Receivable for shares of Beneficial Interest subscribed		13,605
Prepaid expenses		5,040
		151,966,133
Liabilities ($):		
Due to BNY Mellon Investment Adviser, Inc. and affiliates—Note 3(b)		118,485
Liability for securities on loan—Note 1(b)		386,235
Payable for shares of Beneficial Interest redeemed		94,710
Trustees' fees and expenses payable		2,286
Other accrued expenses		76,235
		677,951
Net Assets ($)		**151,288,182**
Composition of Net Assets ($):		
Paid-in capital		127,765,060
Total distributable earnings (loss)		23,523,122
Net Assets ($)		**151,288,182**

Net Asset Value Per Share	Initial Shares	Service Shares
Net Assets ($)	76,834,535	74,453,647
Shares Outstanding	4,122,601	4,017,892
Net Asset Value Per Share ($)	**18.64**	**18.53**

See notes to financial statements.

STATEMENT OF OPERATIONS
Year Ended December 31, 2019

Investment Income ($):	
Income:	
Cash dividends (net of $3,894 foreign taxes withheld at source):	
Unaffiliated issuers	2,355,847
Affiliated issuers	17,519
Income from securities lending—Note 1(b)	22,983
Interest	361
Total Income	**2,396,710**
Expenses:	
Management fee—Note 3(a)	1,127,256
Distribution fees—Note 3(b)	182,521
Professional fees	86,345
Prospectus and shareholders' reports	29,933
Trustees' fees and expenses—Note 3(c)	13,365
Chief Compliance Officer fees—Note 3(b)	11,793
Custodian fees—Note 3(b)	4,430
Loan commitment fees—Note 2	3,498
Shareholder servicing costs—Note 3(b)	1,457
Registration fees	524
Miscellaneous	13,880
Total Expenses	**1,475,002**
Investment Income—Net	**921,708**
Realized and Unrealized Gain (Loss) on Investments—Note 4 ($):	
Net realized gain (loss) on investments	(2,572,437)
Net change in unrealized appreciation (depreciation) on investments	28,415,232
Net Realized and Unrealized Gain (Loss) on Investments	**25,842,795**
Net Increase in Net Assets Resulting from Operations	**26,764,503**

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31,	
	2019	2018
Operations ($):		
Investment income—net	921,708	774,011
Net realized gain (loss) on investments	(2,572,437)	10,954,767
Net change in unrealized appreciation (depreciation) on investments	28,415,232	(36,858,835)
Net Increase (Decrease) in Net Assets Resulting from Operations	**26,764,503**	**(25,130,057)**
Distributions ($):		
Distributions to shareholders:		
Initial Shares	(6,099,962)	(10,986,089)
Service Shares	(5,546,134)	(9,034,600)
Total Distributions	**(11,646,096)**	**(20,020,689)**
Beneficial Interest Transactions ($):		
Net proceeds from shares sold:		
Initial Shares	3,870,606	6,689,007
Service Shares	10,588,703	11,050,270
Distributions reinvested:		
Initial Shares	6,099,962	10,986,089
Service Shares	5,546,134	9,034,600
Cost of shares redeemed:		
Initial Shares	(13,408,861)	(13,668,427)
Service Shares	(12,102,125)	(13,088,711)
Increase (Decrease) in Net Assets from Beneficial Interest Transactions	**594,419**	**11,002,828**
Total Increase (Decrease) in Net Assets	**15,712,826**	**(34,147,918)**
Net Assets ($):		
Beginning of Period	135,575,356	169,723,274
End of Period	**151,288,182**	**135,575,356**
Capital Share Transactions (Shares):		
Initial Shares		
Shares sold	216,730	327,514
Shares issued for distributions reinvested	351,583	551,234
Shares redeemed	(752,804)	(684,648)
Net Increase (Decrease) in Shares Outstanding	**(184,491)**	**194,100**
Service Shares		
Shares sold	600,304	553,063
Shares issued for distributions reinvested	320,957	454,915
Shares redeemed	(685,012)	(653,885)
Net Increase (Decrease) in Shares Outstanding	**236,249**	**354,093**

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. Total return shows how much your investment in the fund would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. 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.

	Year Ended December 31,				
Initial Shares	2019	2018	2017	2016	2015
Per Share Data ($):					
Net asset value, beginning of period	16.80	22.56	20.09	18.95	23.03
Investment Operations:					
Investment income—net[a]	.13	.12	.10	.21	.18
Net realized and unrealized gain (loss) on investments	3.15	(3.19)	2.92	2.50	(.50)
Total from Investment Operations	3.28	(3.07)	3.02	2.71	(.32)
Distributions:					
Dividends from investment income—net	(.12)	(.13)	(.22)	(.21)	(.14)
Dividends from net realized gain on investments	(1.32)	(2.56)	(.33)	(1.36)	(3.62)
Total Distributions	(1.44)	(2.69)	(.55)	(1.57)	(3.76)
Net asset value, end of period	18.64	16.80	22.56	20.09	18.95
Total Return (%)	20.18	(15.49)	15.38	15.47	(2.29)
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	.86	.86	.87	.85	.85
Ratio of net expenses to average net assets	.86	.86	.87	.85	.85
Ratio of net investment income to average net assets	.73	.59	.50	1.16	.89
Portfolio Turnover Rate	82.88	68.02	64.86	65.52	80.27
Net Assets, end of period ($ x 1,000)	76,835	72,374	92,776	123,226	123,354

[a] *Based on average shares outstanding.*

See notes to financial statements.

	Year Ended December 31,				
Service Shares	2019	2018	2017	2016	2015
Per Share Data ($):					
Net asset value, beginning of period	16.71	22.45	20.00	18.88	22.97
Investment Operations:					
Investment income—net[a]	.09	.07	.06	.17	.15
Net realized and unrealized gain (loss) on investments	3.12	(3.18)	2.90	2.47	(.52)
Total from Investment Operations	3.21	(3.11)	2.96	2.64	(.37)
Distributions:					
Dividends from investment income—net	(.07)	(.07)	(.18)	(.16)	(.10)
Dividends from net realized gain on investments	(1.32)	(2.56)	(.33)	(1.36)	(3.62)
Total Distributions	(1.39)	(2.63)	(.51)	(1.52)	(3.72)
Net asset value, end of period	18.53	16.71	22.45	20.00	18.88
Total Return (%)	19.85	(15.69)	15.04	15.20	(2.52)
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	1.11	1.11	1.12	1.10	1.10
Ratio of net expenses to average net assets	1.11	1.11	1.12	1.10	1.10
Ratio of net investment income to average net assets	.48	.34	.28	.94	.72
Portfolio Turnover Rate	82.88	68.02	64.86	65.52	80.27
Net Assets, end of period ($ x 1,000)	74,454	63,202	76,948	63,972	49,363

[a] *Based on average shares outstanding.*
See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—Significant Accounting Policies:

MidCap Stock Portfolio (the "fund") is a separate diversified series of BNY Mellon Investment Portfolios (the "Company"), 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 four 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.

Effective June 3, 2019, the Company changed its name from Dreyfus Investment Portfolios to BNY Mellon Investment Portfolios. In addition, The Dreyfus Corporation, the fund's investment adviser, changed its name to "BNY Mellon Investment Adviser, Inc.", MBSC Securities Corporation, the fund's distributor, changed its name to "BNY Mellon Securities Corporation" and Dreyfus Transfer, Inc., the fund's transfer agent, changed its name to "BNY Mellon Transfer, Inc."

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 Company 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 Securities and Exchange Commission ("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 Company 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 Company'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 restricted 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 December 31, 2019 in valuing the fund's investments:

	Level 1 - Unadjusted Quoted Prices	Level 2 – Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Assets ($)				
Investments in Securities:†				
Equity Securities-Common Stocks	150,424,925	-	-	**150,424,925**
Investment Companies	1,389,927	-	-	**1,389,927**

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

(b) 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 The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of the Adviser, 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, The Bank of New York 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 December 31, 2019, The Bank of New York Mellon earned $4,609 from the lending of the fund's portfolio securities, pursuant to the securities lending agreement.

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

(d) Dividends and distributions to shareholders: Dividends and distributions are recorded on the ex-dividend date. Dividends from investment income-net 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.

(e) 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 December 31, 2019, 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 December 31, 2019, the fund did not incur any interest or penalties.

Each tax year in the four-year period ended December 31, 2019 remains subject to examination by the Internal Revenue Service and state taxing authorities.

At December 31, 2019, the components of accumulated earnings on a tax basis were as follows: undistributed ordinary income $893,369, accumulated capital losses $2,590,089 and unrealized appreciation $25,189,468.

The fund is permitted to carry forward capital losses for an unlimited period. Furthermore, capital loss carryovers retain their character as either short-term or long-term capital losses.

The accumulated capital loss carryover is available for federal income tax purposes to be applied against future net realized capital gains, if any, realized subsequent to December 31, 2019. The fund has $2,590,089 of short-term capital losses which can be carried forward for an unlimited period.

The tax character of distributions paid to shareholders during the fiscal periods ended December 31, 2019 and December 31, 2018 were as follows: ordinary income $799,710 and $4,070,215, and long-term capital gains $10,846,386 and $15,950,474, respectively.

(f) New Accounting Pronouncements: Effective June 1, 2019, the fund adopted Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"). The update provides guidance that eliminates, adds and modifies certain disclosure requirements for fair value measurements. The adoption of ASU 2018-13 had no impact on the operations of the fund for the period ended December 31, 2019.

NOTE 2—Bank Lines of Credit:

The fund participates with other long-term open-end funds managed by the Adviser in a $1.030 billion unsecured credit facility led by Citibank, N.A. (the "Citibank Credit Facility") and a $300 million unsecured credit facility provided by The Bank of New York 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 $830 million and is available to all long-term open-ended funds, including the fund, and (ii) Tranche B is in amount equal to $200 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 December 31, 2019, the fund did not borrow under the Facilities.

NOTE 3—Management 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.

(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 December 31, 2019, Service shares were charged $182,521 pursuant to the Distribution Plan.

The fund has an arrangement with the transfer agent whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset transfer agency fees. The fund had an arrangement with the custodian to receive earnings credits when positive cash balances were maintained, which were used to offset custody fees. Effective February 1, 2019, the arrangement with the custodian changed whereby the fund will no longer receive earnings credits to offset its custody fees and will receive interest income or overdraft fees going forward. For financial reporting purposes, the fund includes net earnings credits, if any, as an expense offset in the Statement of Operations.

The fund compensates BNY Mellon Transfer, Inc., a wholly-owned subsidiary of the Adviser, under a transfer agency agreement for providing transfer agency and cash management services for the fund. The majority of transfer agency 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 December 31, 2019, the fund was charged $1,259 for transfer agency services. These fees are included in Shareholder servicing costs in the Statement of Operations.

The fund compensates The Bank of New York Mellon 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 December 31, 2019, the fund was charged $4,430 pursuant to the custody agreement.

During the period ended December 31, 2019, the fund was charged $11,793 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 $97,388, Distribution Plan fees of $16,052, custodian fees of $1,600, Chief Compliance Officer fees of $3,261 and transfer agency fees of $184.

(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 December 31, 2019, amounted to $123,316,850 and $133,183,356, respectively.

At December 31, 2019, the cost of investments for federal income tax purposes was $126,625,384; accordingly, accumulated net unrealized depreciation on investments was $25,189,468, consisting of $28,622,646 gross unrealized appreciation and $3,433,178 gross unrealized depreciation.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Trustees of MidCap Stock Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of MidCap Stock Portfolio (the "Fund") (one of the funds constituting BNY Mellon Investment Portfolios), including the statements of investments and investments in affiliated issuers, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting BNY Mellon Investment Portfolios) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the BNY Mellon Family of Funds since at least 1957, but we are unable to determine the specific year.

New York, New York
February 10, 2020

IMPORTANT TAX INFORMATION (Unaudited)

For federal tax purposes, the portfolio hereby reports 100% of the ordinary dividends paid during the fiscal year ended December 31, 2019 as qualifying for the corporate dividends received deduction. Shareholders will receive notification in early 2020 of the percentage applicable to the preparation of their 2019 income tax returns. Also, the fund hereby $1.3238 per share as a long-term capital gain distribution paid on March 20, 2019.

INFORMATION ABOUT THE RENEWAL OF THE FUND'S INVESTMENT ADVISORY AGREEMENT (Unaudited)

At a meeting of the fund's Board of Trustees held on July 23-24, 2019, 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, a majority of whom are not "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 all 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.

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. 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 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. The Board also considered portfolio management's brokerage policies and practices (including policies and practices regarding soft dollars) and the standards applied in seeking best execution.

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, which included information comparing (1) the fund's performance with the performance of a group of comparable funds (the "Performance Group") and with a broader group of funds (the "Performance Universe"), all for various periods ended May 31, 2019, and (2) the fund's actual and contractual management fees and total expenses with those of a group of comparable funds (the "Expense Group") and with a broader group of funds (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.

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. They also considered that performance generally should be considered over longer periods of time, although it is possible that long-term performance can be adversely affected by even one period of significant underperformance so that a single investment decision or theme has the ability to affect disproportionately long-term performance. The Board discussed with representatives of the Adviser and/or its affiliates the results of the comparisons and considered that the fund's total return performance was below the Performance Group and Performance Universe medians for all periods, except the ten-year period when performance was above the Performance Group and Performance Universe medians. 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 considered that the fund's returns were above the returns of the index in five of the ten calendar years shown.

The Board also reviewed the range of actual and contractual management fees and total expenses 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 at the Expense Group median, the fund's actual management fee was below the Expense Group and Expense Universe medians and the fund's total expenses were slightly above the Expense Group and the Expense Universe medians.

Representatives of the Adviser reviewed with the Board the management or investment advisory fees (1) paid by funds advised or administered by the Adviser that are in the same Lipper category as the fund and (2) paid to the Adviser, or the primary employer of the fund's primary portfolio manager(s) that is affiliated with the Adviser, for advising any separate accounts and/or other types of client portfolios that are considered to have similar investment strategies and policies as the fund (the "Similar Clients"), and explained the nature of the Similar Clients. 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 Clients to evaluate the appropriateness of the fund's management fee.

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 unreasonable, given the services rendered and service levels provided by the Adviser. 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 fees 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 stated that a discussion of economies of scale is predicated on a fund having achieved a substantial size with increasing assets and that, if a fund's assets had been stable or decreasing, the possibility that the Adviser may have realized any economies of scale would be less. 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 the 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.

- The Board agreed to closely monitor performance and determined to approve renewal of the Agreement only until the first quarter 2020 regular Board meeting.

- 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 this 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 their 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 through the first quarter 2020 regular Board meeting.

BOARD MEMBERS INFORMATION (Unaudited)

INDEPENDENT BOARD MEMBERS

Joseph S. DiMartino (76)
Chairman of the Board (1995)

Principal Occupation During Past 5 Years:

- Corporate Director and Trustee (1995-Present)

Other Public Company Board Memberships During Past 5 Years:

- CBIZ, Inc., a public company providing professional business services, products and solutions, *Director* (1997-Present)

No. of Portfolios for which Board Member Serves: 118

Francine J. Bovich (68)
Board Member (2015)

Principal Occupation During Past 5 Years:

- Trustee, The Bradley Trusts, private trust funds (2011-Present)

Other Public Company Board Memberships During Past 5 Years:

- Annaly Capital Management, Inc., a real estate investment trust, *Director* (2014-Present)

No. of Portfolios for which Board Member Serves: 69

J. Charles Cardona (64)
Board Member (2014)

Principal Occupation During Past 5 Years:

- President of the Adviser (2008-2016)
- Chairman (2013-2016) and Executive Vice President (1997-2013) of the Distributor

Other Public Company Board Memberships During Past 5 Years:

- BNY Mellon Liquidity Funds, *Chairman and Director* (2019-Present)

No. of Portfolios for which Board Member Serves: 33

Gordon J. Davis (78)
Board Member (2012)

Principal Occupation During Past 5 Years:

- Partner in the law firm of Venable LLP (2012-Present)

Other Public Company Board Memberships During Past 5 Years:

- Consolidated Edison, Inc., a utility company, *Director* (1989-2014)
- The Phoenix Companies, Inc., a life insurance company, *Director* (2000-2014)

No. of Portfolios for which Board Member Serves: 53

Andrew J. Donohue (69)
Board Member (2019)

Principal Occupation During Past 5 Years:

- Of Counsel, Shearman & Sterling LLP (2017-2019)
- Chief of Staff to the Chair of the SEC (2015-2017)
- Managing Director and Investment Company General Counsel of Goldman Sachs (2012-2015)

Other Public Company Board Memberships During Past 5 Years:

- Oppenheimer Funds (58 funds), *Director* (2017-2019)

No. of Portfolios for which Board Member Serves: 55

Isabel P. Dunst (72)
Board Member (2014)

Principal Occupation During Past 5 Years:

- Senior Counsel, Hogan Lovells LLP (2018-2019); Of Counsel (2015-2018); Partner (1990-2014)

No. of Portfolios for which Board Member Serves: 33

Nathan Leventhal (76)
Board Member (2009)

Principal Occupation During Past 5 Years:

- President Emeritus of Lincoln Center for the Performing Arts (2001-Present)
- President of the Palm Beach Opera (2016-Present)
- Chairman of the Avery Fisher Artist Program, Lincoln Center (1997-2014)

Other Public Company Board Memberships During Past 5 Years:

- Movado Group, Inc., a public company that designs, sources, markets and distributes watches *Director* (2003-Present)

No. of Portfolios for which Board Member Serves: 47

Robin A. Melvin (56)
Board Member (2014)

Principal Occupation During Past 5 Years:

- Co-chairman, Mentor Illinois, a non-profit organization dedicated to increasing the quantity and quality of mentoring services in Illinois (2014-Present); Board member (2013-Present)

No. of Portfolios for which Board Member Serves: 96

Roslyn M. Watson (70)
Board Member (2014)

Principal Occupation During Past 5 Years:

- Principal, Watson Ventures, Inc., a real estate investment company (1993-Present)

Other Public Company Board Memberships During Past 5 Years:

- American Express Bank, FSB, *Director* (1993-2018)

No. of Portfolios for which Board Member Serves: 55

Benaree Pratt Wiley (73)
Board Member (2009)

Principal Occupation During Past 5 Years:

- Principal, The Wiley Group, a firm specializing in strategy and business development (2005-Present)

Other Public Company Board Memberships During Past 5 Years:

- CBIZ, Inc., a public company providing professional business services, products and solutions, *Director* (2008-Present)
- Blue Cross Blue Shield of Massachusetts, *Director* (2004-Present)

No. of Portfolios for which Board Member Serves: 75

Once elected all Board Members serve for an indefinite term, but achieve Emeritus status upon reaching age 80. The address of the Board Members and Officers is c/o BNY Mellon Investment Adviser, Inc. 240 Greenwich Street, New York, New York 10286. Additional information about the Board Members is available in the fund's Statement of Additional Information which can be obtained from the Adviser free of charge by calling this toll free number: 1-800-373-9387.

Clifford L. Alexander, Jr., Emeritus Board Member
Whitney I. Gerard, Emeritus Board Member
George L. Perry, Emeritus Board Member

OFFICERS OF THE FUND (Unaudited)

RENEE LAROCHE-MORRIS, President since May 2019.
President and a director of BNY Mellon Investment Adviser, Inc. since January 2018. She is an officer of 62 investment companies (comprised of 118 portfolios) managed by the Adviser. She is 48 years old and has been an employee of BNY Mellon since 2003.

JAMES WINDELS, Treasurer since November 2001.
Director- BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 61 years old and has been an employee of the Adviser since April 1985.

BENNETT A. MACDOUGALL, Chief Legal Officer since October 2015.
Chief Legal Officer of the Adviser and Associate General Counsel and Managing Director of BNY Mellon since June 2015; Director and Associate General Counsel of Deutsche Bank – Asset & Wealth Management Division from June 2005 to June 2015, and as Chief Legal Officer of Deutsche Investment Management Americas Inc. from June 2012 to May 2015. He is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 48 years old and has been an employee of the Adviser since June 2015.

DAVID DIPETRILLO, Vice President since May 2019.
Head of North America Product, BNY Mellon Investment Management since January 2018, Director of Product Strategy, BNY Mellon Investment Management from January 2016 to December 2017; Head of US Retail Product and Channel Marketing, BNY Mellon Investment Management from January 2014 to December 2015. He is an officer of 62 investment companies (comprised of 118 portfolios) managed by the Adviser. He is 41 years old and has been an employee of BNY Mellon since 2005.

JAMES BITETTO, Vice President since August 2005 and Secretary since February 2018.
Senior Managing Counsel of BNY Mellon since December 2019; Managing Counsel of BNY Mellon from April 2014 to December 2019; Secretary of the Adviser, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 53 years old and has been an employee of the Adviser since December 1996.

SONALEE CROSS, Vice President and Assistant Secretary since March 2018.
Counsel of BNY Mellon since October 2016; Associate at Proskauer Rose LLP from April 2016 to September 2016; Attorney at EnTrust Capital from August 2015 to February 2016; Associate at Sidley Austin LLP from September 2013 to August 2015. She is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. She is 32 years old and has been an employee of the Adviser since October 2016.

DEIRDRE CUNNANE, Vice President and Assistant Secretary since March 2019.
Counsel of BNY Mellon since August 2018; Senior Regulatory Specialist at BNY Mellon Investment Management Services from February 2016 to August 2018; Trustee Associate at BNY Mellon Trust Company (Ireland) Limited from August 2013 to February 2016. She is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. She is 29 years old and has been an employee of the Adviser since August 2018.

SARAH S. KELLEHER, Vice President and Assistant Secretary since April 2014.
Managing Counsel of BNY Mellon since December 2017, Senior Counsel of BNY Mellon from March 2013 to December 2017. She is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. She is 44 years old and has been an employee of the Adviser since March 2013.

JEFF PRUSNOFSKY, Vice President and Assistant Secretary since August 2005.
Senior Managing Counsel of BNY Mellon, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 54 years old and has been an employee of the Adviser since October 1990.

PETER M. SULLIVAN, Vice President and Assistant Secretary since March 2019.
Managing Counsel of BNY Mellon, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 51 years old and has been an employee of the Adviser since April 2004.

NATALYA ZELENSKY, Vice President and Assistant Secretary since March 2017.

Managing Counsel of BNY Mellon since December 2019; Counsel of BNY Mellon from May 2016 to December 2019; Attorney at Wildermuth Endowment Strategy Fund/Wildermuth Advisory, LLC from November 2015 to May 2016 and Assistant General Counsel at RCS Advisory Services from July 2014 to November 2015. She is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. She is 34 years old and has been an employee of the Adviser since May 2016.

GAVIN C. REILLY, Assistant Treasurer since December 2005.

Tax Manager - BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 51 years old and has been an employee of the Adviser since April 1991.

ROBERT S. ROBOL, Assistant Treasurer since August 2002.

Senior Accounting Manager- BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 55 years old and has been an employee of the Adviser since October 1988.

ROBERT SALVIOLO, Assistant Treasurer since July 2007.

Senior Accounting Manager – BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 52 years old and has been an employee of the Adviser since June 1989.

ROBERT SVAGNA, Assistant Treasurer since December 2002.

Senior Accounting Manager – BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 52 years old and has been an employee of the Adviser since November 1990.

JOSEPH W. CONNOLLY, Chief Compliance Officer since October 2004.

Chief Compliance Officer of the Adviser, the BNY Mellon Family of Funds and BNY Mellon Funds Trust (63 investment companies, comprised of 141 portfolios). He is 62 years old and has served in various capacities with the Adviser since 1980, including manager of the firm's Fund Accounting Department from 1997 through October 2001.

CARIDAD M. CAROSELLA, Anti-Money Laundering Compliance Officer since January 2016.

Anti-Money Laundering Compliance Officer of the BNY Mellon Family of Funds and BNY Mellon Funds Trust since January 2016; from May 2015 to December 2015, Interim Anti-Money Laundering Compliance Officer of the BNY Mellon Family of Funds and BNY Mellon Funds Trust and the Distributor; from January 2012 to May 2015, AML Surveillance Officer of the Distributor. She is an officer of 56 investment companies (comprised of 134 portfolios) managed by the Adviser. She is 51 years old and has been an employee of the Distributor since 1997.

For More Information

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

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

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

Internet Information can be viewed online or downloaded at www.bnymellonim.com/us

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.

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.bnymellonim.com/us and on the SEC's website at www.sec.gov and without charge, upon request, by calling 1-800-373-9387.

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BNY MELLON
INVESTMENT MANAGEMENT

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

ANNUAL REPORT
December 31, 2019

BNY MELLON
INVESTMENT MANAGEMENT

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.

Contents

THE FUND

FOR MORE INFORMATION

A LETTER FROM THE PRESIDENT OF BNY MELLON INVESTMENT ADVISER, INC.

Dear Shareholder:

We are pleased to present this annual report for BNY Mellon Sustainable U.S. Equity Portfolio, Inc. (formerly, The Dreyfus Sustainable U.S. Equity Portfolio, Inc.), covering the 12-month period from January 1, 2019 through December 31, 2019. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

In January 2019, a pivot in stance from the U.S. Federal Reserve (the "Fed") helped stimulate a rebound across equity markets that continued into the second quarter of the year. However, escalating trade tensions disrupted equity markets in May. The dip was short-lived, as markets rose once again in June and July of 2019, when a trade deal appeared more likely and the pace of U.S. economic growth remained steady. Nevertheless, concerns continued to emerge over slowing global growth, resulting in bouts of market volatility in August 2019. Stocks rebounded in September and continued an upward path through most of October 2019, bolstered by central bank policy and consistent consumer spending. The rally generally continued through the end of the period, supported in part by an announcement from President Trump that the first phase of a trade deal with China was in process. U.S. equity markets reached new highs during the final months of the period.

In fixed-income markets, the year began with a recovery from the prior months' volatility. After the Fed's supportive statements in January 2019, other developed-market central banks followed suit and reiterated their abilities to buttress flagging growth rates by continuing accommodative policies. The Fed cut rates in July, September and October 2019, for a total 75 basis point reduction in the federal funds rate during the 12 months. Rates across much of the Treasury curve saw a slight increase during the month of November, and the long end of the curve rose in December. The yield curve steepened during the latter portion of the period. However, demand for fixed-income instruments during the year was strong, which helped to support positive bond market returns.

We believe that over the near term, the outlook for the U.S. remains positive, but we will monitor relevant data for any signs of a change. As always, we encourage you to discuss the risks and opportunities in today's investment environment with your financial advisor.

Thank you for your continued confidence and support.

Sincerely,

Renee LaRoche-Morris
President
BNY Mellon Investment Adviser, Inc.
January 15, 2020

DISCUSSION OF FUND PERFORMANCE (Unaudited)

For the period from January 1, 2019 through December 31, 2019, as provided by portfolio managers Jeff Munroe, Yuko Takano and Rob Stewart of Newton Investment Management Limited, Sub-Investment Adviser

Market and Fund Performance Overview

For the 12-month period ended December 31, 2019, BNY Mellon Sustainable U.S. Equity Portfolio, Inc.'s (formerly, Dreyfus Sustainable U.S. Equity Portfolio, Inc.) Initial shares produced a total return of 34.36%, and the fund's Service shares returned 34.01%.[1] In comparison, the fund's benchmark, the S&P 500® Index (the "Index"), produced a total return of 31.46% for the same period.[2]

U.S. equities posted strong returns over the reporting period in an environment of moderate growth and supportive central bank policies. The fund outperformed the Index, mainly due to security selection within the information technology, financials and consumer discretionary sectors.

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.

Markets Advance Despite Peripheral Concerns

Although U.S. equities were challenged by an array of geopolitical developments in 2019, it was the continuing trade tensions between the U.S. and China that remained the key variable in shaping investor sentiment for much of the period. Alternating signs of progress and deterioration in the trade dispute between the two nations persistently fueled volatility in equity markets, although the year concluded with President Trump indicating that he would sign the first phase of a deal.

August witnessed a distinct phase of elevated volatility, when the erratic tenor of trade-war rhetoric was at its most extreme, government bond yields fell sharply, and the U.S. yield curve briefly inverted. However, as investors have come to expect in recent years, the monetary authorities were soon on hand to alleviate the situation, with the U.S. Federal Reserve (the "Fed") cutting interest rates three times in four months. This monetary stimulus, in tandem with an apparent easing of short-term, trade-war tensions, bolstered sentiment and enabled U.S. equities to shrug off mounting cyclical and geopolitical concerns. Markets delivered strong positive returns over the 12 months.

Security Selections Drive Fund Performance

Outperformance was primarily driven by security selection during the period. Stock selection in the information technology sector provided a major boost to relative performance and also proved beneficial in the financials and consumer discretionary sectors. A void to the energy sector provided further support. Applied Materials emerged as a top contributor, snapping back from a weak end to 2018. The stock price rose, as investors grew increasingly optimistic on the company's revenue outlook. Results for the fourth quarter were better than anticipated, as was guidance for the first quarter. Cautious optimism that a U.S.-China trade deal may be moving closer was also of benefit late in the year. In addition, Microsoft shares continued on an upward trajectory and also benefited portfolio results. The shift to cloud-based systems can grow Microsoft's addressable market, improving its monetization opportunities and increasing revenues. Growth prospects appear substantial, given that we are still in the early stages of platform adoption, and the company holds an extremely strong competitive position in the market, as demonstrated by the $10 billion Pentagon cloud-computing contract win towards the end of October.

Conversely, stock selection in the communication services sector stunted the portfolio's outperformance. An overweight position to the consumer discretionary sector also detracted, as did the portion of the portfolio held in cash, against a backdrop of rising equities. Walgreens Boots Alliance struggled over the first half of 2019 in particular, as investors became increasingly wary of the company's ability to meet its earnings guidance for the fiscal year. Downbeat commentary from management drove shares lower, as did the company's subsequent report of lower-than-expected, quarterly earnings results. Reimbursement pressures in the U.S. also weighed on the share price. In addition, Gilead Sciences was unable to gain much traction with those investors who found it difficult to determine which element of the business may surprise to the upside. The year began with some underwhelming results for the fourth quarter of 2018, while failed studies in non-alcoholic steatohepatitis (NASH) also weighed on sentiment. A further setback materialized at the end of the review period, as a Los Angeles federal jury ruled that Gilead had infringed on one of Bristol-Myers Squibb's CAR-T patents.

Finding Opportunities in a Challenging Environment

Although earnings growth over 2019 was muted, we think valuations failed to reflect this and instead, expanded considerably. We believe that while the market may be pricing in a significant economic recovery and an upturn in earnings, clear challenges remain. Political risks could remain elevated over the coming year, as global trade tensions continue, and the U.S. gears up for a presidential election. Furthermore, we think long-term, structural factors remain and might present a threat to global growth. Debt in the world's major economies is at historically high levels, while the changing climate and technological innovation have the potential to disrupt industries across the world. Thus, it is not difficult to envisage a scenario in which the headwinds facing equity markets persist.

In this uncertain environment, embedding a focus on the sustainability of our investments into our analysis acts as a valuable guide to positioning the portfolio effectively for the long term. Indeed, we prize long-term growth opportunities, alongside competitive advantage, high return on capital and conservative balance sheets in our portfolio companies. As ever, we aim for a diversified portfolio containing a range of investment profiles. We maintain our void to the energy space, which was beneficial over the course of the year. Conversely, our largest expression of conviction is in the information technology sector. We believe that a strong focus on providing innovation and solutions to global sustainability challenges, limited regulatory interference and high incremental returns on capital make for an attractive area in which to find long-term investments.

January 15, 2020

[1] *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 May 1, 2020, at which time it may be extended, modified, or terminated. Had these expenses not been absorbed, returns would have been lower.*

[2] *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.*

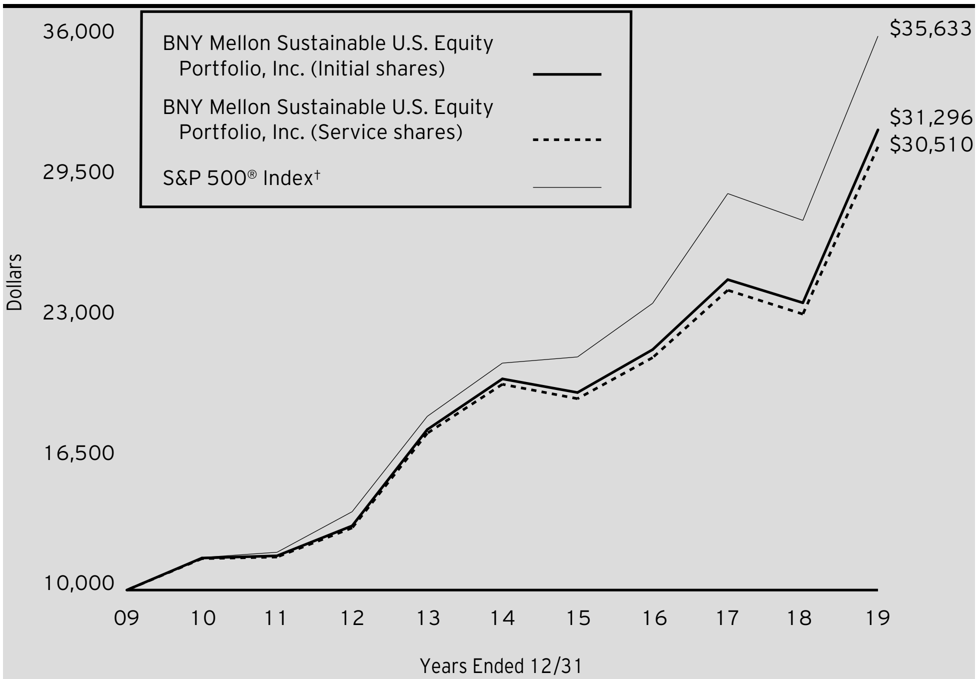
Equities are subject generally to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees, all of which are more fully described in the fund's prospectus.

The fund may, but is not required to, use derivative instruments. A small investment in derivatives could have a potentially large impact on the fund's performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets.

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.

FUND PERFORMANCE (Unaudited)



Comparison of change in value of a $10,000 investment in Initial shares and Service shares of BNY Mellon Sustainable U.S. Equity Portfolio, Inc. with a hypothetical investment of $10,000 in the S&P 500® Index (the "Index")

† *Source: Lipper Inc.*

Past performance is not predictive of future performance. 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 above graph compares a hypothetical $10,000 investment made in Initial and Service shares of BNY Mellon Sustainable U.S. Equity Portfolio, Inc. on 12/31/09 to a hypothetical investment of $10,000 made in the Index on that date.

The fund's performance shown in the line graph above takes into account all applicable fund fees and expenses for Initial and Service shares (after any expense reimbursements). The 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. Unlike a mutual fund, the Index is not subject to charges, fees and other expenses. Investors cannot invest directly in any index. Further information relating to fund performance, including expense reimbursements, if applicable, is contained in the Financial Highlights section of the prospectus and elsewhere in this report.

Average Annual Total Returns as of 12/31/19

	1 Year	5 Years	10 Years
Initial shares	**34.36%**	**9.62%**	**12.09%**
Service shares	**34.01%**	**9.34%**	**11.80%**
S&P 500® Index	**31.46%**	**11.69%**	**13.55%**

The performance data quoted represents past performance, which is no guarantee of future results. Share price and investment return fluctuate and an investor's shares may be worth more or less than original cost upon redemption. Current performance may be lower or higher than the performance quoted. Go to www.bnymellonim.com/us for the fund's most recent month-end returns.

The fund's Initial shares are not subject to a Rule 12b-1 fee. The fund's Service shares are subject to a 0.25% annual Rule 12b-1 fee.
All dividends and capital gain distributions are reinvested.
The fund's performance shown in the graph and table does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

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 July 1, 2019 to December 31, 2019. It also shows how much a $1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

Expenses and Value of a $1,000 Investment
Assume actual returns for the six months ended December 31, 2019

	Initial Shares	Service Shares
Expense paid per $1,000†	$3.68	$5.01
Ending value (after expenses)	$1,118.10	$1,116.50

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.

Expenses and Value of a $1,000 Investment
Assuming a hypothetical 5% annualized return for the six months ended December 31, 2019

	Initial Shares	Service Shares
Expense paid per $1,000†	$3.52	$4.79
Ending value (after expenses)	$1,021.73	$1,020.47

† *Expenses are equal to the fund's annualized expense ratio of .69% for Initial Shares and .94% for Service Shares, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).*

STATEMENT OF INVESTMENTS
December 31, 2019

Description	Shares	Value ($)
Common Stocks - 98.4%		
Banks - 5.3%		
Citigroup	93,077	7,435,922
First Republic Bank	48,889	5,742,013
		13,177,935
Capital Goods - 4.2%		
Acuity Brands	14,429	1,991,202
Ferguson	36,394	3,302,213
General Electric	467,720	5,219,755
		10,513,170
Consumer Durables & Apparel - 5.7%		
Lennar, Cl. A	64,814	3,615,973
NIKE, Cl. B	75,194	7,617,904
PulteGroup	79,404	3,080,875
		14,314,752
Diversified Financials - 4.1%		
Redwood Trust	167,850 [a]	2,776,239
The Goldman Sachs Group	33,211	7,636,205
		10,412,444
Food & Staples Retailing - 3.4%		
Costco Wholesale	17,504	5,144,776
Walgreens Boots Alliance	56,581	3,336,016
		8,480,792
Food, Beverage & Tobacco - 3.1%		
PepsiCo	56,681	**7,746,592**
Health Care Equipment & Services - 6.6%		
Abbott Laboratories	84,487	7,338,541
Medtronic	80,563	9,139,872
		16,478,413
Insurance - 3.1%		
Intact Financial	71,583	**7,740,699**
Materials - 4.3%		
Albemarle	59,207	4,324,479
Ecolab	12,810	2,472,202
International Flavors & Fragrances	30,188	3,894,856
		10,691,537
Media & Entertainment - 6.7%		
Alphabet, Cl. A	12,506 [b]	**16,750,411**
Pharmaceuticals Biotechnology & Life Sciences - 6.3%		
Gilead Sciences	87,557	5,689,454
Merck & Co.	110,259	10,028,056
		15,717,510

Description	1-Day Yield (%)	Shares	Value ($)
Common Stocks - 98.4% (continued)			
Retailing - 9.8%			
Amazon.com		6,507 [b]	12,023,895
Dollar General		32,977	5,143,753
eBay		127,982	4,621,430
The TJX Companies		45,012	2,748,433
			24,537,511
Semiconductors & Semiconductor Equipment - 5.3%			
Applied Materials		113,529	6,929,810
Qualcomm		70,706	6,238,390
			13,168,200
Software & Services - 15.3%			
Accenture, Cl. A		48,505	10,213,698
Intuit		16,715	4,378,160
Mastercard, Cl. A		16,978	5,069,461
Microsoft		118,025	18,612,543
			38,273,862
Technology Hardware & Equipment - 9.3%			
Apple		59,771	17,551,754
Cisco Systems		121,987	5,850,496
			23,402,250
Telecommunication Services - 2.7%			
Verizon Communications		110,604	**6,791,086**
Utilities - 3.2%			
CMS Energy		57,117	3,589,232
Eversource Energy		50,989	4,337,634
			7,926,866
Total Common Stocks (cost $178,564,971)			**246,124,030**
Investment Companies - 1.6%			
Registered Investment Companies - 1.6%			
Dreyfus Institutional Preferred Government Plus Money Market Fund (cost $4,052,203)	1.60	4,052,203 [c]	**4,052,203**
Total Investments (cost $182,617,174)		**100.0%**	**250,176,233**
Cash and Receivables (Net)		**.0%**	**74,188**
Net Assets		**100.0%**	**250,250,421**

[a] *Investment in real estate investment trust within the United States.*
[b] *Non-income producing security.*
[c] *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	29.9
Consumer Discretionary	15.5
Health Care	12.9
Financials	12.5
Communication Services	9.4
Consumer Staples	6.5
Materials	4.3
Industrials	4.2
Utilities	3.2
Investment Companies	1.6
	100.0

† *Based on net assets.*

See notes to financial statements.

STATEMENT OF INVESTMENTS IN AFFILIATED ISSUERS

Investment Companies	Value 12/31/18($)	Purchases($)	Sales($)	Value 12/31/19($)	Net Assets(%)	Dividends/ Distributions($)
Registered Investment Companies;						
Dreyfus Institutional Preferred Government Plus Money Market Fund	3,602,935	27,930,731	27,481,463	4,052,203	1.6	99,072

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES
December 31, 2019

	Cost	Value
Assets ($):		
Investments in securities—See Statement of Investments		
Unaffiliated issuers	178,564,971	246,124,030
Affiliated issuers	4,052,203	4,052,203
Cash denominated in foreign currency	35,416	35,611
Dividends and interest receivable		251,786
Receivable for shares of Common Stock subscribed		20,218
Prepaid expenses		12,324
		250,496,172
Liabilities ($):		
Due to BNY Mellon Investment Adviser, Inc. and affiliates—Note 3(c)		135,057
Payable for shares of Common Stock redeemed		44,369
Directors' fees and expenses payable		12,915
Other accrued expenses		53,410
		245,751
Net Assets ($)		**250,250,421**
Composition of Net Assets ($):		
Paid-in capital		177,256,737
Total distributable earnings (loss)		72,993,684
Net Assets ($)		**250,250,421**

Net Asset Value Per Share	Initial Shares	Service Shares
Net Assets ($)	237,286,660	12,963,761
Shares Outstanding	6,038,407	334,880
Net Asset Value Per Share ($)	**39.30**	**38.71**

See notes to financial statements.

STATEMENT OF OPERATIONS

Year Ended December 31, 2019

Investment Income ($):	
Income:	
Cash dividends (net of $35,855 foreign taxes withheld at source):	
Unaffiliated issuers	4,110,115
Affiliated issuers	99,072
Total Income	**4,209,187**
Expenses:	
Management fee—Note 3(a)	1,383,674
Professional fees	93,750
Prospectus and shareholders' reports	43,012
Distribution fees—Note 3(b)	27,876
Chief Compliance Officer fees—Note 3(c)	11,793
Shareholder servicing costs—Note 3(c)	7,234
Loan commitment fees—Note 2	5,514
Custodian fees—Note 3(c)	5,116
Directors' fees and expenses—Note 3(d)	3,388
Registration fees	104
Miscellaneous	18,866
Total Expenses	**1,600,327**
Investment Income—Net	**2,608,860**
Realized and Unrealized Gain (Loss) on Investments—Note 4 ($):	
Net realized gain (loss) on investments and foreign currency transactions	3,524,598
Net realized gain (loss) on forward foreign currency exchange contracts	(3,195)
Net Realized Gain (Loss)	**3,521,403**
Net change in unrealized appreciation (depreciation) on investments and foreign currency transactions	60,872,443
Net change in unrealized appreciation (depreciation) on forward foreign currency exchange contracts	(119)
Net Change in Unrealized Appreciation (Depreciation)	**60,872,324**
Net Realized and Unrealized Gain (Loss) on Investments	**64,393,727**
Net Increase in Net Assets Resulting from Operations	**67,002,587**

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31,	
	2019	2018
Operations ($):		
Investment income—net	2,608,860	2,706,893
Net realized gain (loss) on investments	3,521,403	9,145,793
Net change in unrealized appreciation (depreciation) on investments	60,872,324	(20,626,213)
Net Increase (Decrease) in Net Assets Resulting from Operations	**67,002,587**	**(8,773,527)**
Distributions ($):		
Distributions to shareholders:		
Initial Shares	(10,343,539)	(45,130,410)
Service Shares	(486,656)	(2,115,465)
Total Distributions	**(10,830,195)**	**(47,245,875)**
Capital Stock Transactions ($):		
Net proceeds from shares sold:		
Initial Shares	5,230,323	4,442,142
Service Shares	1,887,862	1,296,521
Distributions reinvested:		
Initial Shares	10,343,539	45,130,410
Service Shares	486,656	2,115,465
Cost of shares redeemed:		
Initial Shares	(25,290,229)	(28,655,114)
Service Shares	(1,528,245)	(1,713,620)
Increase (Decrease) in Net Assets from Capital Stock Transactions	**(8,870,094)**	**22,615,804**
Total Increase (Decrease) in Net Assets	**47,302,298**	**(33,403,598)**
Net Assets ($):		
Beginning of Period	202,948,123	236,351,721
End of Period	**250,250,421**	**202,948,123**
Capital Share Transactions (Shares):		
Initial Shares		
Shares sold	149,660	127,626
Shares issued for distributions reinvested	311,834	1,380,980
Shares redeemed	(721,929)	(823,767)
Net Increase (Decrease) in Shares Outstanding	**(260,435)**	**684,839**
Service Shares		
Shares sold	53,810	37,367
Shares issued for distributions reinvested	14,864	65,535
Shares redeemed	(44,378)	(50,455)
Net Increase (Decrease) in Shares Outstanding	**24,296**	**52,447**

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. Total return shows how much your investment in the fund would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. 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.

	Year Ended December 31,				
Initial Shares	2019	2018	2017	2016	2015
Per Share Data ($):					
Net asset value, beginning of period	30.73	40.27	37.86	38.56	45.97
Investment Operations:					
Investment income—net[a]	.40	.41	.38	.44	.47
Net realized and unrealized gain (loss) on investments	9.85	(1.69)	5.14	3.15	(1.54)
Total from Investment Operations	10.25	(1.28)	5.52	3.59	(1.07)
Distributions:					
Dividends from investment income—net	(.52)	(.71)	(.46)	(.50)	(.47)
Dividends from net realized gain on investments	(1.16)	(7.55)	(2.65)	(3.79)	(5.87)
Total Distributions	(1.68)	(8.26)	(3.11)	(4.29)	(6.34)
Net asset value, end of period	39.30	30.73	40.27	37.86	38.56
Total Return (%)	34.36	(4.41)	15.33	10.38	(3.20)
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	.68	.74	.80	.86	.86
Ratio of net expenses to average net assets	.68	.70	.77	.86	.86
Ratio of net investment income to average net assets	1.14	1.19	.99	1.21	1.14
Portfolio Turnover Rate	25.43	51.68	119.51	60.67	59.57
Net Assets, end of period ($ x 1,000)	237,287	193,538	226,078	221,172	227,483

[a] *Based on average shares outstanding.*
See notes to financial statements.

	Year Ended December 31,				
Service Shares	2019	2018	2017	2016	2015
Per Share Data ($):					
Net asset value, beginning of period	30.30	39.80	37.46	38.19	45.58
Investment Operations:					
Investment income—net[a]	.31	.32	.28	.34	.36
Net realized and unrealized gain (loss) on investments	9.71	(1.66)	5.08	3.12	(1.52)
Total from Investment Operations	10.02	(1.34)	5.36	3.46	(1.16)
Distributions:					
Dividends from investment income—net	(.45)	(.61)	(.37)	(.40)	(.36)
Dividends from net realized gain on investments	(1.16)	(7.55)	(2.65)	(3.79)	(5.87)
Total Distributions	(1.61)	(8.16)	(3.02)	(4.19)	(6.23)
Net asset value, end of period	38.71	30.30	39.80	37.46	38.19
Total Return (%)	34.01	(4.64)	15.04	10.08	(3.41)
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	.93	.99	1.05	1.11	1.11
Ratio of net expenses to average net assets	.93	.95	1.02	1.11	1.11
Ratio of net investment income to average net assets	.88	.95	.74	.96	.89
Portfolio Turnover Rate	25.43	51.68	119.51	60.67	59.57
Net Assets, end of period ($ x 1,000)	12,964	9,410	10,274	10,884	9,869

[a] *Based on average shares outstanding.*
See notes to financial statements.

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. Effective December 31, 2019, Newton Investment Management (North America) Limited ("NIMNA") reorganized into Newton Investment Management Limited ("NIM" or the "Sub-Adviser"), a wholly-owned subsidiary of BNY Mellon and an affiliate of the Adviser. Consequently, the sub-investment advisory agreement between the Adviser and NIMNA was terminated and NIM now serves as the fund's sub-adviser pursuant to a sub-investment advisory agreement between the Adviser and NIM. There was no change to the fund's investment objective, polices or strategies as a result of the reorganization of NIMNA into Sub-Adviser.

Effective June 3, 2019, the fund changed its name from The Dreyfus Sustainable U.S. Equity Portfolio, Inc. to BNY Mellon Sustainable U.S. Equity Portfolio, Inc. In addition, The Dreyfus Corporation, the fund's investment adviser, changed its name to "BNY Mellon Investment Adviser, Inc.", MBSC Securities Corporation, the fund's distributor, changed its name to "BNY Mellon Securities Corporation" and Dreyfus Transfer, Inc., the fund's transfer agent, changed its name to "BNY Mellon Transfer, Inc."

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 Securities and Exchange Commission ("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 Company'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 restricted 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 December 31, 2019 in valuing the fund's investments:

Assets ($)	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Investments in Securities:†				
Equity Securities - Common Stocks	246,124,030	-	-	**246,124,030**
Investment Companies	4,052,203	-	-	**4,052,203**

† *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) Dividends and distributions to shareholders: Dividends and distributions are recorded on the ex-dividend date. Dividends from investment income-net 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.

(f) 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 December 31, 2019, 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 December 31, 2019, the fund did not incur any interest or penalties.

Each tax year in the four-year period ended December 31, 2019 remains subject to examination by the Internal Revenue Service and state taxing authorities.

At December 31, 2019, the components of accumulated earnings on a tax basis were as follows: undistributed ordinary income $3,966,052, undistributed capital gains $1,751,153 and unrealized appreciation $67,276,479.

The tax character of distributions paid to shareholders during the fiscal periods ended December 31, 2019 and December 31, 2018 were as follows: ordinary income $3,355,073 and $9,615,532, and long-term capital gains $7,475,122 and $37,630,343, respectively.

(g) New Accounting Pronouncements: Effective June 1, 2019, the fund adopted Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"). The update provides guidance that eliminates, adds and modifies certain disclosure requirements for fair value measurements. The adoption of ASU 2018-13 had no impact on the operations of the fund for the period ended December 31, 2019.

NOTE 2—Bank Lines of Credit:

The fund participates with other long-term open-end funds managed by the Adviser in a $1.030 billion unsecured credit facility led by Citibank, N.A. (the "Citibank Credit Facility") and a $300 million unsecured credit facility provided by The Bank of New York 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 $830 million and is available to all long-term open-ended funds, including the fund, and (ii) Tranche B is in amount equal to $200 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 December 31, 2019, the fund did not borrow under the Facilities.

NOTE 3—Management Fee, Sub-Investment 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, 2019 through May 1, 2020, to waive receipt of its fees and/or assume the direct expenses of the fund so that the 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 May 1, 2020, the Adviser may terminate this expense limitation agreement at any time. During the period ended December 31, 2019, there was no expense reimbursement pursuant to the undertaking.

Pursuant to a sub-investment advisory agreement between the Adviser and the Sub-Adviser, the Sub-Adviser serves as the fund's sub-investment adviser responsible for the day-to-day management of the fund's portfolio. The Adviser pays the sub-investment 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-investment advisory agreements with one or more sub-investment 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-investment advisory fee paid by the Adviser to any unaffiliated sub-investment adviser in the aggregate with other unaffiliated sub-investment 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-investment advisory fee payable by the Adviser separately to a sub-investment 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-investment adviser and recommend the hiring, termination, and replacement of any sub-investment 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 December 31, 2019, Service shares were charged $27,876 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 December 31, 2019, Initial shares were charged $5,597 pursuant to the Shareholder Services Plan.

The fund has an arrangement with the transfer agent whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset transfer agency fees. The fund had an arrangement with the custodian to receive earnings credits when positive cash balances were maintained, which were used to offset custody fees. Effective February 1, 2019, the arrangement with the custodian changed whereby the fund will no longer receive earnings credits to offset its custody fees and will receive interest income or overdraft fees going forward. For financial reporting purposes, the fund includes net earnings credits, if any, as an expense offset in the Statement of Operations.

The fund compensates BNY Mellon Transfer, Inc., a wholly-owned subsidiary of the Adviser, under a transfer agency agreement for providing transfer agency and cash management services for the fund. The majority of transfer agency 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 December 31, 2019, the fund was charged $1,442 for transfer agency services. These fees are included in Shareholder servicing costs in the Statement of Operations.

The fund compensates The Bank of New York Mellon 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 December 31, 2019, the fund was charged $5,116 pursuant to the custody agreement.

During the period ended December 31, 2019, the fund was charged $11,793 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 $125,847, Distribution Plan fees of $2,691, Shareholder Service Plan fees of $1,000, custodian fees of $2,000, Chief Compliance Officer fees of $3,261 and transfer agency fees of $258.

(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 and forward foreign currency exchange contracts ("forward contracts"), during the period ended December 31, 2019, amounted to $57,309,088 and $74,685,750, respectively.

Derivatives: A derivative is a financial instrument whose performance is derived from the performance of another asset. The fund enters into International Swaps and Derivatives Association, Inc. Master Agreements or similar agreements (collectively, "Master Agreements") with its over-the-counter ("OTC") derivative contract counterparties in order to, among other things, reduce its credit risk to counterparties. Master Agreements include provisions for general obligations, representations, collateral and events of default or termination. Under a Master Agreement, the fund may offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment in the event of default or termination.

Each type of derivative instrument that was held by the fund during the period ended December 31, 2019 is discussed below.

Forward Foreign Currency Exchange Contracts: The fund enters into forward contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to settle foreign currency transactions or as a part of its investment strategy. When executing forward contracts, the fund is obligated to buy or sell a foreign currency at a specified rate on a certain date in the future. With respect to sales of forward contracts, the fund incurs a loss if the value of the contract increases between the date the forward contract is opened and the date the forward contract is closed. The fund realizes a gain if the value of the contract decreases between those dates. With respect to purchases of forward contracts, the fund incurs a loss if the value of the contract decreases between the date the forward contract is opened and the date the forward contract is closed. The fund realizes a gain if the value of the contract increases between those dates. Any realized or unrealized gains or losses which occurred during the period are reflected in the Statement of Operations. The fund is exposed to foreign currency risk as a result of changes in value of underlying financial instruments. The fund is also exposed to credit risk associated with counterparty nonperformance on these forward contracts, which is generally limited to the unrealized gain on each open contract. This risk may be mitigated by Master Agreements, if any, between the fund and the counterparty and the posting of collateral, if any, by the counterparty to the fund to cover the fund's exposure to the counterparty. At December 31, 2019, there was no forward contracts outstanding.

The following summarizes the average market value of derivatives outstanding during the period ended December 31, 2019:

	Average Market Value ($)
Forward contracts	7,214

At December 31, 2019, the cost of investments for federal income tax purposes was $182,899,949; accordingly, accumulated net unrealized appreciation on investments was $67,276,284, consisting of $69,362,520 gross unrealized appreciation and $2,086,236 gross unrealized depreciation.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of BNY Mellon Sustainable U.S. Equity Portfolio, Inc. (formerly, The Dreyfus Sustainable U.S. Equity Portfolio, Inc.)

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of BNY Mellon Sustainable U.S. Equity Portfolio, Inc. (the "Fund") (formerly, The Dreyfus Sustainable U.S. Equity Portfolio, Inc.), including the statements of investments and investments in affiliated issuers, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the BNY Mellon Family of Funds since at least 1957, but we are unable to determine the specific year.

New York, New York
February 10, 2020

IMPORTANT TAX INFORMATION (Unaudited)

For federal tax purposes, the portfolio hereby reports 99.99% of the ordinary dividends paid during the fiscal year ended December 31, 2019 as qualifying for the corporate dividends received deduction. Shareholders will receive notification in early 2020 of the percentage applicable to the preparation of their 2019 income tax returns. Also, the portfolio hereby reports $1.1558 per share as a long-term capital gain distribution paid on March 18, 2019.

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

At a meeting of the fund's Board of Directors held on July 23-24, 2019, 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"), and the Sub-Investment Advisory Agreement (together, the "Agreements"), pursuant to which Newton Investment Management (North America) Limited (the "Subadviser") provides day-to-day management of the fund's investments. The Board members, a majority of whom are not "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 and the Subadviser. In considering the renewal of the Agreements, the Board considered all 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.

<u>Analysis of Nature, Extent, and Quality of Services Provided to the Fund</u>. 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. 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 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 Subadviser. The Board also considered portfolio management's brokerage policies and practices (including policies and practices regarding soft dollars) and the standards applied in seeking best execution.

<u>Comparative Analysis of the Fund's Performance and Management Fee and Expense Ratio</u>. The Board reviewed reports prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company data, which included information comparing, all for various periods ended May 31, 2019, (1) the fund's performance with the performance of a group of comparable funds ("Performance Group 1") and with a broader group of funds (the "Performance Universe"); (2) at the request of the Adviser, the fund's performance with the performance of a group of

environmental, social and governance (ESG)-rated funds ("Performance Group 2"); and (3) the fund's actual and contractual management fees and total expenses with those of two groups of comparable funds, one identical to Performance Group 1 ("Expense Group 1") and the other identical to Performance Group 2 ("Expense Group 2"), and with a broader groups of funds that included the Performance Group 1 funds (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 Groups and Performance Universe and the Expense Groups and Expense Universe.

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. The Board discussed with representatives of the Adviser, its affiliates and/or the Subadviser the results of the comparisons and considered that the fund's total return performance was below the median of Performance Group 1 for all periods, except the one-year period when performance was above the median; total return performance was above the median of Performance Group 2 in the one-, three- and four-year periods and below the Performance Group 2 medians in the two-, five- and ten-year periods; and the fund's total return performance was above the medians of the Performance Universe for the one-, two- and three-year periods and below the medians of the Performance Universe in the four-, five- and ten-year periods. The Board considered the relative proximity of the fund's performance to the medians of the Performance Groups and/or the Performance Universe 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. The Board also considered that the fund's investment strategies and portfolio management changed, and the Subadviser was added, in May 2017.

The Board also reviewed the range of actual and contractual management fees and total expenses 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 below the Expense Group 1 and 2 medians, the fund's actual management fee was below the Expense Group 1 and 2 medians and below the Expense Universe median and the fund's total expenses were below the Expense Group 1 and 2 medians (lowest in each Expense Group) and above the Expense Universe median.

Representatives of the Adviser stated that the Adviser has contractually agreed, until May 1, 2020, to waive receipt of its fees and/or assume the direct expenses of the fund so that the direct expenses of none of its classes (excluding Rule 12b-1 fees, shareholder services fees, taxes, interest, brokerage commissions, commitment fees on borrowings and extraordinary expenses) exceed .70% of the fund's average daily net assets.

Representatives of the Adviser reviewed with the Board the management or investment advisory fees (1) paid by funds advised or administered by the Adviser that are in the same Lipper category as the fund and (2) paid to the Adviser or the Subadviser or its affiliates for advising any separate accounts and/or other types of client portfolios that are considered to have similar investment strategies and policies as the fund (the "Similar Clients"), and explained the nature of the Similar Clients. 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 Clients to evaluate the appropriateness of the fund's management fee.

The Board considered the fee to the Subadviser in relation to the fee paid to the Adviser by the fund and the respective services provided by the Subadviser and the Adviser. The Board also took into consideration that the Subadviser's fee is paid by the Adviser (out of its fee from the fund) and not 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 unreasonable, given the services rendered and service levels provided by the Adviser. The Board also considered the expense limitation arrangement and its effect on the profitability of 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 fees under the Agreements, considered in relation to the mix of services provided by the Adviser and the Subadviser, including the nature, extent and quality of such services, supported the renewal of the Agreements 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. Since the Adviser, and not the fund, pays the Subadviser pursuant to the Sub-Investment Advisory Agreement, the Board did not consider the Subadviser's profitability to be relevant to its deliberations. Representatives of the Adviser stated that a discussion of economies of scale is predicated on a fund having achieved a substantial size with increasing assets and that, if a fund's assets had been stable or decreasing, the possibility that the Adviser may have realized any economies of scale would be less. 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 and the Subadviser from acting as investment adviser and sub-investment adviser, respectively, and took into consideration the 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 Agreements. 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 and the Subadviser are adequate and appropriate.
- The Board was satisfied with the fund's improved performance in the most recent one-year period.
- The Board concluded that the fees paid to the Adviser and the Subadviser 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 Agreements, 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 and the Subadviser, of the Adviser and the Subadviser and the services provided to the fund by the Adviser and the Subadviser. 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 Agreements, 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 this fund had the benefit of a number of years of reviews of the Agreements 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 their 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 Agreements.

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At a meeting of the fund's Board of Directors (the "Board") held on October 30, 2019 (the "Meeting"), the Board discussed with representatives of the Adviser (a) plans to wind down the operations of and dissolve the fund's then-current sub-investment adviser, Newton Investment Management (North America) Limited ("NIMNA"); and (b) a proposal that Newton Investment Management Limited ("NIM"), an affiliate of NIMNA and the Adviser, assume the investment advisory responsibilities of NIMNA, pursuant to a sub-investment advisory agreement between the Adviser and NIM (the "New Sub-Advisory Agreement"), to be effective December 31, 2019 (the "Effective Date").

At the Meeting, the Adviser recommended the approval of the New Sub-Advisory Agreement, pursuant to which NIM would serve as sub-adviser to the fund. The recommendation for the approval of the New Sub-Advisory Agreement was based on the following considerations, among others: (i) the transfer of the provision of sub-investment advisory services from NIMNA to NIM was not expected to have a material impact on the fund's day-to-day operations, or the nature, extent or quality of the sub-investment advisory services currently provided to the fund; (ii) the personnel who have been principally responsible for managing the fund's investment portfolio would continue to serve in that capacity following the Effective Date; and (iii) the substantive terms of the New Sub-Advisory Agreement were substantially similar to those of the current sub-investment advisory agreement between the Adviser and NIMNA (the "Current Agreement"). The Board also considered the fact that the Adviser expressed confidence in NIM and its investment management capabilities.

At the Meeting, the Board, including a majority of the Directors who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of the fund (the "Independent Directors"), considered and approved the New Sub-Advisory Agreement. In determining whether to approve the New Sub-Advisory Agreement, the Board considered the materials prepared by the Adviser received in advance of the Meeting and other information presented at the Meeting, which included: (i) a form of the New Sub-Advisory Agreement; (ii) information regarding the transition of sub-investment advisory services from NIMNA to NIM; (iii) information regarding investment due diligence of NIM performed by the Adviser; (iv) information regarding NIM's compliance program; and (v) an opinion of counsel that replacing NIMNA with NIM as the sub-investment adviser to the fund would not result in a "change of control" or an "assignment" of an advisory contract within the meaning of the 1940 Act. The Board also considered the substance of discussions with representatives of the Adviser at the Meeting and at a Board meeting on July 23-24, 2019 (the "July Meeting"), at which the Board re-approved the Current Agreement for the ensuing year until August 31, 2020.

<u>Nature, Extent and Quality of Services to be Provided by NIM</u>. In examining the nature, extent and quality of the services that had been furnished by NIMNA to the fund under the Current Agreement, and were expected to be provided by NIM to the fund under the New Sub-Advisory Agreement, the Board considered: (i) NIM's organization, qualification and background, as well as the qualifications of its personnel; (ii) the expertise of the personnel providing portfolio management services, which would remain the same after the Effective Date; (iii) the investment strategy for the

fund, which would remain the same after the Effective Date; and (iv) NIM's compliance program. The Board also considered the review process undertaken by the Adviser and the Adviser's favorable assessment of the nature and quality of the sub-investment advisory services provided by NIMNA and expected to be provided to the fund by NIM after the Effective Date. Based on their consideration and review of the foregoing information, the Board concluded that the nature, extent and quality of the sub-investment advisory services to be provided by NIM under the New Sub-Advisory Agreement, as well as NIM's ability to render such services based on its resources and the experience of the investment team, which will remain the same, were adequate and appropriate for the fund in light of the fund's investment objective, and supported a decision to approve the New Sub-Advisory Agreement.

<u>Investment Performance of NIM</u>. The Board had considered NIMNA's investment performance in managing the fund's portfolio at the July Meeting (including comparative data provided by Broadridge Financial Solutions, Inc.). The Board considered the performance and that the same investment professionals would continue to manage the fund's assets after the Effective Date, as factors in evaluating the services to be provided by NIM under the New Sub-Advisory Agreement after the Effective Date, and determined that these factors, when viewed together with the other factors considered by the Board, supported a decision to approve the New Sub-Advisory Agreement.

<u>Costs of Services to be Provided and Profitability</u>. The Board considered the proposed fee payable under the New Sub-Advisory Agreement (which was the same as that payable under the Current Agreement and had been considered at the July Meeting), noting that the proposed fee would be paid by the Adviser and, thus, would not impact the fees paid by the fund or the Adviser's profitability. The Board recognized that, because NIM's fee would be paid by the Adviser, and not the fund, an analysis of profitability was more appropriate in the context of the Board's consideration of the fund's Management Agreement, pursuant to which the Adviser provides the fund with investment management and administrative services (the "Management Agreement"), and, therefore, the Board had received and considered a profitability analysis of the Adviser and its affiliates, including NIMNA, at the July Meeting. The Board concluded that the proposed fee payable to NIM by the Adviser was appropriate and the Adviser's profitability was not excessive in light of the nature, extent and quality of the services to be provided to the fund by the Adviser and NIM under the New Sub-Advisory Agreement.

<u>Economies of Scale to be Realized</u>. The Board recognized that, because NIM's fee would continue to be paid by the Adviser, and not the fund, an analysis of economies of scale was more appropriate in the context of the Board's consideration of the Management Agreement, which had been done at the July Meeting.

The Board also considered whether there were any ancillary benefits that would accrue to NIM as a result of NIM's relationship with the fund. The Board concluded that NIM may direct fund brokerage transactions to certain brokers to obtain research and other services, but noted that NIMNA currently paid, and that, after the Effective Date, NIM would pay, for such research and other services, not the fund by way of brokerage commission costs.

In considering the materials and information described above, the Independent Directors received assistance from, and met separately with, their independent legal counsel, and were provided with a written description of their statutory responsibilities and the legal standards that are applicable to the approval of investment advisory and sub-investment advisory agreements.

After full consideration of the factors discussed above, with no single factor identified as being of paramount importance, the Board, including a majority of the Independent Directors, with the assistance of independent legal counsel, approved the New Sub-Advisory Agreement for the fund effective as of the Effective Date.

BOARD MEMBERS INFORMATION (Unaudited)
INDEPENDENT BOARD MEMBERS

Joseph S. DiMartino (76)
Chairman of the Board (1995)

Principal Occupation During Past 5 Years:

- Corporate Director and Trustee (1995-Present)

Other Public Company Board Memberships During Past 5 Years:

- CBIZ, Inc., a public company providing professional business services, products and solutions, *Director* (1997-Present)

No. of Portfolios for which Board Member Serves: 118

Francine J. Bovich (68)
Board Member (2015)

Principal Occupation During Past 5 Years:

- Trustee, The Bradley Trusts, private trust funds (2011-Present)

Other Public Company Board Memberships During Past 5 Years:

- Annaly Capital Management, Inc., a real estate investment trust, *Director* (2014-Present)

No. of Portfolios for which Board Member Serves: 69

J. Charles Cardona (64)
Board Member (2014)

Principal Occupation During Past 5 Years:

- President of the Adviser (2008-2016)
- Chairman (2013-2016) and Executive Vice President (1997-2013) of the Distributor

Other Public Company Board Memberships During Past 5 Years:

- BNY Mellon Liquidity Funds, *Chairman and Director* (2019-Present)

No. of Portfolios for which Board Member Serves: 33

Gordon J. Davis (78)
Board Member (2012)

Principal Occupation During Past 5 Years:

- Partner in the law firm of Venable LLP (2012-Present)

Other Public Company Board Memberships During Past 5 Years:

- Consolidated Edison, Inc., a utility company, *Director* (1989-2014)
- The Phoenix Companies, Inc., a life insurance company, *Director* (2000-2014)

No. of Portfolios for which Board Member Serves: 53

Andrew J. Donohue (69)
Board Member (2019)

Principal Occupation During Past 5 Years:

- Of Counsel, Shearman & Sterling LLP (2017-2019)
- Chief of Staff to the Chair of the SEC (2015-2017)
- Managing Director and Investment Company General Counsel of Goldman Sachs (2012-2015)

Other Public Company Board Memberships During Past 5 Years:

- Oppenheimer Funds (58 funds), *Director* (2017-2019)

No. of Portfolios for which Board Member Serves: 55

Isabel P. Dunst (72)
Board Member (2014)

Principal Occupation During Past 5 Years:

- Senior Counsel, Hogan Lovells LLP (2018-2019); Of Counsel (2015-2018); Partner (1990-2014)

No. of Portfolios for which Board Member Serves: 33

Nathan Leventhal (76)
Board Member (2009)

Principal Occupation During Past 5 Years:

- President Emeritus of Lincoln Center for the Performing Arts (2001-Present)
- President of the Palm Beach Opera (2016-Present)
- Chairman of the Avery Fisher Artist Program, Lincoln Center (1997-2014)

Other Public Company Board Memberships During Past 5 Years:

- Movado Group, Inc., a public company that designs, sources, markets and distributes watches *Director* (2003-Present)

No. of Portfolios for which Board Member Serves: 47

Robin A. Melvin (56)
Board Member (2014)

Principal Occupation During Past 5 Years:

- Co-chairman, Mentor Illinois, a non-profit organization dedicated to increasing the quantity and quality of mentoring services in Illinois (2014-Present); Board member (2013-Present)

No. of Portfolios for which Board Member Serves: 96

Roslyn M. Watson (70)
Board Member (2014)

Principal Occupation During Past 5 Years:

- Principal, Watson Ventures, Inc., a real estate investment company (1993-Present)

Other Public Company Board Memberships During Past 5 Years:

- American Express Bank, FSB, *Director* (1993-2018)

No. of Portfolios for which Board Member Serves: 55

Benaree Pratt Wiley (73)
Board Member (2009)

Principal Occupation During Past 5 Years:

- Principal, The Wiley Group, a firm specializing in strategy and business development (2005-Present)

Other Public Company Board Memberships During Past 5 Years:

- CBIZ, Inc., a public company providing professional business services, products and solutions, *Director* (2008-Present)
- Blue Cross Blue Shield of Massachusetts, *Director* (2004-Present)

No. of Portfolios for which Board Member Serves: 75

Once elected all Board Members serve for an indefinite term, but achieve Emeritus status upon reaching age 80. The address of the Board Members and Officers is c/o BNY Mellon Investment Adviser, Inc. 240 Greenwich Street, New York, New York 10286. Additional information about the Board Members is available in the fund's Statement of Additional Information which can be obtained from the Adviser free of charge by calling this toll free number: 1-800-373-9387.

Clifford L. Alexander, Jr., Emeritus Board Member
Whitney I. Gerard, Emeritus Board Member
George L. Perry, Emeritus Board Member

OFFICERS OF THE FUND (Unaudited)

RENEE LAROCHE-MORRIS, President since May 2019.

President and a director of BNY Mellon Investment Adviser, Inc. since January 2018. She is an officer of 62 investment companies (comprised of 118 portfolios) managed by the Adviser. She is 48 years old and has been an employee of BNY Mellon since 2003.

JAMES WINDELS, Treasurer since November 2001.

Director- BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 61 years old and has been an employee of the Adviser since April 1985.

BENNETT A. MACDOUGALL, Chief Legal Officer since October 2015.

Chief Legal Officer of the Adviser and Associate General Counsel and Managing Director of BNY Mellon since June 2015; Director and Associate General Counsel of Deutsche Bank – Asset & Wealth Management Division from June 2005 to June 2015, and as Chief Legal Officer of Deutsche Investment Management Americas Inc. from June 2012 to May 2015. He is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 48 years old and has been an employee of the Adviser since June 2015.

DAVID DIPETRILLO, Vice President since May 2019.

Head of North America Product, BNY Mellon Investment Management since January 2018, Director of Product Strategy, BNY Mellon Investment Management from January 2016 to December 2017; Head of US Retail Product and Channel Marketing, BNY Mellon Investment Management from January 2014 to December 2015. He is an officer of 62 investment companies (comprised of 118 portfolios) managed by the Adviser. He is 41 years old and has been an employee of BNY Mellon since 2005.

JAMES BITETTO, Vice President since August 2005 and Secretary since February 2018.

Senior Managing Counsel of BNY Mellon since December 2019; Managing Counsel of BNY Mellon from April 2014 to December 2019; Secretary of the Adviser, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 53 years old and has been an employee of the Adviser since December 1996.

SONALEE CROSS, Vice President and Assistant Secretary since March 2018.

Counsel of BNY Mellon since October 2016; Associate at Proskauer Rose LLP from April 2016 to September 2016; Attorney at EnTrust Capital from August 2015 to February 2016; Associate at Sidley Austin LLP from September 2013 to August 2015. She is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. She is 32 years old and has been an employee of the Adviser since October 2016.

DEIRDRE CUNNANE, Vice President and Assistant Secretary since March 2019.

Counsel of BNY Mellon since August 2018; Senior Regulatory Specialist at BNY Mellon Investment Management Services from February 2016 to August 2018; Trustee Associate at BNY Mellon Trust Company (Ireland) Limited from August 2013 to February 2016. She is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. She is 29 years old and has been an employee of the Adviser since August 2018.

SARAH S. KELLEHER, Vice President and Assistant Secretary since April 2014.

Managing Counsel of BNY Mellon since December 2017, Senior Counsel of BNY Mellon from March 2013 to December 2017. She is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. She is 44 years old and has been an employee of the Adviser since March 2013.

JEFF PRUSNOFSKY, Vice President and Assistant Secretary since August 2005.

Senior Managing Counsel of BNY Mellon, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 54 years old and has been an employee of the Adviser since October 1990.

PETER M. SULLIVAN, Vice President and Assistant Secretary since March 2019.

Managing Counsel of BNY Mellon, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 51 years old and has been an employee of the Adviser since April 2004.

NATALYA ZELENSKY, Vice President and Assistant Secretary since March 2017.

Managing Counsel of BNY Mellon since December 2019; Counsel of BNY Mellon from May 2016 to December 2019; Attorney at Wildermuth Endowment Strategy Fund/Wildermuth Advisory, LLC from November 2015 to May 2016 and Assistant General Counsel at RCS Advisory Services from July 2014 to November 2015. She is an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. She is 34 years old and has been an employee of the Adviser since May 2016.

GAVIN C. REILLY, Assistant Treasurer since December 2005.

Tax Manager - BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 51 years old and has been an employee of the Adviser since April 1991.

ROBERT S. ROBOL, Assistant Treasurer since August 2002.

Senior Accounting Manager- BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 55 years old and has been an employee of the Adviser since October 1988.

ROBERT SALVIOLO, Assistant Treasurer since July 2007.

Senior Accounting Manager – BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 52 years old and has been an employee of the Adviser since June 1989.

ROBERT SVAGNA, Assistant Treasurer since December 2002.

Senior Accounting Manager – BNY Mellon Fund Administration, and an officer of 63 investment companies (comprised of 141 portfolios) managed by the Adviser. He is 52 years old and has been an employee of the Adviser since November 1990.

JOSEPH W. CONNOLLY, Chief Compliance Officer since October 2004.

Chief Compliance Officer of the Adviser, the BNY Mellon Family of Funds and BNY Mellon Funds Trust (63 investment companies, comprised of 141 portfolios). He is 62 years old and has served in various capacities with the Adviser since 1980, including manager of the firm's Fund Accounting Department from 1997 through October 2001.

CARIDAD M. CAROSELLA, Anti-Money Laundering Compliance Officer since January 2016.

Anti-Money Laundering Compliance Officer of the BNY Mellon Family of Funds and BNY Mellon Funds Trust since January 2016; from May 2015 to December 2015, Interim Anti-Money Laundering Compliance Officer of the BNY Mellon Family of Funds and BNY Mellon Funds Trust and the Distributor; from January 2012 to May 2015, AML Surveillance Officer of the Distributor. She is an officer of 56 investment companies (comprised of 134 portfolios) managed by the Adviser. She is 51 years old and has been an employee of the Distributor since 1997.

NOTES

For More Information

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

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

Internet Information can be viewed online or downloaded at www.bnymellonim.com/us

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.

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.bnymellonim.com/us and on the SEC's website at www.sec.gov and without charge, upon request, by calling 1-800-373-9387.

Printed on recycled paper.
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Process chlorine free.
Vegetable-based ink.

0111AR1219

BNY MELLON
INVESTMENT MANAGEMENT

December 31, 2019

Annual Report

Deutsche DWS Variable Series I

DWS Bond VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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, 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. Please read the prospectus for details.

Performance Summary

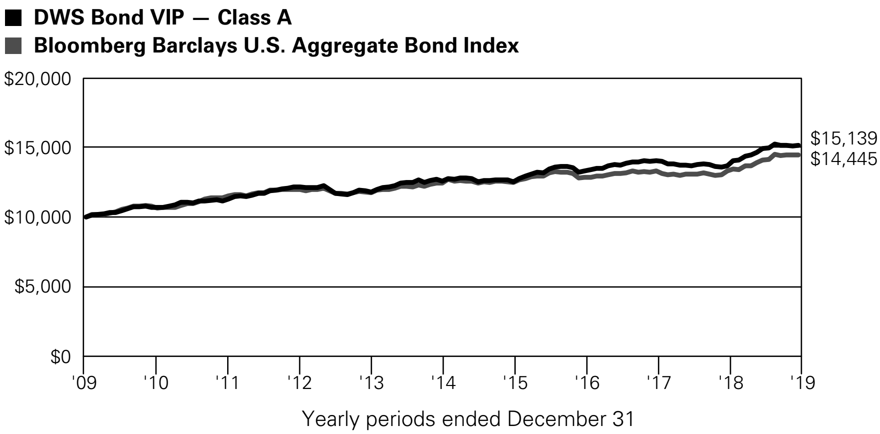
December 31, 2019 (Unaudited)

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, 2019 is 0.87% 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



The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index representing domestic taxable investment-grade bonds, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities with an average maturity of one year or more.

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

Comparative Results

DWS Bond VIP		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$11,062	$11,397	$12,037	$15,139
	Average annual total return	10.62%	4.45%	3.78%	4.23%
Bloomberg Barclays U.S. Aggregate Bond Index	Growth of $10,000	$10,872	$11,258	$11,620	$14,445
	Average annual total return	8.72%	4.03%	3.05%	3.75%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

During the 12-month period ended December 31, 2019, the portfolio provided a total return of 10.62% (Class A shares, unadjusted for contract charges) compared with the 8.72% return of its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index.

The fixed income markets broadly produced exceptionally strong returns in 2019. A backdrop of moderate economic growth and low inflation led the U.S. Federal Reserve to lower its benchmark lending rate by a quarter point on three occasions between the end of July and the end of October. Other major central banks globally also moved to ease monetary policy. U.S. Treasuries performed well in this environment, as yields fell (and prices rose) for bonds of all maturities. For the 12 months ended December 31, 2019, the yield on the 10-year note fell from 2.69% to 1.92% while the two-year yield fell from 2.48% to 1.58%, resulting in a steepening of the curve. Treasury yields bottomed out around late August, when the market began to factor in improving economic data and the reduced outlook for further Fed rate cuts. Corporate bonds led performance within the U.S. investment grade bond market for the year, benefiting from the decline in Treasury yields and continued corporate profit growth. Below investment grade, high yield corporates also posted strong returns. Securitized assets such as mortgage backed securities, asset backed securities, and commercial mortgage backed securities were comfortably in positive territory, while lagging securities more sensitive to credit and interest rate conditions.

The portfolio's outperformance versus the benchmark for the 12-month period was driven principally by exposure to more credit-sensitive fixed-income sectors, most notably investment grade and high yield corporate bonds. Positioning with respect to duration and corresponding interest rate sensitivity was also a significant contributor to performance. The portfolio had a longer duration than the benchmark for much of the first half of the period as interest rates steadily declined. Finally, investments in securitized asset categories contributed modestly to relative performance. There were few material detractors over the year. Derivatives used to hedge currency, credit and interest rate risk weighed slightly on performance. The negative impact of an underweight to Treasuries was more than offset by the portfolio's overweight stance with respect to credit risk. Entering a new year, we are maintaining a constructive stance with respect to the corporate bond market based on supportive technical factors and some easing of headlines around geopolitical risks. However, we are moving forward with caution as many of the geopolitical issues remain unresolved.

Thomas M. Farina, CFA, Managing Director
Gregory M. Staples, CFA, Managing Director
Kelly L. Beam, CFA, Director
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk

Terms to Know

The **yield curve** is a graphical representation of how yields on bonds of different maturities compare. Normally, yield curves slant up, as bonds with longer maturities typically offer higher yields than short-term bonds.

The **Bloomberg Barclays US Aggregate Index** is an unmanaged, market-value-weighted measure of Treasury issues, agency issues, corporate bond issues and mortgage securities. Index returns, unlike fund returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Credit spread is the additional yield provided by bonds rated AA and below vs. comparable maturity bonds rated AAA.

Commercial mortgage-backed securities are secured by loans on commercial properties. **Asset-backed securities** are secured by loans, credit or receivables, exclusive of mortgage debt.

Contributors and detractors incorporate both a holding's return and its weight. If two holdings have the same return but one has a larger weighting in the Fund, it will have a larger contribution to return in the period.

A **derivative** is a contract whose value is based on the performance of an underlying financial asset. Derivatives afford leverage, but when used by investors who are able to handle the inherent risks, can enhance returns or protect a portfolio. Derivatives experience significant losses if the underlying security moves contrary to the investor's expectations.

A measure of bond price volatility, **duration** can be defined as the approximate percentage change in price for a 100 basis point (one single percentage point) change in market interest rate levels. A duration of 5, for example, means that the price of a bond should rise by approximately 5% for a one percentage point drop in interest rates, and fall by 5% for a one percentage point rise in interest rates.

Overweight means the Fund holds a higher weighting in a given sector or security than the benchmark. **Underweight** means the Fund holds a lower weighting.

Portfolio Summary (Unaudited)

Asset Allocation (As a % of Total Net Assets)	**12/31/19**	**12/31/18**
Corporate Bonds	44%	58%
Mortgage-Backed Securities Pass-Throughs	18%	20%
Government & Agency Obligations	13%	5%
Collateralized Mortgage Obligations	12%	4%
Asset-Backed	8%	9%
Commercial Mortgage-Backed Securities	7%	4%
Short-Term U.S. Treasury Obligations	2%	3%
Commercial Paper	—	1%
Cash Equivalents, Securities Lending Collateral and other Assets and Liabilities, net	–4%	–4%
	100%	100%

Quality (Excludes Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
AAA	33%	26%
AA	12%	9%
A	16%	19%
BBB	27%	33%
BB	9%	11%
B	1%	1%
Not Rated	2%	1%
	100%	100%

Interest Rate Sensitivity	**12/31/19**	**12/31/18**
Effective Maturity	8.6 years	9.6 years
Effective Duration	5.9 years	5.8 years

The quality ratings represent the higher of Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings, Inc. ("Fitch") or Standard & Poor's Corporation ("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.

Effective maturity is the weighted average of the maturity date of bonds held by the Fund taking into consideration any available maturity shortening features.

Effective duration is an approximate measure of the Fund's sensitivity to interest rate changes taking into consideration any maturity shortening features.

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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Principal Amount ($)(a)	Value ($)
Corporate Bonds 44.5%		
Communication Services 5.7%		
Amazon.com, Inc., 4.25%, 8/22/2057	45,000	54,896
AT&T, Inc.:		
3-month USD-LIBOR + 1.180%, 3.067%*, 6/12/2024	207,000	210,592
4.35%, 3/1/2029	80,000	89,001
CCO Holdings LLC, 144A, 4.75%, 3/1/2030	100,000	101,803
Centurylink, Inc., 144A, 5.125%, 12/15/2026	90,000	91,587
Charter Communications Operating LLC:		
3.75%, 2/15/2028	75,000	77,798
4.8%, 3/1/2050	30,000	31,635
Comcast Corp.:		
2.65%, 2/1/2030	93,000	93,398
3.55%, 5/1/2028	140,000	150,679
4.15%, 10/15/2028	80,000	90,108
4.6%, 10/15/2038	100,000	119,227
Discovery Communications LLC, 5.3%, 5/15/2049	50,000	59,272
Empresa Nacional de Telecomunicaciones SA, REG S, 4.75%, 8/1/2026	250,000	264,652
Netflix, Inc.:		
5.5%, 2/15/2022	225,000	238,219
5.875%, 11/15/2028	125,000	138,570
Symantec Corp., 3.95%, 6/15/2022	225,000	230,690
VeriSign, Inc.:		
4.625%, 5/1/2023	250,000	254,000
5.25%, 4/1/2025	250,000	275,577
Verizon Communications, Inc.:		
4.016%, 12/3/2029	100,000	111,475
4.329%, 9/21/2028	70,000	79,448
		2,762,627
Consumer Discretionary 4.7%		
1011778 B.C. Unlimited Liability Co., 144A, 4.375%, 1/15/2028	210,000	210,525
Boyd Gaming Corp., 144A, 4.75%, 12/1/2027	60,000	62,325
Ford Motor Credit Co. LLC, 5.584%, 3/18/2024	206,000	223,003
General Motors Financial Co., Inc.:		
3.15%, 6/30/2022	265,000	270,114
4.35%, 4/9/2025	84,000	89,630
Hasbro, Inc., 3.55%, 11/19/2026	70,000	70,492
Hilton Domestic Operating Co., Inc., 4.25%, 9/1/2024	130,000	132,437
Hyundai Capital America, 144A, 3.5%, 11/2/2026	200,000	202,819
Las Vegas Sands Corp.:		
3.5%, 8/18/2026	100,000	102,879
3.9%, 8/8/2029	45,000	46,987
Lowe's Companies, Inc.:		
4.05%, 5/3/2047	40,000	43,214
4.55%, 4/5/2049	25,000	29,517
NCL Corp. Ltd., 144A, 3.625%, 12/15/2024	180,000	182,475
Nordstrom, Inc., 4.375%, 4/1/2030	40,000	40,794
Sabre GLBL, Inc., 144A, 5.375%, 4/15/2023	130,000	133,185
Sands China Ltd., 4.6%, 8/8/2023	200,000	211,072
Starbucks Corp., 4.5%, 11/15/2048	60,000	69,908
Walmart, Inc., 3.4%, 6/26/2023	175,000	184,012
		2,305,388
Consumer Staples 1.3%		
Altria Group, Inc.:		
4.8%, 2/14/2029	70,000	78,027
5.95%, 2/14/2049	20,000	24,249
Anheuser-Busch InBev Worldwide, Inc.:		
5.45%, 1/23/2039	90,000	113,259
5.55%, 1/23/2049	55,000	71,462
Constellation Brands, Inc., 5.25%, 11/15/2048	30,000	36,492
Estee Lauder Companies, Inc.:		
2.375%, 12/1/2029	26,000	25,993
3.125%, 12/1/2049	42,000	42,030
Keurig Dr Pepper, Inc.:		
4.057%, 5/25/2023	90,000	94,923
4.597%, 5/25/2028	70,000	78,606
PepsiCo, Inc., 3.375%, 7/29/2049	55,000	57,695
		622,736
Energy 4.2%		
Apache Corp.:		
4.375%, 10/15/2028	70,000	73,219
4.75%, 4/15/2043	40,000	38,649
Canadian Natural Resources Ltd., 3.85%, 6/1/2027	125,000	133,133
Cenovus Energy, Inc., 5.4%, 6/15/2047	40,000	46,491
Cheniere Energy Partners LP, 5.625%, 10/1/2026	370,000	391,275
Devon Energy Corp., 5.0%, 6/15/2045	100,000	116,067
Empresa Nacional del Petroleo, 144A, 5.25%, 11/6/2029	200,000	224,162
Energy Transfer Operating LP, 4.25%, 3/15/2023	350,000	365,580
Enterprise Products Operating LP, 4.2%, 1/31/2050	70,000	75,140
Exxon Mobil Corp., 2.44%, 8/16/2029	87,000	87,847
Hess Corp., 5.8%, 4/1/2047	100,000	122,474
Kinder Morgan, Inc., 5.2%, 3/1/2048	60,000	69,675
MPLX LP, 5.5%, 2/15/2049	110,000	124,969
Occidental Petroleum Corp.:		
3.5%, 8/15/2029	64,000	65,336
4.2%, 3/15/2048	30,000	29,803
Plains All American Pipeline LP, 3.55%, 12/15/2029	40,000	39,460
TransCanada PipeLines Ltd, 5.1%, 3/15/2049	50,000	61,025
		2,064,305

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

	Principal Amount ($)(a)	Value ($)
Financials 8.7%		
Air Lease Corp., 4.625%, 10/1/2028	75,000	82,717
Aircastle Ltd., 4.4%, 9/25/2023	109,000	115,251
ANZ New Zealand Int'l Ltd., 144A, 3.4%, 3/19/2024	200,000	208,530
ASB Bank Ltd., 144A, 3.75%, 6/14/2023	200,000	209,394
Banco Santander Maxico SA, 2.706%, 6/27/2024	200,000	202,848
Bank of America Corp.:		
3-month USD-LIBOR + 0.012%, 2.884% , 10/22/2030	120,000	121,054
3.824%, 1/20/2028	364,000	390,828
Citigroup, Inc.:		
2.976%, 11/5/2030	60,000	60,933
3.2%, 10/21/2026	170,000	176,390
3.98%, 3/20/2030	105,000	114,955
Credit Suisse Group AG, 144A, 4.282%, 1/9/2028	250,000	272,026
Fairfax Financial Holdings Ltd., 4.85%, 4/17/2028	96,000	104,606
Global Payments, Inc., 3.2%, 8/15/2029	120,000	122,305
Hartford Financial Services Group, Inc., 2.8%, 8/19/2029	40,000	40,468
HSBC Holdings PLC, 2.633%, 11/7/2025	250,000	250,997
JPMorgan Chase & Co.:		
2.739% , 10/15/2030	100,000	100,015
3-month USD-LIBOR + 1.337%, 3.782%, 2/1/2028	230,000	248,029
Morgan Stanley, 4.431%, 1/23/2030	250,000	282,769
PayPal Holdings, Inc.:		
2.65%, 10/1/2026	84,000	85,180
2.85%, 10/1/2029	25,000	25,232
Prudential Financial, Inc., 4.35%, 2/25/2050	25,000	28,821
Santander Holdings U.S.A., Inc., 144A, 3.244%, 10/5/2026	270,000	272,991
State Street Corp., 4.141%, 12/3/2029	130,000	145,095
Swiss Re Treasury U.S. Corp., 144A, 4.25%, 12/6/2042	70,000	80,891
Synchrony Financial, 4.375%, 3/19/2024	40,000	42,680
The Allstate Corp., 3.85%, 8/10/2049	30,000	33,228
The Goldman Sachs Group, Inc., 3.814%, 4/23/2029	155,000	166,296
Wells Fargo & Co.:		
3.196%, 6/17/2027	90,000	93,390
4.15%, 1/24/2029	150,000	167,095
		4,245,014
Health Care 4.7%		
AbbVie, Inc.:		
144A, 3.2%, 11/21/2029	50,000	50,868
144A, 4.25%, 11/21/2049	30,000	31,855
4.45%, 5/14/2046	20,000	21,422
Alcon Finance Corp., 144A, 3.0%, 9/23/2029	200,000	203,481
Allergan Funding SCS, 4.75%, 3/15/2045	25,000	27,228
Amgen, Inc., 4.563%, 6/15/2048	40,000	46,498
Anthem, Inc., 2.875%, 9/15/2029	40,000	39,849
Bausch Health Cos, Inc., 144A, 5.25%, 1/30/2030	40,000	41,480
Boston Scientific Corp., 4.0%, 3/1/2029	75,000	83,005
Bristol-Myers Squibb Co., 144A, 4.25%, 10/26/2049	85,000	100,918
Centene Corp.:		
144A, 4.25%, 12/15/2027	90,000	92,587
144A, 4.625%, 12/15/2029	50,000	52,567
CVS Health Corp., 5.05%, 3/25/2048	85,000	100,727
DH Europe Finance II Sarl, 0.75%, 9/18/2031	EUR 200,000	218,839
HCA, Inc.:		
5.25%, 6/15/2026	130,000	145,643
5.375%, 9/1/2026	115,000	128,081
7.5%, 2/15/2022	225,000	248,625
Merck & Co., Inc., 4.0%, 3/7/2049	80,000	93,832
Pfizer, Inc., 4.2%, 9/15/2048	60,000	70,405
Select Medical Corp., 144A, 6.25%, 8/15/2026	160,000	173,203
Stryker Corp.:		
3.375%, 11/1/2025	80,000	84,807
4.625%, 3/15/2046	40,000	48,190
Thermo Fisher Scientific, Inc., 2.6%, 10/1/2029	110,000	108,816
UnitedHealth Group, Inc.:		
2.875%, 8/15/2029	54,000	55,582
4.45%, 12/15/2048	10,000	11,961
		2,280,469
Industrials 2.4%		
Avolon Holdings Funding Ltd., 144A, 5.125%, 10/1/2023	167,000	180,006
BBA U.S. Holdings, Inc., 144A, 4.0%, 3/1/2028	185,000	182,465
CSX Corp.:		
3.35%, 9/15/2049	50,000	49,318
4.25%, 11/1/2066	20,000	21,396
Delta Air Lines, Inc., 4.375%, 4/19/2028	94,000	99,163
FedEx Corp., 4.05%, 2/15/2048	114,000	110,150
Ingersoll-Rand Luxembourg Finance SA, 3.8%, 3/21/2029	120,000	128,875
Norfolk Southern Corp., 4.1%, 5/15/2049	40,000	44,209
Parker-Hannifin Corp., 3.25%, 6/14/2029	40,000	41,790
Prime Security Services Borrower LLC, 144A, 5.25%, 4/15/2024	195,000	206,310
Union Pacific Corp., 144A, 3.839%, 3/20/2060	60,000	60,878
United Technologies Corp., 4.625%, 11/16/2048	45,000	56,393
		1,180,953
Information Technology 3.4%		
Apple, Inc.:		
2.05%, 9/11/2026	77,000	76,454
3.75%, 9/12/2047	100,000	111,391

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

	Principal Amount ($)(a)	Value ($)
Broadcom, Inc.:		
144A, 3.125%, 4/15/2021	105,000	106,275
144A, 3.625%, 10/15/2024	200,000	207,978
Dell International LLC:		
144A, 4.9%, 10/1/2026	198,000	218,037
144A, 5.875%, 6/15/2021	159,000	161,485
Fair Isaac Corp., 144A, 5.25%, 5/15/2026	95,000	104,500
Fiserv, Inc., 3.5%, 7/1/2029	140,000	147,151
International Business Machines Corp., 3.5%, 5/15/2029	100,000	107,591
Microsoft Corp., 3.7%, 8/8/2046	86,000	97,245
MSCI, Inc., 144A, 4.0%, 11/15/2029	65,000	65,894
NXP BV, 144A, 3.875%, 9/1/2022	200,000	207,510
Oracle Corp., 4.0%, 11/15/2047	55,000	61,532
		1,673,043
Materials 1.6%		
AngloGold Ashanti Holdings PLC, 5.125%, 8/1/2022	110,000	116,383
Corp. Nacional del Cobre de Chile, 144A, 3.0%, 9/30/2029	200,000	197,214
DuPont de Nemours, Inc., 5.419%, 11/15/2048	25,000	30,847
SASOL Financing U.S.A. LLC, 5.875%, 3/27/2024	200,000	216,572
Suzano Austria GmbH, 144A, 5.75%, 7/14/2026	200,000	223,500
		784,516
Real Estate 2.4%		
American Tower Corp., (REIT), 3.8%, 8/15/2029	55,000	58,802
Crown Castle International Corp.:		
(REIT), 3.8%, 2/15/2028	50,000	53,300
(REIT), 5.25%, 1/15/2023	135,000	146,652
Equinix, Inc.:		
(REIT), 2.625%, 11/18/2024	74,000	74,138
(REIT), 3.2%, 11/18/2029	81,000	81,301
Host Hotels & Resorts LP, (REIT), 3.875%, 4/1/2024	135,000	142,052
Office Properties Income Trust, (REIT), 4.15%, 2/1/2022	80,000	81,936
Omega Healthcare Investors, Inc., (REIT), 5.25%, 1/15/2026	50,000	55,626
SBA Communications Corp.:		
(REIT), 4.0%, 10/1/2022	190,000	193,562
(REIT), 4.875%, 9/1/2024	125,000	129,688
VICI Properties LP:		
144A (REIT), 4.25%, 12/1/2026	54,000	55,620
144A (REIT), 4.625%, 12/1/2029	30,000	31,275
Welltower, Inc., (REIT), 3.1%, 1/15/2030	80,000	81,017
		1,184,969
Utilities 5.4%		
Abu Dhabi National Energy Co. PJSC, 144A, 4.375%, 4/23/2025	210,000	226,233
American Electric Power Co., Inc.:		
3.2%, 11/13/2027	50,000	51,598
4.3%, 12/1/2028	20,000	22,260
Calpine Corp.:		
144A, 4.5%, 2/15/2028	210,000	211,863
144A, 5.125%, 3/15/2028	100,000	102,070
Duke Energy Corp.:		
3.4%, 6/15/2029	30,000	31,359
4.2%, 6/15/2049	30,000	33,172
Edison International, 5.75%, 6/15/2027	370,000	415,437
EDP Finance BV, 144A, 3.625%, 7/15/2024	200,000	207,810
Enel Finance International NV, 144A, 4.25%, 9/14/2023	300,000	317,665
NextEra Energy Capital Holdings, Inc.:		
3.25%, 4/1/2026	36,000	37,503
3.5%, 4/1/2029	58,000	61,744
NextEra Energy Operating Partners LP:		
144A, 3.875%, 10/15/2026	175,000	175,656
144A, 4.25%, 7/15/2024	250,000	260,313
Perusahaan Listrik Negara PT, 144A, 2.875%, 10/25/2025	EUR 222,000	273,670
Sempra Energy, 4.0%, 2/1/2048	55,000	57,811
Southern California Edison Co., 4.875%, 3/1/2049	50,000	59,318
Southern Power Co., Series F, 4.95%, 12/15/2046	87,000	96,666
		2,642,148
Total Corporate Bonds (Cost $20,692,471)		**21,746,168**

Mortgage-Backed Securities Pass-Throughs 17.8%

	Principal Amount ($)(a)	Value ($)
Federal Home Loan Mortgage Corp.:		
3.0%, 11/1/2049	496,882	500,696
4.0%, 8/1/2039	283,807	304,096
5.5%, with various maturities from 10/1/2023 until 5/1/2041	452,615	505,479
6.5%, 3/1/2026	35,261	37,225
Federal National Mortgage Association:		
3.5%, with various maturities from 12/1/2045 until 1/1/2047	2,162,931	2,273,420
4.0%, 4/1/2047	1,686,714	1,805,895
12-month USD-LIBOR + 1.750%, 4.375%*, 9/1/2038	26,069	26,986
5.0%, 10/1/2033	25,189	27,691
5.5%, with various maturities from 12/1/2032 until 8/1/2037	465,794	521,845
6.0%, with various maturities from 4/1/2024 until 3/1/2025	89,949	94,247
6.5%, with various maturities from 11/1/2024 until 1/1/2036	46,675	51,766
Government National Mortgage Association:		
3.0%, 1/1/2050 (b)	1,300,000	1,335,256
3.5%, 1/1/2050 (b)	1,200,000	1,236,720
Total Mortgage-Backed Securities Pass-Throughs (Cost $8,528,639)		**8,721,322**

Asset-Backed 8.4%

Automobile Receivables 5.0%

	Principal Amount ($)(a)	Value ($)
AmeriCredit Automobile Receivables Trust, "C", Series 2019-2, 2.74%, 4/18/2025	660,000	665,838
Avis Budget Rental Car Funding AESOP LLC, "C", Series 2015-1A, 144A, 3.96%, 7/20/2021	500,000	501,139

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

	Principal Amount ($)(a)	Value ($)
Hertz Vehicle Financing II LP:		
"A", Series 2017-1A, 144A, 2.96%, 10/25/2021	750,000	753,836
"A", Series 2018-1A, 144A, 3.29%, 2/25/2024	500,000	511,717
		2,432,530

Credit Card Receivables 2.0%

	Principal Amount ($)(a)	Value ($)
World Financial Network Credit Card Master Trust, "M", Series 2016-A, 2.33%, 4/15/2025	1,000,000	**997,146**

Miscellaneous 1.4%

	Principal Amount ($)(a)	Value ($)
GMF Floorplan Owner Revolving Trust, "C", Series 2019-1, 144A, 3.06%, 4/15/2024	230,000	233,476
Hilton Grand Vacations Trust, "B", Series 2014-AA, 144A, 2.07%, 11/25/2026	52,316	52,097
MVW Owner Trust, "A", Series 2019-1A, 144A, 2.89%, 11/20/2036	401,131	406,173
		691,746
Total Asset-Backed (Cost $4,090,567)		**4,121,422**

Commercial Mortgage-Backed Securities 6.6%

	Principal Amount ($)(a)	Value ($)
Bank, "B", Series 2018-BN13, 4.545%*, 8/15/2061	500,000	550,947
BXP Trust, "B", Series 2017-CQHP, 144A, 1-month USD-LIBOR + 1.100%, 2.84%*, 11/15/2034	280,000	279,104
Citigroup Commercial Mortgage Trust, "D", Series 2019-PRM, 144A, 4.35%, 5/10/2036	600,000	623,666
FHLMC Multifamily Structured Pass-Through Certificates:		
"X1", Series K043, Interest Only, 0.537%*, 12/25/2024	4,873,062	114,459
"X1", Series K054, Interest Only, 1.174%*, 1/25/2026	1,815,581	110,412
GS Mortgage Securities Corp. II, "B", Series 2018-GS10, 4.373%*, 7/10/2051	500,000	549,039
Morgan Stanley Capital Barclays Bank Trust, "C", Series 2016-MART, 144A, 2.817%, 9/13/2031	500,000	498,779
Morgan Stanley Capital I Trust, "A4" Series 2019-L3, 3.127%, 11/15/2029	500,000	515,986
Total Commercial Mortgage-Backed Securities (Cost $3,141,498)		**3,242,392**

Collateralized Mortgage Obligations 11.5%

	Principal Amount ($)(a)	Value ($)
Countrywide Home Loan, "A2", Series 2006-1, 6.0%, 3/25/2036	134,104	112,263
CSFB Mortgage-Backed Pass-Through Certificates, "10A3", Series 2005-10, 6.0%, 11/25/2035	75,354	36,827
Federal Home Loan Mortgage Corp.:		
"PI", Series 4485, Interest Only, 3.5%, 6/15/2045	1,367,341	184,860
"PI", Series 3940, Interest Only, 4.0%, 2/15/2041	207,778	24,942
"C31", Series 303, Interest Only, 4.5%, 12/15/2042	996,019	160,396
Federal National Mortgage Association:		
"ZL", Series 2017-55, 3.0%, 10/25/2046	538,892	519,821
"CL", Series 7436, 3.0%, 12/15/2047	1,000,000	1,030,375
"PA", Series 4885, 3.0%, 4/15/2048	955,445	984,881
Government National Mortgage Association:		
"PL", Series 2013-19, 2.5%, 2/20/2043	684,500	645,384
"PI", Series 2015-40, Interest Only, 4.0%, 4/20/2044	190,099	13,663
"IN", Series 2009-69, Interest Only, 5.5%, 8/20/2039	47,954	8,277
"IV", Series 2009-69, Interest Only, 5.5%, 8/20/2039	92,163	15,901
"IJ", Series 2009-75, Interest Only, 6.0%, 8/16/2039	35,895	6,183
JPMorgan Mortgage Trust:		
"A11", Series 2019-9, 144A, 1-month USD-LIBOR + 0.900%, 2.603%*, 5/25/2050	295,909	294,570
"A3", Series 2019-INV3, 144A, 3.5%, 5/25/2050	450,000	458,649
MASTR Alternative Loans Trust:		
"5A1", Series 2005-1, 5.5%, 1/25/2020	654	672
"8A1", Series 2004-3, 7.0%, 4/25/2034	3,012	3,117
New Residential Mortgage Loan:		
"A1", Series 2019-NQM3, 144A, 2.802%, 7/25/2049	225,168	225,455
"A1", Series 2019-NQM2, 144A, 3.6%, 4/25/2049	181,595	182,989
Sequoia Mortgage Trust, "A4", Series 2018-8, 144A, 4.0%, 11/25/2048	512,397	516,460
Verus Securitization Trust, "A1", Series 2019-INV1, 144A, 3.402%, 12/25/2059	193,689	194,860
Total Collateralized Mortgage Obligations (Cost $5,709,901)		**5,620,545**

Government & Agency Obligations 13.3%

Other Government Related (c) 0.7%

	Principal Amount ($)(a)	Value ($)
Novatek OAO, 144A, 6.604%, 2/3/2021	300,000	**314,106**

Sovereign Bonds 1.1%

	Principal Amount ($)(a)	Value ($)
Republic of Kazakhstan, 144A, 1.55%, 11/9/2023	EUR290,000	340,212
Republic of South Africa, 4.875%, 4/14/2026	200,000	208,077
		548,289

U.S. Treasury Obligations 11.5%

	Principal Amount ($)(a)	Value ($)
U.S. Treasury Bond, 2.25%, 8/15/2049	2,419,000	2,353,233

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

	Principal Amount ($)(a)	Value ($)
U.S. Treasury Note, 1.75% (d), 11/15/2029	3,341,000	3,293,234
		5,646,467
Total Government & Agency Obligations (Cost $6,547,965)		**6,508,862**

Short-Term U.S. Treasury Obligations 2.3%

U.S. Treasury Bills:		
1.564%**, 9/10/2020	250,000	247,340
1.595%**, 9/10/2020	90,000	89,043
1.763%**, 7/16/2020 (e)	804,000	797,275
Total Short-Term U.S. Treasury Obligations (Cost $1,132,490)		**1,133,658**

Securities Lending Collateral 6.2%

	Shares	Value ($)
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (f) (g) (Cost $3,030,000)	3,030,000	**3,030,000**

Cash Equivalents 0.3%

	Shares	Value ($)
DWS Central Cash Management Government Fund, 1.62% (f) (Cost $163,542)	163,542	**163,542**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $53,037,073)	110.9	**54,287,911**
Other Assets and Liabilities, Net	(10.9)	**(5,340,426)**
Net Assets	100.0	**48,947,485**

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 6.2%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (f) (g)								
111,600	2,918,400(h)	—	—	—	2,652	—	3,030,000	3,030,000
Cash Equivalents 0.3%								
DWS Central Cash Management Government Fund, 1.62% (f)								
1,975,521	28,384,458	30,196,437	—	—	44,188	—	163,542	163,542
2,087,121	**31,302,858**	**30,196,437**	**—**	**—**	**46,840**	**—**	**3,193,542**	**3,193,542**

* Variable or floating rate security. These securities are shown at their current rate as of December 31, 2019. 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.

** Annualized yield at time of purchase; not a coupon rate.

(a) Principal amount stated in U.S. dollars unless otherwise noted.

(b) When-issued, delayed delivery or forward commitment securities included.

(c) Government-backed debt issued by financial companies or government sponsored enterprises.

(d) 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 December 31, 2019 amounted to $2,957,109, which is 6.0% of net assets.

(e) At December 31, 2019, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

(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 year ended December 31, 2019.

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.

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.

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

LIBOR: London Interbank Offered Rate

PJSC: Public Joint Stock Company

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

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. Some separate investments in the Federal Home Loan Mortgage Corp. and Federal National Mortgage Association issues which have similar coupon rates have been aggregated for presentation purposes in this investment portfolio.

At December 31, 2019 open futures contracts purchased were as follows:

Futures	Currency	Expiration Date	Contracts	Notional Amount ($)	Notional Value ($)	Unrealized (Depreciation) ($)
10 Year U.S. Treasury Note	USD	3/20/2020	2	259,442	256,844	(2,598)
2 Year U.S. Treasury Note	USD	3/31/2020	21	4,527,737	4,525,500	(2,237)
Ultra 10 Year U.S. Treasury Note	USD	3/20/2020	10	1,425,229	1,407,031	(18,198)
Total net unrealized depreciation						**(23,033)**

At December 31, 2019, open futures contracts sold were as follows:

Futures	Currency	Expiration Date	Contracts	Notional Amount ($)	Notional Value ($)	Unrealized Appreciation ($)
Ultra Long U.S. Treasury Bond	USD	3/20/2020	11	2,075,522	1,998,219	77,303
Total net unrealized appreciation						**77,303**

At December 31, 2019, open credit default swap contracts purchased were as follows:

Centrally Cleared Swaps

Underlying Reference Obligation	Fixed Cash Flows Received/ Frequency	Counterparty/ Expiration Date	Notional Amount (i)	Currency	Value ($)	Upfront Payments Paid ($)	Unrealized Appreciation ($)
Markit Commercial Mortgage Backed Securities Index Series 12	2.0%/Monthly	8/17/2061	235,000	USD	(759)	(7,147)	**6,388**

(i) The maximum potential amount of future undiscounted payments that the Fund could be required to make under a credit default swap contract would be the notional amount of the contract. These potential amounts would be partially offset by any recovery values of the referenced debt obligation or net amounts received from the settlement of buy protection credit default swap contracts entered into by the Fund for the same referenced debt obligation, if any.

At December 31, 2019, the Fund had the following open forward foreign currency contracts:

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Depreciation ($)	Counterparty
EUR	550,000	USD	613,132	2/19/2020	(5,701)	Bank of America
EUR	200,000	USD	222,875	2/19/2020	(2,156)	State Street Bank and Trust
Total unrealized depreciation					**(7,857)**	

Currency Abbreviations

EUR Euro
USD United States Dollar

For information on the Fund's policy and additional disclosures regarding future contracts, credit default 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 December 31, 2019 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**
Fixed Income Investments (j)				
Corporate Bonds	$ —	$ 21,746,168	$ —	$ 21,746,168
Mortgage-Backed Securities Pass-Throughs	—	8,721,322	—	8,721,322
Asset-Backed	—	4,121,422	—	4,121,422
Commercial Mortgage-Backed Securities	—	3,242,392	—	3,242,392
Collateralized Mortgage Obligations	—	5,620,545	—	5,620,545
Government & Agency Obligations	—	6,508,862	—	6,508,862
Short-Term U.S. Treasury Obligations	—	1,133,658	—	1,133,658
Short-Term Investments (j)	3,193,542	—	—	3,193,542
Derivatives (k)				
Futures Contracts	77,303	—	—	77,303
Credit Default Swap Contracts	—	6,388	—	6,388
Total	**$ 3,270,845**	**$ 51,100,757**	**$ —**	**$ 54,371,602**

Liabilities				
Derivatives (k)				
Futures Contracts	$ (23,033)	$ —	$ —	$ (23,033)
Forward Foreign Currency Contracts	—	(7,857)	—	(7,857)
Total	**$ (23,033)**	**$ (7,857)**	**$ —**	**$ (30,890)**

(j) See Investment Portfolio for additional detailed categorizations.

(k) Derivatives include unrealized appreciation (depreciation) on open futures contracts, credit default 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $49,843,531) — including $2,957,109 of securities loaned	$51,094,369
Investment in DWS Government & Agency Securities Portfolio (cost $3,030,000)*	3,030,000
Investment in DWS Central Cash Management Government Fund (cost $163,542)	163,542
Cash	10,392
Receivable for Fund shares sold	35,429
Interest receivable	315,141
Receivable for variation margin on futures contracts	12,047
Foreign taxes recoverable	959
Other assets	1,535
Total assets	54,663,414

Liabilities	
Payable for securities loaned	3,030,000
Payable for investments purchased — when-issued/delayed delivery securities	2,577,742
Payable for Fund shares redeemed	1,580
Payable for variation margin on centrally cleared swaps	771
Unrealized depreciation on forward foreign currency contracts	7,857
Accrued management fee	27
Accrued Trustees' fees	1,369
Other accrued expenses and payables	96,583
Total liabilities	5,715,929
Net assets, at value	**$48,947,485**

Net Assets Consist of	
Distributable earnings (loss)	567,053
Paid-in capital	48,380,432
Net assets, at value	**$48,947,485**

Net Asset Value	
Net asset value, offering and redemption price per share ($48,947,485 ÷ 8,618,016 outstanding shares of beneficial interest, $.01 par value, unlimited number of shares authorized)	$ **5.68**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Interest (net of foreign taxes withheld of $205)	$1,700,430
Income distributions — DWS Central Cash Management Government Fund	44,188
Securities lending income, net of borrower rebates	2,652
Total income	1,747,270
Expenses: Management fee	188,760
Administration fee	48,400
Services to shareholders	1,518
Custodian fee	10,212
Professional fees	70,463
Reports to shareholders	36,573
Trustees' fees and expenses	4,587
Pricing service fee	23,467
Other	5,857
Total expenses before expense reductions	389,837
Expense reductions	(70,397)
Total expenses after expense reductions	319,440
Net investment income	**1,427,830**

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from: Investments	1,129,190
Swap contracts	(209,366)
Futures	3,988
Forward foreign currency contracts	56,593
Foreign currency	(28,706)
	951,699
Change in net unrealized appreciation (depreciation) on: Investments	2,332,232
Swap contracts	30,530
Futures	65,661
Forward foreign currency contracts	(25,768)
Foreign currency	13,602
	2,416,257
Net gain (loss)	**3,367,956**
Net increase (decrease) in net assets resulting from operations	**$4,795,786**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income	$ 1,427,830	$ 1,528,195
Net realized gain (loss)	951,699	(1,343,833)
Change in net unrealized appreciation (depreciation)	2,416,257	(1,524,541)
Net increase (decrease) in net assets resulting from operations	4,795,786	(1,340,179)
Distributions to shareholders:		
Class A	(1,466,158)	(2,159,140)
Fund share transactions:		
Class A		
Proceeds from shares sold	5,436,154	2,190,642
Reinvestment of distributions	1,466,158	2,159,140
Payments for shares redeemed	(7,080,322)	(6,549,537)
Net increase (decrease) in net assets from Class A share transactions	(178,010)	(2,199,755)
Increase (decrease) in net assets	3,151,618	(5,699,074)
Net assets at beginning of period	45,795,867	51,494,941
Net assets at end of period	**$48,947,485**	**$45,795,867**
Other Information:		
Class A		
Shares outstanding at beginning of period	8,635,826	9,030,036
Shares sold	984,384	405,229
Shares issued to shareholders in reinvestment of distributions	271,511	407,385
Shares redeemed	(1,273,705)	(1,206,824)
Net increase (decrease) in Class A shares	(17,810)	(394,210)
Shares outstanding at end of period	**8,618,016**	**8,635,826**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 5.30**	**$ 5.70**	**$5.52**	**$5.49**	**$5.67**
Income (loss) from investment operations:					
Net investment income[a]	.16	.17	.17	.15	.14
Net realized and unrealized gain (loss)	.39	(.32)	.15	.17	(.15)
Total from investment operations	.55	(.15)	.32	.32	(.01)
Less distributions from:					
Net investment income	(.17)	(.25)	(.14)	(.29)	(.17)
Net asset value, end of period	**$ 5.68**	**$ 5.30**	**$5.70**	**$5.52**	**$5.49**
Total Return (%)[b]	10.62	(2.65)	5.83	5.93	(.29)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	49	46	51	77	80
Ratio of expenses before expense reductions (%)[c]	.81	.87	.74	.78	.69
Ratio of expenses after expense reductions (%)[c]	.66	.69	.65	.64	.64
Ratio of net investment income (%)	2.95	3.19	2.99	2.68	2.54
Portfolio turnover rate (%)	223	260	205	236	197

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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.

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

Notes to 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, registered management investment company organized as a Massachusetts business trust. The Trust consists of five diversified funds: DWS Bond VIP, 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 Bond 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").

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 are valued at prices supplied by independent pricing services approved by the Trustees of the Series. 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.

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.

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 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 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 year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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.

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.

When-Issued/Delayed Delivery Securities. The Fund may purchase or sell 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 or sell a security, the transaction is recorded and the value of the transaction 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. 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 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. Estimated tax liabilities 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, 2019, the Fund had a net tax basis capital loss carryforward of approximately $2,042,000 which may be applied against realized net taxable capital gains indefinitely, including short-term losses ($5,000) and long-term losses ($2,037,000).

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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 currencies, investments in forward foreign currency exchange contracts, futures contracts, swap contracts 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.

At December 31, 2019, the Fund's components of distributable earnings (accumulated losses) on a tax basis are as follows:

Undistributed ordinary income*	$ 1,359,138
Capital loss carryforwards	$ (2,042,000)
Net unrealized appreciation (depreciation) on investments	$ 1,249,095

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $53,038,816. The net unrealized appreciation for all investments based on tax cost was $1,249,095. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $1,552,617 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $303,522.

In addition, the tax character of distributions paid to shareholders by the Fund is summarized as follows:

	Years Ended December 31,	
	2019	**2018**
Distributions from ordinary income*	$ 1,466,158	$ 2,159,140

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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. 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 discounts and premiums are accreted/ amortized for both tax and financial reporting purposes.

B. Derivative Instruments

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 year ended December 31, 2019, the Fund invested in interest rate futures to gain exposure to different parts of the yield curve while managing the overall duration. The Fund also entered into interest rate futures contracts for non-hedging purposes to seek to enhance potential gains.

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 disclosed in the Statement of Assets and Liabilities.

A summary of the open futures contracts as of December 31, 2019, is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in futures contracts purchased had a total notional value generally indicative of a range from approximately $5,470,000 to $10,983,000, and the investment in futures contracts sold had a total notional value generally indicative of a range from approximately $1,998,000 to $3,993,000.

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 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.

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 year ended December 31, 2019, the Fund entered into credit default swap agreements to gain exposure to the underlying issuer's credit quality characteristics, or 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.

A summary of the open credit default swap contracts as of December 31, 2019, is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in credit default swap contracts purchased had a total notional amount generally indicative of a range from $0 to approximately $9,900,000.

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. The Fund is subject to foreign exchange rate risk in its securities denominated in foreign currencies. Changes in exchange rates between foreign currencies and the U.S. dollar may affect the U.S. dollar value of foreign securities or the income or gains received on these securities. To reduce the effect of currency fluctuations, the Fund may enter into forward currency contracts. For the six months ended June 30, 2019, the Fund invested in forward currency contracts to hedge its exposure to changes in foreign currency exchange rates on its foreign currency denominated securities. In addition, the Fund also engaged in forward currency contracts 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 December 31, 2019, is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in forward currency contracts U.S. dollars purchased had a total contract value generally indicative of a range from approximately $829,000 to $3,485,000 and the investment in forward currency contracts U.S. dollars sold had a total contract value generally indicative of a range from $0 to approximately $1,414,000. The investment in forward currency contracts long vs. other foreign currencies sold had a total contract value generally indicative of a range from approximately $0 to $1,895,000.

The following tables summarize the value of the Fund's derivative instruments held as of December 31, 2019 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

Asset Derivatives	**Futures Contracts**	**Swap Contracts**	**Total**
Interest Rate Contracts (a)	$ 77,303	$ —	$ 77,303
Credit Contracts (b)	—	6,388	6,388
	$ 77,303	**$ 6,388**	**$ 83,691**

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

(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.

(b) Includes cumulative appreciation of swaps contracts as disclosed in the Investment Portfolio. Unsettled variation margin is disclosed separately within the Statement of Assets and Liabilities.

Liability Derivatives	Futures Contracts	Forward Contracts	Total
Interest Rate Contracts (c)	$ 23,033	$ —	$ 23,033
Foreign Exchange Contracts (d)	—	7,857	7,857
	$ 23,033	**$ 7,857**	**$ 30,890**

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

(c) 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.

(d) 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 year ended December 31, 2019 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Forward Contracts	Swap Contracts	Futures Contracts	Total
Interest Rate Contract (e)	$ —	$ —	$ 3,988	$ 3,988
Credit Contracts (e)	—	(209,366)	—	(209,366)
Foreign Exchange Contracts (f)	56,593	—	—	56,593
	$ 56,593	**$ (209,366)**	**$ 3,988**	**$ (148,785)**

Each of the above derivatives is located in the following Statement of Operations accounts:

(e) Net realized gain (loss) from swap contracts and futures, respectively

(f) Net realized gain (loss) from forward foreign currency contracts

Change in Net Unrealized Appreciation (Depreciation)	Forward Contracts	Swap Contracts	Futures Contracts	Total
Interest Rate Contracts (g)	$ —	$ —	$ 65,661	$ 65,661
Credit Contracts (g)	—	30,530	—	30,530
Foreign Exchange Contracts (h)	(25,768)	—	—	(25,768)
	$ (25,768)	**$ 30,530**	**$ 65,661**	**$ 70,423**

Each of the above derivatives is located in the following Statement of Operations accounts:

(g) Change in net unrealized appreciation (depreciation) on swap contracts and futures, respectively

(h) Change in net unrealized appreciation (depreciation) on forward foreign currency contracts

As of December 31, 2019, 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 tables:

Counterparty	Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Financial Instruments and Derivatives Available for Offset	Collateral Pledged	Net Amount of Derivative Liabilities
Bank of America	$ 5,701	$ —	$ —	$ 5,701
State Street Bank and Trust	2,156	—	—	2,156
	$ 7,857	**$ —**	**$ —**	**$ 7,857**

C. Purchases and Sales of Securities

During the year ended December 31, 2019, purchases and sales of investment securities, excluding short-term investments, were as follows:

	Purchases	Sales
Non-U.S. Treasury Obligations	$ 87,232,022	$ 91,531,898
U.S. Treasury Obligations	$ 21,619,998	$ 16,657,481

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.

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 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 year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.39% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2020, 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 0.66%.

For the year ended December 31, 2019, fees waived and/or expenses reimbursed were $70,397.

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 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $48,400, of which $4,159 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 year ended December 31, 2019, the amounts charged to the Fund by DSC aggregated $566, of which $94 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $10,764, out of which $4,384 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 year ended December 31, 2019, the Fund incurred lending agent fees to Deutsche Bank AG in the amount of $199.

E. Ownership of the Fund

At December 31, 2019, three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 43%, 24% and 15%, respectively.

F. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

G. Change of Independent Registered Public Accounting Firm

On May 14, 2019, PricewaterhouseCoopers LLP ("PwC") resigned as the independent registered public accounting firm to the Fund. PwC communicated its resignation to the Registrant's Board of Trustees (the "Board of Trustees").

PwC's reports on the Fund's financial statements for the fiscal years ended December 31, 2018 and December 31, 2017 contained no adverse opinion or disclaimer of opinion nor were they qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended December 31, 2018 and December 31, 2017 and during the subsequent interim period through May 14, 2019: (i) there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the subject matter of the disagreements in connection with its reports on the Fund's financial statements for such periods; and (ii) there were no "reportable events" of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

On May 15, 2019, the Audit Committee of the Board of Trustees and the Board of Trustees approved the selection of Ernst & Young LLP ("EY") as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2019. During the Fund's fiscal years ended December 31, 2018 and December 31, 2017, and the subsequent interim period through May 15, 2019, neither the Fund, nor anyone on their behalf, consulted with EY on items which: (i) concerned the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund's financial statements; or (ii) concerned the subject of a disagreement (as defined in paragraph (a)(1)(iv) of Item 304 of Regulation S-K) or reportable events (as described in paragraph (a)(1)(v) of said Item 304).

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series I and Shareholders of DWS Bond VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Bond VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series I) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statements of operations and changes in net assets and the financial highlights for the year then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series I) at December 31, 2019, the results of its operations, the changes in its net assets and its financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

The statement of changes in net assets for the year ended December 31, 2018, and the financial highlights for the years ended December 31, 2015, December 31, 2016, December 31, 2017 and December 31, 2018, were audited by another independent registered public accounting firm whose report, dated February 14, 2019, expressed an unqualified opinion on that statement of changes in net assets and those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,016.10
Expenses Paid per $1,000*	$ 3.35

Hypothetical 5% Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,021.88
Expenses Paid per $1,000*	$ 3.36

* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratio	**Class A**
Deutsche DWS Variable Series I — DWS Bond VIP	.66%

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.

Tax Information

(Unaudited)

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 Bond VIP's (the "Fund") investment management agreement (the "Agreement") with DWS Investment Management Americas, Inc. ("DIMA") in September 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's performance (Class A shares) was in the 4th 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 three- and five-year periods and has underperformed its benchmark in the one-year period ended December 31, 2018. 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 made effective February 12, 2018. The Board observed that the Fund had experienced improved relative performance during the first eight months of 2019. 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 0.10% 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, 2018). 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, 2018, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). 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 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 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

1 The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

2 A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

3 Executive title, not a board directorship.

4 As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

5 The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

6 Address: 875 Third Avenue, New York, NY 10022.

7 Address: One International Place, Boston, MA 02110.

8 Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

Notes

VS1bond-2 (R-025819-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series I

DWS Capital Growth VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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.

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

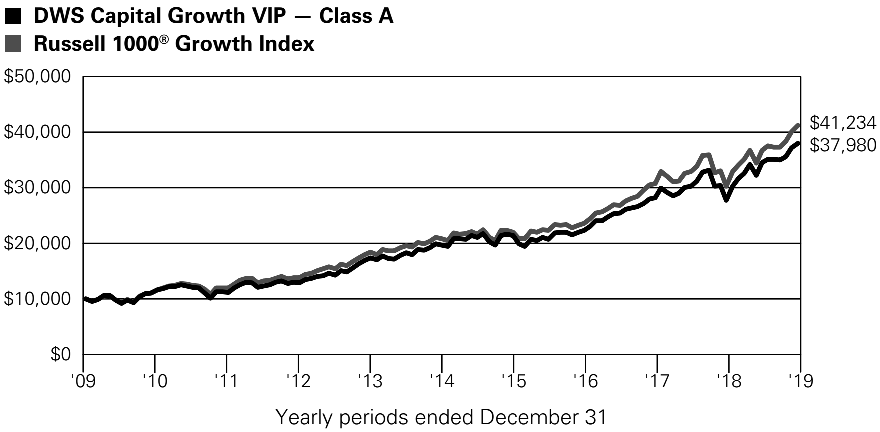
December 31, 2019 (Unaudited)

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, 2019 are 0.50% and 0.76% 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



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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$13,714	$17,044	$19,299	$37,980
	Average annual total return	37.14%	19.45%	14.05%	14.28%
Russell 1000 Growth Index	Growth of $10,000	$13,639	$17,491	$19,790	$41,234
	Average annual total return	36.39%	20.49%	14.63%	15.22%

DWS Capital Growth VIP		1-Year	3-Year	5-Year	10-Year
Class B	Growth of $10,000	$13,679	$16,909	$19,049	$36,892
	Average annual total return	36.79%	19.13%	13.76%	13.94%
Russell 1000 Growth Index	Growth of $10,000	$13,639	$17,491	$19,790	$41,234
	Average annual total return	36.39%	20.49%	14.63%	15.22%

The growth of $10,000 is cumulative.

Management Summary

The Fund returned 37.14% (Class A shares, unadjusted for contract charges) in 2019, slightly ahead of the 36.39% return for the Russell 1000® Growth Index. Stock selection was the primary driver of the Fund's outperformance, highlighted by its strong showing in the health care, industrials, and consumer discretionary sectors. Conversely, its holdings lagged the corresponding benchmark components in financials and communication services.

Thermo Fisher Scientific, Inc. was the strongest contributor in both the health care sector and the Fund as a whole. The company delivered steady organic growth through its balanced exposure across multiple business lines. In addition, its strategic acquisitions were received favorably by the markets. Danaher Corp., another key contributor in health care, was boosted by its ongoing effort to reduce sales volatility and augment its product mix with more consumables and aftermarket business. The animal-health company Zoetis, Inc. also aided results, as the company exceeded earnings expectations and benefited from strong underlying trends in the companion-animal end market. The Fund's performance in the industrials sector was helped by TransDigm Group, Inc., a maker of aerospace components that benefited from accelerating growth in its after-market business and an earnings boost from a successful acquisition. Lululemon Athletica, Inc. and Dollar General Corp. were key contributors in the consumer discretionary space.

On the negative side, SVB Financial Group* was a notable underperformer in financials. The stock lagged its sector peers due to worries that the flattening yield curve would pressure its net interest margins. Positions in the information technology companies Cognizant Technology Solutions Corp. and 2U, Inc.* also detracted, as did an underweight in Facebook, Inc.

In terms of portfolio activity, we looked to build the highest-conviction positions in companies with consistent growth and visibility regarding their paths to continued profitability. However, due to strong stock market performance and the concurrent increase in valuations, we became extremely selective with regard to individual stocks in the latter part of the period. This was particularly true among those that appeared vulnerable to decelerating top-line growth.

This thinking helps explain the Fund's underweight in information technology stocks at the close of the year. With this said, we think the classic sector definitions are becoming less meaningful in a modern economy characterized by converging trends. In this vein, we continued to devote our efforts to identifying compelling businesses that use technology to drive innovation-led change and extend their competitive advantages. This applied to companies we identified in the industrials, financials, health care, and consumer sectors. We also looked for businesses that invest in research and development or that benefit from spending in this area. Specifically, we were focused on businesses that are well positioned in structurally growing areas such as digitization, communications, e-commerce, information services, electronic payments, and diagnostics.

The Fund was underweight in health care, as uncertainty on the political front prompted us to take a more cautious stance toward the pharmaceuticals, biotechnology and health care services industries. On the other hand, we continued to identify ideas among the most innovative firms in the medical devices, health-care technology, and diagnostics industries.

Financials were the Fund's largest sector overweight at year-end, highlighted by a focus on high-quality franchises such as Progressive Corp., American Express Co., and Intercontinental Exchange, Inc. In all cases, these businesses have lower sensitivity to interest-rate and yield-curve movements than traditional financial institutions.

Over the course of the year, we made incremental additions to the Fund's weighting in higher-growth companies through new investments in DexCom, Inc., Planet Fitness, Inc., and Exact Sciences Corp. among others. Such companies tend to be higher-risk since they are at an earlier stage of their corporate lifecycle, so we held a smaller position (about 10% of assets) in this area as of December 31, 2019. The majority of the

Fund remained dedicated to stable growers such as Progressive Corp., Becton, Dickinson & Co., and Fiserv, Inc. Conversely, we either sold or reduced position sizes in stocks with an above-average cyclical component to their growth rates, as well as those whose growth appeared to be slowing.

Sebastian P. Werner, PhD, Director
Portfolio Manager

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

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.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the fund.

Overweight means the Fund holds a higher weighting in a given sector or security than the benchmark. **Underweight** means the Fund holds a lower weighting.

* Not held at December 31, 2019.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio)	**12/31/19**	**12/31/18**
Common Stocks	98%	98%
Cash Equivalents	2%	2%
	100%	100%

Sector Diversification (As of % of Investment Portfolio excluding Cash Equivalents)	**12/31/19**	**12/31/18**
Information Technology	38%	31%
Consumer Discretionary	14%	15%
Communication Services	13%	14%
Health care	13%	15%
Industrials	10%	11%
Financials	6%	7%
Consumer Staples	3%	3%
Real Estate	2%	2%
Materials	1%	1%
Energy	0%	1%
	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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 98.0%		
Communication Services 12.9%		
Entertainment 6.4%		
Activision Blizzard, Inc.	192,570	11,442,509
Live Nation Entertainment, Inc.*	75,536	5,398,558
Netflix, Inc.*	29,549	9,561,170
Spotify Technology SA*	69,647	10,415,709
Walt Disney Co.	130,923	18,935,394
		55,753,340
Interactive Media & Services 5.3%		
Alphabet, Inc. "A"*	12,573	16,840,150
Alphabet, Inc. "C"*	14,542	19,442,945
Facebook, Inc. "A"*	43,638	8,956,700
Pinterest, Inc. "A"*	28,957	539,758
		45,779,553
Wireless Telecommunication Services 1.2%		
T-Mobile U.S., Inc.*	130,541	**10,237,025**
Consumer Discretionary 14.2%		
Hotels, Restaurants & Leisure 3.0%		
Las Vegas Sands Corp.	65,516	4,523,224
McDonald's Corp.	79,334	15,677,192
Planet Fitness, Inc. "A"*	73,291	5,473,372
		25,673,788
Internet & Direct Marketing Retail 4.4%		
Amazon.com, Inc.*	20,447	**37,782,785**
Multiline Retail 1.3%		
Dollar General Corp.	69,992	**10,917,352**
Specialty Retail 4.6%		
Burlington Stores, Inc.*	41,609	9,488,100
CarMax, Inc.*	103,668	9,088,574
Home Depot, Inc.	99,612	21,753,268
		40,329,942
Textiles, Apparel & Luxury Goods 0.9%		
Lululemon Athletica, Inc.*	35,737	**8,279,191**
Consumer Staples 3.3%		
Food & Staples Retailing 1.2%		
Costco Wholesale Corp.	35,624	**10,470,606**
Food Products 1.4%		
Mondelez International, Inc. "A"	223,498	**12,310,270**
Personal Products 0.7%		
Estee Lauder Companies, Inc. "A"	28,685	**5,924,600**
Energy 0.4%		
Oil, Gas & Consumable Fuels		
Concho Resources, Inc.	36,976	**3,237,988**
Financials 5.4%		
Capital Markets 1.6%		
Intercontinental Exchange, Inc.	153,742	**14,228,822**
Consumer Finance 1.2%		
American Express Co.	83,353	**10,376,615**
Insurance 2.6%		
Progressive Corp.	313,408	**22,687,605**

	Shares	Value ($)
Health Care 12.5%		
Biotechnology 1.4%		
Alexion Pharmaceuticals, Inc.*	47,710	5,159,837
BioMarin Pharmaceutical, Inc.*	41,983	3,549,663
Exact Sciences Corp.*	35,061	3,242,441
		11,951,941
Health Care Equipment & Supplies 6.0%		
Becton, Dickinson & Co.	94,598	25,727,818
Danaher Corp.	89,243	13,697,016
DexCom, Inc.*	39,730	8,690,540
The Cooper Companies, Inc.	13,442	4,318,780
		52,434,154
Life Sciences Tools & Services 2.9%		
Thermo Fisher Scientific, Inc.	78,804	**25,601,056**
Pharmaceuticals 2.2%		
Bristol-Myers Squibb Co.	53,441	3,430,378
Zoetis, Inc.	115,213	15,248,440
		18,678,818
Industrials 9.7%		
Aerospace & Defense 2.6%		
Boeing Co.	43,087	14,036,021
TransDigm Group, Inc.	14,574	8,161,440
		22,197,461
Electrical Equipment 1.7%		
AMETEK, Inc.	145,760	**14,538,102**
Industrial Conglomerates 1.4%		
Roper Technologies, Inc.	33,955	**12,027,880**
Machinery 0.7%		
Parker-Hannifin Corp.	31,679	**6,520,172**
Professional Services 2.6%		
TransUnion	141,138	12,082,824
Verisk Analytics, Inc.	68,974	10,300,577
		22,383,401
Road & Rail 0.7%		
Norfolk Southern Corp.	32,259	**6,262,440**
Information Technology 37.0%		
IT Services 9.7%		
Cognizant Technology Solutions Corp. "A"	151,600	9,402,232
Fiserv, Inc.*	155,119	17,936,410
FleetCor Technologies, Inc.*	25,750	7,408,790
Global Payments, Inc.	79,069	14,434,836
Visa, Inc. "A"	186,363	35,017,608
		84,199,876
Semiconductors & Semiconductor Equipment 1.8%		
Analog Devices, Inc.	38,301	4,551,691
NVIDIA Corp.	45,256	10,648,737
		15,200,428
Software 17.9%		
Adobe, Inc.*	50,656	16,706,856
DocuSign, Inc.*	48,536	3,597,003
Intuit, Inc.	42,522	11,137,788
Microsoft Corp.	458,653	72,329,578

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

	Shares	Value ($)
Nuance Communications, Inc.*	367,763	6,557,214
Proofpoint, Inc.*	63,601	7,300,123
Salesforce.com, Inc.*	66,794	10,863,376
ServiceNow, Inc.*	36,776	10,382,600
Synopsys, Inc.*	60,826	8,466,979
VMware, Inc. "A"*	52,457	7,962,448
		155,303,965
Technology Hardware, Storage & Peripherals 7.6%		
Apple, Inc.	213,875	62,804,393
Pure Storage, Inc. "A"*	159,353	2,726,530
		65,530,923

Materials 0.7%

Construction Materials		
Vulcan Materials Co.	41,880	**6,030,301**

Real Estate 1.9%

Equity Real Estate Investment Trusts (REITs)		
Equinix, Inc.	15,161	8,849,476
Prologis, Inc.	84,233	7,508,530
		16,358,006
Total Common Stocks (Cost $382,884,554)		**849,208,406**

Cash Equivalents 2.0%

	Shares	Value ($)
DWS Central Cash Management Government Fund, 1.62% (a) (Cost $16,868,479)	16,868,479	**16,868,479**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $399,753,033)	100.0	**866,076,885**
Other Assets and Liabilities, Net	0.0	**123,707**
Net Assets	100.0	**866,200,592**

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral —%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (a) (b)								
5,457,000	—	5,457,000 (c)	—	—	25,584	—	—	—
Cash Equivalents 2.0%								
DWS Central Cash Management Government Fund, 1.62% (a)								
12,082,625	117,362,992	112,577,138	—	—	317,537	—	16,868,479	16,868,479
17,539,625	**117,362,992**	**118,034,138**	**—**	**—**	**343,121**	**—**	**16,868,479**	**16,868,479**

* 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 year ended December 31, 2019.

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 December 31, 2019 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 (d)	$849,208,406	$ —	$ —	$849,208,406
Short-Term Investments	16,868,479	—	—	16,868,479
Total	**$866,076,885**	**$ —**	**$ —**	**$866,076,885**

(d) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $382,884,554)	$ 849,208,406
Investment in DWS Central Cash Management Government Fund (cost $16,868,479)	16,868,479
Receivable for Fund shares sold	111,322
Dividends receivable	682,708
Interest receivable	22,965
Other assets	17,428
Total assets	866,911,308

Liabilities	
Payable for Fund shares redeemed	233,207
Accrued management fee	270,153
Accrued Trustees' fees	16,568
Other accrued expenses and payables	190,788
Total liabilities	710,716
Net assets, at value	**$ 866,200,592**

Net Assets Consist of	
Distributable earnings (loss)	533,954,180
Paid-in capital	332,246,412
Net assets, at value	**$ 866,200,592**

Net Asset Value	
Class A **Net Asset Value**, offering and redemption price per share ($861,991,399 ÷ 25,934,145 outstanding shares of beneficial interest, $0.01 par value, unlimited number of shares authorized)	**$ 33.24**
Class B **Net Asset Value**, offering and redemption price per share ($4,209,193 ÷ 127,162 outstanding shares of beneficial interest, $0.01 par value, unlimited number of shares authorized)	**$ 33.10**

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends	$ 8,406,487
Income distributions — DWS Central Cash Management Government Fund	317,537
Securities lending income, net of borrower rebates	25,584
Total income	8,749,608
Expenses: Management fee	3,096,591
Administration fee	831,258
Services to Shareholders	2,260
Record keeping fee (Class B)	143
Distribution service fee (Class B)	9,904
Custodian fee	11,241
Professional fees	93,400
Reports to shareholders	46,536
Trustees' fees and expenses	38,895
Other	49,229
Total expenses	4,179,457
Net investment income	**4,570,151**

Realized and Unrealized gain (loss)	
Net realized gain (loss) from investments	63,513,110
Change in net unrealized appreciation (depreciation) on investments	189,217,615
Net gain (loss)	**252,730,725**
Net increase (decrease) in net assets resulting from operations	**$ 257,300,876**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 4,570,151	$ 3,736,233
Net realized gain (loss)	63,513,110	94,066,554
Change in net unrealized appreciation (depreciation)	189,217,615	(108,027,003)
Net increase (decrease) in net assets resulting from operations	257,300,876	(10,224,216)
Distributions to shareholders:		
Class A	(97,006,648)	(78,292,764)
Class B	(448,501)	(583,563)
Total distributions	(97,455,149)	(78,876,327)
Fund share transactions:		
Class A		
Proceeds from shares sold	33,974,927	53,233,825
Reinvestment of distributions	97,006,648	78,292,764
Payments for shares redeemed	(152,665,013)	(94,375,223)
Net increase (decrease) in net assets from Class A share transactions	(21,683,438)	37,151,366
Class B		
Proceeds from shares sold	340,905	263,138
Reinvestment of distributions	448,501	583,563
Payments for shares redeemed	(824,586)	(2,933,729)
Net increase (decrease) in net assets from Class B share transactions	(35,180)	(2,087,028)
Increase (decrease) in net assets	138,127,109	(54,036,205)
Net assets at beginning of period	728,073,483	782,109,688
Net assets at end of period	**$ 866,200,592**	**$ 728,073,483**

Other Information		
Class A		
Shares outstanding at beginning of period	26,575,319	25,154,197
Shares sold	1,101,903	1,730,657
Shares issued to shareholders in reinvestment of distributions	3,253,073	2,776,339
Shares redeemed	(4,996,150)	(3,085,874)
Net increase (decrease) in Class A shares	(641,174)	1,421,122
Shares outstanding at end of period	**25,934,145**	**26,575,319**
Class B		
Shares outstanding at beginning of period	127,775	191,717
Shares sold	11,255	8,617
Shares issued to shareholders in reinvestment of distributions	15,076	20,738
Shares redeemed	(26,944)	(93,297)
Net increase (decrease) in Class B shares	(613)	(63,942)
Shares outstanding at end of period	**127,162**	**127,775**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$27.27**	**$30.86**	**$26.70**	**$28.22**	**$29.95**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.17	.14	.20	.21	.20
Net realized and unrealized gain (loss)	9.53	(.53)	6.47	.83	2.34
Total from investment operations	9.70	(.39)	6.67	1.04	2.54
Less distributions from:					
Net investment income	(.14)	(.23)	(.22)	(.22)	(.22)
Net realized gains	(3.59)	(2.97)	(2.29)	(2.34)	(4.05)
Total distributions	(3.73)	(3.20)	(2.51)	(2.56)	(4.27)
Net asset value, end of period	**$33.24**	**$27.27**	**$30.86**	**$26.70**	**$28.22**
Total Return (%)	37.14	(1.60)	26.30	4.25	8.62
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	862	725	776	745	849
Ratio of expenses (%)[b]	.50	.50	.50	.50	.49
Ratio of net investment income (loss) (%)	.55	.46	.70	.82	.70
Portfolio turnover rate (%)	11	26	15	35	35

[a] Based on average shares outstanding during the period.

[b] 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$27.16**	**$30.75**	**$26.61**	**$28.12**	**$29.84**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.09	.07	.13	.15	.13
Net realized and unrealized gain (loss)	9.49	(.54)	6.44	.83	2.32
Total from investment operations	9.58	(.47)	6.57	.98	2.45
Less distributions from:					
Net investment income	(.05)	(.15)	(.14)	(.15)	(.12)
Net realized gains	(3.59)	(2.97)	(2.29)	(2.34)	(4.05)
Total distributions	(3.64)	(3.12)	(2.43)	(2.49)	(4.17)
Net asset value, end of period	**$33.10**	**$27.16**	**$30.75**	**$26.61**	**$28.12**
Total Return (%)	36.79	(1.87)	25.96	4.00	8.33
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	4	3	6	5	4
Ratio of expenses (%)[b]	.76	.76	.75	.76	.76
Ratio of net investment income (loss) (%)	.29	.21	.45	.58	.44
Portfolio turnover rate (%)	11	26	15	35	35

[a] Based on average shares outstanding during the period.

[b] 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.

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

Notes to 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 five diversified funds: DWS Bond VIP, 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 0.25% and 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 effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings (accumulated losses) on a tax basis are as follows:

Undistributed ordinary income*	$ 4,482,995
Undistributed net long-term capital gains	$ 63,222,506
Net unrealized appreciation (depreciation) on investments	$ 466,248,679

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $399,828,206. The net unrealized appreciation for all investments based on tax cost was $466,248,679. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $474,433,260 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $8,184,581.

In addition, the tax character of distributions paid to shareholders by the Fund is summarized as follows:

	Years Ended December 31,	
	2019	**2018**
Distributions from ordinary income*	$ 7,032,512	$ 9,435,917
Distributions from long-term capital gains	$ 90,422,637	$ 69,440,410

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 statement purposes and a recharacterization will be made within 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 year ended December 31, 2019, purchases and sales of investment securities (excluding short-term investments) aggregated $92,406,552 and $209,761,373, 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 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 year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.37% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2019, 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 each class as follows:

Class A	.77%
Class B	1.02%

Effective October 1, 2019 through September 30, 2020, 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 each class as follows:

Class A	.75%
Class B	1.00%

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 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $831,258, of which 72,560 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 794	$ 133
Class B	216	36
	$ 1,010	**$ 169**

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 0.25% of 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 year ended December 31, 2019, the Distribution Service Fee aggregated $9,904, of which $883 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $9,089, of which $3,418 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 lending agent for the Fund. For the year ended December 31, 2019, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of $1,926.

D. Ownership of the Fund

At December 31, 2019, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 62% and 22%, respectively. Two participating insurance companies were the owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 47% and 35%, respectively.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

F. Change of Independent Registered Public Accounting Firm

On May 14, 2019, PricewaterhouseCoopers LLP ("PwC") resigned as the independent registered public accounting firm to the Fund. PwC communicated its resignation to the Registrant's Board of Trustees (the "Board of Trustees").

PwC's reports on the Fund's financial statements for the fiscal years ended December 31, 2018 and December 31, 2017 contained no adverse opinion or disclaimer of opinion nor were they qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended December 31, 2018 and December 31, 2017 and during the subsequent interim period through May 14, 2019: (i) there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the subject matter of the disagreements in connection with its reports on the Fund's financial statements for such periods; and (ii) there were no "reportable events" of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

On May 15, 2019, the Audit Committee of the Board of Trustees and the Board of Trustees approved the selection of Ernst & Young LLP ("EY") as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2019. During the Fund's fiscal years ended December 31, 2018 and December 31, 2017, and the subsequent interim period through May 15, 2019, neither the Fund, nor anyone on their behalf, consulted with EY on items which: (i) concerned the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund's financial statements; or (ii) concerned the subject of a disagreement (as defined in paragraph (a)(1)(iv) of Item 304 of Regulation S-K) or reportable events (as described in paragraph (a)(1)(v) of said Item 304).

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series I and Shareholders of DWS Capital Growth VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Capital Growth VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series I) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statements of operations and changes in net assets and the financial highlights for the year then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series I) at December 31, 2019, the results of its operations, the changes in its net assets and its financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

The statement of changes in net assets for the year ended December 31, 2018, and the financial highlights for the years ended December 31, 2015, December 31, 2016, December 31, 2017 and December 31, 2018, were audited by another independent registered public accounting firm whose report, dated February 14, 2019, expressed an unqualified opinion on that statement of changes in net assets and those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,099.90	$ 1,098.60
Expenses Paid per $1,000*	$ 2.65	$ 4.02

Hypothetical 5% Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,022.68	$ 1,021.37
Expenses Paid per $1,000*	$ 2.55	$ 3.87

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class 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.

Tax Information

(Unaudited)

The Fund paid distributions of $3.46 per share from net long-term capital gains during its year ended December 31, 2019.

Pursuant to Section 852 of the Internal Revenue Code, the Fund designates $69,737,000 as capital gain dividends for its year ended December 31, 2019.

For corporate shareholders, 97% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2019 qualified for the dividends received deduction.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's performance (Class A shares) was in the 3rd quartile, 3rd 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, 2018.

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 0.10% 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, 2018). 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, 2018, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

Notes

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December 31, 2019

Annual Report

Deutsche DWS Variable Series I

DWS Core Equity VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

Contents

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.

Performance Summary

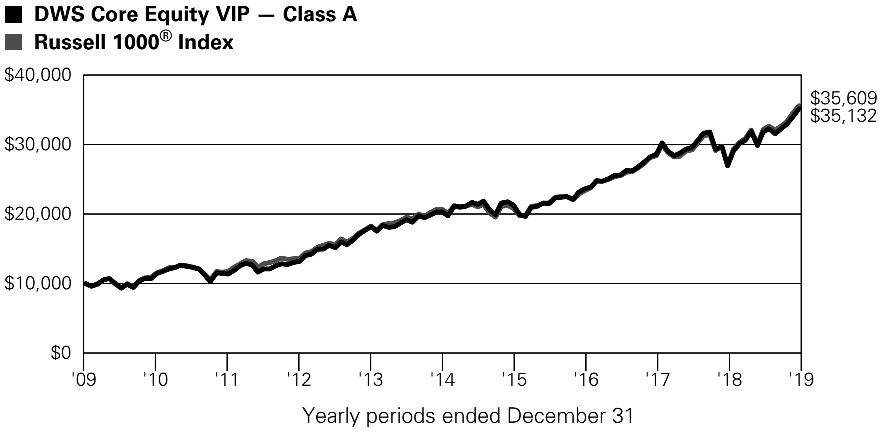
December 31, 2019 (Unaudited)

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, 2019 are 0.61% and 0.93% 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



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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$13,030	$14,872	$17,293	$35,132
	Average annual total return	30.30%	14.15%	11.58%	13.39%
Russell 1000® Index	Growth of $10,000	$13,143	$15,228	$17,220	$35,609
	Average annual total return	31.43%	15.05%	11.48%	13.54%

DWS Core Equity VIP		1-Year	3-Year	5-Year	10-Year
Class B	Growth of $10,000	$12,992	$14,734	$17,043	$34,181
	Average annual total return	29.92%	13.79%	11.25%	13.08%
Russell 1000® Index	Growth of $10,000	$13,143	$15,228	$17,220	$35,609
	Average annual total return	31.43%	15.05%	11.48%	13.54%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

The combination of steady economic growth and the U.S. Federal Reserve's shift to a more accommodative monetary policy helped propel the Russell 1000® Index (the Fund's benchmark) to a gain of 31.43% in 2019. This marked not only the highest return for the index since 2013, but also its second-best showing of the past 20 years.

The Fund returned 30.30% (Class A shares, unadjusted for contract charges), closely in line with the index. Consistent with our bottom-up approach, stock selection was the key factor driving relative performance. Our holdings produced the strongest relative results in the information technology, industrials, and consumer staples sectors. Conversely, we experienced weaker comparative performance in health care, communication services, and consumer discretionary.

Teradyne, Inc., which was boosted by stable growth, robust orders, and improving prospects for the overall semiconductor cycle, was the leading contributor in information technology. An overweight in Apple, Inc., one of the best-performing stocks in the large-cap technology space, also helped performance. The Fund's strength in industrials was partially the result of a position in L3Harris Technologies, Inc. The company issued a favorable first-quarter earnings report highlighted by increased sales and free cash flow, boosting its shares. Roper Technologies, Inc.,* and Ingersoll-Rand PLC added value, as well.

The beauty-products company Coty, Inc.* was the top contributor in both the consumer staples sector and the portfolio as a whole. In addition to reporting better-than-expected profits and inking a new licensing deal with Burberry, Coty received a tender offer at a premium from a German conglomerate.

The pharmaceutical company AbbVie, Inc.* was the primary reason for the Fund's shortfall in health care. Rising competition for the company's most important drug, Humira, led to uncertainty regarding its future profit outlook. While the stock rebounded in the second half of the year, the Fund did not participate in the recovery due to our decision to sell the position in July 2019. On the plus side, our results in the health care sector were aided by the biotechnology firm Celgene Corp.,* which received a buyout offer from Bristol-Myers Squibb Co.* in January 2019 and subsequently became the target of a bidding war.

The Fund's underperformance in communication services largely stemmed from positions in Omnicom Group, Inc. and T-Mobile U.S., Inc. While both stocks posted gains, they failed to keep pace with the broader sector. The resulting deficit was offset somewhat by a position in Live Nation Entertainment, Inc. The stock was helped by consistently positive earnings reports and growth in the free cash flow from its theater and entertainment business. In the consumer discretionary area, our shortfall was primarily the result of a position in Macy's, Inc.,* which was pressured by the persistent concerns about the outlook for broadline retailers. Outside of these sectors, the business-process outsourcing specialist Conduent, Inc.* was the largest detractor. The stock fell sharply for a myriad of reasons, including missed earnings expectations, the unexpected resignation of its chief executive officer, and reduced hopes for a potential buyout offer.

The past year was an unusual time for the markets, not just because of the sizable returns for the major indexes, but also for the consistent outperformance of growth and momentum-oriented stocks. In this type of market, it can be easy for investors to forget that sectors, styles, and factors tend to alternate leadership over time, and that the shifts can occur very quickly. With this in mind, we strive to pursue a dispassionate and quantitative strategy that seeks the optimal combination of factors instead of trying to chase those which happen to be outperforming at a given time. We believe maintaining this steady, analytical approach through all markets, rather than reacting to transitory developments, is well suited to our goal of longer-term outperformance.

Pankaj Bhatnagar, PhD, Managing Director
Di Kumble, CFA, Managing Director
Arno V. Puskar, Director
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

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.

Overweight means that a fund holds a higher weighting in a given sector compared with its benchmark index. **Underweight** means that a fund holds a lower weighting.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the Fund.

Consumer discretionary represents industries that produce goods and services that are not necessities in everyday life.

* Not held at December 31, 2019.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	99%	98%
Cash Equivalents	1%	2%
Exchange-Traded Fund	—	0%
	100%	100%

Sector Diversification

(As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Information Technology	22%	19%
Health Care	16%	15%
Financials	12%	14%
Communication Services	11%	11%
Industrials	10%	10%
Consumer Discretionary	9%	10%
Consumer Staples	7%	7%
Energy	4%	4%
Utilities	4%	4%
Real Estate	3%	3%
Materials	2%	3%
	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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 99.5%		
Communication Services 9.9%		
Entertainment 1.8%		
Live Nation Entertainment, Inc.*	28,411	**2,030,534**
Interactive Media & Services 3.9%		
Alphabet, Inc. "A"*	1,248	1,671,559
Alphabet, Inc. "C"*	1,505	2,012,215
TripAdvisor, Inc.	20,169	612,734
		4,296,508
Media 2.3%		
Interpublic Group of Companies, Inc.	25,134	580,595
Omnicom Group, Inc.	24,637	1,996,090
		2,576,685
Wireless Telecommunication Services 1.9%		
T-Mobile U.S., Inc.*	25,971	**2,036,646**
Consumer Discretionary 11.6%		
Auto Components 1.0%		
Gentex Corp.	37,630	**1,090,517**
Hotels, Restaurants & Leisure 2.2%		
Marriott International, Inc. "A"	3,859	584,368
MGM Resorts International	39,140	1,302,188
Wyndham Hotels & Resorts, Inc.	8,941	561,584
		2,448,140
Household Durables 1.0%		
D.R. Horton, Inc.	10,323	544,538
PulteGroup, Inc.	13,905	539,514
		1,084,052
Internet & Direct Marketing Retail 4.4%		
Amazon.com, Inc.*	2,658	**4,911,559**
Specialty Retail 1.6%		
Best Buy Co., Inc.	12,182	1,069,580
Home Depot, Inc.	2,982	651,209
		1,720,789
Textiles, Apparel & Luxury Goods 1.4%		
NIKE, Inc. "B"	15,311	**1,551,158**
Consumer Staples 7.1%		
Beverages 4.0%		
Keurig Dr Pepper, Inc.	36,193	1,047,787
Molson Coors Brewing Co. "B"	23,233	1,252,259
PepsiCo, Inc.	15,181	2,074,787
		4,374,833
Food & Staples Retailing 1.4%		
Costco Wholesale Corp.	1,413	415,309
U.S. Foods Holding Corp.*	20,006	838,051
Walmart, Inc.	2,216	263,350
		1,516,710
Household Products 0.9%		
Energizer Holdings, Inc. (a)	21,099	**1,059,592**
Personal Products 0.8%		
Herbalife Nutrition Ltd.*	18,806	**896,482**

	Shares	Value ($)
Energy 3.8%		
Energy Equipment & Services 0.9%		
National Oilwell Varco, Inc.	23,204	581,260
Schlumberger Ltd.	10,342	415,748
		997,008
Oil, Gas & Consumable Fuels 2.9%		
Cheniere Energy, Inc.*	8,846	540,225
Exxon Mobil Corp.	10,218	713,012
Kinder Morgan, Inc.	47,008	995,160
Targa Resources Corp.	23,716	968,324
		3,216,721
Financials 11.6%		
Banks 5.9%		
Bank of America Corp.	17,946	632,058
Citigroup, Inc.	26,318	2,102,545
JPMorgan Chase & Co.	13,415	1,870,051
Popular, Inc.	20,947	1,230,637
Wells Fargo & Co.	10,670	574,046
		6,409,337
Capital Markets 3.6%		
Ameriprise Financial, Inc.	1,622	270,193
Ares Capital Corp.	28,926	539,470
CME Group, Inc.	4,242	851,454
Intercontinental Exchange, Inc.	6,678	618,049
LPL Financial Holdings, Inc.	15,368	1,417,698
The Goldman Sachs Group, Inc.	1,227	282,124
		3,978,988
Insurance 2.1%		
Chubb Ltd.	6,561	1,021,285
MetLife, Inc.	25,368	1,293,007
		2,314,292
Health Care 16.5%		
Biotechnology 5.4%		
Alexion Pharmaceuticals, Inc.*	5,049	546,049
Amgen, Inc.	11,956	2,882,233
Biogen., Inc.*	5,486	1,627,861
Gilead Sciences, Inc.	13,454	874,241
		5,930,384
Health Care Equipment & Supplies 4.4%		
Baxter International, Inc.	6,536	546,540
Boston Scientific Corp.*	8,770	396,580
Danaher Corp.	6,286	964,775
Hill-Rom Holdings, Inc.	13,810	1,567,849
Medtronic PLC	12,232	1,387,721
		4,863,465
Health Care Providers & Services 3.4%		
Cigna Corp. *	5,428	1,109,972
DaVita, Inc.*	6,270	470,438
Guardant Health, Inc.*	6,775	529,398
HCA Healthcare, Inc.	7,259	1,072,953
McKesson Corp.	3,836	530,596
		3,713,357
Pharmaceuticals 3.3%		
Eli Lilly & Co.	5,650	742,579

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

	Shares	Value ($)
Merck & Co., Inc.	17,724	1,611,998
Pfizer, Inc.	33,628	1,317,545
		3,672,122
Industrials 8.8%		
Aerospace & Defense 3.7%		
Arconic, Inc.	20,412	628,077
Boeing Co.	1,935	630,346
L3Harris Technologies, Inc.	8,238	1,630,053
Teledyne Technologies, Inc.*	3,231	1,119,671
		4,008,147
Building Products 0.3%		
Owens Corning	4,188	**272,722**
Commercial Services & Supplies 1.5%		
Waste Management, Inc.	14,672	**1,672,021**
Industrial Conglomerates 0.7%		
Honeywell International, Inc.	4,467	**790,659**
Machinery 1.2%		
Ingersoll-Rand PLC	2,050	272,486
Parker-Hannifin Corp.	5,180	1,066,148
		1,338,634
Professional Services 0.8%		
Equifax, Inc.	6,240	**874,349**
Road & Rail 0.6%		
Norfolk Southern Corp.	3,581	**695,179**
Information Technology 21.8%		
IT Services 3.7%		
Gartner, Inc.*	7,910	1,218,931
Visa, Inc. "A"	15,341	2,882,574
		4,101,505
Semiconductors & Semiconductor Equipment 3.6%		
Applied Materials, Inc.	3,794	231,586
Intel Corp.	18,854	1,128,412
QUALCOMM., Inc.	14,973	1,321,068
Teradyne, Inc.	17,643	1,203,076
		3,884,142
Software 7.6%		
Microsoft Corp.	40,977	6,462,073
Oracle Corp.	29,950	1,586,751
Splunk, Inc.*	2,324	348,065
		8,396,889
Technology Hardware, Storage & Peripherals 6.9%		
Apple, Inc.	23,077	6,776,561
Hewlett Packard Enterprise Co.	53,380	846,607
		7,623,168
Materials 2.3%		
Chemicals 0.7%		
PPG Industries, Inc.	2,066	275,790
Westlake Chemical Corp.	7,112	498,907
		774,697
Containers & Packaging 0.3%		
International Paper Co.	6,319	**290,990**
Metals & Mining 1.3%		
Steel Dynamics, Inc.	42,250	**1,438,190**
Real Estate 3.5%		
Equity Real Estate Investment Trusts (REITs)		
AvalonBay Communities, Inc.	5,571	1,168,239
Digital Realty Trust, Inc.	7,556	904,755
Iron Mountain, Inc.	16,591	528,755
Prologis, Inc.	11,241	1,002,023
Public Storage	1,139	242,561
		3,846,333
Utilities 2.6%		
Electric Utilities 0.9%		
Evergy, Inc.	8,104	527,489
Pinnacle West Capital Corp.	5,379	483,734
		1,011,223
Gas Utilities 0.5%		
UGI Corp.	10,543	**476,122**
Multi-Utilities 0.2%		
WEC Energy Group, Inc.	2,696	**248,652**
Water Utilities 1.0%		
American Water Works Co., Inc.	9,097	**1,117,566**
Total Common Stocks (Cost $72,745,054)		**109,551,067**

Securities Lending Collateral 1.0%

	Shares	Value ($)
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (b) (c) (Cost $1,076,250)	1,076,250	**1,076,250**

Cash Equivalents 0.5%

	Shares	Value ($)
DWS Central Cash Management Government Fund, 1.62% (b) (Cost $568,188)	568,188	**568,188**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $74,389,492)	101.0	**111,195,505**
Other Assets and Liabilities, Net	(1.0)	**(1,123,221)**
Net Assets	100.0	**110,072,284**

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

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 1.0%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (b) (c)								
—	1,076,250(d)	—	—	—	6,604	—	1,076,250	1,076,250
Cash Equivalents 0.5%								
DWS Central Cash Management Government Fund, 1.62% (b)								
1,529,105	10,524,724	11,485,641	—	—	14,910	—	568,188	568,188
1,529,105	**11,600,974**	**11,485,641**	**—**	**—**	**21,514**	**—**	**1,644,438**	**1,644,438**

* 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 December 31, 2019 amounted to $1,054,620, which is 1.0% 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 year ended December 31, 2019.

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 December 31, 2019 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 (e)	$109,551,067	$ —	$ —	$109,551,067
Short-Term Investments (e)	1,644,438	—	—	1,644,438
Total	**$111,195,505**	**$ —**	**$ —**	**$111,195,505**

(e) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $72,745,054) — including $1,054,620 of securities loaned	$109,551,067
Investment in DWS Government & Agency Securities Portfolio (cost $1,076,250)*	1,076,250
Investment in DWS Central Cash Management Government Fund (cost $568,188)	568,188
Receivable for Fund shares sold	11,804
Dividends receivable	135,978
Interest receivable	640
Other assets	2,698
Total assets	111,346,625

Liabilities	
Payable upon return of securities loaned	1,076,250
Payable for Fund shares redeemed	57,122
Accrued management fee	35,909
Accrued Trustees' fees	1,817
Other accrued expenses and payables	103,243
Total liabilities	1,274,341
Net assets, at value	**$110,072,284**

Net Assets Consist of	
Distributable earnings (loss)	42,526,198
Paid-in capital	67,546,086
Net assets, at value	**$110,072,284**

Net Asset Value		
Class A **Net Asset Value,** offering and redemption price per share ($106,736,623 ÷ 9,438,162 outstanding shares of beneficial interest, $.01 par value, unlimited number of shares authorized)	**$**	**11.31**
Class B **Net Asset Value,** offering and redemption price per share ($3,335,661 ÷ 295,485 outstanding shares of beneficial interest, $.01 par value, unlimited number of shares authorized)	**$**	**11.29**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends (net of foreign taxes withheld of $2,615)	$ 2,022,611
Income distributions — DWS Central Cash Management Government Fund	14,910
Securities lending income, net of borrower rebates	6,604
Total income	2,044,125
Expenses: Management fee	409,664
Administration fee	105,042
Services to Shareholders	1,488
Recordkeeping fee (Class B)	2,111
Distribution service fee (Class B)	7,924
Custodian fee	7,321
Professional fees	79,424
Reports to shareholders	36,229
Trustees' fees and expenses	7,097
Other	9,135
Total expenses	665,435
Net investment income	**1,378,690**

Realized and Unrealized gain (loss)	
Net realized gain (loss) from investments	4,633,506
Change in net unrealized appreciation (depreciation) on investments	21,368,817
Net gain (loss)	**26,002,323**
Net increase (decrease) in net assets resulting from operations	**$27,381,013**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income	$ 1,378,690	$ 1,209,051
Net realized gain (loss)	4,633,506	11,503,842
Change in net unrealized appreciation (depreciation)	21,368,817	(18,122,668)
Net increase (decrease) in net assets resulting from operations	27,381,013	(5,409,775)
Distributions to shareholders :		
Class A	(12,354,795)	(29,462,065)
Class B	(374,998)	(916,591)
Total distributions	(12,729,793)	(30,378,656)
Fund share transactions:		
Class A		
Proceeds from shares sold	2,580,344	5,049,625
Reinvestment of distributions	12,354,795	29,462,065
Payments of shares redeemed	(14,245,198)	(12,963,703)
Net increase (decrease) in net assets from Class A share transactions	689,941	21,547,987
Class B		
Proceeds from shares sold	20,736	275,886
Reinvestment of distributions	374,998	916,591
Payments of shares redeemed	(345,789)	(404,039)
Net increase (decrease) in net assets from Class B share transactions	49,945	788,438
Increase (decrease) in net assets	15,391,106	(13,452,006)
Net assets at beginning of period	94,681,178	108,133,184
Net assets at end of period	**$110,072,284**	**$ 94,681,178**

Other Information		
Class A		
Shares outstanding at beginning of period	9,343,340	7,169,708
Shares sold	247,017	448,326
Shares issued to shareholders in reinvestment of distributions	1,204,171	2,816,641
Shares redeemed	(1,356,366)	(1,091,335)
Net increase (decrease) in Class A shares	94,822	2,173,632
Shares outstanding at end of period	**9,438,162**	**9,343,340**
Class B		
Shares outstanding at beginning of period	289,832	215,292
Shares sold	2,008	20,116
Shares issued to shareholders in reinvestment of distributions	36,549	87,628
Shares redeemed	(32,904)	(33,204)
Net increase (decrease) in Class B shares	5,653	74,540
Shares outstanding at end of period	**295,485**	**289,832**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 9.83**	**$14.64**	**$13.16**	**$13.29**	**$12.76**
Income (loss) from investment operations:					
Net investment income[a]	.14	.14	.17	.17	.15
Net realized and unrealized gain (loss)	2.70	(.71)	2.44	1.09	.52
Total from investment operations	2.84	(.57)	2.61	1.26	.67
Less distributions from:					
Net investment income	(.12)	(.27)	(.17)	(.19)	(.11)
Net realized gains	(1.24)	(3.97)	(.96)	(1.20)	(.03)
Total distributions	(1.36)	(4.24)	(1.13)	(1.39)	(.14)
Net asset value, end of period	**$11.31**	**$ 9.83**	**$14.64**	**$13.16**	**$13.29**
Total Return (%)	30.30	(5.69)	21.02	10.48	5.25
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	107	92	105	163	176
Ratio of expenses (%)[b]	.62	.61	.57	.57	.56
Ratio of net investment income (%)	1.32	1.14	1.22	1.34	1.11
Portfolio turnover rate (%)	40	43	39	43	27

[a] Based on average shares outstanding during the period.

[b] 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 9.81**	**$14.62**	**$13.14**	**$13.26**	**$12.74**
Income (loss) from investment operations:					
Net investment income[a]	.11	.10	.13	.13	.11
Net realized and unrealized gain (loss)	2.70	(.72)	2.44	1.10	.52
Total from investment operations	2.81	(.62)	2.57	1.23	.63
Less distributions from:					
Net investment income	(.09)	(.22)	(.13)	(.15)	(.08)
Net realized gains	(1.24)	(3.97)	(.96)	(1.20)	(.03)
Total distributions	(1.33)	(4.19)	(1.09)	(1.35)	(.11)
Net asset value, end of period	**$11.29**	**$ 9.81**	**$14.62**	**$13.14**	**$13.26**
Total Return (%)	29.92	(6.02)	20.68	10.25	4.91
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	3	3	3	2	2
Ratio of expenses (%)[b]	.94	.93	.86	.86	.83
Ratio of net investment income (%)	1.00	.82	.94	1.06	.84
Portfolio turnover rate (%)	40	43	39	43	27

[a] Based on average shares outstanding during the period.

[b] 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.

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

Notes to 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 five diversified funds: DWS Bond VIP, 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 0.25% and 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 ("ETF's") 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 and ETF's 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 used 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 effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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.

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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings (accumulated losses) on a tax basis are as follows:

Undistributed ordinary income*	$ 1,308,650
Undistributed net long-term capital gains	$ 4,601,753
Net unrealized appreciation (depreciation) on investments	$ 36,605,285

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $74,590,220. The net unrealized appreciation for all investments based on tax cost was $36,605,285. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $37,522,085 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $916,800.

In addition, the tax character of distributions paid to shareholders by the Fund is summarized as follows:

	Years Ended December 31,	
	2019	**2018**
Distributions from ordinary income*	$ 1,147,698	$ 2,110,009
Distributions from long-term capital gains	$ 11,582,095	$ 28,268,647

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 year ended December 31, 2019, purchases and sales of investment securities (excluding short-term investments) aggregated $41,265,182 and $50,662,964, 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 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 year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.39% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2019, 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) of each class as follows:

Class A	.79%
Class B	1.07%

Effective from October 1, 2019 through September 30, 2020, 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) of each class as follows:

Class A	.72%
Class B	1.03%

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 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $105,042, of which $9,207 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	**Total Aggregated**	**Unpaid at December 31, 2019**
Class A	$ 637	$ 106
Class B	121	20
	$ 758	**$ 126**

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 0.25% of 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 year ended December 31, 2019, the Distribution Service Fee aggregated $7,924, of which $699 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $8,546, of which $3,319 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.

Security Lending Fees. Deutsche Bank AG serves as securities lending agent for the Fund. For the year ended December 31, 2019, the Fund incurred lending agent fees to Deutsche Bank AG for the amount of $497.

D. Ownership of the Fund

At December 31, 2019, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 48% and 17%, 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 46% and 37%, respectively.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

F. Change of Independent Registered Public Accounting Firm

On May 14, 2019, PricewaterhouseCoopers LLP ("PwC") resigned as the independent registered public accounting firm to the Fund. PwC communicated its resignation to the Registrant's Board of Trustees (the "Board of Trustees").

PwC's reports on the Fund's financial statements for the fiscal years ended December 31, 2018 and December 31, 2017 contained no adverse opinion or disclaimer of opinion nor were they qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended December 31, 2018 and December 31, 2017 and during the subsequent interim period through May 14, 2019: (i) there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the subject matter of the disagreements in connection with its reports on the Fund's financial statements for such periods; and (ii) there were no "reportable events" of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

On May 15, 2019, the Audit Committee of the Board of Trustees and the Board of Trustees approved the selection of Ernst & Young LLP ("EY") as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2019. During the Fund's fiscal years ended December 31, 2018 and December 31, 2017, and the subsequent interim period through May 15, 2019, neither the Fund, nor anyone on their behalf, consulted with EY on items which: (i) concerned the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund's financial statements; or (ii) concerned the subject of a disagreement (as defined in paragraph (a)(1)(iv) of Item 304 of Regulation S-K) or reportable events (as described in paragraph (a)(1)(v) of said Item 304).

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series I and Shareholders of DWS Core Equity VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Core Equity VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series I) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statements of operations and changes in net assets and the financial highlights for the year then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series I) at December 31, 2019, the results of its operations, the changes in its net assets and its financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

The statement of changes in net assets for the year ended December 31, 2018, and the financial highlights for the years ended December 31, 2015, December 31, 2016, December 31, 2017 and December 31, 2018, were audited by another independent registered public accounting firm whose report, dated February 14, 2019, expressed an unqualified opinion on that statement of changes in net assets and those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,102.30	$ 1,100.40
Expenses Paid per $1,000*	$ 3.34	$ 5.03

Hypothetical 5% Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,022.03	$ 1,020.42
Expenses Paid per $1,000*	$ 3.21	$ 4.84

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class B**
Deutsche DWS Variable Series I — DWS Core Equity VIP	.63%	.95%

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.

Tax Information

(Unaudited)

The Fund paid distributions of $1.24 per share from net long-term capital gains during its year ended December 31, 2019.

Pursuant to Section 852 of the Internal Revenue Code, the Fund designates $5,139,000 as capital gain dividends for its year ended December 31, 2019.

For corporate shareholders, 100% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2019 qualified for the dividends received deduction.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.
- 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's performance (Class A shares) was in the 3rd quartile, 3rd 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 five-year period and has underperformed its benchmark in the one- and three-year periods ended December 31, 2018.

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 0.10% 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, 2018). 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, 2018, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

1 The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

2 A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

3 Executive title, not a board directorship.

4 As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

5 The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

6 Address: 875 Third Avenue, New York, NY 10022.

7 Address: One International Place, Boston, MA 02110.

8 Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

VS1coreq-2 (R-025822-10 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series I

DWS CROCI® International VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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. 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.

In June 2016, citizens of the United Kingdom approved a referendum to leave the European Union and in March 2017, the United Kingdom initiated the formal process of withdrawing from the EU and the withdrawal is expected to take effect on January 31, 2020. Significant uncertainty exists regarding any adverse economic and political effects the United Kingdom's withdrawal may have on the United Kingdom, other EU countries and the global economy.

Performance Summary

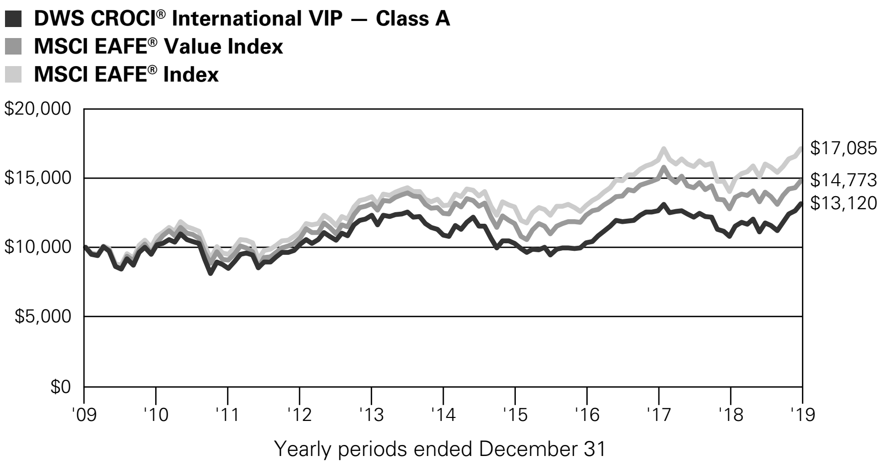
December 31, 2019 (Unaudited)

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, 2019 are 1.13% and 1.41% 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.

MSCI EAFE Index is an unmanaged equity index which captures large and mid-capitalization representation across 21 developed markets countries around the world, excluding the U.S. and Canada. It covers approximately 85% of the free float-adjusted market capitalization in each country.

Effective December 1, 2019, the MSCI EAFE Value Index has replaced the MSCI EAFE Index as the fund's primary benchmark index and will no longer serve as the fund's secondary benchmark index. The Advisor believes that the MSCI EAFE Value Index better represents the fund's investment strategy and is therefore more suitable for performance comparison.

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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$12,177	$12,714	$12,106	$13,120
	Average annual total return	21.77%	8.33%	3.90%	2.75%
MSCI EAFE Value Index	Growth of $10,000	$11,609	$12,015	$11,901	$14,773
	Average annual total return	16.09%	6.31%	3.54%	3.98%
MSCI EAFE Index	Growth of $10,000	$12,201	$13,152	$13,176	$17,085
	Average annual total return	22.01%	9.56%	5.67%	5.50%

DWS CROCI® International VIP		1-Year	3-Year	5-Year	10-Year
Class B	Growth of $10,000	$12,124	$12,612	$11,949	$12,787
	Average annual total return	21.24%	8.04%	3.62%	2.49%
MSCI EAFE Value Index	Growth of $10,000	$11,609	$12,015	$11,901	$14,773
	Average annual total return	16.09%	6.31%	3.54%	3.98%
MSCI EAFE Index	Growth of $10,000	$12,201	$13,152	$13,176	$17,085
	Average annual total return	22.01%	9.56%	5.67%	5.50%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

The Fund returned 21.77% (Class A, unadjusted for contract charges) in 2019. In comparison, the MSCI EAFE Index and the MSCI EAFE Value Index posted gains of 22.01% and 16.09%, respectively. The MSCI EAFE Value Index replaced the MSCI EAFE Index as the Fund's benchmark on December 1, 2019.

International equities performed very well in the past year. Although global economic growth and corporate earnings remained relatively subdued, investors were encouraged by the shift toward more accommodative monetary policies by the U.S. Federal Reserve and other major central banks. The gains were broad-based, with all of the countries represented in the MSCI Value Index producing a positive return. Europe finished ahead of the Asia region, reflecting expectations for renewed quantitative easing by the European Central Bank.

In a continuation of a trend that has been in place for several years, the value style underperformed growth. The MSCI EAFE Value Index, while gaining 16.09%, lagged the 27.90% return of the MSCI EAFE Growth Index. The prospect of slowing economic conditions contributed to increased investor demand for companies with the ability to deliver accelerating profits.

Sector allocations made a meaningful contribution to Fund performance in 2019. No single sector stood out as a key contributor; instead, the positive effect was spread across a number of areas. Overweights in the outperforming health care and consumer discretionary sectors both added value, as did underweights in financials, communication services, real estate, energy, and consumer staples. However, an underweight position in information technology detracted.

Stock selection was a net detractor from performance. Although the Fund's holdings outpaced the corresponding benchmark components in the consumer discretionary sector, the benefit was outweighed by our weaker results in industrials and health care. Central Japan Railway Company, which declined on concerns about higher-than-expected costs, was a notable detractor in the industrials sector. Hochtief AG* (Germany), International Consolidated Airlines Group SA (United Kingdom), and Bunzl PLC* (U.K.) were also key detractors in industrials. A position in the Belgian biopharmaceutical company UCB SA was the primary reason for the Fund's shortfall in health care. The stock trailed its sector peers due to the combination of disappointing earnings and a change in management. Outside of these sectors, we lost ground through an investment in the Japanese tire producer Bridgestone Corp, which lagged due to concerns that worldwide auto sales may have peaked.

The Fund's outperformance in the consumer discretionary sector stemmed from positions in a number of U.K. homebuilding stocks, including Barratt Developments PLC, Persimmon PLC, and Taylor Wimpey PLC. All three stocks surged in late December to greater clarity surrounding Brexit. A Japanese homebuilder, Sekisui House Ltd., also advanced thanks to strong profit growth and its announcement of a share buyback. The British pub operator EI Group PLC — which agreed to a takeover offer from a competitor — aided results in the discretionary space, as well.

Koninklijke DSM NV, a nutritional-science specialist based in the Netherlands, was an additional contributor due to favorable earnings momentum and speculation that the company could be an acquisition target.

Stock-market fundamentals appeared strong as the year grew to a close, highlighted by slow but positive growth and supportive central bank policies. Still, we think a measure of caution is warranted given the extent to which stocks rallied in 2019. In this uncertain environment, our strategy was to maintain our disciplined, systematic approach to stock selection, rather than trying to construct a portfolio on the basis of economic developments or short-term market movements. We believe our unique approach, which looks beyond traditional metrics to assess companies' true economic valuations, is positioned to capitalize on the most compelling, longer-term value opportunities in the international markets.

Di Kumble, CFA, Managing Director
John Moody, Vice President
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

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.

MSCI EAFE Index is an unmanaged equity index which captures large and mid-capitalization representation across 21 developed markets countries around the world, excluding the U.S. and Canada. It covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI EAFE Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics across developed markets countries* around the world, excluding the U.S. and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

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

Quantitative easing (QE) is a type of monetary policy used by central banks to stimulate the economy. Central banks implement quantitative easing by purchasing financial assets from commercial banks and other financial institutions, thus raising the prices of those financial instruments and lowering their yields, while simultaneously increasing the money supply of a country or region.

Contributors and **detractors** incorporate both a stock's return and its weight. If two stocks have the same return but one has a larger weighting in the fund, it will have a larger contribution to return in the period

Overweight means the fund holds a higher weighting in a given sector or security than the benchmark. **Underweight** means the fund holds a lower weighting.

* Not held at December 31, 2019.

Portfolio Summary (Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	97%	98%
Preferred Stocks	3%	2%
Cash Equivalents	0%	0%
	100%	100%

Geographical Diversification (As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Japan	30%	24%
United Kingdom	19%	14%
France	9%	16%
Switzerland	9%	8%
Netherlands	7%	4%
Australia	7%	2%
Germany	5%	14%
Belgium	4%	4%
Spain	3%	—
Italy	3%	—
Singapore	2%	4%
Hong Kong	1%	6%
New Zealand	1%	—
Sweden	0%	—
Finland	0%	2%
Luxembourg	—	2%
	100%	100%

Sector Diversification (As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Consumer Discretionary	28%	31%
Health Care	16%	13%
Industrials	15%	20%
Financials	14%	—
Materials	11%	11%
Consumer Staples	4%	12%
Information Technology	4%	—
Energy	4%	2%
Communication Services	4%	2%
Utilities	—	9%
	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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 96.8%		
Australia 7.2%		
Australia & New Zealand Banking Group Ltd.	76,704	1,326,395
BHP Group Ltd.	102,404	2,801,078
Boral Ltd.	326,347	1,026,640
National Australia Bank Ltd.	13,645	235,754
Westpac Banking Corp.	27,412	466,845
(Cost $5,846,620)		**5,856,712**
Belgium 4.2%		
UCB SA (Cost $3,505,605)	43,400	**3,451,828**
Finland 0.4%		
Nokian Renkaat Oyj (Cost $371,146)	10,630	**305,781**
France 8.9%		
Arkema SA	5,407	574,573
Atos SE	9,725	812,735
BNP Paribas SA	5,288	314,365
Credit Agricole SA	49,783	723,104
Sanofi	38,293	3,853,821
Television Francaise 1	79,053	659,796
TOTAL SA	5,427	300,503
(Cost $6,660,298)		**7,238,897**
Germany 2.6%		
Bayer AG (Registered)	6,726	549,074
Brenntag AG	28,971	1,585,966
(Cost $1,981,682)		**2,135,040**
Hong Kong 0.8%		
Yue Yuen Industrial Holdings Ltd. (Cost $676,304)	232,339	**687,676**
Italy 2.5%		
Intesa Sanpaolo SpA (Cost $1,579,336)	767,257	**2,020,105**
Japan 29.6%		
Bridgestone Corp.	57,191	2,124,448
Central Japan Railway Co.	14,074	2,831,577
Hitachi Ltd.	5,300	223,275
ITOCHU Corp.	9,200	213,624
KDDI Corp.	34,100	1,017,773
Mitsubishi Corp.	41,622	1,102,178
Nintendo Co., Ltd.	2,700	1,088,332
Sekisui House Ltd.	95,133	2,036,397
Seven & i Holdings Co., Ltd.	13,400	491,460
Shin-Etsu Chemical Co., Ltd.	5,609	617,426
Shionogi & Co., Ltd.	20,400	1,262,189
Sony Corp.	8,634	586,860
Subaru Corp.	19,757	488,487
Sumitomo Electric Industries Ltd.	109,749	1,652,332
Sumitomo Mitsui Financial Group, Inc.	97,056	3,575,643
Tokyo Electron Ltd.	4,772	1,039,605
Toyota Industries Corp.	29,632	1,707,649
Toyota Motor Corp.	24,046	1,694,998
Z Holdings Corp.	105,000	443,150
(Cost $21,757,101)		**24,197,403**
Netherlands 7.4%		
Koninklijke DSM NV	8,566	1,116,522
Randstad NV	29,638	1,817,518
Royal Dutch Shell PLC "A"	105,500	3,107,892
(Cost $6,187,151)		**6,041,932**
New Zealand 0.8%		
Fletcher Building Ltd. (Cost $625,533)	187,668	**643,361**
Singapore 1.7%		
Venture Corp., Ltd. (Cost $1,342,738)	116,283	**1,406,203**
Spain 3.2%		
Banco Bilbao Vizcaya Argentaria SA	285,602	1,599,507
Banco Santander SA	240,249	1,007,608
(Cost $2,795,707)		**2,607,115**
Sweden 0.5%		
Volvo AB "B" (Cost $357,989)	23,062	**385,915**
Switzerland 8.5%		
Adecco Group AG (Registered)	30,621	1,935,379
LafargeHolcim Ltd. (Registered)*	14,980	831,728
Roche Holding AG (Genusschein)	12,888	4,182,166
(Cost $6,172,025)		**6,949,273**
United Kingdom 18.5%		
Barratt Developments PLC	337,808	3,355,799
British American Tobacco PLC	23,460	1,005,401
EI Group PLC*	384,015	1,445,093
Ferguson PLC	7,308	664,114
International Consolidated Airlines Group SA	165,610	1,372,197
Persimmon PLC	85,126	3,053,739
Rio Tinto PLC	17,804	1,065,582
Taylor Wimpey PLC	1,237,192	3,187,703
(Cost $12,011,305)		**15,149,628**
Total Common Stocks (Cost $71,870,540)		**79,076,869**
Preferred Stocks 2.6%		
Germany		
Henkel AG & Co. KGaA (Cost $2,317,236)	20,310	**2,108,923**
Cash Equivalents 0.3%		
DWS Central Cash Management Government Fund, 1.62% (a) (Cost $226,563)	226,563	**226,563**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $74,414,339)	99.7	**81,412,355**
Other Assets and Liabilities, Net	0.3	**265,020**
Net Assets	100.0	**81,677,375**

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

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Security Lending Collateral 0.0%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (a) (b)								
1,268	—	1,268 (c)	—	—	17,999	—	—	—
Cash Equivalents 0.3%								
DWS Central Cash Management Government Fund, 1.62% (a)								
258,740	12,528,644	12,560,821	—	—	13,437	—	226,563	226,563
260,008	**12,528,644**	**12,562,089**	**—**	**—**	**31,436**	**—**	**226,563**	**226,563**

* 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 for the period ended December 31, 2019.

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 December 31, 2019 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	$ —	$ 5,856,712	$ —	$ 5,856,712
Belgium	—	3,451,828	—	3,451,828
Finland	—	305,781	—	305,781
France	—	7,238,897	—	7,238,897
Germany	—	2,135,040	—	2,135,040
Hong Kong	—	687,676	—	687,676
Italy	—	2,020,105	—	2,020,105
Japan	—	24,197,403	—	24,197,403
Netherlands	—	6,041,932	—	6,041,932
New Zealand	—	643,361	—	643,361
Singapore	—	1,406,203	—	1,406,203
Spain	—	2,607,115	—	2,607,115
Sweden	—	385,915	—	385,915
Switzerland	—	6,949,273	—	6,949,273
United Kingdom	—	15,149,628	—	15,149,628
Preferred Stocks	—	2,108,923	—	2,108,923
Short-Term Investments	226,563	—	—	226,563
Total	**$ 226,563**	**$ 81,185,792**	**$ —**	**$ 81,412,355**

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

Statement of Assets and Liabilities

as of December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $74,187,776)	$ 81,185,792
Investment in DWS Central Cash Management Government Fund (cost $226,563)	226,563
Foreign currency, at value (cost $57,498)	58,142
Receivable for Fund shares sold	37,804
Dividends receivable	72,509
Interest receivable	373
Foreign taxes recoverable	250,150
Other assets	2,316
Total assets	81,833,649
Liabilities	
Payable for Fund shares redeemed	3,156
Accrued management fee	40,881
Accrued Trustees' fees	2,269
Other accrued expenses and payables	109,968
Total liabilities	156,274
Net assets, at value	**$ 81,677,375**
Net Assets Consist of	
Distributable earnings (loss)	(21,719,242)
Paid-in capital	103,396,617
Net assets, at value	**$ 81,677,375**
Net Asset Value	
Class A	
Net Asset Value, offering and redemption price per share ($81,345,674 ÷ 11,073,845 outstanding shares of beneficial interest, $.01 par value, unlimited number of shares authorized)	**$ 7.35**
Class B	
Net Asset Value, offering and redemption price per share ($331,701 ÷ 45,067 outstanding shares of beneficial interest, $.01 par value, unlimited number of shares authorized)	**$ 7.36**

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends (net of foreign taxes withheld of $269,496)	$ 3,095,547
Income distributions — DWS Central Cash Management Government Fund	13,437
Securities lending income, net of borrower rebates	17,228
Total income	3,126,212
Expenses: Management fee	575,572
Administration fee	76,368
Services to shareholders	2,852
Distribution service fee (Class B)	759
Custodian fee	35,455
Professional fees	97,979
Reports to shareholders	35,105
Trustees' fees and expenses	6,057
Other	21,047
Total expenses before expense reductions	851,194
Expense reductions	(186,013)
Total expenses after expense reductions	665,181
Net investment income	**2,461,031**
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from: Investments	(2,706,585)
Foreign currency	1,559
	(2,705,026)
Change in net unrealized appreciation (depreciation) on: Investments	15,300,127
Foreign currency	3,211
	15,303,338
Net gain (loss)	**12,598,312**
Net increase (decrease) in net assets resulting from operations	**$ 15,059,343**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 2,461,031	$ 2,370,083
Net realized gain (loss)	(2,705,026)	2,593,804
Change in net unrealized appreciation (depreciation)	15,303,338	(17,372,232)
Net increase (decrease) in net assets resulting from operations	15,059,343	(12,408,345)
Distributions to shareholders:		
Class A	(2,300,083)	(895,216)
Class B	(8,223)	(2,479)
Total distributions	(2,308,306)	(897,695)
Fund share transactions:		
Class A		
Proceeds from shares sold	3,060,066	4,166,625
Reinvestment of distributions	2,300,083	895,216
Payments for shares redeemed	(9,141,481)	(11,189,329)
Net increase (decrease) in net assets from Class A share transactions	(3,781,332)	(6,127,488)
Class B		
Proceeds from shares sold	14,796	14,693
Reinvestment of distributions	8,223	2,479
Payments for shares redeemed	(17,636)	(18,167)
Net increase (decrease) in net assets from Class B share transactions	5,383	(995)
Increase (decrease) in net assets	8,975,088	(19,434,523)
Net assets at beginning of period	72,702,287	92,136,810
Net assets at end of period	**$81,677,375**	**$ 72,702,287**

Other Information		
Class A		
Shares outstanding at beginning of period	11,634,868	12,504,196
Shares sold	460,287	588,874
Shares issued to shareholders in reinvestment of distributions	345,358	123,648
Shares redeemed	(1,366,668)	(1,581,850)
Net increase (decrease) in Class A shares	(561,023)	(869,328)
Shares outstanding at end of period	**11,073,845**	**11,634,868**
Class B		
Shares outstanding at beginning of period	44,210	44,351
Shares sold	2,213	2,083
Shares issued to shareholders in reinvestment of distributions	1,231	342
Shares redeemed	(2,587)	(2,566)
Net increase (decrease) in Class B shares	857	(141)
Shares outstanding at end of period	**45,067**	**44,210**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 6.22**	**$ 7.34**	**$ 6.47**	**$7.15**	**$ 7.86**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.22	.20	.16	.16	.21
Net realized and unrealized gain (loss)	1.11	(1.25)	1.21	(.13)	(.59)
Total from investment operations	1.33	(1.05)	1.37	.03	(.38)
Less distributions from:					
Net investment income	(.20)	(.07)	(.50)	(.71)	(.33)
Net asset value, end of period	**$ 7.35**	**$ 6.22**	**$ 7.34**	**$6.47**	**$ 7.15**
Total Return (%)[b]	21.77	(14.39)	21.96	.74	(5.48)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	81	72	92	94	105
Ratio of expenses before expense reductions (%)[c]	1.11	1.13	1.10	1.12	1.05
Ratio of expenses after expense reductions (%)[c]	.87	.87	.84	.84	.98
Ratio of net investment income (loss) (%)	3.22	2.78	2.24	2.46	2.74
Portfolio turnover rate (%)	101	59	73	67	99

[a] Based on average shares outstanding during the period.

[b] Total return would have been lower had certain expenses not been reduced.

[c] 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 6.24**	**$ 7.36**	**$ 6.48**	**$7.16**	**$ 7.87**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.20	.18	.13	.14	.19
Net realized and unrealized gain (loss)	1.11	(1.24)	1.23	(.13)	(.59)
Total from investment operations	1.31	(1.06)	1.36	.01	(.40)
Less distributions from:					
Net investment income	(.19)	(.06)	(.48)	(.69)	(.31)
Net asset value, end of period	**$ 7.36**	**$ 6.24**	**$ 7.36**	**$6.48**	**$ 7.16**
Total Return (%)[b]	21.24	(14.57)	21.76	.48	(5.71)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	.33	.28	.33	.27	.27
Ratio of expenses before expense reductions (%)[c]	1.39	1.41	1.38	1.40	1.33
Ratio of expenses after expense reductions (%)[c]	1.12	1.12	1.09	1.10	1.23
Ratio of net investment income (loss) (%)	2.96	2.54	1.86	2.18	2.47
Portfolio turnover rate (%)	101	59	73	67	99

[a] Based on average shares outstanding during the period.

[b] Total return would have been lower had certain expenses not been reduced.

[c] 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.

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

Notes to 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 five diversified funds: DWS Bond VIP, 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 0.25% and 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 securities. 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 Depository 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. Prior to December 12, 2019, Deutsche Bank AG was the lending agent for the Fund. Effective December 12, 2019, 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 effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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, 2019, the Fund had a net tax basis capital loss carryforward of approximately $30,763,000, which may be applied against realized net taxable capital gains indefinitely, including short-term losses ($7,950,000) and long-term losses ($22,813,000).

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings (accumulated losses) on a tax basis are as follows:

Undistributed ordinary income*	$ 2,438,752
Capital loss carryforwards	$ (30,763,000)
Net unrealized appreciation (depreciation) on investments	$ 6,602,363

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $74,809,992. The net unrealized appreciation for all investments based on tax cost was $6,602,363. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $8,682,219 aggregate gross unrealized depreciation for all investments in which was an excess of tax cost over value of $2,079,856.

In addition, the tax character of distributions paid to shareholders by the Fund is summarized as follows:

	Years Ended December 31,	
	2019	**2018**
Distributions from ordinary income*	$ 2,308,306	$ 897,695

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 year ended December 31, 2019, purchases and sales of investment securities (excluding short-term investments) aggregated $75,953,977 and $79,489,453, 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.

Prior to October 1, 2019, pursuant to the Investment Management Agreement with the Advisor, the Fund paid 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 $500 million of average daily net assets	.790%
Over $500 million of average daily net assets	.640%

Effective October 1, 2019, 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 $500 million of average daily net assets	.650%
Over $500 million of average daily net assets	.600%

Accordingly, for the year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.75% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2020, the Advisor has contractually agreed to waive all or a portion of 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) of each class as follows:

Class A	.87%
Class B	1.12%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for each class are as follows:

Class A	$ 185,196
Class B	817
	$ 186,013

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 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $76,368, of which $6,847 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 627	$ 104
Class B	81	14
	$ 708	**$ 118**

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 0.25% of 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 year ended December 31, 2019, the Distribution Service Fee aggregated $759, of which $70 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $7,931 of which $3,476 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. Prior to December 12, 2019, Deutsche Bank AG was the lending agent for the Fund. Effective December 12, 2019, Brown Brothers Harriman & Co. serves as securities lending agent for the Fund. For the period ended December 11, 2019, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of $1,297.

D. Ownership of the Fund

At December 31, 2019, five participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 25%, 17%, 13%, 11% and 11%, 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 84% and 10%, respectively.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

F. Change of Independent Registered Public Accounting Firm

On May 14, 2019, PricewaterhouseCoopers LLP ("PwC") resigned as the independent registered public accounting firm to the Fund. PwC communicated its resignation to the Registrant's Board of Trustees (the "Board of Trustees").

PwC's reports on the Fund's financial statements for the fiscal years ended December 31, 2018 and December 31, 2017 contained no adverse opinion or disclaimer of opinion nor were they qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended December 31, 2018 and December 31, 2017 and during the subsequent interim period through May 14, 2019: (i) there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the subject matter of the disagreements in connection with its reports on the Fund's financial statements for such periods; and (ii) there were no "reportable events" of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

On May 15, 2019, the Audit Committee of the Board of Trustees and the Board of Trustees approved the selection of Ernst & Young LLP ("EY") as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2019. During the Fund's fiscal years ended December 31, 2018 and December 31, 2017, and the subsequent interim period through May 15, 2019, neither the Fund, nor anyone on their behalf, consulted with EY on items which: (i) concerned the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund's financial statements; or (ii) concerned the subject of a disagreement (as defined in paragraph (a)(1)(iv) of Item 304 of Regulation S-K) or reportable events (as described in paragraph (a)(1)(v) of said Item 304).

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series I and Shareholders of DWS CROCI International VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS CROCI International VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series I) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statements of operations and changes in net assets and the financial highlights for the year then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series I) at December 31, 2019, the results of its operations, the changes in its net assets and its financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

The statement of changes in net assets for the year ended December 31, 2018, and the financial highlights for the years ended December 31, 2015, December 31, 2016, December 31, 2017 and December 31, 2018, were audited by another independent registered public accounting firm whose report, dated February 14, 2019, expressed an unqualified opinion on that statement of changes in net assets and those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,120.40	$ 1,118.50
Expenses Paid per $1,000*	$ 4.65	$ 5.98

Hypothetical 5% Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,020.82	$ 1,019.56
Expenses Paid per $1,000*	$ 4.43	$ 5.70

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class B**
Deutsche DWS Variable Series I — DWS CROCI® International VIP	.87%	1.12%

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.

Tax Information

(Unaudited)

The Fund paid foreign taxes of $209,079 and earned $2,330,517 of foreign source income during the year ended December 31, 2019. Pursuant to Section 853 of the Internal Revenue Code, the Fund designates $0.019 per share as foreign taxes paid and $0.210 per share as income earned from foreign sources for the year ended December 31, 2019.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

Proxy Voting

The Trusts' 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 — or on the SEC's Web site — sec.gov. To obtain a written copy of the Trusts' 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's performance (Class A shares) was in the 2nd quartile, 3rd 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, 2018.

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 0.10% 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, 2018). 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, 2018, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

Notes

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December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS CROCI® U.S. VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

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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.

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

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

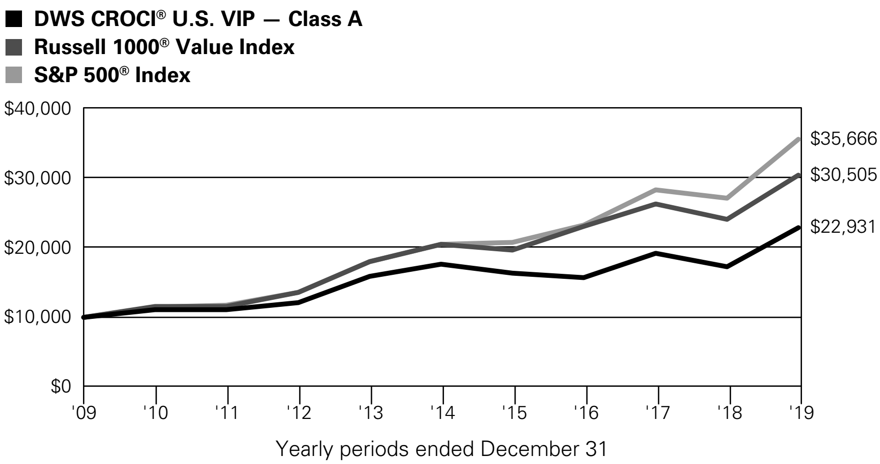
December 31, 2019 (Unaudited)

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, 2019 are 0.84% and 1.16% 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



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.

Standard & Poor's 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.

Effective December 1, 2019, the Russell 1000® Value Index has replaced the S&P 500® Index as the fund's primary benchmark index. The Advisor believes that the new index better represents the fund's investment strategy and is therefore more suitable for performance comparison.

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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$13,295	$14,623	$13,020	$22,931
	Average annual total return	32.95%	13.50%	5.42%	8.65%
Russell 1000® Value Index	Growth of $10,000	$12,654	$13,194	$14,890	$30,505
	Average annual total return	26.54%	9.68%	8.29%	11.80%
S&P 500® Index	Growth of $10,000	$13,149	$15,317	$17,386	$35,666
	Average annual total return	31.49%	15.27%	11.70%	13.56%

DWS CROCI® U.S. VIP		1-Year	3-Year	5-Year	10-Year
Class B	Growth of $10,000	$13,249	$14,486	$12,826	$22,270
	Average annual total return	32.49%	13.15%	5.10%	8.34%
Russell 1000® Value Index	Growth of $10,000	$12,654	$13,194	$14,890	$30,505
	Average annual total return	26.54%	9.68%	8.29%	11.80%
S&P 500® Index	Growth of $10,000	$13,149	$15,317	$17,386	$35,666
	Average annual total return	31.49%	15.27%	11.70%	13.56%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

The Fund returned 32.95% (Class A shares, unadjusted for contract charges) in 2019 and outperformed the 26.54% return of its benchmark, the Russell 1000® Value Index. The Russell 1000 Value Index replaced the Standard & Poor's 500® Index (S&P 500®) as the Fund's benchmark on December 1, 2019.

U.S. equities delivered a robust, double-digit gain despite the potential headwinds of slowing global growth and the ongoing U.S.-China trade dispute. The U.S. Federal Reserve's (Fed's) shift to a more accommodative interest-rate policy was the key driver of the rally. The Fed cut rates by a quarter point on three occasions, bringing its benchmark federal funds rate to a range of 1.50% to 1.75%. This marked an important departure from the consensus that existed in late 2018, when the markets were anticipating several additional rate increases before the Fed wrapped up its tightening cycle. Investors were also encouraged by the fact that both domestic economic growth and corporate profits remained in positive territory, calming the recession fears that pressured the market in late 2018.

In a continuation of a longstanding trend, the value style underperformed growth in the 12-month period. The Russell 1000 Value Index, while producing a robust absolute return of 26.54%, nonetheless trailed the 36.39% gain of the Russell 1000® Growth Index. At of time of slowing economic conditions across the globe, investors continued to demonstrate a preference for faster-growing companies over those with attractive valuations and/or high dividends.

Sector allocations and individual stock selection both played a role in the Fund's strong performance in 2019. With regard to the former, the Fund was helped by having an overweight in financials and an underweight in the poor-performing energy sector. In terms of selection, the Fund's holdings outpaced the corresponding benchmark components in eight of the ten sectors in which the Fund was invested. We generated the widest margin of outperformance in the health care, where shares of the biotechnology firm Celgene Corp.* rose sharply in January after the company received a takeover bid from Bristol-Myers Squibb Co. A position in the device/supply company Medtronic PLC* was an additional positive, as were the mega-cap pharmaceutical stocks Pfizer, Inc. and Eli Lilly & Co. The financial sector proved to be a further area of strength, led by investments in Synchrony Financial and Berkshire Hathaway, Inc.* Stock selection also provided a meaningful advantage in the energy, consumer discretionary, and industrials sectors.

Conversely, the Fund lost some ground through the underperformance of its holdings in the communication services, real estate, and utilities sectors. Positions in CBS Corp.* and Viacom, Inc.* were key detractors in communication services, as their merger was viewed negatively by investors. (The merger was completed on December 4, 2019, at which point the two companies became ViacomCBS, Inc.)

The Fund's bottom-up approach to value investing continued to result in divergent sector weightings in relation to the benchmark. At the close of the period, the portfolio had meaningful overweights in financials and utilities, together with smaller overweights in health care and communication services. Its largest underweights were in consumer staples, energy, and real estate, followed by information technology and consumer discretionary.

Although the overall market staged a sizable rally in the past year, we continued to find attractive ideas at the individual company level. This was evident in the Fund's metrics, which demonstrated what we see as a favorable balance of compelling valuations and positive fundamentals. As of December 31, 2019, the Fund had a price-to-earnings ratio of 11.8 based on one-year forward earnings estimates, versus 15.7 for the Russell 1000 Value Index. At the same time, the companies in the portfolio featured a return on equity of 21.7%, compared with 11.1% for the index. We believe these characteristics help create a firm foundation for longer-term results.

Di Kumble, CFA, Managing Director
John Moody, Vice President
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

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.

Standard & Poor's 500 Index (S&P 500) 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.

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.

The **federal funds rate** is the interest rate a borrowing bank pays to a lending bank, with the rate determined by members of the Federal Open Market Committee (FOMC) at their regular meetings. The federal funds rate sets the standard for short-term U.S. interest rates.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the index.

Overweight means the fund holds a higher weighting in a given sector or security than the benchmark. **Underweight** means the fund holds a lower weighting.

Price-to-earnings ratio (P/E) ratio (or accounting P/E ratio) compares a company's current share price to its per-share earnings. The CROCI economic P/E ratio is a measure of valuation that incorporates all of the assets and liabilities of a company which are adjusted systematically by the CROCI team.

Return on equity is the amount of net income returned as a percentage of shareholders' equity.

* Not held at December 31, 2019.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	99%	97%
Cash Equivalents	1%	3%
	100%	100%

Sector Diversification (As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Financials	38%	27%
Utilities	17%	2%
Health Care	16%	16%
Communication Services	10%	—
Industrials	10%	11%
Energy	3%	—
Materials	2%	10%
Consumer Discretionary	2%	8%
Information Technology	2%	21%
Consumer Staples	—	5%
	100%	100%

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 8.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 99.4%		
Communication Services 10.2%		
Media		
Comcast Corp. "A"	84,318	3,791,780
Discovery, Inc. "A"* (a)	121,871	3,990,057
ViacomCBS, Inc. "B"	193,293	8,112,507
		15,894,344
Consumer Discretionary 2.3%		
Household Durables		
D.R. Horton, Inc.	69,404	**3,661,061**
Energy 2.5%		
Oil, Gas & Consumable Fuels		
Cabot Oil & Gas Corp.	220,573	**3,840,176**
Financials 37.3%		
Banks 25.0%		
Citigroup, Inc.	50,536	4,037,321
Citizens Financial Group, Inc.	99,255	4,030,746
Comerica, Inc.	54,317	3,897,245
Huntington Bancshares, Inc.	255,901	3,859,002
JPMorgan Chase & Co.	28,920	4,031,448
M&T Bank Corp.	23,197	3,937,691
PNC Financial Services Group, Inc.	24,909	3,976,224
Truist Financial Corp.	69,098	3,891,599
U.S. Bancorp.	63,641	3,773,275
Wells Fargo & Co.	69,802	3,755,348
		39,189,899
Capital Markets 2.5%		
Bank of New York Mellon Corp.	77,475	**3,899,316**
Consumer Finance 9.8%		
American Express Co.	31,372	3,905,500
Capital One Financial Corp.	38,905	4,003,714
Discover Financial Services	44,836	3,802,989
Synchrony Financial	101,952	3,671,292
		15,383,495
Health Care 15.7%		
Biotechnology 5.1%		
Gilead Sciences, Inc.	58,145	3,778,262
Regeneron Pharmaceuticals, Inc.*	11,042	4,146,050
		7,924,312
Pharmaceuticals 10.6%		
Bristol-Myers Squibb Co.	66,634	4,277,237
Eli Lilly & Co.	32,911	4,325,493
Merck & Co., Inc.	44,775	4,072,286
Pfizer, Inc.	100,861	3,951,734
		16,626,750
Industrials 9.5%		
Airlines 2.3%		
United Airlines Holdings, Inc.*	40,498	**3,567,469**
Machinery 4.7%		
Cummins, Inc.	20,636	3,693,019
PACCAR, Inc.	47,502	3,757,408
		7,450,427
Professional Services 2.5%		
ManpowerGroup, Inc.	40,342	**3,917,208**
Information Technology 2.2%		
Technology Hardware, Storage & Peripherals		
Hewlett Packard Enterprise Co.	216,707	**3,436,973**
Materials 2.4%		
Chemicals		
LyondellBasell Industries NV "A"	40,287	**3,806,316**
Utilities 17.3%		
Electric Utilities 7.5%		
Duke Energy Corp.	43,289	3,948,390
Exelon Corp.	82,465	3,759,579
PPL Corp.	112,273	4,028,355
		11,736,324
Multi-Utilities 9.8%		
Consolidated Edison, Inc.	43,337	3,920,698
Dominion Energy, Inc	45,761	3,789,926
DTE Energy Co.	30,512	3,962,594
Public Service Enterprise Group, Inc.	62,387	3,683,952
		15,357,170
Total Common Stocks (Cost $142,728,054)		**155,691,240**
Securities Lending Collateral 2.0%		
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (b) (c) (Cost $3,120,056)	3,120,056	**3,120,056**
Cash Equivalents 0.5%		
DWS Central Cash Management Government Fund, 1.62% (b) (Cost $845,193)	845,193	**845,193**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $146,693,303)	101.9	**159,656,489**
Other Assets and Liabilities, Net	(1.9)	**(3,016,017)**
Net Assets	100.0	**156,640,472**

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

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 2.0%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (b) (c)								
—	3,120,056(d)	—	—	—	341	—	3,120,056	3,120,056
Cash Equivalents 0.5%								
DWS Central Cash Management Government Fund, 1.62% (b)								
3,576,006	11,132,733	13,863,546	—	—	28,191	—	845,193	845,193
3,576,006	**14,252,789**	**13,863,546**	**—**	**—**	**28,532**	**—**	**3,965,249**	**3,965,249**

* 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 December 31, 2019 amounted to $3,049,273, which is 2% 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 year ended December 31, 2019.

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 December 31, 2019 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 (e)	$155,691,240	$ —	$ —	$155,691,240
Short-Term Investment (e)	3,965,249	—	—	3,965,249
Total	**$159,656,489**	**$ —**	**$ —**	**$159,656,489**

(e) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $142,728,054) — including $3,049,273 of securities loaned	$155,691,240
Investment in DWS Government & Agency Securities Portfolio (cost $3,120,056)*	3,120,056
Investment in DWS Central Cash Management Government Fund (cost $845,193)	845,193
Cash	518
Receivable for Fund shares sold	234
Dividends receivable	387,675
Interest receivable	1,789
Other assets	3,370
Total assets	160,050,075
Liabilities	
Payable upon return of securities loaned	3,120,056
Payable for Fund shares redeemed	118,504
Accrued management fee	64,719
Accrued Trustees' fees	3,566
Other accrued expenses and payables	102,758
Total liabilities	3,409,603
Net assets, at value	**$156,640,472**
Net Assets Consist of	
Distributable earnings (loss)	22,212,401
Paid-in capital	134,428,071
Net assets, at value	**$156,640,472**
Net Asset Value	
Class A	
Net Asset Value, and redemption price per share ($152,970,644 ÷ 9,489,452 outstanding shares of beneficial interest, no par value, unlimited shares authorized)	**$ 16.12**
Class B	
Net Asset Value, offering and redemption price per share ($3,669,828 ÷ 226,957 outstanding shares of beneficial interest, no par value, unlimited shares authorized)	**$ 16.17**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends	$ 4,087,298
Income distributions — DWS Central Cash Management Government Fund	28,191
Securities lending income, net of borrower rebates	341
Total income	4,115,830
Expenses: Management fee	943,964
Administration fee	145,225
Services to Shareholders	2,531
Recordkeeping fee (Class B)	2,344
Distribution service fee (Class B)	8,538
Custodian fee	4,453
Professional fees	76,582
Reports to shareholders	28,960
Trustees' fees and expenses	9,962
Other	8,342
Total expenses before expense reductions	1,230,901
Expense reductions	(207,268)
Total expenses after expense reductions	1,023,633
Net investment income	**3,092,197**
Realized and Unrealized gain (loss)	
Net realized gain (loss) from investments	6,704,808
Change in net unrealized appreciation (depreciation) on investments	31,036,303
Net gain (loss)	**37,741,111**
Net increase (decrease) in net assets resulting from operations	**$40,833,308**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 3,092,197	$ 2,797,835
Net realized gain (loss)	6,704,808	12,382,135
Change in net unrealized appreciation (depreciation)	31,036,303	(30,136,434)
Net increase (decrease) in net assets resulting from operations	40,833,308	(14,956,464)
Distributions to shareholders:		
Class A	(14,271,121)	(14,077,923)
Class B	(332,950)	(318,032)
Total distributions	(14,604,071)	(14,395,955)
Class A		
Proceeds from shares sold	3,373,728	2,162,910
Reinvestment of distributions	14,271,121	14,077,923
Payments of shares redeemed	(15,030,273)	(15,569,405)
Net increase (decrease) in net assets from Class A share transactions	2,614,576	671,428
Class B		
Proceeds from shares sold	146,155	1,589,334
Reinvestment of distributions	332,950	318,032
Payments of shares redeemed	(438,366)	(1,755,739)
Net increase (decrease) in net assets from Class B share transactions	40,739	151,627
Increase (decrease) in net assets	28,884,552	(28,529,364)
Net assets at beginning of period	127,755,920	156,285,284
Net assets at end of period	**$156,640,472**	**$127,755,920**

Other Information		
Class A		
Shares outstanding at beginning of period	9,266,278	9,181,648
Shares sold	231,369	140,074
Shares issued to shareholders in reinvestment of distributions	1,002,890	953,143
Shares redeemed	(1,011,085)	(1,008,587)
Net increase (decrease) in Class A shares	223,174	84,630
Shares outstanding at end of period	**9,489,452**	**9,266,278**
Class B		
Shares outstanding at beginning of period	223,302	210,410
Shares sold	9,627	104,157
Shares issued to shareholders in reinvestment of distributions	23,283	21,431
Shares redeemed	(29,255)	(112,696)
Net increase (decrease) in Class B shares	3,655	12,892
Shares outstanding at end of period	**226,957**	**223,302**

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

Financial Highlights

Class A	2019	2018	2017	2016	2015
		Years Ended December 31,			
Selected Per Share Data					
Net asset value, beginning of period	**$13.46**	**$ 16.64**	**$13.75**	**$15.29**	**$17.38**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.31	.29	.24	.23	.11
Net realized and unrealized gain (loss)	3.92	(1.89)	2.88	(.93)	(1.20)
Total from investment operations	4.23	(1.60)	3.12	(.70)	(1.09)
Less distributions from:					
Net investment income	(.30)	(.41)	(.23)	(.14)	(.25)
Net realized gains on investment transactions	(1.27)	(1.17)	—	(.70)	(.75)
Total distributions	(1.57)	(1.58)	(.23)	(.84)	(1.00)
Net asset value, end of period	**$16.12**	**$ 13.46**	**$16.64**	**$13.75**	**$15.29**
Total Return (%)[b]	32.95	(10.50)	22.88[c]	(4.39)	(6.87)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	153	125	153	227	293
Ratio of expenses before expense reductions (%)[d]	.84	.84	.82	.81	.78
Ratio of expenses after expense reductions (%)[d]	.70	.72	.72	.74	.73
Ratio of net investment income (loss) (%)	2.13	1.89	1.59	1.66	.65
Portfolio turnover rate (%)	111	100	97	293	121

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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%.

d 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.

Class B	2019	2018	2017	2016	2015
		Years Ended December 31,			
Selected Per Share Data					
Net asset value, beginning of period	**$13.50**	**$ 16.67**	**$13.78**	**$15.31**	**$17.40**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.27	.24	.20	.19	.06
Net realized and unrealized gain (loss)	3.92	(1.88)	2.87	(.92)	(1.21)
Total from investment operations	4.19	(1.64)	3.07	(.73)	(1.15)
Less distributions from:					
Net investment income	(.25)	(.36)	(.18)	(.10)	(.19)
Net realized gains on investment transactions	(1.27)	(1.17)	—	(.70)	(.75)
Total distributions	(1.52)	(1.53)	(.18)	(.80)	(.94)
Net asset value, end of period	**$16.17**	**$ 13.50**	**$16.67**	**$13.78**	**$15.31**
Total Return (%)[b]	32.49	(10.71)	22.45[c]	(4.62)	(7.16)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	4	3	4	4	4
Ratio of expenses before expense reductions (%)[d]	1.16	1.16	1.15	1.13	1.10
Ratio of expenses after expense reductions (%)[d]	1.02	1.04	1.03	1.05	1.04
Ratio of net investment income (loss) (%)	1.82	1.55	1.31	1.37	.35
Portfolio turnover rate (%)	111	100	97	293	121

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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%.

d 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.

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

Notes to 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). Sales of Class B shares are subject to recordkeeping fees up to 0.15% and Rule 12b-1 fees under the 1940 Act equal to an annual rate of 0.25% 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 Rule 12b-1 fee 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 effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 9,621,506
Net unrealized appreciation (depreciation) on investments	$ 12,590,896

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $147,065,593. The net unrealized appreciation for all investments based on tax cost was $12,590,896. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $14,741,218 and aggregate gross unrealized depreciation for all investments in which was an excess of tax cost over value of $2,150,322.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ 4,413,315	$ 7,103,422
Distributions from long-term capital gains	$ 10,190,756	$ 7,292,533

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 year ended December 31, 2019, purchases and sales of investment transactions (excluding short-term investments) aggregated $159,560,395 and $165,409,844, 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 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	.625%
Next $1.5 billion	.600%
Next $2.5 billion	.575%
Next $2.5 billion	.550%
Next $2.5 billion	.525%
Next $2.5 billion	.500%
Over $12.5 billion	.475%

Accordingly, for the year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.65% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2019, the Advisor had contractually agreed to waive all or a portion of its fee 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	.70%
Class B	1.02%

Effective October 1, 2019 through September 30, 2020, the Advisor has contractually agreed to waive all or a portion of its fee 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	.69%
Class B	1.00%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for each class are as follows:

Class A	$ 202,153
Class B	5,115
	$ 207,268

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $145,225, of which $13,192 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 383	$ 64
Class B	225	37
	$ 608	**$ 101**

Distribution Service Agreement. Under the Fund's Class B 12b-1 plan, DWS Distributors, Inc. ("DDI") received a fee ("Distribution Service Fee") of 0.25% of average daily net assets of Class B shares. For the year ended December 31, 2019, the Distribution Service Fee aggregated $8,538, of which $772 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $7,802, of which $3,290 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 year ended December 31, 2019, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of $26.

D. Ownership of the Fund

At December 31, 2019, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 62% and 31%. Two participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 62% and 15%.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS CROCI U.S. VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS CROCI U.S. VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,122.60	$ 1,120.60
Expenses Paid per $1,000*	$ 3.69	$ 5.40

Hypothetical 5% Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,021.73	$ 1,020.11
Expenses Paid per $1,000*	$ 3.52	$ 5.14

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class B**
Deutsche DWS Variable Series II — DWS CROCI® U.S. VIP	.69%	1.01%

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.

Tax Information

(Unaudited)

The Fund paid distributions of $1.10 per share from net long-term capital gains during its year ended December 31, 2019.

For corporate shareholders, 76% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2019, qualified for the dividends received deduction.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, 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, 2018. 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 considered that, effective October 3, 2016, the Fund changed its investment strategy and portfolio management team, and noted that the Fund further changed its investment strategy, effective May 1, 2017. 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 0.10% 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, 2018). 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, 2018, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

VS2CUS-2 (R-025833-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Investments VIT Funds

DWS Equity 500 Index VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from your insurance company that offers your contract unless you specifically request paper copies from the insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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.

Performance Summary

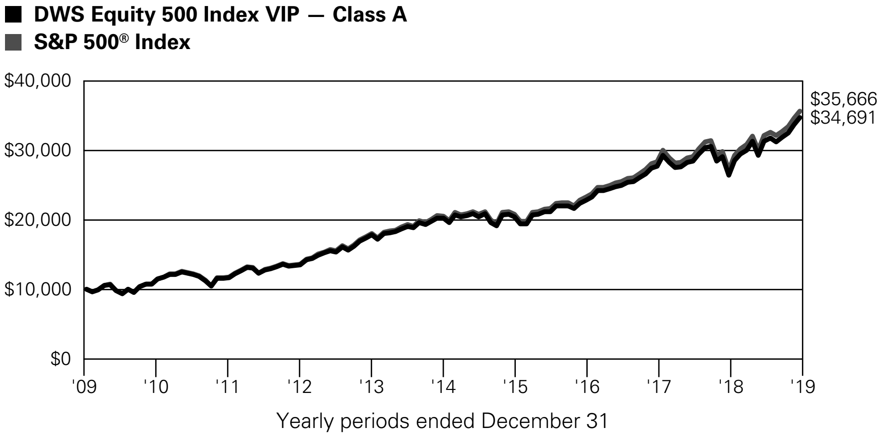
December 31, 2019 (Unaudited)

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, 2019 are 0.34%, 0.71% and 0.73% 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



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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$13,119	$15,202	$17,160	$34,691
	Average annual total return	31.19%	14.98%	11.40%	13.25%
S&P 500 Index	Growth of $10,000	$13,149	$15,317	$17,386	$35,666
	Average annual total return	31.49%	15.27%	11.70%	13.56%

DWS Equity 500 Index VIP		1-Year	3-Year	5-Year	10-Year
Class B	Growth of $10,000	$13,066	$15,038	$16,894	$33,736
	Average annual total return	30.66%	14.57%	11.06%	12.93%
S&P 500 Index	Growth of $10,000	$13,149	$15,317	$17,386	$35,666
	Average annual total return	31.49%	15.27%	11.70%	13.56%

DWS Equity 500 Index VIP		1-Year	3-Year	5-Year	10-Year
Class B2	Growth of $10,000	$13,064	$15,024	$16,833	$33,403
	Average annual total return	30.64%	14.53%	10.98%	12.82%
S&P 500 Index	Growth of $10,000	$13,149	$15,317	$17,386	$35,666
	Average annual total return	31.49%	15.27%	11.70%	13.56%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

The Fund returned 31.19% in 2019 (Class A shares, unadjusted for contract charges). Since the Fund's investment strategy is to replicate the performance of the S&P 500® Index, its return is normally close to that of the index. The index returned 31.49% in 2019. The difference in performance is typically driven by transaction costs and Fund expenses. The Fund periodically invested in equity index futures in order to keep the portfolio's exposures in line with those of the index. This strategy had a neutral impact on performance.

Despite periodic volatility stemming from the ongoing U.S.-China trade dispute and concerns about slowing global growth, U.S. equities delivered a robust gain in 2019. The U.S. Federal Reserve's (Fed's) shift to an accommodative interest-rate policy was the key driver of the rally. The Fed cut rates by a quarter point on three occasions, bringing its benchmark fed funds rate to a range of 1.50% to 1.75%. Although the Fed indicated that it was unlikely to enact any more rate cuts barring a sharp slowdown in economic growth, it provided support to the markets through daily injections of liquidity from mid-September onward. The markets were further cheered by the fact that domestic growth remained in positive territory, calming the recession fears that pressured sentiment in late 2018. Corporate earnings provided little support to the market, however. As of year-end, it appeared that profits were set for only a very small increase versus 2018. Still, prices were buttressed by consensus expectations that earnings were on track to rise nearly 10% in 2020. (Source: Factset)

In a continuation of a longstanding trend, the growth style outperformed value. At a time of slowing economic conditions across the globe, investors continued to demonstrate a preference for faster-growing companies over those with attractive valuations and/or high dividends.

Technology stocks delivered the largest gains at the sector level. The mega-cap companies Apple, Inc. and Microsoft Corp. contributed to the sector's rally, as did semiconductor companies such as Advanced Micro Devices, Inc. Financials also outperformed, reflecting improving profit expectations and the steepening of the yield curve in the final four months of the year. The gains were broad-based throughout the sector, with banks and insurance companies acting as the primary source of positive performance. Communication services was an additional area of strength for the index. As was the case with technology, the sector was propelled by investors' continued gravitation to mega-cap growth stocks such as Alphabet, Inc. and Facebook, Inc. The sector was further aided by the strong performance of Walt Disney Co. and the telecommunications companies AT&T, Inc. and Verizon Communications, Inc.

Stocks poised to benefit from improving growth expectations generally performed well. Consumer discretionary stocks finished just behind the index, with strength in Amazon.com., Inc. and Home Depot, Inc. acting as the primary engine for the gains. Industrials also posted a healthy advance, with a rally in defense stocks outweighing uneven results for the transportation industry.

On the other hand, materials trailed the broader market by a notable margin amid uncertainty about the effect the prolonged U.S.-China trade dispute could have on raw-materials exports. China's slowing economic growth further weighed on the sector given the country's role as the largest source of world commodity demand.

After performing well through late August, defensive market segments started to lag as investors' appetite for risk gradually expanded over the final four months of the year. As a result, utilities and real estate — while posting returns north of 20% — failed to keep pace with the index in 2019. Both sectors tend to have above-average interest-rate sensitivity, which was an additional headwind given the uptrend in U.S. Treasury yields in the latter part of the year. Consumer staples finished somewhat behind the index, as well.

Although energy generated a double-digit gain, it was nevertheless the year's worst performer among the eleven major sectors. The category's overall return was pressured by the weak showing of oil services stocks and smaller exploration and production companies.

Brent Reeder
Senior Vice President, Northern Trust Investments, Inc., Subadvisor to the Fund
Portfolio Manager

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

The **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.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the index.

The **yield curve** is a graph with a left to right line that shows how high or low yields are, from the shortest to the longest maturities. Typically the line rises from left to right as investors who are willing to tie up their money for a longer period of time are rewarded with higher yields.

The **consumer discretionary** sector represents industries that produce goods and services that are not necessities in everyday life.

Consumer staples are the industries that manufacture and sell products such as food and beverages, prescription drugs, and household products.

Futures contracts are contractual agreements to buy or sell a particular commodity or financial instrument at a predetermined price in the future.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	98%	99%
Cash Equivalents	2%	1%
Government & Agency Obligations	0%	0%
	100%	100%

Sector Diversification (As a % of Common Stocks)	**12/31/19**	**12/31/18**
Information Technology	23%	20%
Health Care	14%	16%
Financials	13%	14%
Communication Services	10%	10%
Consumer Discretionary	10%	10%
Industrials	9%	9%
Consumer Staples	7%	7%
Energy	5%	5%
Utilities	3%	3%
Real Estate	3%	3%
Materials	3%	3%
	100%	100%

Ten Largest Equity Holdings (23.4% of Net Assets)	
1. **Apple, Inc.** Designs, manufactures and markets personal computers and related computing and mobile communication devices	**4.5%**
2. **Microsoft Corp.** Develops, manufactures, licenses, sells and supports software products	**4.4%**
3. **Alphabet, Inc.** Holding company with subsidiaries that provide web-based search, advertisements, maps, software applications, mobile operating systems and a variety of other products	**2.9%**
4. **Amazon.com, Inc.** Online retailer that offers a wide range of products, including books, music, videotapes, computers, electronics, home and garden, and numerous products	**2.8%**
5. **Facebook, Inc.** Operates a social networking web site	**1.8%**
6. **Berkshire Hathaway, Inc.** Holding company of insurance business and a variety of other businesses	**1.6%**
7. **JPMorgan Chase & Co.** Provider of global financial services	**1.6%**
8. **Johnson & Johnson** Provider of health care products	**1.4%**
9. **Visa, Inc.** Operates a retail electronic payments network and manages global financial services	**1.2%**
10. **Procter & Gamble Co.** Manufacturer of diversified consumer products	**1.2%**

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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 98.0%		
Communication Services 10.2%		
Diversified Telecommunication Services 2.0%		
AT&T, Inc.	163,567	6,392,198
CenturyLink, Inc.	22,395	295,838
Verizon Communications, Inc.	92,590	5,685,026
		12,373,062
Entertainment 1.9%		
Activision Blizzard, Inc.	17,255	1,025,292
Electronic Arts, Inc.*	6,517	700,643
Live Nation Entertainment, Inc.*	3,146	224,845
Netflix, Inc.*	9,811	3,174,545
Take-Two Interactive Software, Inc.*	2,528	309,503
Walt Disney Co.	40,355	5,836,544
		11,271,372
Interactive Media & Services 4.8%		
Alphabet, Inc. "A"*	6,710	8,987,307
Alphabet, Inc. "C"*	6,693	8,948,675
Facebook, Inc. "A"*	53,887	11,060,307
Twitter, Inc.*	17,292	554,208
		29,550,497
Media 1.4%		
Charter Communications, Inc. "A"*	3,508	1,701,661
Comcast Corp. "A"	101,628	4,570,211
Discovery, Inc. "C"*	7,714	235,200
Discovery, Inc. "A"* (a)	3,366	110,203
DISH Network Corp. "A"*	5,793	205,478
Fox Corp. "A"	8,025	297,487
Fox Corp. "B"	3,504	127,546
Interpublic Group of Companies, Inc.	8,573	198,036
News Corp. "A"	8,780	124,149
News Corp. "B"	3,121	45,286
Omnicom Group, Inc.	4,869	394,486
ViacomCBS, Inc. "B"	12,214	512,621
		8,522,364
Wireless Telecommunication Services 0.1%		
T-Mobile U.S., Inc.*	7,077	**554,978**
Consumer Discretionary 9.6%		
Auto Components 0.1%		
Aptiv PLC	5,746	545,698
BorgWarner, Inc.	4,743	205,751
		751,449
Automobiles 0.3%		
Ford Motor Co.	86,756	806,831
General Motors Co.	28,302	1,035,853
Harley-Davidson, Inc.	3,393	126,186
		1,968,870
Distributors 0.1%		
Genuine Parts Co.	3,295	350,028
LKQ Corp.*	7,004	250,043
		600,071
Diversified Consumer Services 0.0%		
H&R Block, Inc.	4,591	**107,797**
Hotels, Restaurants & Leisure 1.9%		
Carnival Corp.	9,054	460,215
Chipotle Mexican Grill, Inc.*	570	477,153
Darden Restaurants, Inc.	2,766	301,522
Hilton Worldwide Holdings, Inc.	6,300	698,733
Las Vegas Sands Corp.	7,564	522,218
Marriott International, Inc. "A"	6,055	916,909
McDonald's Corp.	16,867	3,333,088
MGM Resorts International	11,404	379,411
Norwegian Cruise Line Holdings Ltd.*	4,838	282,587
Royal Caribbean Cruises Ltd.	3,886	518,820
Starbucks Corp.	26,448	2,325,308
Wynn Resorts Ltd.	2,155	299,265
Yum! Brands, Inc.	6,735	678,416
		11,193,645
Household Durables 0.4%		
D.R. Horton, Inc.	7,498	395,519
Garmin Ltd.	3,201	312,290
Leggett & Platt, Inc.	3,043	154,676
Lennar Corp. "A"	6,254	348,911
Mohawk Industries, Inc.*	1,325	180,703
Newell Brands, Inc.	8,544	164,216
NVR, Inc.*	78	297,056
PulteGroup, Inc.	5,600	217,280
Whirlpool Corp.	1,418	209,197
		2,279,848
Internet & Direct Marketing Retail 3.3%		
Amazon.com, Inc.*	9,326	17,232,956
Booking Holdings, Inc.*	937	1,924,345
eBay, Inc.	17,143	619,034
Expedia Group, Inc.	3,106	335,883
		20,112,218
Leisure Products 0.1%		
Hasbro, Inc.	2,881	**304,262**
Multiline Retail 0.5%		
Dollar General Corp.	5,706	890,022
Dollar Tree, Inc.*	5,298	498,277
Kohl's Corp.	3,536	180,159
Macy's, Inc.	6,782	115,294
Nordstrom, Inc.	2,533	103,675
Target Corp.	11,351	1,455,312
		3,242,739
Specialty Retail 2.2%		
Advance Auto Parts, Inc.	1,523	243,924
AutoZone, Inc.*	534	636,160
Best Buy Co., Inc.	5,078	445,848
CarMax, Inc.*	3,637	318,856
Home Depot, Inc.	24,436	5,336,334
L Brands, Inc.	5,340	96,761
Lowe's Companies, Inc.	17,173	2,056,638
O'Reilly Automotive, Inc.*	1,693	741,974
Ross Stores, Inc.	8,096	942,536
The Gap, Inc.	4,429	78,305
Tiffany & Co.	2,379	317,953
TJX Companies, Inc.	27,182	1,659,733

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

	Shares	Value ($)
Tractor Supply Co.	2,673	249,765
Ulta Salon, Cosmetics & Fragrance, Inc.*	1,281	324,272
		13,449,059
Textiles, Apparel & Luxury Goods 0.7%		
Capri Holdings Ltd.*	3,303	126,009
Hanesbrands, Inc.	7,905	117,389
NIKE, Inc. "B"	27,939	2,830,500
PVH Corp.	1,661	174,654
Ralph Lauren Corp.	1,121	131,404
Tapestry, Inc.	6,014	162,197
Under Armour, Inc. "A"*	4,226	91,282
Under Armour, Inc. "C"*	4,609	88,401
VF Corp.	7,315	729,013
		4,450,849
Consumer Staples 7.0%		
Beverages 1.8%		
Brown-Forman Corp. "B"	4,172	282,027
Coca-Cola Co.	86,339	4,778,864
Constellation Brands, Inc. "A"	3,756	712,701
Molson Coors Brewing Co. "B"	4,206	226,703
Monster Beverage Corp.*	8,513	541,001
PepsiCo, Inc.	31,218	4,266,564
		10,807,860
Food & Staples Retailing 1.5%		
Costco Wholesale Corp.	9,897	2,908,926
Kroger Co.	17,769	515,124
Sysco Corp.	11,417	976,610
Walgreens Boots Alliance, Inc.	16,793	990,115
Walmart, Inc.	31,771	3,775,666
		9,166,441
Food Products 1.1%		
Archer-Daniels-Midland Co.	12,537	581,090
Campbell Soup Co.	3,858	190,662
Conagra Brands, Inc.	11,055	378,523
General Mills, Inc.	13,590	727,881
Hormel Foods Corp.	6,128	276,434
Kellogg Co.	5,529	382,386
Kraft Heinz Co.	13,851	445,033
Lamb Weston Holdings, Inc.	3,338	287,168
McCormick & Co., Inc.	2,769	469,983
Mondelez International, Inc. "A"	32,192	1,773,135
The Hershey Co.	3,334	490,031
The JM Smucker Co.	2,579	268,551
Tyson Foods, Inc. "A"	6,580	599,043
		6,869,920
Household Products 1.6%		
Church & Dwight Co., Inc.	5,517	388,066
Clorox Co.	2,825	433,750
Colgate-Palmolive Co.	19,146	1,318,011
Kimberly-Clark Corp.	7,661	1,053,770
Procter & Gamble Co.	55,850	6,975,665
		10,169,262
Personal Products 0.2%		
Coty, Inc. "A"	6,186	69,593
Estee Lauder Companies, Inc. "A"	4,986	1,029,808
		1,099,401

	Shares	Value ($)
Tobacco 0.8%		
Altria Group, Inc.	41,788	2,085,639
Philip Morris International, Inc.	34,840	2,964,536
		5,050,175
Energy 4.3%		
Energy Equipment & Services 0.4%		
Baker Hughes Co.	14,319	366,996
Halliburton Co.	19,408	474,914
Helmerich & Payne, Inc.	2,545	115,619
National Oilwell Varco, Inc.	8,514	213,276
Schlumberger Ltd.	31,100	1,250,220
TechnipFMC PLC	9,118	195,490
		2,616,515
Oil, Gas & Consumable Fuels 3.9%		
Apache Corp.	8,240	210,862
Cabot Oil & Gas Corp.	9,388	163,445
Chevron Corp.	42,332	5,101,429
Cimarex Energy Co.	2,387	125,294
Concho Resources, Inc.	4,524	396,167
ConocoPhillips	24,551	1,596,552
Devon Energy Corp.	8,848	229,783
Diamondback Energy, Inc.	3,598	334,110
EOG Resources., Inc.	13,046	1,092,733
Exxon Mobil Corp.	94,728	6,610,120
Hess Corp.	5,816	388,567
HollyFrontier Corp.	3,210	162,779
Kinder Morgan, Inc.	43,776	926,738
Marathon Oil Corp.	17,578	238,709
Marathon Petroleum Corp.	14,533	875,613
Noble Energy, Inc.	10,955	272,122
Occidental Petroleum Corp.	20,109	828,692
ONEOK, Inc.	9,226	698,131
Phillips 66	9,942	1,107,638
Pioneer Natural Resources Co.	3,731	564,761
Valero Energy Corp.	9,190	860,643
Williams Companies, Inc.	27,122	643,334
		23,428,222
Financials 12.7%		
Banks 5.5%		
Bank of America Corp.	181,322	6,386,161
Citigroup, Inc.	48,904	3,906,941
Citizens Financial Group, Inc.	9,755	396,151
Comerica, Inc.	3,205	229,959
Fifth Third Bancorp.	15,918	489,319
First Republic Bank	3,763	441,964
Huntington Bancshares, Inc.	22,997	346,795
JPMorgan Chase & Co.	70,249	9,792,711
KeyCorp	21,814	441,515
M&T Bank Corp.	2,957	501,951
People's United Financial, Inc.	10,148	171,501
PNC Financial Services Group, Inc.	9,822	1,567,886
Regions Financial Corp.	21,639	371,325
SVB Financial Group*	1,132	284,177
Truist Financial Corp.	29,943	1,686,390
U.S. Bancorp.	31,853	1,888,564
Wells Fargo & Co.	86,211	4,638,152
Zions Bancorp. NA	3,932	204,149
		33,745,611

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

	Shares	Value ($)
Capital Markets 2.6%		
Ameriprise Financial, Inc.	2,841	473,254
Bank of New York Mellon Corp.	18,802	946,305
BlackRock, Inc.	2,645	1,329,642
Cboe Global Markets, Inc.	2,474	296,880
Charles Schwab Corp.	25,606	1,217,821
CME Group, Inc.	7,995	1,604,756
E*TRADE Financial Corp.	4,931	223,719
Franklin Resources., Inc.	6,369	165,467
Intercontinental Exchange, Inc.	12,475	1,154,561
Invesco Ltd.	8,628	155,131
MarketAxess Holdings, Inc.	846	320,727
Moody's Corp.	3,611	857,288
Morgan Stanley	27,568	1,409,276
MSCI, Inc.	1,885	486,669
Nasdaq, Inc.	2,589	277,282
Northern Trust Corp.	4,712	500,603
Raymond James Financial, Inc.	2,825	252,725
S&P Global, Inc.	5,475	1,494,949
State Street Corp.	8,146	644,349
T. Rowe Price Group, Inc.	5,210	634,786
The Goldman Sachs Group, Inc.	7,139	1,641,470
		16,087,660
Consumer Finance 0.7%		
American Express Co.	15,032	1,871,334
Capital One Financial Corp.	10,430	1,073,351
Discover Financial Services	6,992	593,062
Synchrony Financial	13,322	479,725
		4,017,472
Diversified Financial Services 1.6%		
Berkshire Hathaway, Inc. "B"*	43,802	**9,921,153**
Insurance 2.3%		
Aflac, Inc.	16,410	868,089
Allstate Corp.	7,258	816,162
American International Group, Inc.	19,563	1,004,169
Aon PLC	5,246	1,092,689
Arthur J. Gallagher & Co.	4,196	399,585
Assurant, Inc.	1,360	178,269
Chubb Ltd.	10,151	1,580,105
Cincinnati Financial Corp.	3,346	351,832
Everest Re Group Ltd.	917	253,862
Globe Life, Inc.	2,234	235,129
Hartford Financial Services Group, Inc.	8,078	490,900
Lincoln National Corp.	4,500	265,545
Loews Corp.	5,715	299,980
Marsh & McLennan Companies, Inc.	11,284	1,257,150
MetLife, Inc.	17,516	892,791
Principal Financial Group, Inc.	5,692	313,060
Progressive Corp.	13,146	951,639
Prudential Financial, Inc.	9,037	847,128
The Travelers Companies, Inc.	5,763	789,243
Unum Group	4,432	129,237
W.R. Berkley Corp.	3,253	224,782
Willis Towers Watson PLC	2,885	582,597
		13,823,943

Health Care 13.9%

	Shares	Value ($)
Biotechnology 2.0%		
AbbVie, Inc.	33,103	2,930,940
Alexion Pharmaceuticals, Inc.*	5,008	541,615
Amgen, Inc.	13,299	3,205,990
Biogen., Inc.*	4,036	1,197,602
Gilead Sciences, Inc.	28,302	1,839,064
Incyte Corp.*	4,056	354,170
Regeneron Pharmaceuticals, Inc.*	1,796	674,362
Vertex Pharmaceuticals, Inc.*	5,780	1,265,531
		12,009,274
Health Care Equipment & Supplies 3.5%		
Abbott Laboratories	39,569	3,436,963
ABIOMED, Inc.*	1,018	173,661
Align Technology, Inc.*	1,602	447,022
Baxter International, Inc.	11,479	959,874
Becton, Dickinson & Co.	6,070	1,650,858
Boston Scientific Corp.*	31,315	1,416,064
Danaher Corp.	14,279	2,191,541
DENTSPLY SIRONA, Inc.	4,921	278,479
Edwards Lifesciences Corp.*	4,678	1,091,331
Hologic, Inc.*	6,049	315,818
IDEXX Laboratories, Inc.*	1,921	501,631
Intuitive Surgical, Inc.*	2,592	1,532,261
Medtronic PLC	30,011	3,404,748
ResMed, Inc.	3,199	495,749
STERIS PLC	1,894	288,684
Stryker Corp.	7,216	1,514,927
Teleflex, Inc.	1,045	393,380
The Cooper Companies, Inc.	1,091	350,527
Varian Medical Systems, Inc.*	2,039	289,558
Zimmer Biomet Holdings, Inc.	4,615	690,773
		21,423,849
Health Care Providers & Services 2.8%		
AmerisourceBergen Corp.	3,296	280,226
Anthem, Inc.	5,683	1,716,436
Cardinal Health, Inc.	6,548	331,198
Centene Corp.*	9,169	576,455
Cigna Corp.	8,368	1,711,172
CVS Health Corp.	29,076	2,160,056
DaVita, Inc.*	2,043	153,286
HCA Healthcare, Inc.	5,893	871,044
Henry Schein, Inc.*	3,311	220,910
Humana, Inc.	2,969	1,088,198
Laboratory Corp. of America Holdings*	2,146	363,039
McKesson Corp.	4,041	558,951
Quest Diagnostics, Inc.	3,019	322,399
UnitedHealth Group, Inc.	21,222	6,238,844
Universal Health Services, Inc. "B"	1,803	258,658
WellCare Health Plans, Inc.*	1,141	376,770
		17,227,642
Health Care Technology 0.1%		
Cerner Corp.	7,034	**516,225**
Life Sciences Tools & Services 1.0%		
Agilent Technologies, Inc.	6,867	585,824
Illumina, Inc.*	3,306	1,096,732
IQVIA Holdings, Inc.*	4,009	619,431
Mettler-Toledo International, Inc.*	550	436,304
PerkinElmer, Inc.	2,469	239,740
Thermo Fisher Scientific, Inc.	8,969	2,913,759
Waters Corp.*	1,443	337,157
		6,228,947

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

	Shares	Value ($)
Pharmaceuticals 4.5%		
Allergan PLC	7,377	1,410,261
Bristol-Myers Squibb Co.	52,478	3,368,563
Eli Lilly & Co.	18,907	2,484,947
Johnson & Johnson	58,926	8,595,536
Merck & Co., Inc.	56,994	5,183,604
Mylan NV*	11,619	233,542
Perrigo Co. PLC	3,108	160,559
Pfizer, Inc.	123,895	4,854,206
Zoetis, Inc.	10,650	1,409,528
		27,700,746

Industrials 8.9%

	Shares	Value ($)
Aerospace & Defense 2.4%		
Arconic, Inc.	8,747	269,145
Boeing Co.	11,973	3,900,324
General Dynamics Corp.	5,267	928,835
Huntington Ingalls Industries, Inc.	926	232,315
L3Harris Technologies, Inc.	4,949	979,259
Lockheed Martin Corp.	5,558	2,164,174
Northrop Grumman Corp.	3,507	1,206,303
Raytheon Co.	6,213	1,365,245
Textron, Inc.	5,107	227,772
TransDigm Group, Inc.	1,117	625,520
United Technologies Corp.	18,168	2,720,840
		14,619,732
Air Freight & Logistics 0.5%		
C.H. Robinson Worldwide, Inc.	2,979	232,958
Expeditors International of Washington, Inc.	3,800	296,476
FedEx Corp.	5,393	815,475
United Parcel Service, Inc. "B"	15,732	1,841,588
		3,186,497
Airlines 0.3%		
Alaska Air Group, Inc.	2,749	186,245
American Airlines Group, Inc.	8,765	251,380
Delta Air Lines, Inc.	12,834	750,532
Southwest Airlines Co.	10,610	572,728
United Airlines Holdings, Inc.*	4,928	434,108
		2,194,993
Building Products 0.3%		
A.O. Smith Corp.	3,061	145,826
Allegion PLC	2,056	256,054
Fortune Brands Home & Security, Inc.	3,055	199,614
Johnson Controls International PLC	17,304	704,446
Masco Corp.	6,424	308,288
		1,614,228
Commercial Services & Supplies 0.4%		
Cintas Corp.	1,885	507,216
Copart, Inc.*	4,520	411,049
Republic Services, Inc.	4,771	427,625
Rollins, Inc.	3,089	102,431
Waste Management, Inc.	8,686	989,856
		2,438,177
Construction & Engineering 0.1%		
Jacobs Engineering Group, Inc.	2,962	266,077
Quanta Services, Inc.	3,265	132,918
		398,995
Electrical Equipment 0.5%		
AMETEK, Inc.	5,140	512,663
Eaton Corp. PLC	9,271	878,149
Emerson Electric Co.	13,661	1,041,788
Rockwell Automation, Inc.	2,576	522,078
		2,954,678
Industrial Conglomerates 1.3%		
3M Co.	12,874	2,271,231
General Electric Co.	195,243	2,178,912
Honeywell International, Inc.	16,010	2,833,770
Roper Technologies, Inc.	2,333	826,419
		8,110,332
Machinery 1.6%		
Caterpillar, Inc.	12,389	1,829,607
Cummins, Inc.	3,441	615,801
Deere & Co.	7,018	1,215,939
Dover Corp.	3,279	377,938
Flowserve Corp.	2,969	147,767
Fortive Corp.	6,645	507,612
IDEX Corp.	1,725	296,700
Illinois Tool Works, Inc.	6,566	1,179,451
Ingersoll-Rand PLC	5,318	706,869
PACCAR, Inc.	7,755	613,420
Parker-Hannifin Corp.	2,859	588,439
Pentair PLC	3,721	170,682
Snap-on, Inc.	1,198	202,941
Stanley Black & Decker, Inc.	3,381	560,367
Westinghouse Air Brake Technologies Corp.	4,139	322,014
Xylem, Inc.	4,096	322,724
		9,658,271
Professional Services 0.3%		
Equifax, Inc.	2,705	379,025
IHS Markit Ltd.*	9,038	681,013
Nielsen Holdings PLC	7,923	160,837
Robert Half International, Inc.	2,554	161,285
Verisk Analytics, Inc.	3,642	543,896
		1,926,056
Road & Rail 1.0%		
CSX Corp.	17,428	1,261,090
J.B. Hunt Transport Services, Inc.	1,887	220,364
Kansas City Southern	2,207	338,024
Norfolk Southern Corp.	5,845	1,134,690
Old Dominion Freight Line, Inc.	1,441	273,473
Union Pacific Corp.	15,554	2,812,008
		6,039,649
Trading Companies & Distributors 0.2%		
Fastenal Co.	12,963	478,983
United Rentals, Inc.*	1,650	275,170
W.W. Grainger, Inc.	979	331,411
		1,085,564

Information Technology 22.7%

	Shares	Value ($)
Communications Equipment 0.9%		
Arista Networks, Inc.*	1,186	241,232
Cisco Systems, Inc.	95,024	4,557,351
F5 Networks, Inc.*	1,397	195,091
Juniper Networks, Inc.	7,377	181,696
Motorola Solutions, Inc.	3,840	618,778
		5,794,148

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

	Shares	Value ($)
Electronic Equipment, Instruments & Components 0.6%		
Amphenol Corp. "A"	6,687	723,734
CDW Corp.	3,217	459,516
Corning, Inc.	17,029	495,714
FLIR Systems, Inc.	2,979	155,117
IPG Photonics Corp.*	812	117,675
Keysight Technologies, Inc.*	4,230	434,125
TE Connectivity Ltd.	7,429	711,995
Zebra Technologies Corp. "A"*	1,208	308,572
		3,406,448
IT Services 5.3%		
Accenture PLC "A"	14,215	2,993,253
Akamai Technologies, Inc.*	3,682	318,051
Alliance Data Systems Corp.	903	101,317
Automatic Data Processing, Inc.	9,685	1,651,292
Broadridge Financial Solutions, Inc.	2,619	323,551
Cognizant Technology Solutions Corp. "A"	12,231	758,567
DXC Technology Co.	5,778	217,195
Fidelity National Information Services, Inc.	13,801	1,919,581
Fiserv, Inc.*	12,741	1,473,242
FleetCor Technologies, Inc.*	1,929	555,012
Gartner, Inc.*	2,004	308,816
Global Payments, Inc.	6,754	1,233,010
International Business Machines Corp.	19,834	2,658,549
Jack Henry & Associates, Inc.	1,687	245,745
Leidos Holdings, Inc.	2,959	289,656
Mastercard, Inc. "A"	19,874	5,934,178
Paychex, Inc.	7,160	609,030
PayPal Holdings, Inc.*	26,288	2,843,573
VeriSign, Inc.*	2,323	447,596
Visa, Inc. "A"	38,324	7,201,080
Western Union Co.	9,618	257,570
		32,339,864
Semiconductors & Semiconductor Equipment 4.1%		
Advanced Micro Devices, Inc.*	24,931	1,143,336
Analog Devices, Inc.	8,207	975,320
Applied Materials, Inc.	20,783	1,268,594
Broadcom, Inc.	8,881	2,806,574
Intel Corp.	97,394	5,829,031
KLA Corp.	3,529	628,762
Lam Research Corp.	3,253	951,177
Maxim Integrated Products, Inc.	6,008	369,552
Microchip Technology, Inc.	5,355	560,776
Micron Technology, Inc.*	24,826	1,335,142
NVIDIA Corp.	13,698	3,223,139
Qorvo, Inc.*	2,621	304,639
QUALCOMM., Inc.	25,550	2,254,276
Skyworks Solutions, Inc.	3,862	466,839
Texas Instruments, Inc.	20,908	2,682,287
Xilinx, Inc.	5,665	553,867
		25,353,311
Software 6.9%		
Adobe, Inc.*	10,842	3,575,800
ANSYS, Inc.*	1,919	493,970
Autodesk, Inc.*	4,941	906,476
Cadence Design Systems, Inc.*	6,247	433,292
Citrix Systems, Inc.	2,713	300,872
Fortinet, Inc.*	3,181	339,603
Intuit, Inc.	5,809	1,521,551
Microsoft Corp.	170,841	26,941,626
NortonLifeLock, Inc.	13,017	332,194
Oracle Corp.	48,527	2,570,960
salesforce.com, Inc.*	19,865	3,230,843
ServiceNow, Inc.*	4,209	1,188,285
Synopsys, Inc.*	3,344	465,485
		42,300,957
Technology Hardware, Storage & Peripherals 4.9%		
Apple, Inc.	93,533	27,465,966
Hewlett Packard Enterprise Co.	28,657	454,500
HP, Inc.	33,177	681,787
NetApp, Inc.	5,125	319,031
Seagate Technology PLC	5,189	308,746
Western Digital Corp.	6,615	419,854
Xerox Holding Corp.	4,136	152,494
		29,802,378

Materials 2.6%

	Shares	Value ($)
Chemicals 1.9%		
Air Products & Chemicals, Inc.	4,957	1,164,845
Albemarle Corp.	2,352	171,790
Celanese Corp.	2,699	332,301
CF Industries Holdings, Inc.	4,749	226,717
Corteva, Inc.*	16,840	497,790
Dow, Inc.	16,502	903,155
DuPont de Nemours, Inc.	16,582	1,064,564
Eastman Chemical Co.	3,027	239,920
Ecolab, Inc.	5,631	1,086,727
FMC Corp.	2,951	294,569
International Flavors & Fragrances, Inc. (a)	2,343	302,294
Linde PLC	12,024	2,559,910
LyondellBasell Industries NV "A"	5,779	546,000
PPG Industries, Inc.	5,308	708,565
The Mosaic Co.	7,979	172,666
The Sherwin-Williams Co.	1,847	1,077,798
		11,349,611
Construction Materials 0.1%		
Martin Marietta Materials, Inc.	1,384	387,022
Vulcan Materials Co.	2,970	427,650
		814,672
Containers & Packaging 0.3%		
Amcor PLC	36,382	394,381
Avery Dennison Corp.	1,876	245,418
Ball Corp.	7,285	471,121
International Paper Co.	8,724	401,740
Packaging Corp. of America	2,157	241,563
Sealed Air Corp.	3,430	136,617
Westrock Co.	5,741	246,346
		2,137,186
Metals & Mining 0.3%		
Freeport-McMoRan, Inc.	32,349	424,419
Newmont Goldcorp Corp.	18,379	798,567
Nucor Corp.	6,739	379,271
		1,602,257

Real Estate 2.9%

	Shares	Value ($)
Equity Real Estate Investment Trusts (REITs) 2.8%		
Alexandria Real Estate Equities, Inc.	2,556	412,998

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

	Shares	Value ($)
American Tower Corp.	9,908	2,277,057
Apartment Investment & Management Co. "A"	3,294	170,135
AvalonBay Communities, Inc.	3,133	656,990
Boston Properties, Inc.	3,213	442,944
Crown Castle International Corp.	9,271	1,317,873
Digital Realty Trust, Inc.	4,655	557,390
Duke Realty Corp.	8,144	282,352
Equinix, Inc.	1,910	1,114,867
Equity Residential	7,853	635,465
Essex Property Trust, Inc.	1,486	447,078
Extra Space Storage, Inc.	2,924	308,833
Federal Realty Investment Trust	1,600	205,968
Healthpeak Properties, Inc.	10,973	378,239
Host Hotels & Resorts, Inc.	15,956	295,984
Iron Mountain, Inc.	6,301	200,813
Kimco Realty Corp.	9,433	195,357
Mid-America Apartment Communities, Inc.	2,595	342,177
Prologis, Inc.	14,218	1,267,393
Public Storage	3,370	717,675
Realty Income Corp.	7,349	541,107
Regency Centers Corp.	3,780	238,480
SBA Communications Corp.	2,535	610,910
Simon Property Group, Inc.	6,852	1,020,674
SL Green Realty Corp.	1,850	169,978
UDR, Inc.	6,526	304,764
Ventas, Inc.	8,379	483,803
Vornado Realty Trust	3,463	230,290
Welltower, Inc.	9,108	744,852
Weyerhaeuser Co.	16,606	501,501
		17,073,947
Real Estate Management & Development 0.1%		
CBRE Group, Inc. "A"*	7,494	**459,307**
Utilities 3.2%		
Electric Utilities 2.0%		
Alliant Energy Corp.	5,309	290,508
American Electric Power Co., Inc.	11,113	1,050,290
Duke Energy Corp.	16,249	1,482,071
Edison International	8,057	607,578
Entergy Corp.	4,457	533,949
Evergy, Inc.	5,050	328,705
Eversource Energy	7,286	619,820
Exelon Corp.	21,837	995,549
FirstEnergy Corp.	12,107	588,400
NextEra Energy, Inc.	10,925	2,645,598
Pinnacle West Capital Corp.	2,525	227,073
PPL Corp.	16,252	583,122
Southern Co.	23,523	1,498,415
Xcel Energy, Inc.	11,801	749,246
		12,200,324
Gas Utilities 0.0%		
Atmos Energy Corp.	2,661	**297,659**
Independent Power & Renewable Electricity Producers 0.1%		
AES Corp.	14,960	297,704
NRG Energy, Inc.	5,770	229,358
		527,062
Multi-Utilities 1.0%		
Ameren Corp.	5,444	418,099
CenterPoint Energy, Inc.	11,427	311,614
CMS Energy Corp.	6,362	399,788
Consolidated Edison, Inc.	7,466	675,449
Dominion Energy, Inc	18,484	1,530,845
DTE Energy Co.	4,249	551,818
NiSource, Inc.	8,560	238,310
Public Service Enterprise Group, Inc.	11,318	668,328
Sempra Energy	6,295	953,567
WEC Energy Group, Inc.	7,054	650,590
		6,398,408
Water Utilities 0.1%		
American Water Works Co., Inc.	4,028	**494,840**
Total Common Stocks (Cost $264,745,960)		**599,222,949**

	Principal Amount ($)	Value ($)
Government & Agency Obligations 0.1%		
U.S. Treasury Obligation		
U.S. Treasury Bill, 1.97%**, 1/9/2020 (b) (Cost $659,711)	660,000	**659,819**

	Shares	Value ($)
Securities Lending Collateral 0.0%		
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (c) (d) (Cost $251,422)	251,422	**251,422**
Cash Equivalents 1.9%		
DWS Central Cash Management Government Fund, 1.62% (c) (Cost $11,512,814)	11,512,814	**11,512,814**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $277,169,907)	100.0	**611,647,004**
Other Assets and Liabilities, Net	(0.0)	**(121,576)**
Net Assets	100.0	**611,525,428**

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

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 0.0%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (c) (d)								
564,200	—	312,778 (e)	—	—	1,379	—	251,422	251,422
Cash Equivalents 1.9%								
DWS Central Cash Management Government Fund, 1.62% (c)								
3,904,662	66,162,810	58,554,658	—	—	138,426	—	11,512,814	11,512,814
4,468,862	**66,162,810**	**58,867,436**	**—**	**—**	**139,805**	**—**	**11,764,236**	**11,764,236**

* Non-income producing security.

** Annualized yield at time of purchase; not a coupon rate.

(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 December 31, 2019 amounted to $248,351, which is 0.04% of net assets.

(b) At December 31, 2019, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

(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.

(e) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the year ended December 31, 2019.

S&P: Standard & Poor's

At December 31, 2019, open futures contracts purchased were as follows:

Futures	Currency	Expiration Date	Contracts	Notional Amount ($)	Notional Value ($)	Unrealized Appreciation ($)
S&P 500 E-Mini Index	USD	3/20/2020	79	12,626,401	12,762,845	136,444

Currency Abbreviation

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 December 31, 2019 in valuing the Fund's investments.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks (f)	$ 599,222,949	$ —	$ —	$ 599,222,949
Government & Agency Obligations	—	659,819	—	659,819
Short-Term Investments (f)	11,764,236	—	—	11,764,236
Derivatives (g)				
Futures Contracts	136,444	—	—	136,444
Total	**$ 611,123,629**	**$ 659,819**	**$ —**	**$ 611,783,448**

(f) See Investment Portfolio for additional detailed categorizations.

(g) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $265,405,671) — including $248,351 of securities loaned	$ 599,882,768
Investment in DWS Government & Agency Securities Portfolio (cost $251,422)*	251,422
Investment in DWS Central Cash Management Government Fund (cost $11,512,814)	11,512,814
Receivable for Fund shares sold	73,853
Dividends receivable	610,390
Interest receivable	9,813
Receivable for variation margin on futures contracts	30,220
Other assets	10,511
Total assets	612,381,791

Liabilities	
Payable upon return of securities loaned	251,422
Payable for Fund shares redeemed	363,870
Accrued management fee	54,450
Accrued Trustees' fees	7,405
Other accrued expenses and payables	179,216
Total liabilities	856,363
Net assets, at value	**$ 611,525,428**

Net Assets Consist of	
Distributable earnings (loss)	371,021,567
Paid-in capital	240,503,861
Net assets, at value	**$ 611,525,428**

Net Asset Value	
Class A **Net Asset Value,** offering and redemption price per share ($561,352,376 ÷ 24,258,385 outstanding shares of beneficial interest, $.001 par value, unlimited number of shares authorized)	**$ 23.14**
Class B **Net Asset Value,** offering and redemption price per share ($32,987,529 ÷ 1,426,637 outstanding shares of beneficial interest, $.001 par value, unlimited number of shares authorized)	**$ 23.12**
Class B2 **Net Asset Value,** offering and redemption price per share ($17,185,523 ÷ 742,685 outstanding shares of beneficial interest, $.001 par value, unlimited number of shares authorized)	**$ 23.14**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends	$ 10,968,612
Interest	11,458
Income distributions — DWS Central Cash Management Government Fund	138,426
Securities lending income, net of borrower rebates	1,379
Total income	11,119,875
Expenses: Management fee	1,140,090
Administration fee	570,045
Services to shareholders	2,461
Recordkeeping fee (Class B and Class B-2)	57,215
Distribution service fees (Class B and Class B-2)	107,431
Custodian fee	21,357
Professional fees	78,395
Reports to shareholders	77,846
Trustees' fees and expenses	29,228
Other	47,913
Total expenses before expense reductions	2,131,981
Expense reductions	(401,507)
Total expenses after expense reductions	1,730,474
Net investment income (loss)	**9,389,401**

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from: Investments	34,377,679
Futures	1,420,589
	35,798,268
Change in net unrealized appreciation (depreciation) on: Investments	107,051,891
Futures	249,385
	107,301,276
Net gain (loss)	**143,099,544**
Net increase (decrease) in net assets resulting from operations	**$ 152,488,945**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 9,389,401	$ 9,800,551
Net realized gain (loss)	35,798,268	29,697,624
Change in net unrealized appreciation (depreciation)	107,301,276	(62,661,892)
Net increase (decrease) in net assets resulting from operations	152,488,945	(23,163,717)
Distributions to shareholders:		
Class A	(36,093,488)	(55,569,580)
Class B	(1,569,495)	(2,605,149)
Class B2	(1,061,799)	(1,716,159)
Total distributions	(38,724,782)	(59,890,888)
Fund share transactions:		
Class A		
Proceeds from shares sold	15,867,889	14,838,059
Reinvestment of distributions	36,093,488	55,569,580
Payments for shares redeemed	(67,585,767)	(62,569,499)
Net increase (decrease) in net assets from Class A share transactions	(15,624,390)	7,838,140
Class B		
Proceeds from shares sold	10,003,444	5,836,040
Reinvestment of distributions	1,569,495	2,605,149
Payments for shares redeemed	(4,895,248)	(8,730,248)
Net increase (decrease) in net assets from Class B share transactions	6,677,691	(289,059)
Class B2		
Proceeds from shares sold	373,269	735,371
Reinvestment of distributions	1,061,799	1,716,159
Payments for shares redeemed	(2,353,334)	(2,402,184)
Net increase (decrease) in net assets from Class B2 share transaction	(918,266)	49,346
Increase (decrease) in net assets	103,899,198	(75,456,178)
Net assets at beginning of period	507,626,230	583,082,408
Net assets at end of period	**$611,525,428**	**$507,626,230**

Other Information	Years Ended December 31, 2019	2018
Class A		
Shares outstanding at beginning of period	24,962,490	24,366,996
Shares sold	755,485	693,526
Shares issued to shareholders in reinvestment of distributions	1,743,647	2,826,530
Shares redeemed	(3,203,237)	(2,924,562)
Net increase (decrease) in Class A shares	(704,105)	595,494
Shares outstanding at end of period	**24,258,385**	**24,962,490**
Class B		
Shares outstanding at beginning of period	1,109,669	1,138,481
Shares sold	475,525	275,349
Shares issued to shareholders in reinvestment of distributions	75,675	132,308
Shares redeemed	(234,232)	(436,469)
Net increase (decrease) in Class B shares	316,968	(28,812)
Shares outstanding at end of period	**1,426,637**	**1,109,669**
Class B2		
Shares outstanding at beginning of period	784,684	776,819
Shares sold	18,043	34,095
Shares issued to shareholders in reinvestment of distributions	51,146	87,115
Shares redeemed	(111,188)	(113,345)
Net increase (decrease) in Class B2 shares	(41,999)	7,865
Shares outstanding at end of period	**742,685**	**784,684**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$18.90**	**$22.19**	**$19.58**	**$19.40**	**$20.41**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.35	.37	.34	.35	.35
Net realized and unrealized gain (loss)	5.37	(1.31)	3.69	1.74	(.10)
Total from investment operations	5.72	(.94)	4.03	2.09	.25
Less distributions from:					
Net investment income	(.43)	(.38)	(.37)	(.40)	(.33)
Net realized gains	(1.05)	(1.97)	(1.05)	(1.51)	(.93)
Total distributions	(1.48)	(2.35)	(1.42)	(1.91)	(1.26)
Net asset value, end of period	**$23.14**	**$18.90**	**$22.19**	**$19.58**	**$19.40**
Total Return (%)[b]	31.19	(4.65)	21.53	11.61	1.13
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	561	472	541	519	530
Ratio of expenses before expense reductions (%)[c]	.35	.34	.34	.34	.34
Ratio of expenses after expense reductions (%)[c]	.27	.30	.33	.33	.33
Ratio of net investment income (%)	1.68	1.73	1.67	1.88	1.77
Portfolio turnover rate (%)	3	3	3	4	3

[a] Based on average shares outstanding during the period.

[b] Total return would have been lower had certain expenses not been reduced.

[c] 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$18.89**	**$22.17**	**$19.58**	**$19.40**	**$20.40**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.28	.29	.28	.30	.30
Net realized and unrealized gain (loss)	5.35	(1.29)	3.67	1.74	(.09)
Total from investment operations	5.63	(1.00)	3.95	2.04	.21
Less distributions from:					
Net investment income	(.35)	(.31)	(.31)	(.35)	(.28)
Net realized gains	(1.05)	(1.97)	(1.05)	(1.51)	(.93)
Total distributions	(1.40)	(2.28)	(1.36)	(1.86)	(1.21)
Net asset value, end of period	**$23.12**	**$18.89**	**$22.17**	**$19.58**	**$19.40**
Total Return (%)[b]	30.66	(4.94)	21.07	11.32	.92
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	33	21	25	18	12
Ratio of expenses before expense reductions (%)[c]	.72	.71	.71	.69	.67
Ratio of expenses after expense reductions (%)[c]	.65	.65	.65	.61	.58
Ratio of net investment income (%)	1.31	1.38	1.35	1.61	1.53
Portfolio turnover rate (%)	3	3	3	4	3

[a] Based on average shares outstanding during the period.

[b] Total return would have been lower had certain expenses not been reduced.

[c] 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.

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

Class B2	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$18.90**	**$22.18**	**$19.57**	**$19.39**	**$20.40**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.27	.28	.26	.28	.28
Net realized and unrealized gain (loss)	5.36	(1.30)	3.69	1.74	(.10)
Total from investment operations	5.63	(1.02)	3.95	2.02	.18
Less distributions from:					
Net investment income	(.34)	(.29)	(.29)	(.33)	(.26)
Net realized gains	(1.05)	(1.97)	(1.05)	(1.51)	(.93)
Total distributions	(1.39)	(2.26)	(1.34)	(1.84)	(1.19)
Net asset value, end of period	**$23.14**	**$18.90**	**$22.18**	**$19.57**	**$19.39**
Total Return (%)[b]	30.64	(5.00)	21.06	11.20	.76
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	17	15	17	17	17
Ratio of expenses before expense reductions (%)[c]	.74	.73	.74	.74	.74
Ratio of expenses after expense reductions (%)[c]	.67	.70	.72	.71	.68
Ratio of net investment income (%)	1.28	1.32	1.27	1.50	1.42
Portfolio turnover rate (%)	3	3	3	4	3

[a] Based on average shares outstanding during the period.

[b] Total return would have been lower had certain expenses not been reduced.

[c] 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.

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

Notes to 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 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 to investors: 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 equal to an annual rate of 0.25% of Class B and Class B2 shares average daily net assets. In addition, Class B and Class B2 shares are subject to recordkeeping fees equal to an annual rate up to 0.15% of average daily net assets. 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 record keeping 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 effort to obtain additional collateral on the next business day to meet required amounts under the security lending agreement. As of period end, any securities on loan were collateralized by cash. During the year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, the Fund had securities on loan, which were classified as common stock 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.

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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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, if any, is 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 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.

At December 31, 2019, the Fund's components of distributable earnings (accumulated gains) on a tax basis were as follows:

Undistributed ordinary income*	$ 10,388,381
Undistributed long-term capital gains	$ 33,643,502
Net unrealized appreciation (depreciation) on investments	$ 326,955,629

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $284,688,849. The net unrealized appreciation for all investments based on tax cost was $326,955,629. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $347,357,373 and aggregate gross unrealized depreciation for all investments in which was an excess of tax cost over value of $20,401,744.

In addition, the tax character of distributions paid to shareholders by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ 11,299,761	$ 10,441,101
Distributions from long-term capital gains	$ 27,425,021	$ 49,449,787

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 statement purposes and a recharacterization will be made within 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 valuation 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 year ended December 31, 2019, 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 disclosed in the Statement of Assets and Liabilities.

A summary of the open futures contracts as of December 31, 2019, is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in futures contracts purchased had a total notional value generally indicative of a range from approximately $4,885,000 to $13,543,000.

The following tables summarize the value of the Fund's derivative instruments held as of December 31, 2019 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

Asset Derivative	**Futures Contracts**
Equity Contracts (a)	$ 136,444

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 year ended December 31, 2019 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	**Futures Contracts**
Equity Contracts (b)	$ 1,420,589

The above derivative is located in the following Statement of Operations account:

(b) Net realized gain (loss) from futures

Change in Net Unrealized Appreciation (Depreciation)	**Futures Contracts**
Equity Contracts (c)	$ 249,385

The above derivative is located in the following Statement of Operations account:

(c) Change in net unrealized appreciation (depreciation) on futures

C. Purchases and Sales of Securities

During the year ended December 31, 2019, purchases and sales of investment securities (excluding short-term investments) aggregated $17,587,825 and $61,464,039, 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.

Pursuant to the Investment Management Agreement with the Advisor, the Fund pays the Advisor an annual fee based on its average daily net assets, 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 year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.20% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2019, the Advisor had contractually agreed to waive all or a portion of 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) of each classes as follows:

Class A	.28%
Class B	.65%
Class B2	.75%

Effective October 1, 2019 through September 30, 2020, the Advisor has contractually agreed to waive all or a portion of 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) of each classes as follows:

Class A	.26%
Class B	.64%
Class B2	.66%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for each class are as follows:

Class A	$ 369,577
Class B	19,842
Class B2	12,088
	$ 401,507

Administration Fee. Pursuant to the Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $570,045, of which $51,029 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 0.25% of average daily net assets of Class B and B2 shares. For the year ended December 31, 2019, the Distribution Service Fees were as follows:

Distribution Service Fees	Total Aggregated	Unpaid at December 31, 2019
Class B	$ 66,458	$ 6,767
Class B2	40,973	3,610
	$ 107,431	**$ 10,377**

Service Provider Fees. DWS Service Company ("DSC"), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent of the Fund. Pursuant to a sub-transfer agency agreement among 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 they receive from the Fund. For the year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 445	$ 74
Class B	81	14
Class B2	52	8
	$ 578	**$ 96**

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $14,999, of which $4,169 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 year ended December 31, 2019, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of $104.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

F. Ownership of the Fund

At December 31, 2019, two participating insurance companies were beneficial owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 53% and 14%, respectively. At December 31, 2019, one participating insurance company was beneficial owner of record of 10% or more of the total outstanding Class B shares of the Fund, owning 88%. At December 31, 2019, one participating insurance company was a beneficial owner of record of 86% of the total outstanding Class B2 shares of the Fund.

G. Change of Independent Registered Public Accounting Firm

On May 14, 2019, PricewaterhouseCoopers LLP ("PwC") resigned as the independent registered public accounting firm to the Fund. PwC communicated its resignation to the Registrant's Board of Trustees (the "Board of Trustees").

PwC's reports on the Fund's financial statements for the fiscal years ended December 31, 2018 and December 31, 2017 contained no adverse opinion or disclaimer of opinion nor were they qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended December 31, 2018 and December 31, 2017 and during the subsequent interim period through May 14, 2019: (i) there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the subject matter of the disagreements in connection with its reports on the Fund's financial statements for such periods; and (ii) there were no "reportable events" of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

On May 15, 2019, the Audit Committee of the Board of Trustees and the Board of Trustees approved the selection of Ernst & Young LLP ("EY") as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2019. During the Fund's fiscal years ended December 31, 2018 and December 31, 2017, and the subsequent interim period through May 15, 2019, neither the Fund, nor anyone on their behalf, consulted with EY on items which: (i) concerned the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund's financial statements; or (ii) concerned the subject of a disagreement (as defined in paragraph (a)(1)(iv) of Item 304 of Regulation S-K) or reportable events (as described in paragraph (a)(1)(v) of said Item 304).

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Investments VIT Funds and Shareholders of DWS Equity 500 Index VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Equity 500 Index VIP (the "Fund") (one of the funds constituting Deutsche DWS Investments VIT Funds) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statements of operations and changes in net assets and the financial highlights for the year then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Investments VIT Funds) at December 31, 2019, the results of its operations, the changes in its net assets and its financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

The statement of changes in net assets for the year ended December 31, 2018, and the financial highlights for the years ended December 31, 2015, December 31, 2016, December 31, 2017 and December 31, 2018, were audited by another independent registered public accounting firm whose report, dated February 14, 2019, expressed an unqualified opinion on that statement of changes in net assets and those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**	**Class B2**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,107.70	$ 1,105.70	$ 1,105.60
Expenses Paid per $1,000*	$ 1.43	$ 3.45	$ 3.50

Hypothetical 5% Fund Return	**Class A**	**Class B**	**Class B2**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,023.84	$ 1,021.93	$ 1,021.88
Expenses Paid per $1,000*	$ 1.38	$ 3.31	$ 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class B**	**Class B2**
DWS Equity 500 Index VIP	.27%	.65%	.66%

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.

Tax Information

(Unaudited)

The Fund paid distributions of $1.04 per share from net long-term capital gains during its year ended December 31, 2019.

Pursuant to Section 852 of the Internal Revenue Code, the Fund designates $37,233,000 as capital gain dividends for its year ended December 31, 2019.

For corporate shareholders, 89% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2019 qualified for the dividends received deduction.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, contact your insurance provider.

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 — or on the SEC's Web site — 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 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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. 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, 2018, 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 0.10% 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, 2018). 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, 2018, 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 and NTI 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 and NTI 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

1 The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

2 A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

3 Executive title, not a board directorship.

4 As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

5 The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

6 Address: 875 Third Avenue, New York, NY 10022.

7 Address: One International Place, Boston, MA 02110.

8 Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

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December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS Global Equity VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

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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. 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. The Fund may lend securities to approved institutions. Please read the prospectus for details.

Performance Summary

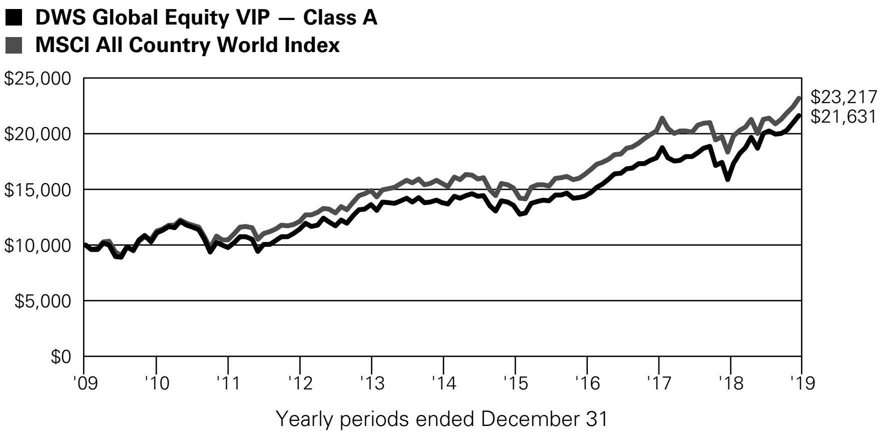
December 31, 2019 (Unaudited)

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, 2019 is 1.22% 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



The MSCI All Country World Index is an unmanaged equity index which captures large and mid-capitalization representation across 23 developed markets and 26 emerging markets countries. It covers approximately 85% of the global investable equity opportunity set.

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

Comparative Results

DWS Global Equity VIP		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$13,626	$15,023	$15,662	$21,631
	Average annual total return	36.26%	14.53%	9.39%	8.02%
MSCI All Country World Index	Growth of $10,000	$12,660	$14,217	$14,973	$23,217
	Average annual total return	26.60%	12.44%	8.41%	8.79%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

Class A shares of the Fund gained 36.26% (unadjusted for contract charges) in 2019, outperforming the 26.60% return of the MSCI All Country World Index. The Fund's average annual return for the five-year period ended December 31, 2019 was 9.39%, versus 8.41% for the index in the same span.

Our emphasis on growth stocks was a key factor driving performance in 2019. Stock selection also played a large role in the Fund's strong showing. The Fund outpaced the corresponding index components in nine of the ten sectors in which it was invested, led by consumer discretionary, information technology, financials, and health care. Energy was the only area in which the Fund lagged, but we made up for the shortfall by having an underweight allocation to this underperforming sector.

Our performance advantage in the consumer discretionary sector was led by a position in YETI Holdings, Inc. (United States). We participated in the initial public offering (IPO) in the second half of 2018 on the belief that the company's potential for expansion both domestically and overseas would fuel robust growth. After some initial weakness following the IPO, the stock rallied on the combination of improved inventory management, positive earnings results, and continued brand momentum. Brookfield Asset Management, Inc. (Canada) which reported steady growth, was another key contributor in both the financial sector and the Fund as a whole. Globant SA, a software company based in Argentina, was the top performer in technology. The company beat earnings estimates and raised its guidance thanks to a favorable demand environment. A number of health care stocks also finished among the Fund's top contributors for the year, including the U.S. companies TransMedics Group, Inc.*, Zoetis, Inc., and Danaher Corp.

At a time of robust relative performance, few aspects of the Fund's positioning stood out as negatives. Evolent Health, Inc., which we purchased on the belief that the company was well positioned for the U.S. health care industry's transition to value-based payment models, was the largest individual detractor. The stock was hit by concerns about contract losses and an acquisition that was poorly received by the markets. SmileDirectClub Inc. (U.S.) and Canada Goose Holdings, Inc. were also key detractors, as were underweights in the domestic mega-cap stocks Apple, Inc. and Facebook, Inc.*

The strong performance of the global markets led to a significant increase in valuations in 2019, resulting in a narrower set of investment opportunities. We therefore became increasingly selective in identifying investment candidates for the Fund. The companies held in the portfolio continue to have robust drivers of growth, however, and in general are maintaining their competitive leadership positions by leveraging advanced technologies and executing well. We found a number of higher-conviction ideas in the technology sector over the course of the year, and we increased the portfolio's weightings in Microsoft Corp. (U.S.), EPAM Systems, Inc. (U.S.), Alibaba Group Holding, Ltd. (China), and Globant SA. We also incrementally added to the Fund's weighting in higher-growth companies, including DexCom, Inc. (U.S), and we built positions in high-quality firms that we believe offer cyclical upside and reasonable valuations, such as Cie de Saint-Gobain SA (France) and 3M Co. (U.S.). Conversely, we either sold or reduced stocks with deteriorating fundamentals, including China Life Insurance Co. Ltd.*, A.O. Smith Corp.* (U.S.), Komatsu Ltd.* (Japan), and Mitsubishi UFJ Financial Group, Inc.* (Japan).

From a regional perspective, we held a relatively neutral stance with the largest absolute weighting in the United States. On a longer-term basis, we think the emerging markets offer the most compelling growth prospects — particularly in areas that are sensitive to domestic consumption trends.

The Fund ended the year with a cash weighting of about 1.2%, which we think provides us with the flexibility to add to positions in our favored companies if macro-related headlines begin to fuel market volatility in the months ahead. We would welcome such disruptions, as they can provide an opportunity to build positions in attractive, higher-growth stocks at more reasonable valuations.

Sebastian P. Werner, PhD, Director
Portfolio Manager

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

MSCI All Country World Index is an unmanaged equity index which captures large and mid-capitalization representation across 23 developed markets and 26 emerging markets countries. It covers approximately 85% of the global investable equity opportunity set.

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

Underweight means the Fund holds a lower weighting in a given sector or security than the benchmark. **Overweight** means it holds a higher weighting.

Contribution incorporates both a stock's total return and its weighting in the Fund.

* Not held at December 31, 2019.

Portfolio Summary (Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	99%	99%
Cash Equivalent	1%	1%
	100%	100%

Sector Diversification (As a % of Investment Portfolio excluding Cash Equivalent and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Information Technology	21%	18%
Financials	20%	20%
Health Care	15%	15%
Consumer Discretionary	11%	11%
Industrials	10%	11%
Communication Services	8%	9%
Consumer Staples	7%	8%
Materials	4%	4%
Energy	3%	3%
Real Estate	1%	1%
	100%	100%

Geographical Diversification (As a % of Investment Portfolio excluding Cash Equivalent and Securities Lending Collateral)	**12/31/19**	**12/31/18**
United States	52%	51%
Germany	9%	10%
China	7%	7%
Canada	7%	7%
Switzerland	5%	4%
France	4%	3%
Japan	4%	5%
United Kingdom	3%	5%
Ireland	3%	2%
Argentina	2%	2%
Sweden	1%	2%
Others	3%	2%
	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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 99.1%		
Argentina 1.9%		
Globant SA* (Cost $274,381)	5,300	**562,065**
Brazil 0.4%		
Pagseguro Digital Ltd. "A"* (Cost $102,067)	3,000	**102,480**
Canada 6.8%		
Agnico Eagle Mines Ltd.	4,650	286,486
Alimentation Couche-Tard, Inc. "B"	10,340	328,144
Brookfield Asset Management, Inc. "A"	18,200	1,051,593
Canada Goose Holdings, Inc.* (a)	4,200	152,048
Toronto-Dominion Bank	3,860	216,491
(Cost $998,712)		**2,034,762**
China 6.9%		
Alibaba Group Holding Ltd. (ADR)*	2,650	562,065
China Literature Ltd. 144A*	14	58
Luckin Coffee, Inc. (ADR)* (a)	2,480	97,613
Momo, Inc. (ADR)	4,200	140,700
New Oriental Education & Technology Group, Inc. (ADR)*	1,840	223,100
Ping An Insurance (Group) Co. of China Ltd. "H"	41,500	492,609
Tencent Holdings Ltd.	11,200	539,098
(Cost $1,390,507)		**2,055,243**
France 3.9%		
Cie de St-Gobain SA	5,400	221,283
LVMH Moet Hennessy Louis Vuitton SE	275	128,049
TOTAL SA	6,060	335,554
VINCI SA	4,400	489,725
(Cost $1,124,085)		**1,174,611**
Germany 8.6%		
adidas AG	485	158,410
Allianz SE (Registered)	2,525	618,844
BASF SE	2,930	222,238
Deutsche Boerse AG	3,650	575,480
Evonik Industries AG	7,800	239,985
Fresenius Medical Care AG & Co. KGaA	6,107	453,453
Siemens AG (Registered)	2,400	314,494
(Cost $2,168,450)		**2,582,904**
Ireland 2.9%		
Experian PLC	12,350	417,602
Kerry Group PLC "A" (b)	49	6,048
Kerry Group PLC "A" (b)	3,451	430,289
(Cost $514,472)		**853,939**
Japan 3.6%		
Kao Corp.	2,800	231,124
Keyence Corp.	1,200	422,498
SMC Corp.	900	410,655
(Cost $876,459)		**1,064,277**
Luxembourg 0.7%		
Eurofins Scientific SE (a) (Cost $84,118)	390	**216,301**
Malaysia 0.6%		
IHH Healthcare Bhd. (Cost $177,866)	136,600	**182,699**
Norway 0.6%		
Mowi ASA (Cost $82,231)	7,200	**186,918**
Singapore 1.0%		
DBS Group Holdings Ltd. (Cost $279,300)	15,200	**292,744**
Sweden 1.3%		
Assa Abloy AB "B"	6,700	156,592
Spotify Technology SA* (c)	1,445	216,100
(Cost $343,591)		**372,692**
Switzerland 4.4%		
Lonza Group AG (Registered)*	2,200	802,772
Nestle SA (Registered)	4,834	523,297
(Cost $476,148)		**1,326,069**
United Kingdom 3.4%		
Aon PLC (c)	1,500	312,435
Compass Group PLC	8,360	209,763
Halma PLC	8,200	231,143
Spirax-Sarco Engineering PLC	2,300	270,949
(Cost $464,520)		**1,024,290**
United States 52.1%		
3M Co.	850	149,957
Activision Blizzard, Inc.	7,600	451,592
Alphabet, Inc. "A"*	450	602,726
American Express Co.	3,040	378,450
AMETEK, Inc.	4,445	443,344
Amphenol Corp. "A"	6,000	649,380
Apple, Inc.	1,155	339,166
Applied Materials, Inc.	5,750	350,980
Becton, Dickinson & Co.	2,820	766,955
Boeing Co.	590	192,198
CBRE Group, Inc. "A"*	4,500	275,805
Danaher Corp.	6,000	920,880
DexCom, Inc.*	760	166,242
Ecolab, Inc.	2,060	397,559
EOG Resources., Inc.	3,800	318,288
EPAM Systems, Inc.*	2,460	521,914
Eventbrite, Inc. "A"*	4,675	94,295
Evolent Health, Inc. "A"*	17,000	153,850
Fiserv, Inc.*	4,200	485,646
Intuit, Inc.	1,600	419,088
JPMorgan Chase & Co.	5,300	738,820
Las Vegas Sands Corp.	2,460	169,838
MasterCard, Inc. "A"	2,950	880,841
McDonald's Corp.	2,285	451,539
Microsoft Corp.	4,620	728,574
Mondelez International, Inc. "A"	6,590	362,977
NVIDIA Corp.	1,130	265,889
Progressive Corp.	15,200	1,100,328
Schlumberger Ltd.	3,960	159,192

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

	Shares	Value ($)
ServiceMaster Global Holdings, Inc.*	9,400	363,404
ServiceNow, Inc.*	1,530	431,950
SmileDirectClub, Inc.* (a)	9,484	82,890
T-Mobile U.S., Inc.*	4,300	337,206
TJX Companies, Inc.	5,491	335,280
YETI Holdings, Inc.* (a)	12,000	417,360
Zoetis, Inc.	5,140	680,279
(Cost $9,103,863)		**15,584,682**
Total Common Stocks (Cost $18,460,770)		**29,616,676**

Securities Lending Collateral 2.8%

DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (d) (e) (Cost $836,078)	836,078	**836,078**

Cash Equivalents 1.2%

	Shares	Value ($)
DWS Central Cash Management Government Fund, 1.62% (d) (Cost $364,206)	364,206	**364,206**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $19,661,054)	103.1	**30,816,960**
Other Assets and Liabilities, Net	(3.1)	**(915,623)**
Net Assets	100.0	**29,901,337**

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 2.8%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (d) (e)								
111,625	724,453 (f)	—	—	—	37,844	—	836,078	836,078
Cash Equivalents 1.2%								
DWS Central Cash Management Government Fund, 1.62% (d)								
238,530	5,659,501	5,533,825	—	—	6,061	—	364,206	364,206
350,155	**6,383,954**	**5,533,825**	**—**	**—**	**43,905**	**—**	**1,200,284**	**1,200,284**

* 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 December 31, 2019 amounted to $818,832, which is 2.7% of net assets.

(b) Securities with the same description are the same corporate entity but trade on different stock exchanges.

(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.

(f) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the year ended December 31, 2019.

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

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 December 31, 2019 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				
Argentina	$ 562,065	$ —	$ —	$ 562,065
Brazil	102,480	—	—	102,480
Canada	2,034,762	—	—	2,034,762
China	1,023,478	1,031,765	—	2,055,243
France	—	1,174,611	—	1,174,611
Germany	—	2,582,904	—	2,582,904
Ireland	—	853,939	—	853,939
Japan	—	1,064,277	—	1,064,277
Luxembourg	—	216,301	—	216,301
Malaysia	—	182,699	—	182,699
Norway	—	186,918	—	186,918
Singapore	—	292,744	—	292,744
Sweden	216,100	156,592	—	372,692
Switzerland	—	1,326,069	—	1,326,069
United Kingdom	312,435	711,855	—	1,024,290
United States	15,584,682	—	—	15,584,682
Short-Term Investments (g)	1,200,284	—	—	1,200,284
Total	**$21,036,286**	**$9,780,674**	**$ —**	**$30,816,960**

(g) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $18,460,770) — including $818,832 of securities loaned	$ 29,616,676
Investment in DWS Government & Agency Securities Portfolio (cost $836,078)*	836,078
Investment in DWS Central Cash Management Government Fund (cost $364,206)	364,206
Foreign currency, at value (cost $81,880)	81,354
Receivable for investments sold	174,925
Dividends receivable	11,984
Interest receivable	873
Foreign taxes recoverable	26,189
Other assets	804
Total assets	31,113,089
Liabilities	
Payable upon return of securities loaned	836,078
Payable for investments purchased	240,942
Payable for Fund shares redeemed	45,052
Accrued Trustees' fees	875
Other accrued expenses and payables	88,805
Total liabilities	1,211,752
Net assets, at value	**$ 29,901,337**
Net Assets Consist of	
Distributable earnings (loss)	12,247,374
Paid-in capital	17,653,963
Net assets, at value	**$ 29,901,337**
Net Asset Value	
Class A	
Net asset value, offering and redemption price per share ($29,901,337 ÷ 2,310,277 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 12.94**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends (net of foreign taxes withheld of $29,066)	$ 403,860
Income distributions — DWS Central Cash Management Government Fund	6,061
Securities lending income, net of borrower rebates	37,844
Total income	447,765
Expenses: Management fee	185,282
Administration fee	28,505
Services to shareholders	230
Custodian fee	17,673
Professional fees	75,133
Reports to shareholders	28,736
Trustees' fees and expenses	3,382
Other	9,276
Total expenses before expense reductions	348,217
Expense reductions	(98,174)
Total expenses after expense reductions	250,043
Net investment income	**197,722**
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from: Investments	988,479
Foreign currency	(1,323)
	987,156
Change in net unrealized appreciation (depreciation) on: Investments	7,406,735
Foreign currency	5,167
	7,411,902
Net gain (loss)	**8,399,058**
Net increase (decrease) in net assets resulting from operations	**$ 8,596,780**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 197,722	$ 149,728
Net realized gain (loss)	987,156	2,189,088
Change in net unrealized appreciation (depreciation)	7,411,902	(5,431,199)
Net increase (decrease) in net assets resulting from operations	8,596,780	(3,092,383)
Distributions to shareholders:		
Class A	(2,329,682)	(219,217)
Fund share transactions:		
Class A		
Proceeds from shares sold	1,084,314	730,055
Reinvestment of distributions	2,329,682	219,217
Payments for shares redeemed	(4,708,430)	(3,317,394)
Net increase (decrease) in net assets from Class A share transactions	(1,294,434)	(2,368,122)
Increase (decrease) in net assets	4,972,664	(5,679,722)
Net assets at beginning of period	24,928,673	30,608,395
Net assets at end of period	**29,901,337**	**24,928,673**

Other Information		
Class A		
Shares outstanding at beginning of period	2,415,204	2,616,821
Shares sold	87,985	62,443
Shares issued to shareholders in reinvestment of distributions	200,144	19,281
Shares redeemed	(393,056)	(283,341)
Net increase (decrease) in Class A shares	(104,927)	(201,617)
Shares outstanding at end of period	**2,310,277**	**2,415,204**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$10.32**	**$ 11.70**	**$ 9.48**	**$9.00**	**$ 9.21**
Income (loss) from investment operations:					
Net investment income[a]	.08	.06	.05	.04	.05
Net realized and unrealized gain (loss)	3.55	(1.35)	2.22	.51	(.21)
Total from investment operations	3.63	(1.29)	2.27	.55	(.16)
Less distributions from:					
Net investment income	(.06)	(.09)	(.05)	(.07)	(.05)
Net realized gains	(.95)	—	—	—	—
Total distributions	(1.01)	(.09)	(.05)	(.07)	(.05)
Net asset value, end of period	**$12.94**	**$ 10.32**	**$11.70**	**$9.48**	**$ 9.00**
Total Return (%)[b]	36.26	(11.12)	24.04	6.11[c]	(1.75)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	30	25	31	43	49
Ratio of expenses before expense reductions (%)[d]	1.22	1.22	1.06	1.03	1.00
Ratio of expenses after expense reductions (%)[d]	.88	.92	.95	.95	.91
Ratio of net investment income (%)	.69	.51	.49	.49	.58
Portfolio turnover rate (%)	12	43	19	46	79

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reimbursed.

c Includes a reimbursement by the Advisor for a realized loss on a trade executed incorrectly, which otherwise would have reduced total return by 0.31%.

d 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.

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

Notes to Financial Statements

A. Organization and Significant Accounting Policies

DWS Global Equity 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 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 Depository Receipts (ADRs), 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.

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 year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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.

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'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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 468,101
Undistributed long-term capital gains	$ 682,875
Net unrealized appreciation (depreciation) on investments	$ 11,097,195

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $19,719,765. The net unrealized appreciation for all investments based on tax cost was $11,097,195. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $11,707,039 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $609,844.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ 144,985	$ 219,217
Distributions from long-term capital gains	$ 2,184,697	$ —

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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.

B. Purchases and Sales of Securities

During the year ended December 31, 2019, purchases and sales of investment transactions (excluding short-term investments) aggregated $3,317,739 and $6,688,990, 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 $1.5 billion	.650%
Next $1.75 billion	.635%
Next $1.75 billion	.620%
Over $5 billion	.605%

Accordingly, for the year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.65% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2019, the Advisor had contractually agreed to waive its fee 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 shares at 0.89%.

Effective from October 1, 2019 through September 30, 2020, the Advisor has contractually agreed to waive its fee 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 shares at 0.84%.

For the year ended December 31, 2019, fees waived and/or expenses reimbursed were $98,174.

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019 the Administration Fee was $28,505, of which $2,506 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 year ended December 31, 2019, the amounts charged to the Fund by DSC aggregated $81, of which $13 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $9,090, of which $3,141 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 Fees. Deutsche Bank AG serves as lending agent for the Fund. For the year ended December 31, 2019, the Fund incurred lending agent fees to Deutsche Bank AG in the amount of $2,860.

D. Ownership of the Fund

At December 31, 2019, one participating insurance company was owner of record of 10% or more of the total outstanding Class A shares of the Fund, owning 99%.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS Global Equity VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Global Equity VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,080.10
Expenses Paid per $1,000*	$ 4.56

Hypothetical 5% Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,020.82
Expenses Paid per $1,000*	$ 4.43

* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratio	**Class A**
Deutsche DWS Variable Series II — DWS Global Equity VIP	.87%

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.

Tax Information (Unaudited)

The Fund paid distributions of $.95 per share from net long-term capital gains during its year ended December 31, 2019.

For corporate shareholders, 100% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2019 qualified for the dividends received deduction.

Pursuant to Section 852 of the Internal Revenue Code, the Fund designates $771,000 as capital gain dividends for its year ended December 31, 2019.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 Equity VIP's (the "Fund") investment management agreement (the "Agreement") with DWS Investment Management Americas, Inc. ("DIMA") in September 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, 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, 2018.

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 0.10% 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, 2018). 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, 2018, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). 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") 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

Notes

VS2GE-2 (R-025828-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS Global Income Builder VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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. Smaller company stocks tend to be more volatile than medium-sized or large company stocks. Dividends are not guaranteed. If the dividend-paying stocks held by the Fund reduce or stop paying dividends, the Fund's ability to generate income may be adversely affected. Preferred stocks, a type of dividend-paying stock, present certain additional risks. 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. Because Exchange Traded Funds (ETFs) trade on a securities exchange, their shares may trade at a premium or discount to their net asset value. ETFs also incur fees and expenses so they may not fully match the performance of the indexes they are designed to track. The Fund may lend securities to approved institutions. Any fund that focuses in a particular segment of the market or region of the world will generally be more volatile than a fund that invests more broadly. Please read the prospectus for details.

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

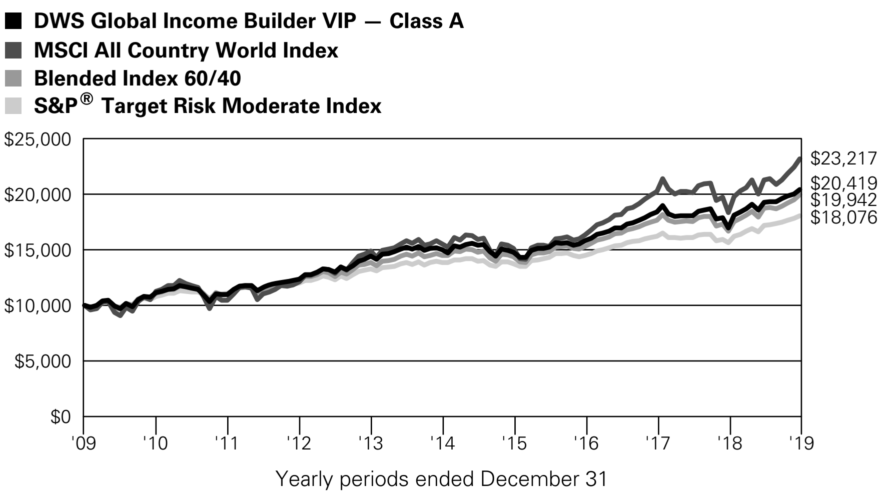
December 31, 2019 (Unaudited)

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, 2019 are 0.69% and 1.15% 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 All Country World Index is an unmanaged equity index which captures large and mid-capitalization representation across 23 developed markets and 26 emerging markets countries. It covers approximately 85% of the global investable equity opportunity set.

The S&P® Target Risk Moderate Index offers significant exposure to fixed income, while also increasing opportunities for higher returns through equities.

The Blended Index 60/40 consists of an equally weighted blend of 60% MSCI All Country World Index and 40% Bloomberg Barclays U.S. Universal Index.

Bloomberg Barclays 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.

Effective December 1, 2019, the MSCI All Country World Index has replaced the S&P Target Risk Moderate Index as the fund's primary comparative broad-based securities market index. The Blended Index 60/40 and the Bloomberg Barclays U.S. Universal Index have replaced the Blended Index 50/50 as the additional secondary and tertiary comparative indexes, respectively. The Advisor believes that the new indexes collectively better represent the fund's investment strategy and overall strategic asset allocations and are therefore more suitable for performance comparison.

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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$12,016	$12,931	$13,612	$20,419
	Average annual total return	20.16%	8.94%	6.36%	7.40%
MSCI All Country World Index	Growth of $10,000	$12,660	$14,217	$14,973	$23,217
	Average annual total return	26.60%	12.44%	8.41%	8.79%
Blended Index 60/40	Growth of $10,000	$11,956	$13,045	$13,752	$19,942
	Average annual total return	19.56%	9.27%	6.58%	7.15%
S&P® Target Risk Moderate Index	Growth of $10,000	$11,571	$12,452	$13,032	$18,076
	Average annual total return	15.71%	7.58%	5.44%	6.10%

The growth of $10,000 is cumulative.

DWS Global Income Builder VIP		1-Year	Life of Class*
Class B	Growth of $10,000	$12,001	$11,286
	Average annual total return	20.01%	7.52%
MSCI All Country World Index	Growth of $10,000	$12,660	$11,470
	Average annual total return	26.60%	8.58%
Blended Index 60/40	Growth of $10,000	$11,956	$11,366
	Average annual total return	19.56%	7.99%
S&P® Target Risk Moderate Index	Growth of $10,000	$11,571	$11,259
	Average annual total return	15.71%	7.37%

The growth of $10,000 is cumulative.

* Class B commenced operations on May 1, 2018.

Management Summary

December 31, 2019 (Unaudited)

The Fund returned 20.16% during the 12 months ended December 31, 2019 (Class A shares, unadjusted for contract charges). In comparison, the MSCI All-Country World Index (which is allocated entirely to equities) returned 26.60%. Its other benchmark — the Blended Index 60/40 — returned 19.56%. The Blended Index 60/40 is a 60%/40% blend of the MSCI All Country World Index and the Bloomberg Barclays U.S. Universal Index. The latter index rose 9.29%.*

Stock selection made a positive contribution to 12-month performance, led by our strong showing in the information technology, consumer discretionary, and energy sectors. However, some of the benefit was offset by selection in financials and an underweight position in consumer staples. An overweight position in the United States aided results. Conversely, the Fund's allocation to the emerging markets — while positive on an absolute basis — was somewhat detrimental to relative performance.

The Fund's broader allocation strategy slightly detracted from performance against the Blended Index 60%/40%. The Fund had an average weighting in stocks below 60%, which prevented it from gaining the full benefit of equities' outperformance.

The bond portfolio performed in line with the fixed-income benchmark. An overweight in credit-sensitive investments contributed, as did security selection. Duration and yield curve management was a further plus, as we positioned the portfolio to take advantage of both falling yields and the outperformance of longer-term bonds. Conversely, we lost some relative performance through an underweight in investment-grade corporates — the best-performing segment of the market.

The Fund benefited from our decision to allocate a portion of the fixed-income position to a portfolio of alternative investments that includes real estate investment trusts (REITs), convertible bonds, and preferred stocks. All three categories outpaced the Blended Index 60%/40% for the year. We reduced the portfolio's weighting in REITs in the fourth quarter, as the strong run in the category throughout 2019 caused valuations to reach levels that we viewed as being less attractive.

The Fund used derivatives during the past 12 months. On the equity side, we used futures on equity indexes to achieve our desired weightings in a more efficient manner than buying and selling individual securities. In the fixed-income portfolio, we used credit default swaps to facilitate or to hedge exposure to the high-yield market, along with derivatives to manage the currency exposure of certain positions in foreign bonds. We also used interest-rate futures and swaps to manage the Fund's duration (interest-rate sensitivity). In the aggregate, our use of derivatives was a net contributor. Derivatives are used to achieve the Fund's risk and return objectives and should be evaluated within the context of the entire portfolio rather than as a standalone strategy.

The Fund closed the year with a moderately defensive posture. This aspect of our positioning had three elements: the narrow underweight in equities, a continued emphasis on dividend-paying stocks, and lower weightings in the bond market's credit sectors. We believe this approach is warranted given the rising risks across the investment landscape as we move into 2020. Expectations for both economic growth and corporate earnings appear elevated, setting the stage for a potential disappointment. The markets also face ongoing uncertainty from issues such as trade, geopolitical factors, and the approaching U.S. elections. We therefore don't see this as being an appropriate time to take on excessive portfolio risk, especially with most asset categories coming off a year of such robust performance. With that said, we did not reduce risk to such a low level that the Fund would be unable to participate in continued gains for the markets. We think this balanced strategy is well suited for the current environment, but we remain alert for opportunities to use market volatility as an opportunity to shift the Fund's risk profile.

Darwei Kung, Managing Director
Di Kumble, CFA, Managing Director
Thomas M. Farina, CFA, Managing Director
Dokyoung Lee, CFA, Director
Scott Agi, CFA, Director
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

MSCI All Country World Index is an unmanaged equity index which captures large and mid-capitalization representation across 23 developed markets and 26 emerging markets countries. It covers approximately 85% of the global investable equity opportunity set.

Blended Index 60/40 consists of an equally weighted blend of 60% MSCI All Country World Index and 40% Bloomberg Barclays U.S. Universal Index.

Bloomberg Barclays 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.

S&P Target Risk Moderate Index offers significant exposure to fixed income, while also increasing opportunities for higher returns through equities.

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

Contribution and **detraction** incorporate both an investment's total return and its weighting in the Fund.

Overweight means the Fund holds a higher weighting in a given sector or security than the benchmark. **Underweight** means the Fund holds a lower weighting.

Duration is a measure of bond price volatility. Duration can be defined as the approximate percentage change in price for a 100 basis point (one single percentage point) change in market interest rate levels. A duration of 5, for example, means that the price of a bond should rise by approximately 5% for a one percentage point drop in interest rates, and fall by 5% for a one percentage point rise in interest rates.

Derivatives are contracts whose value is based on the performance of an underlying financial asset. Derivatives afford leverage, but when used by investors who are able to handle the inherent risks, can enhance returns or protect a portfolio. Derivatives experience significant losses if the underlying security moves contrary to the investor's expectations.

Futures contracts are contractual agreements to buy or sell a particular commodity or financial instrument at a pre-determined price in the future.

A **swap** is a derivative in which two counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument for a set period of time.

* The MSCI All Country World Index replaced the S&P Target Risk Moderate Index as the Fund's primary benchmark on December 1, 2019. The Blended Index 60/40 and the Bloomberg Barclays U.S. Universal Index replaced the Blended Index 50/50 as the additional secondary and tertiary comparative indexes, respectively. The Advisor believes that the new indexes collectively better represent the Fund's investment strategy and overall strategic asset allocations and are therefore more suitable for performance comparison.

Portfolio Summary (Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	12/31/19	12/31/18
Equity	**64%**	**61%**
Common Stocks	60%	55%
Preferred Stocks	4%	6%
Fixed Income	**35%**	**37%**
Corporate Bonds	9%	13%
Collateralized Mortgage Obligations	8%	2%
Asset-Backed	6%	6%
Commercial Mortgage-Backed Securities	5%	1%
Short-Term U.S. Treasury Obligations	2%	3%
Mortgage-Backed Securities Pass-Throughs	1%	0%
Government & Agency Obligations	1%	9%
Exchange-Traded Funds	3%	3%
Convertible Bonds	—	0%
Cash Equivalents	**1%**	**2%**
	100%	100%

Sector Diversification (As a % of Equities, Corporate Bonds, Preferred Securities and Convertible Bonds)	12/31/19	12/31/18
Financials	19%	17%
Information Technology	15%	12%
Communication Services	10%	12%
Health Care	9%	9%
Consumer Discretionary	9%	9%
Utilities	8%	5%
Industrials	7%	8%
Energy	7%	13%
Real Estate	6%	6%
Consumer Staples	6%	6%
Materials	4%	3%
	100%	100%

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 8.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 59.2%		
Communication Services 5.8%		
Diversified Telecommunication Services 2.6%		
AT&T, Inc.	19,434	759,481
BCE, Inc.	3,319	153,765
Deutsche Telekom AG (Registered)	9,131	149,162
HKT Trust & HKT Ltd. "SS", (Units)	52,000	73,339
Koninklijke KPN NV	54,892	162,050
Nippon Telegraph & Telephone Corp.	6,914	175,532
Orange SA	10,811	159,063
Proximus SADP	5,303	151,646
Singapore Telecommunications Ltd.	62,487	154,437
Swisscom AG (Registered)	309	163,583
Telefonica SA	21,807	152,487
Telenor ASA	8,314	148,935
Telia Co. AB	41,044	176,460
TELUS Corp.	5,930	229,610
Verizon Communications, Inc.	9,144	561,442
		3,370,992
Entertainment 0.5%		
NetEase, Inc. (ADR)	932	285,789
Walt Disney Co.	2,467	356,802
		642,591
Interactive Media & Services 1.2%		
Alphabet, Inc. "A"*	270	361,635
Alphabet, Inc. "C"*	294	393,084
Facebook, Inc. "A"*	2,674	548,838
Tencent Holdings Ltd. (ADR)	5,079	243,843
		1,547,400
Media 1.0%		
Comcast Corp. "A"	6,682	300,489
Interpublic Group of Companies, Inc.	6,904	159,482
ITV PLC	94,486	189,617
Omnicom Group, Inc.	1,933	156,612
Shaw Communications, Inc. "B"	7,631	154,847
Singapore Press Holdings Ltd.	49,600	80,509
WPP PLC	12,409	175,879
		1,217,435
Wireless Telecommunication Services 0.5%		
China Mobile Ltd. (ADR)	3,200	135,264
KDDI Corp.	6,846	204,331
NTT DoCoMo, Inc.	7,548	210,235
Vodafone Group PLC	74,608	145,473
		695,303
Consumer Discretionary 6.0%		
Auto Components 0.2%		
Bridgestone Corp.	3,594	133,505
Nokian Renkaat Oyj	4,963	142,765
		276,270
Automobiles 1.3%		
Bayerische Motoren Werke AG	2,179	179,159
Daimler AG (Registered)	5,810	322,399
Fiat Chrysler Automobiles NV	5,154	75,632
Ford Motor Co.	45,863	426,526
General Motors Co.	4,502	164,773
Honda Motor Co., Ltd.	5,066	143,399
Subaru Corp.	7,188	177,721
Toyota Motor Corp.	3,491	246,080
		1,735,689
Diversified Consumer Services 0.5%		
H&R Block, Inc.	6,238	146,468
New Oriental Education & Technology Group, Inc. (ADR)*	1,819	220,554
Tal Education Group (ADR)*	4,276	206,103
		573,125
Hotels, Restaurants & Leisure 1.1%		
Carnival Corp.	3,493	177,549
Darden Restaurants, Inc.	1,364	148,690
Las Vegas Sands Corp.	3,842	265,252
McDonald's Corp.	1,406	277,840
Sands China Ltd.	46,096	246,739
Starbucks Corp.	1,962	172,499
Wynn Macau Ltd.	70,761	172,744
		1,461,313
Household Durables 0.5%		
Garmin Ltd.	1,558	151,998
Leggett & Platt, Inc.	2,760	140,291
Newell Brands, Inc.	10,808	207,730
Sekisui House Ltd.	6,949	148,749
		648,768
Internet & Direct Marketing Retail 1.0%		
Alibaba Group Holding Ltd. (ADR)*	804	170,528
Amazon.com, Inc.*	411	759,462
JD.com, Inc. (ADR)*	4,450	156,774
Naspers Ltd. ADR	4,286	139,552
		1,226,316
Multiline Retail 0.4%		
Kohl's Corp.	4,026	205,125
Target Corp.	1,448	185,648
Wesfarmers Ltd.	5,868	170,413
		561,186
Specialty Retail 0.9%		
Dufry AG (Registered)	762	75,647
Hennes & Mauritz AB "B"	8,467	172,319
Home Depot, Inc.	2,023	441,783
Lowe's Companies, Inc.	1,321	158,203
The Gap, Inc.	10,517	185,940
TJX Companies, Inc.	2,676	163,397
		1,197,289
Textiles, Apparel & Luxury Goods 0.1%		
Tapestry, Inc.	6,323	**170,531**
Consumer Staples 3.9%		
Beverages 0.7%		
Ambev SA (ADR)	41,427	193,050
Coca-Cola Co.	7,751	429,018
PepsiCo, Inc.	2,490	340,308
		962,376

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

	Shares	Value ($)
Food & Staples Retailing 0.4%		
Casino Guichard-Perrachon SA (a)	3,546	165,740
Walgreens Boots Alliance, Inc.	2,380	140,325
Walmart, Inc.	2,019	239,938
		546,003
Food Products 1.3%		
Archer-Daniels-Midland Co.	3,455	160,139
General Mills, Inc.	2,876	154,039
Kellogg Co.	2,344	162,111
Kraft Heinz Co.	5,289	169,936
Mondelez International, Inc. "A"	2,882	158,740
Mowi ASA	6,366	165,267
Nestle SA (Registered)	5,134	555,773
The JM Smucker Co.	1,422	148,073
		1,674,078
Household Products 0.7%		
Colgate-Palmolive Co.	2,243	154,408
Kimberly-Clark Corp.	1,139	156,669
Procter & Gamble Co.	4,300	537,070
		848,147
Personal Products 0.2%		
Coty, Inc. "A"	12,049	135,551
Unilever NV (CVA)	2,519	145,059
		280,610
Tobacco 0.6%		
Japan Tobacco, Inc.	13,863	308,968
Philip Morris International, Inc.	5,652	480,929
		789,897
Energy 3.1%		
Energy Equipment & Services 0.2%		
Schlumberger Ltd.	6,834	**274,727**
Oil, Gas & Consumable Fuels 2.9%		
BP PLC	47,376	297,100
Chevron Corp.	2,627	316,580
CNOOC Ltd. (ADR)	600	100,002
Enbridge, Inc.	5,968	237,291
Eni SpA	12,570	195,108
Equinor ASA	8,402	167,764
Exxon Mobil Corp.	7,225	504,160
Keyera Corp.	4,000	104,794
Kinder Morgan, Inc.	7,457	157,865
ONEOK, Inc.	2,135	161,555
Petroleo Brasileiro SA (ADR)	9,558	152,354
Repsol SA	10,070	157,891
Royal Dutch Shell PLC "A"	10,964	325,583
Royal Dutch Shell PLC "B"	8,749	260,412
Suncor Energy, Inc.	2,900	95,047
Total SA	3,086	170,878
Williams Companies, Inc.	10,488	248,775
Woodside Petroleum Ltd.	5,250	127,480
		3,780,639
Financials 9.3%		
Banks 5.6%		
AIB Group PLC	21,189	74,052
Australia & New Zealand Banking Group Ltd.	8,627	149,181
Banco Bradesco SA (ADR)	29,102	260,463
Banco Santander SA	40,407	169,468
Bank of America Corp.	9,402	331,138
Bank of Nova Scotia	3,148	177,818
Bankia SA	43,510	93,009
Bendigo & Adelaide Bank Ltd.	19,617	134,744
BNP Paribas SA	4,869	289,456
BOC Hong Kong Holdings Ltd.	24,500	85,149
CaixaBank SA	38,400	120,791
Canadian Imperial Bank of Commerce	1,857	154,532
Citigroup, Inc.	2,184	174,480
Commonwealth Bank of Australia	3,928	220,114
Credit Agricole SA	13,879	201,594
DBS Group Holdings Ltd.	6,900	132,891
DNB ASA	4,420	82,624
Hang Seng Bank Ltd.	3,700	76,477
HSBC Holdings PLC	73,814	579,769
ICICI Bank Ltd. (ADR)	10,988	165,809
ING Groep NV	23,044	276,900
JPMorgan Chase & Co.	4,426	616,984
Lloyds Banking Group PLC	237,568	197,220
Mitsubishi UFJ Financial Group, Inc.	29,660	160,433
Mizuho Financial Group, Inc.	98,479	151,459
National Australia Bank Ltd.	12,766	220,567
Oversea-Chinese Banking Corp., Ltd.	10,100	82,645
People's United Financial, Inc.	9,725	164,352
Royal Bank of Canada	3,032	239,912
Skandinaviska Enskilda Banken AB "A"	22,272	209,531
Sumitomo Mitsui Financial Group, Inc.	4,399	162,064
Svenska Handelsbanken AB "A"	8,221	88,492
Toronto-Dominion Bank	3,787	212,396
Truist Financial Corp.	2,946	165,919
Wells Fargo & Co.	6,916	372,081
Westpac Banking Corp.	14,187	241,614
		7,236,128
Capital Markets 0.4%		
Amundi SA 144A	981	77,112
CME Group, Inc.	736	147,730
UBS Group AG (Registered)	21,495	271,410
		496,252
Diversified Financial Services 0.1%		
Berkshire Hathaway, Inc. "B"*	685	**155,153**
Insurance 3.2%		
Ageas	2,776	164,225
Allianz SE (Registered)	833	204,157
American Financial Group, Inc.	1,478	162,063
Assicurazioni Generali SpA	10,393	214,560
AXA SA	9,687	272,950
Baloise Holding AG (Registered)	800	144,665
Chubb Ltd.	990	154,103
Fidelity National Financial, Inc.	3,207	145,437
Great-West Lifeco, Inc.	7,717	197,657
Legal & General Group PLC	74,938	303,126
Mapfre SA	26,112	69,191
MetLife, Inc.	3,237	164,990
Muenchener Rueckversicherungs-Gesellschaft AG (Registered)	533	157,231
NN Group NV	4,404	167,198
Poste Italiane SpA 144A	13,876	157,330
Power Corp. of Canada	8,269	213,005
Power Financial Corp.	8,299	223,301

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

	Shares	Value ($)
Prudential Financial, Inc.	1,609	150,828
Swiss Life Holding AG (Registered)	308	154,682
Swiss Re AG	3,029	340,124
Zurich Insurance Group AG	879	360,574
		4,121,397
Health Care 5.7%		
Biotechnology 0.9%		
AbbVie, Inc.	6,611	585,338
Amgen, Inc.	1,524	367,391
Gilead Sciences, Inc.	4,099	266,353
		1,219,082
Health Care Equipment & Supplies 0.4%		
Abbott Laboratories	2,836	246,335
Medtronic PLC	2,580	292,701
		539,036
Health Care Providers & Services 0.6%		
Cardinal Health, Inc.	3,157	159,681
CVS Health Corp.	2,668	198,206
UnitedHealth Group, Inc.	1,315	386,583
		744,470
Pharmaceuticals 3.8%		
Astellas Pharma, Inc.	9,088	155,291
AstraZeneca PLC	2,490	251,259
Bayer AG (Registered)	2,328	190,045
Bristol-Myers Squibb Co.	5,118	328,524
Eli Lilly & Co.	1,814	238,414
GlaxoSmithKline PLC	14,427	340,303
H. Lundbeck AS	2,649	101,164
Johnson & Johnson	5,379	784,635
Merck & Co., Inc.	5,576	507,137
Novartis AG (Registered)	4,490	425,901
Novo Nordisk AS "B"	3,119	181,102
Pfizer, Inc.	11,845	464,087
Roche Holding AG (Genusschein)	1,518	492,592
Sanofi	2,629	264,584
Takeda Pharmaceutical Co., Ltd.	5,699	225,649
		4,950,687
Industrials 4.9%		
Aerospace & Defense 0.8%		
BAE Systems PLC	21,367	159,908
Boeing Co.	744	242,365
General Dynamics Corp.	855	150,779
Lockheed Martin Corp.	432	168,212
Raytheon Co.	777	170,738
United Technologies Corp.	1,114	166,833
		1,058,835
Air Freight & Logistics 0.1%		
United Parcel Service, Inc. "B"	1,427	**167,045**
Airlines 0.3%		
Deutsche Lufthansa AG (Registered)	9,164	169,196
easyJet PLC	11,838	223,293
		392,489
Building Products 0.1%		
Johnson Controls International PLC	3,638	**148,103**

	Shares	Value ($)
Commercial Services & Supplies 0.1%		
Quad Graphics, Inc.	2	9
Waste Management, Inc.	1,371	156,239
		156,248
Construction & Engineering 0.4%		
ACS Actividades de Construccion y Servicios SA	3,834	153,680
Bouygues SA	3,488	148,438
Kajima Corp.	12,032	159,971
		462,089
Electrical Equipment 0.4%		
ABB Ltd. (Registered)	6,850	165,728
Eaton Corp. PLC	1,853	175,516
Emerson Electric Co.	2,029	154,732
		495,976
Industrial Conglomerates 0.4%		
3M Co.	936	165,129
Honeywell International, Inc.	1,081	191,337
Siemens AG (Registered)	1,448	189,745
		546,211
Machinery 0.8%		
Caterpillar, Inc.	1,227	181,203
Cummins, Inc.	808	144,600
Illinois Tool Works, Inc.	968	173,882
Komatsu Ltd.	3,800	91,452
PACCAR, Inc.	3,274	258,973
Yangzijiang Shipbuilding Holdings Ltd.	154,500	129,187
		979,297
Marine 0.1%		
Kuehne + Nagel International AG (Registered)	1,016	**171,365**
Professional Services 0.5%		
Adecco Group AG (Registered)	2,683	169,577
Nielsen Holdings PLC	20,249	411,055
		580,632
Road & Rail 0.3%		
Aurizon Holdings Ltd.	39,211	144,250
Union Pacific Corp.	1,016	183,683
		327,933
Trading Companies & Distributors 0.6%		
ITOCHU Corp.	8,712	202,293
Marubeni Corp.	20,007	147,757
Mitsubishi Corp.	5,939	157,268
Mitsui & Co., Ltd.	9,020	160,109
Sumitomo Corp.	9,824	145,660
		813,087
Information Technology 10.9%		
Communications Equipment 0.7%		
Cisco Systems, Inc.	9,318	446,891
Juniper Networks, Inc.	6,255	154,061
Motorola Solutions, Inc.	934	150,505
Nokia Oyj	42,386	157,230
		908,687
Electronic Equipment, Instruments & Components 0.4%		
Corning, Inc.	5,190	151,081
Murata Manufacturing Co., Ltd.	1,600	98,190

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

	Shares	Value ($)
TE Connectivity Ltd.	1,618	155,069
Venture Corp., Ltd.	10,000	120,930
		525,270
IT Services 3.2%		
Accenture PLC “A”	1,307	275,215
Automatic Data Processing, Inc.	1,232	210,056
Broadridge Financial Solutions, Inc.	1,284	158,625
Cognizant Technology Solutions Corp. “A”	2,442	151,453
DXC Technology Co.	3,300	124,047
Fidelity National Information Services, Inc.	1,142	158,841
Fujitsu Ltd.	1,746	164,196
Infosys Ltd. (ADR)	37,892	391,045
International Business Machines Corp.	3,493	468,202
Leidos Holdings, Inc.	1,680	164,455
MasterCard, Inc. “A”	1,483	442,809
Paychex, Inc.	2,803	238,423
PayPal Holdings, Inc.*	1,474	159,443
Sabre Corp.	6,967	156,339
Shopify, Inc.*	300	119,279
Visa, Inc. “A”	2,883	541,716
Western Union Co.	11,570	309,845
		4,233,989
Semiconductors & Semiconductor Equipment 2.3%		
Analog Devices, Inc.	1,382	164,237
Broadcom, Inc.	1,095	346,042
Intel Corp.	7,576	453,424
KLA Corp.	949	169,083
Lam Research Corp.	300	87,720
Maxim Integrated Products, Inc.	3,128	192,403
QUALCOMM., Inc.	2,864	252,691
SUMCO Corp.	4,700	77,738
Taiwan Semiconductor Manufacturing Co., Ltd. (ADR)	12,932	751,349
Texas Instruments, Inc.	2,405	308,537
Tokyo Electron Ltd.	770	167,749
		2,970,973
Software 1.9%		
Adobe, Inc.*	741	244,389
Intuit, Inc.	573	150,086
Microsoft Corp.	7,382	1,164,142
Oracle Corp.	4,896	259,390
salesforce.com, Inc.*	1,002	162,965
SAP SE	1,101	149,385
ServiceNow, Inc.*	602	169,957
Trend Micro, Inc.*	2,858	146,154
		2,446,468
Technology Hardware, Storage & Peripherals 2.4%		
Apple, Inc.	4,261	1,251,243
Brother Industries Ltd.	3,600	74,111
Canon, Inc. (a)	10,267	280,591
Hewlett Packard Enterprise Co.	7,200	114,192
HP, Inc.	8,266	169,866
NetApp, Inc.	3,100	192,975
Samsung Electronics Co., Ltd. (GDR)	119	141,967
Seagate Technology PLC	5,282	314,279
Seiko Epson Corp.	10,303	155,767
Western Digital Corp.	4,953	314,367
Xerox Holding Corp.*	2,600	95,862
		3,105,220
Materials 2.7%		
Chemicals 1.1%		
Air Products & Chemicals, Inc.	637	149,689
BASF SE	2,246	170,357
Covestro AG 144A	2,872	134,381
Dow, Inc.*	5,416	296,418
Evonik Industries AG	2,540	78,149
Linde PLC	768	163,507
LyondellBasell Industries NV “A”	1,838	173,654
Mitsubishi Chemical Holdings Corp.	20,709	154,803
Showa Denko KK (a)	2,700	71,119
		1,392,077
Construction Materials 0.2%		
Boral Ltd.	24,030	75,595
LafargeHolcim Ltd. (Registered)	3,141	174,396
		249,991
Containers & Packaging 0.4%		
Amcor PLC*	21,666	234,859
International Paper Co.	3,813	175,589
Westrock Co.	4,281	183,698
		594,146
Metals & Mining 0.9%		
BHP Group Ltd.	6,951	190,132
Fortescue Metals Group Ltd.	24,193	182,020
Glencore PLC	49,551	154,676
JFE Holdings, Inc.	12,032	154,659
Rio Tinto Ltd.	1,704	120,326
Rio Tinto PLC	2,811	168,240
Vale SA (ADR)	13,002	171,627
		1,141,680
Paper & Forest Products 0.1%		
UPM-Kymmene Oyj	4,912	**170,272**
Real Estate 2.9%		
Equity Real Estate Investment Trusts (REITs)		
Ascendas Real Estate Investment Trust	90,550	199,985
British Land Co. PLC	22,425	190,849
Crown Castle International Corp.	1,180	167,737
Host Hotels & Resorts, Inc.	9,031	167,525
Kimco Realty Corp.	10,107	209,316
Klepierre SA	4,944	187,825
Mid-America Apartment Communities, Inc.	1,156	152,430
National Retail Properties, Inc.	2,749	147,401
Omega Healthcare Investors, Inc.	1,900	80,465
Prologis, Inc.	1,778	158,491
Public Storage	711	151,415
Realty Income Corp.	2,118	155,948
RioCan Real Estate Investment Trust	7,821	161,172
Scentre Group	57,038	153,903
Simon Property Group, Inc.	1,236	184,115
Stockland (a)	62,655	203,090
Ventas, Inc.	2,556	147,583
VEREIT, Inc.	27,363	252,834
Vicinity Centres (a)	87,688	153,473

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

	Shares	Value ($)
Welltower, Inc.	1,937	158,408
Weyerhaeuser Co.	5,863	177,063
WP Carey, Inc.	2,522	201,861
		3,762,889

Utilities 4.0%

Electric Utilities 2.3%

	Shares	Value ($)
American Electric Power Co., Inc.	1,692	159,911
Duke Energy Corp.	2,248	205,040
EDP — Energias de Portugal SA	37,995	164,658
Endesa SA	8,101	216,449
Enel SpA	22,192	176,246
Entergy Corp.	1,388	166,282
Evergy, Inc.	2,375	154,589
Exelon Corp.	3,386	154,368
FirstEnergy Corp.	3,245	157,707
Fortum Oyj	7,469	184,342
NextEra Energy, Inc.	801	193,970
OGE Energy Corp.	3,612	160,625
Power Assets Holdings Ltd.	20,966	153,409
PPL Corp.	7,815	280,402
Red Electrica Corp. SA	9,103	183,310
Southern Co.	3,747	238,684
		2,949,992

Gas Utilities 0.4%

	Shares	Value ($)
Enagas SA	6,750	172,210
Naturgy Energy Group SA	6,966	175,622
Snam SpA	29,905	157,354
		505,186

Multi-Utilities 1.3%

	Shares	Value ($)
AGL Energy Ltd.	11,595	166,895
CenterPoint Energy, Inc.	5,541	151,103
Consolidated Edison, Inc.	1,742	157,599
Dominion Energy, Inc	3,028	250,779
DTE Energy Co.	1,239	160,909
Engie SA	9,643	155,887
National Grid PLC	14,351	180,003
Public Service Enterprise Group, Inc.	2,559	151,109
Sempra Energy	1,036	156,933
WEC Energy Group, Inc.	1,712	157,898
		1,689,115
Total Common Stocks (Cost $60,525,502)		**76,888,155**

Preferred Stocks 4.5%

Financials 2.9%

	Shares	Value ($)
AGNC Investment Corp. Series C, 7.0%	14,427	374,381
Bank of America Corp. Series Y, 6.5%	15,000	374,700
Capital One Financial Corp. Series G, 5.2%	10,000	257,200
Citigroup, Inc. Series S, 6.3%	15,000	393,150
Fifth Third Bancorp. Series I, 6.625%	10,000	287,100
JPMorgan Chase & Co. Series AA, 6.1%	15,000	386,100
KeyCorp Series E, 6.125%	10,000	284,800
Morgan Stanley Series K, 5.85%	10,000	283,600
The Goldman Sachs Group, Inc. Series J, 5.5%	17,000	455,940
Truist Financial Corp., Series H, 5.625%	10,000	268,800
Wells Fargo & Co. Series Y, 5.625%	15,000	400,350
		3,766,121

Real Estate 1.0%

	Shares	Value ($)
Kimco Realty Corp. Series L, 5.125%	15,000	386,100
Prologis, Inc. Series Q, 8.54%	164	12,251
Simon Property Group, Inc. Series J, 8.375%	8,000	579,200
VEREIT, Inc. Series F, 6.7%	10,801	275,425
		1,252,976

Utilities 0.6%

	Shares	Value ($)
Dominion Energy, Inc. Series A, 5.25%	30,000	**785,400**
Total Preferred Stocks (Cost $5,853,027)		**5,804,497**

Warrants 0.0%

Materials

	Shares	Value ($)
Hercules Trust II, Expiration Date 3/31/2029* (d) (Cost $30,283)	170	**6,499**

Corporate Bonds 9.3%

Communication Services 1.7%

	Principal Amount ($)(b)	Value ($)
Cablevision Systems Corp., 5.875%, 9/15/2022	200,000	215,500
CCO Holdings LLC:		
144A, 4.75%, 3/1/2030	100,000	101,803
144A, 5.875%, 5/1/2027	250,000	264,375
Netflix, Inc.:		
4.375%, 11/15/2026	100,000	102,500
5.5%, 2/15/2022	365,000	386,444
5.875%, 11/15/2028	140,000	155,198
NortonLifeLock, Inc., 3.95%, 6/15/2022	275,000	281,955
VeriSign, Inc.:		
4.625%, 5/1/2023	300,000	304,800
5.25%, 4/1/2025	300,000	330,693
Verizon Communications, Inc., 4.016%, 12/3/2029	100,000	111,475
		2,254,743

Consumer Discretionary 0.6%

	Principal Amount ($)(b)	Value ($)
1011778 B.C. Unlimited Liability Co., 144A, 4.375%, 1/15/2028	225,000	225,562
Boyd Gaming Corp., 144A, 4.75%, 12/1/2027	60,000	62,325
Ford Motor Credit Co. LLC, 4.542%, 8/1/2026	202,000	206,709
Las Vegas Sands Corp., 3.9%, 8/8/2029	45,000	46,987
NCL Corp. Ltd., 144A, 3.625%, 12/15/2024	200,000	202,750
		744,333

Consumer Staples 0.2%

	Principal Amount ($)(b)	Value ($)
Altria Group, Inc., 5.95%, 2/14/2049	70,000	84,873

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

	Principal Amount ($)(b)	Value ($)
Anheuser-Busch InBev Worldwide, Inc., 5.55%, 1/23/2049	121,000	157,217
PepsiCo, Inc., 3.375%, 7/29/2049	55,000	57,695
		299,785
Energy 1.7%		
Apache Corp., 4.25%, 1/15/2030 (a)	211,000	218,853
Cheniere Corpus Christi Holdings LLC, 5.875%, 3/31/2025	200,000	224,892
Cheniere Energy Partners LP, 5.625%, 10/1/2026	350,000	370,125
Devon Energy Corp., 5.0%, 6/15/2045	110,000	127,674
Empresa Nacional del Petroleo, 144A, 5.25%, 11/6/2029	200,000	224,162
Energy Transfer Operating LP, 5.5%, 6/1/2027	100,000	112,425
Enterprise Products Operating LLC, 4.2%, 1/31/2050	332,000	356,379
Hess Corp., 5.8%, 4/1/2047	70,000	85,732
Kinder Morgan, Inc., 5.2%, 3/1/2048	65,000	75,481
MPLX LP, 5.5%, 2/15/2049	70,000	79,526
Occidental Petroleum Corp., 3.5%, 8/15/2029	87,000	88,816
Plains All American Pipeline LP, 2.85%, 1/31/2023	55,000	55,549
Range Resources Corp., 5.0%, 8/15/2022	200,000	196,000
		2,215,614
Financials 1.6%		
BPCE SA, 144A, 4.875%, 4/1/2026	500,000	550,304
Citigroup, Inc., 3.98%, 3/20/2030	120,000	131,377
Hartford Financial Services Group, Inc., 2.8%, 8/19/2029	40,000	40,468
Morgan Stanley, 4.431%, 1/23/2030	94,000	106,321
Park Aerospace Holdings Ltd., 144A, 5.25%, 8/15/2022	175,000	186,445
PayPal Holdings, Inc.:		
2.65%, 10/1/2026	101,000	102,419
2.85%, 10/1/2029	150,000	151,393
REC Ltd., 144A, 5.25%, 11/13/2023	200,000	213,945
Truist Financial Corp., 4.8%, Perpetual (c)	300,000	309,750
Wells Fargo & Co., 3.196%, 6/17/2027	100,000	103,767
Westpac Banking Corp., 5.0%, Perpetual (c)	200,000	201,414
		2,097,603
Health Care 1.4%		
AbbVie, Inc., 4.875%, 11/14/2048	75,000	86,650
Bausch Health Companies, Inc., 144A, 5.25%, 1/30/2030	40,000	41,480
Bristol-Myers Squibb Co., 144A, 4.25%, 10/26/2049	100,000	118,728
Centene Corp.:		
144A, 4.25%, 12/15/2027	90,000	92,587
144A, 4.625%, 12/15/2029	60,000	63,081

	Principal Amount ($)(b)	Value ($)
CVS Health Corp., 5.05%, 3/25/2048	285,000	337,732
HCA, Inc.:		
4.125%, 6/15/2029	110,000	116,719
5.25%, 6/15/2026	500,000	560,166
7.5%, 2/15/2022	100,000	110,500
Select Medical Corp., 144A, 6.25%, 8/15/2026	160,000	173,203
UnitedHealth Group, Inc., 2.875%, 8/15/2029	54,000	55,582
		1,756,428
Industrials 0.4%		
Prime Security Services Borrower LLC, 144A, 5.25%, 4/15/2024	255,000	269,790
Signature Aviation US Holdings Inc, 144A, 4.0%, 3/1/2028	200,000	197,260
		467,050
Information Technology 0.2%		
Fiserv, Inc., 3.5%, 7/1/2029	140,000	147,151
MSCI, Inc., 144A, 4.0%, 11/15/2029	70,000	70,962
		218,113
Real Estate 0.4%		
American Tower Corp., (REIT), 3.8%, 8/15/2029	165,000	176,406
Office Properties Income Trust:		
(REIT), 4.15%, 2/1/2022	60,000	61,452
(REIT), 4.25%, 5/15/2024	45,000	46,775
Omega Healthcare Investors, Inc.:		
(REIT), 4.5%, 4/1/2027	50,000	53,981
(REIT), 4.75%, 1/15/2028	60,000	65,351
VICI Properties LP:		
144A (REIT), 4.25%, 12/1/2026	62,000	63,860
144A (REIT), 4.625%, 12/1/2029	34,000	35,445
		503,270
Utilities 1.1%		
Calpine Corp.:		
144A, 4.5%, 2/15/2028	225,000	226,996
144A, 5.125%, 3/15/2028	100,000	102,070
Edison International, 5.75%, 6/15/2027	300,000	336,841
NextEra Energy Operating Partners LP:		
144A, 3.875%, 10/15/2026	190,000	190,712
144A, 4.25%, 7/15/2024	275,000	286,344
Perusahaan Listrik Negara PT, 144A, 2.875%, 10/25/2025	EUR 260,000	320,514
		1,463,477
Total Corporate Bonds (Cost $11,560,529)		**12,020,416**

Asset-Backed 5.6%

Automobile Receivables 3.8%

AmeriCredit Automobile Receivables Trust, "C", Series 2019-2, 2.74%, 4/18/2025	720,000	726,368
Avis Budget Rental Car Funding AESOP LLC, "C", Series 2019-1A, 144A, 4.53%, 3/20/2023	100,000	102,541

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

	Principal Amount ($)(b)	Value ($)
CPS Auto Receivables Trust, "E", Series 2015-C, 144A, 6.54%, 8/16/2021	500,000	513,192
Flagship Credit Auto Trust, "C", Series 2019-4, 144A, 2.77%, 12/15/2025	1,100,000	1,098,945
Ford Credit Floorplan Master Owner Trust A, "A", Series 2019-4, 2.44%, 9/15/2026	720,000	721,877
Hertz Vehicle Financing II LP:		
"A", Series 2018-1A, 144A, 3.29%, 2/25/2024	500,000	511,717
"B", Series 2017-2A, 144A, 4.2%, 10/25/2023	500,000	517,168
Hyundai Auto Receivables Trust, "C", Series 2019-B, 2.4%, 6/15/2026	500,000	498,958
Santander Drive Auto Receivables Trust, "C", Series 2019-1, 3.42%, 4/15/2025	250,000	254,050
		4,944,816
Miscellaneous 1.8%		
DB Master Finance LLC, "A2I", Series 2019-1A, 144A, 3.787%, 5/20/2049	218,900	223,573
Dell Equipment Finance Trust, "D", Series 2017-1, 144A, 3.44%, 4/24/2023	280,000	280,361
Domino's Pizza Master Issuer LLC, "A23", Series 2017-1A, 144A, 4.118%, 7/25/2047	333,200	345,142
GMF Floorplan Owner Revolving Trust, "C", Series 2019-1, 144A, 3.06%, 4/15/2024	260,000	263,930
Hilton Grand Vacations Trust, "B", Series 2014-AA, 144A, 2.07%, 11/25/2026	65,395	65,122
MVW Owner Trust, "A", Series 2019-1A, 144A, 2.89%, 11/20/2036	472,444	478,381
Taco Bell Funding LLC, "A2I", Series 2018-1A, 144A, 4.318%, 11/25/2048	495,000	506,474
Wendy's Funding LLC, "A2I", Series 2018-1A, 144A, 3.573%, 3/15/2048	156,800	158,438
		2,321,421
Total Asset-Backed (Cost $7,213,563)		**7,266,237**

Mortgage-Backed Securities Pass-Throughs 0.9%

	Principal Amount ($)(b)	Value ($)
Federal Home Loan Mortgage Corp., 6.0%, 3/1/2038	2,755	3,171
Federal National Mortgage Association:		
3.5%, 10/1/2049	1,180,037	1,213,979
4.5%, 9/1/2035	4,928	5,280
6.0%, 1/1/2024	6,344	6,700
Total Mortgage-Backed Securities Pass-Throughs (Cost $1,225,687)		**1,229,130**

Commercial Mortgage-Backed Securities 5.2%

	Principal Amount ($)(b)	Value ($)
Barclays Commercial Mortgage Trust, "A4", Series 2019-C5, 3.063%, 11/15/2052	800,000	826,029
Benchmark Mortgage Trust, "A4" Series 2019-B13, 2.952%, 8/15/2057	1,400,000	1,433,526
BX Commercial Mortgage Trust, "D", Series 2018-IND, 144A, 1-month USD-LIBOR + 1.300%, 3.04%**, 11/15/2035	175,000	175,052
Citigroup Commercial Mortgage Trust, "D", Series 2019-PRM, 144A, 4.35%, 5/10/2036	500,000	519,722
CSAIL Commercial Mortgage Trust, "B", Series 2019-C15, 4.476%, 3/15/2052	500,000	546,925
DBWF Mortgage Trust, "C", Series 2018-GLKS, 144A, 1-month USD-LIBOR + 1.750%, 3.514%**, 11/19/2035	250,000	250,008
FHLMC Multifamily Structured Pass-Through Certificates:		
"X1", Series K043, Interest Only, 0.537%, 12/25/2024	4,873,062	114,459
"X1P", Series KL05, Interest Only, 0.892%, 6/25/2029	4,800,000	348,726
GMAC Commercial Mortgage Securities, Inc., "G", Series 2004-C1, 144A, 5.455%, 3/10/2038	394,448	376,387
Morgan Stanley Capital I Trust, "A4" Series 2019-L3, 3.127%, 11/15/2029	1,100,000	1,135,169
MTRO Commercial Mortgage Trust, "C", Series 2019-TECH, 144A, 1-month USD-LIBOR + 1.300%, 3.04%**, 12/15/2033	250,000	249,374
Multifamily Connecticut Avenue Securities Trust, "M7", Series 2019-01, 144A, 1-month USD-LIBOR + 1.700%, 3.492%**, 10/15/2049	399,366	400,878
NYT Mortgage Trust, "B", Series 2019-NYT, 144A, 1-month USD-LIBOR + 1.400%, 3.14%**, 11/15/2035	350,000	350,434
Total Commercial Mortgage-Backed Securities (Cost $6,716,746)		**6,726,689**

Collateralized Mortgage Obligations 7.9%

	Principal Amount ($)(b)	Value ($)
Connecticut Avenue Securities Trust:		
"1M2", Series 2019-R05, 144A, 1-month USD-LIBOR + 2.000%, 3.792%**, 7/25/2039	850,000	854,290
"1M2", Series 2019-R03, 144A, 1-month USD-LIBOR + 2.150%, 3.942%**, 9/25/2031	168,000	169,265
"1M2", Series 2019-R02, 144A, 1-month USD-LIBOR + 2.300%, 4.092%**, 8/25/2031	256,667	259,037

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

	Principal Amount ($)(b)	Value ($)
Fannie Mae Connecticut Avenue Securities:		
"1M2", Series 2018-C06, 1-month USD-LIBOR + 2.000%, 3.792%**, 3/25/2031	177,945	178,692
"1M2", Series 2018-C01, 1-month USD-LIBOR + 2.250%, 4.042%**, 7/25/2030	172,000	174,262
"1M2", Series 2018-C05, 1-month USD-LIBOR + 2.350%, 4.142%**, 1/25/2031	500,000	507,125
Federal Home Loan Mortgage Corp.:		
"GV", Series 4827, 4.0%, 7/15/2031	678,945	708,716
"AS", Series 4885, Interest Only, 6.050% minus 1-month USD LIBOR 4.31%**, 6/15/2049	1,378,614	289,447
"PI", Series 3843, Interest Only, 4.5%, 5/15/2038	85,909	2,549
"C31", Series 303, Interest Only, 4.5%, 12/15/2042	902,642	145,359
"H", Series 2278, 6.5%, 1/15/2031	106	114
Federal National Mortgage Association:		
"WO", Series 2013-27, Principal Only, Zero Coupon, 12/25/2042	220,000	143,402
"4", Series 406, Interest Only, 4.0%, 9/25/2040	396,629	62,261
"I", Series 2003-84, Interest Only, 6.0%, 9/25/2033	92,391	16,616
Freddie Mac Structured Agency Credit Risk Debt Notes:		
"M2", Series 2019-DNA3, 144A, 1-month USD-LIBOR + 2.050%, 3.842%**, 7/25/2049	400,000	401,853
"M2", Series 2019-DNA2, 144A, 1-month USD-LIBOR + 2.450%, 4.242%**, 3/25/2049	636,020	641,606
"M2", Series 2019-DNA1, 144A, 1-month USD-LIBOR + 2.650%, 4.442%**, 1/25/2049	60,000	61,089
Government National Mortgage Association:		
"PI", Series 2015-40, Interest Only, 4.0%, 4/20/2044	162,942	11,711
"IN", Series 2009-69, Interest Only, 5.5%, 8/20/2039	143,861	24,832
"IV", Series 2009-69, Interest Only, 5.5%, 8/20/2039	138,245	23,852
"IJ", Series 2009-75, Interest Only, 6.0%, 8/16/2039	95,721	16,487
JPMorgan Mortgage Trust:		
"A11", Series 2019-9, 144A, 1-month USD-LIBOR + 0.900%, 2.603%**, 5/25/2050	295,909	294,570
"AM", Series 2016-3, 144A, 3.374%, 10/25/2046	633,950	642,128

	Principal Amount ($)(b)	Value ($)
"A3", Series 2019-INV3, 144A, 3.5%, 5/25/2050	1,200,000	1,223,063
"A4", Series 2019-2, 144A, 4.0%, 8/25/2049	1,075,630	1,081,470
New Residential Mortgage Loan:		
"A1", Series 2019-NQM3, 144A, 2.802%, 7/25/2049	450,336	450,910
"A1", Series 2019-NQM2, 144A, 3.6%, 4/25/2049	161,418	162,657
Sequoia Mortgage Trust:		
"A4", Series 2018-7, 144A, 4.0%, 9/25/2048	662,114	665,957
"A4", Series 2018-8, 144A, 4.0%, 11/25/2048	215,307	217,014
STACR Trust, "M2", Series 2018-DNA3, 144A, 1-month USD-LIBOR + 2.100%, 3.892%**, 9/25/2048	324,324	326,912
Verus Securitization Trust, "A1", Series 2019-INV1, 144A, 3.402%, 12/25/2059	484,221	487,149
Total Collateralized Mortgage Obligations (Cost $10,005,527)		**10,244,395**

Government & Agency Obligations 0.6%

Sovereign Bonds

Republic of Indonesia, 4.45%, 2/11/2024	225,000	242,262
Republic of Kazakhstan, 144A, 1.55%, 11/9/2023	EUR 270,000	316,749
Republic of South Africa, 4.875%, 4/14/2026	200,000	208,076
Total Government & Agency Obligations (Cost $742,205)		**767,087**

Short-Term U.S. Treasury Obligations 2.2%

U.S. Treasury Bills:		
1.598%***, 9/10/2020 (e)	1,200,000	1,187,232
1.806%***, 7/16/2020 (f)	1,723,000	1,708,589
Total Short-Term U.S. Treasury Obligations (Cost $2,892,500)		**2,895,821**

	Shares	Value ($)

Exchange-Traded Funds 2.8%

SPDR Bloomberg Barclays Convertible Securities ETF (Cost $3,528,968)	66,160	**3,671,880**

Securities Lending Collateral 0.8%

DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (g) (h) (Cost $1,105,478)	1,105,478	**1,105,478**

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

	Shares	Value ($)
Cash Equivalents 1.2%		
DWS Central Cash Management Government Fund, 1.62% (g) (Cost $1,544,128)	1,544,128	**1,544,128**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $112,944,143)	100.2	**130,170,412**
Other Assets and Liabilities, Net	(0.2)	**(322,137)**
Net Assets	100.0	**129,848,275**

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 0.8%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (g) (h)								
2,070,696	—	965,218 (i)	—	—	18,414	—	1,105,478	1,105,478
Cash Equivalents 1.2%								
DWS Central Cash Management Government Fund, 1.62% (g)								
2,297,660	71,962,781	72,716,313	—	—	84,222	—	1,544,128	1,544,128
4,368,356	**71,962,781**	**73,681,531**	**—**	**—**	**102,636**	**—**	**2,649,606**	**2,649,606**

* Non-income producing security.

** Variable or floating rate security. These securities are shown at their current rate as of December 31, 2019. 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.

*** Annualized yield at time of purchase; not a coupon rate.

(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 December 31, 2019 amounted to $1,047,048, which is 0.8% of net assets.

(b) Principal amount stated in U.S. dollars unless otherwise noted.

(c) Perpetual, callable security with no stated maturity date.

(d) Investment was valued using significant unobservable inputs.

(e) At December 31, 2019, this security has been pledged, in whole or in part, to cover initial margin requirements for open centrally cleared swap contracts.

(f) At December 31, 2019, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

(g) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.

(h) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

(i) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the year ended December 31, 2019.

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

ASX: Australian Securities Exchange

CVA: Certificaten Van Aandelen (Certificate of Stock)

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.

LIBOR: London Interbank Offered Rate

MSCI: Morgan Stanley Capital International

Principal Only: Principal Only (PO) bonds represent the "principal only" portion of payments on a pool of underlying mortgages or mortgage-backed securities.

REIT: Real Estate Investment Trust

S&P: Standard & Poor's

SPDR: Standard & Poor's Depositary Receipt

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

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.

At December 31, 2019, 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	3/20/2020	32	4,152,083	4,109,500	(42,583)
2 Year U.S. Treasury Note	USD	3/31/2020	117	25,230,236	25,213,500	(16,736)
3 Month Euro Euribor Interest Rate	EUR	12/14/2020	2	563,181	562,897	(284)
3 Month Euro Swiss Franc (Euroswiss) Interest Rate	CHF	12/14/2020	2	520,670	520,200	(470)
3 Month Euroyen	JPY	12/14/2020	2	460,110	460,034	(76)
3 Month Sterling (Short Sterling) Interest Rate	GBP	12/16/2020	3	493,054	493,223	169
5 Year U.S. Treasury Note	USD	3/31/2020	21	2,502,497	2,490,797	(11,700)
90 Day Eurodollar Time Deposit	USD	12/14/2020	2	492,781	491,900	(881)
ASX 90 Day Bank Accepted Bills	AUD	12/10/2020	3	2,101,784	2,100,795	(989)
MSCI Mini Emerging Market Index	USD	3/20/2020	53	2,914,630	2,968,530	53,900
Ultra Long U.S. Treasury Bond	USD	3/20/2020	16	2,993,173	2,906,500	(86,673)
Total net unrealized depreciation						**(106,323)**

At December 31, 2019, open futures contracts sold were as follows:

Futures	Currency	Expiration Date	Contracts	Notional Amount ($)	Notional Value ($)	Unrealized Appreciation (Depreciation) ($)
Euro Stoxx 50 Index	EUR	3/20/2020	101	4,256,180	4,224,647	31,533
S&P 500 E-Mini Index	USD	3/20/2020	11	1,746,552	1,777,105	(30,553)
TOPIX Index	JPY	3/12/2020	5	789,079	791,956	(2,877)
Ultra 10 Year U.S. Treasury Note	USD	3/20/2020	39	5,541,648	5,487,422	54,226
Total net unrealized appreciation						**52,329**

At December 31, 2019, open credit default swap contracts sold were as follows:

Bilateral Swaps

Underlying Reference Obligation	Fixed Cash Flows Received/ Frequency	Counterparty/ Expiration Date	Notional Amount (j)	Currency	Value ($)	Upfront Payments Received ($)	Unrealized Appreciation ($)
Markit Commercial Mortgage Backed Securities Index Series 12	2.0%/Monthly	Morgan Stanley 8/17/2061	500,000	USD	(1,837)	(15,207)	**13,370**

(j) The maximum potential amount of future undiscounted payments that the Fund could be required to make under a credit default swap contract would be the notional amount of the contract. These potential amounts would be partially offset by any recovery values of the referenced debt obligation or net amounts received from the settlement of buy protection credit default swap contracts entered into by the Fund for the same referenced debt obligation, if any.

At December 31, 2019, 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) ($)	Unrealized Depreciation ($)
Fixed — 1.961% Semi-Annually	Floating — 3-Month LIBOR Quarterly	6/28/2019 6/28/2029	400,000	USD	(3,250)	—	(3,250)
Fixed —2.729% Semi-Annually	Floating — 3-Month LIBOR Quarterly	3/4/2019 3/5/2029	400,000	USD	(32,739)	—	(32,739)
Total unrealized depreciation							**(35,989)**

LIBOR: London Interbank Offered Rate; 3-Month LIBOR rate at December 30, 2019 is 1.908%.

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

As of December 31, 2019, the Fund had the following open forward foreign currency contracts:

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Depreciation ($)	Counterparty
EUR	567,000	USD	632,083	2/19/2020	(5,783)	Bank of America

Currency Abbreviations

AUD	Australian Dollar	GBP	British Pound
CHF	Swiss Franc	JPY	Japanese Yen
EUR	Euro	USD	United States Dollar

For information on the Fund's policy and additional disclosures regarding futures contracts, credit default swap 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.

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 December 31, 2019 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 (k)				
Communication Services	$ 4,800,983	$ 2,672,738	$ —	$ 7,473,721
Consumer Discretionary	5,443,216	2,407,271	—	7,850,487
Consumer Staples	3,760,304	1,340,807	—	5,101,111
Energy	2,353,150	1,702,216	—	4,055,366
Financials	4,750,151	7,258,779	—	12,008,930
Health Care	4,825,385	2,627,890	—	7,453,275
Industrials	3,410,433	2,888,877	—	6,299,310
Information Technology	12,598,566	1,592,041	—	14,190,607
Materials	1,549,041	1,999,125	—	3,548,166
Real Estate	2,673,764	1,089,125	—	3,762,889
Utilities	3,057,908	2,086,385	—	5,144,293
Preferred Stocks (k)	5,804,497	—	—	5,804,497
Warrants	—	—	6,499	6,499
Fixed Income Investments (k)				
Corporate Bonds	—	12,020,416	—	12,020,416
Asset-Backed	—	7,266,237	—	7,266,237
Mortgage-Backed Securities Pass-Throughs	—	1,229,130	—	1,229,130
Commercial Mortgage-Backed Securities	—	6,726,689	—	6,726,689
Collateralized Mortgage Obligations	—	10,244,395	—	10,244,395
Government & Agency Obligations	—	767,087	—	767,087
Short-Term U.S. Treasury Obligations	—	2,895,821	—	2,895,821
Exchange-Traded Funds	3,671,880	—	—	3,671,880
Short-Term Investments (k)	2,649,606	—	—	2,649,606
Derivatives (l)				
Futures Contracts	139,828	—	—	139,828
Credit Default Swap Contracts	—	13,370	—	13,370
Total	**$61,488,712**	**$68,828,399**	**$6,499**	**$130,323,610**

Liabilities	Level 1	Level 2	Level 3	Total
Derivatives (l)				
Futures Contracts	$ (193,822)	$ —	$ —	$ (193,822)
Interest Rate Swap Contracts	—	(35,989)	—	(35,989)
Forward Foreign Currency Contracts	—	(5,783)	—	(5,783)
Total	**$ (193,822)**	**$ (41,772)**	**$ —**	**$ (235,594)**

(k) See Investment Portfolio for additional detailed categorizations.

(l) Derivatives include unrealized appreciation (depreciation) on open futures contracts, credit default swap 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $110,294,537) — including $1,047,048 of securities loaned	$ 127,520,806
Investment in DWS Government & Agency Securities Portfolio (cost $1,105,478)*	1,105,478
Investment in DWS Central Cash Management Government Fund (cost $1,544,128)	1,544,128
Cash	98,271
Foreign currency, at value (cost $506,646)	509,124
Receivable for Fund shares sold	701
Dividends receivable	178,375
Interest receivable	203,956
Receivable for variation margin on centrally cleared swaps	8,597
Unrealized appreciation on bilateral swap contracts	13,370
Foreign taxes recoverable	76,644
Other assets	3,077
Total assets	131,262,527
Liabilities	
Payable upon return of securities loaned	1,105,478
Payable for Fund shares redeemed	53,571
Payable for variation margin on futures contracts	2,140
Unrealized depreciation on forward foreign currency contracts	5,783
Upfront payments received on swap contracts	15,207
Accrued management fee	40,592
Accrued Trustees' fees	3,242
Other accrued expenses and payables	188,239
Total liabilities	1,414,252
Net assets, at value	**$ 129,848,275**
Net Assets Consist of	
Distributable earnings (loss)	23,283,542
Paid-in capital	106,564,733
Net assets, at value	**$ 129,848,275**
Net Asset Value	
Class A **Net Asset Value,** offering and redemption price per share ($129,836,991 ÷ 5,271,275 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 24.63**
Class B **Net Asset Value,** offering and redemption price per share ($11,284 ÷ 458.6 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 24.61**

* Represents collateral on securities loaned.

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

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends (net of foreign taxes withheld of $142,000)	$ 2,928,492
Interest	1,617,231
Income distributions — DWS Central Cash Management Government Fund	84,222
Securities lending income, net of borrower rebates	18,414
Total income	4,648,359
Expenses: Management fee	473,154
Administration fee	127,880
Services to Shareholders	782
Distribution service fees (Class B)	26
Custodian fee	61,136
Professional fees	103,122
Reports to shareholders	55,368
Trustees' fees and expenses	7,095
Other	44,163
Total expenses before expense reductions	872,726
Expense reductions	(25)
Total expenses after expense reductions	872,701
Net investment income	**3,775,658**
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from: Investments	1,209,759
Swap contracts	(143,938)
Futures	1,274,090
Forward foreign currency contracts	17,110
Foreign currency	385
Payments by affiliates (see Note G)	1,511
	2,358,917
Change in net unrealized appreciation (depreciation) on: Investments	16,839,481
Swap contracts	85,781
Futures	140,970
Forward foreign currency contracts	33,823
Foreign currency	7,366
	17,107,421
Net gain (loss)	**19,466,338**
Net increase (decrease) in net assets resulting from operations	**$ 23,241,996**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income	$ 3,775,658	$ 4,562,853
Net realized gain (loss)	2,358,917	2,201,335
Change in net unrealized appreciation (depreciation)	17,107,421	(16,929,613)
Net increase (decrease) in net assets resulting from operations	23,241,996	(10,165,425)
Distributions to shareholders:		
Class A	(5,055,619)	(17,909,607)
Class B	(391)	—
Total distributions	(5,056,010)	(17,909,607)
Fund share transactions:		
Class A		
Proceeds from shares sold	3,126,739	2,336,008
Reinvestment of distributions	5,055,619	17,909,607
Payments for shares redeemed	(16,140,970)	(19,079,316)
Net increase (decrease) in net assets from Class A share transactions	(7,958,612)	1,166,299
Class B		
Reinvestment of distributions	391	10,000*
Net increase (decrease) in net assets from Class B share transactions	391	10,000*
Increase (decrease) in net assets	10,227,765	(26,898,733)
Net assets at beginning of period	119,620,510	146,519,243
Net assets at end of period	**$129,848,275**	**$119,620,510**
Other Information		
Class A		
Shares outstanding at beginning of period	5,608,755	5,517,134
Shares sold	133,321	97,250
Shares issued to shareholders in reinvestment of distributions	220,866	796,691
Shares redeemed	(691,667)	(802,320)
Net increase (decrease) in Class A shares	(337,480)	91,621
Shares outstanding at end of period	**5,271,275**	**5,608,755**
Class B		
Shares outstanding at beginning of period	441.5	—
Shares sold	17.1	441.5*
Net increase (decrease) in Class B shares	17.1	441.5*
Shares outstanding at end of period	**458.6**	**441.5***

* For the period from May 1, 2018 (commencement of operations of Class B) to December 31, 2018.

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

Financial Highlights

Class A

	Years Ended December 31, 2019	2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$21.33**	**$26.56**	**$23.50**	**$22.93**	**$24.62**
Income (loss) from investment operations:					
Net investment income[a]	.69	.80	.71	.61	.68
Net realized and unrealized gain (loss)	3.54	(2.67)	3.10	.91	(.97)
Total from investment operations	4.23	(1.87)	3.81	1.52	(.29)
Less distributions from:					
Net investment income	(.90)	(.98)	(.75)	(.95)	(.76)
Net realized gains	(.03)	(2.38)	—	—	(.64)
Total distributions	(.93)	(3.36)	(.75)	(.95)	(1.40)
Net asset value, end of period	**$24.63**	**$21.33**	**$26.56**	**$23.50**	**$22.93**
Total Return (%)	20.16	(7.66)[b]	16.54	6.81	(1.44)[b]
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	130	120	147	185	202
Ratio of expenses before expense reductions (%)[c]	.68	.69	.63	.62	.60
Ratio of expenses after expense reductions (%)[c]	.68	.68	.63	.62	.58
Ratio of net investment income (loss) (%)	2.96	3.34	2.85	2.66	2.85
Portfolio turnover rate (%)	182	70	122	135	92

a Based on average shares outstanding during the period.
b Total return would have been lower had certain expenses not been reduced.
c 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.

Class B

	Year Ended December 31, 2019	Period Ended 12/31/18[a]
Selected Per Share Data		
Net asset value, beginning of period	**$ 21.30**	**$ 22.65**
Income (loss) from investment operations:		
Net investment income[b]	.65	.50
Net realized and unrealized gain (loss)	3.55	(1.85)
Total from investment operations	4.20	(1.35)
Less distributions from:		
Net investment income	(.86)	—
Net realized gains	(.03)	—
Total distributions	(.89)	—
Net asset value, end of period	**$ 24.61**	**$ 21.30**
Total Return (%)[c]	20.01	(5.96)**
Ratios to Average Net Assets and Supplemental Data		
Net assets, end of period ($ thousands)	11	9
Ratio of expenses before expense reductions (%)[d]	1.10	1.15*
Ratio of expenses after expense reductions (%)[d]	.86	.86*
Ratio of net investment income (loss) (%)	2.77	3.30*
Portfolio turnover rate (%)	182	70[e]

a For the period from May 1, 2018 (commencement of operations) to December 31, 2018.
b Based on average shares outstanding during the period.
c Total return would have been lower had certain expenses not been reduced.
d 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.
e Represents the Fund's portfolio turnover rate for the year ended December 31, 2018.
* Annualized
** Not annualized

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

Notes to 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). Sales of Class B shares are subject to recordkeeping fees up to 0.15% and Rule 12b-1 fees under the 1940 Act equal to an annual rate of 0.25% 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 Rule 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 and 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 Depository 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.

Exchange-traded options are valued at the last sale price or, in the absence of a sale, the mean between the closing bid and asked prices or at the most recent asked price (bid for purchased options) if no bid or asked price are available. Exchange-traded options are categorized as Level 1. Over-the-counter written or purchased options are valued at prices supplied by a Board approved pricing vendor, if available, and otherwise are valued at the price provided by the broker-dealer with which the option was traded. Over-the-counter written or purchased options 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 year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, the Fund had securities on loan, which were classified as common stocks and corporate bonds in the Investment Portfolio. The value of the related collateral exceeded the value of the securities loaned at period end.

Remaining Contractual Maturity of the Agreements as of December 31, 2019

	Overnight and Continuous	<30 days	Between 30 & 90 days	>90 days	Total
Securities Lending Transactions					
Common Stocks	$ 879,235	$ —	$ —	$ —	$ 879,235
Corporate Bonds	226,243	—	—	—	226,243
Total Borrowings	**$1,105,478**	**$ —**	**$ —**	**$ —**	**$1,105,478**
Gross amount of recognized liabilities for securities lending transactions:					$1,105,478

When-Issued/Delayed Delivery Securities. The Fund may purchase or sell 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 or sell a security, the transaction is recorded and the value of the transaction 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. 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.

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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 4,845,598
Undistributed long-term capital gains	$ 1,686,663
Net unrealized appreciation (depreciation) on investments	$ 16,729,561

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $113,404,844. The net unrealized appreciation for all investments based on tax cost was $16,729,561. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $18,234,031 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $1,504,470.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ 4,909,285	$ 9,573,430
Distributions from long-term capital gains	$ 146,725	$ 8,336,177

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 discounts and premiums are accreted/amortized 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 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 year ended December 31, 2019, 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 December 31, 2019 is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in interest rate swap contracts had a total notional amount generally indicative of a range from $800,000 to $26,400,000.

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 year ended December 31, 2019, 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.

A summary of the open credit default swap contracts as of December 31, 2019 is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in credit default swap contracts purchased had a total USD equivalent notional value generally indicative of a range from $0 to approximately $6,437,000 and the investment in credit default swap contracts sold had a total USD equivalent notional value generally indicative of a range from $0 to approximately $10,819,000.

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 year ended December 31, 2019, 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 disclosed in the Statement of Assets and Liabilities.

A summary of the open futures contracts as of December 31, 2019 is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in futures contracts purchased had a total notional value generally indicative of a range from approximately $23,383,000 to $46,132,000, and the investment in futures contracts sold had a total notional value generally indicative of a range from approximately $5,178,000 to $31,596,000.

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 year ended December 31, 2019, 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 December 31, 2019 is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in forward currency contracts short vs. U.S. dollars had a total contract value generally indicative of a range from approximately $632,000 to $19,036,000, and the investment in forward currency contracts long vs. U.S. dollars had a total contract value generally indicative of a range from $0 to approximately $7,786,000. The investment in forward currency contracts long vs. other foreign currencies sold had a total contract value generally indicative of a range from $0 to approximately $2,222,000.

The following tables summarize the value of the Fund's derivative instruments held as of December 31, 2019 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

Asset Derivatives	**Swap Contracts**	**Futures Contracts**	**Total**
Equity Contracts (a)	$ —	$ 85,433	$ 85,433
Interest Rate Contracts (a)	—	54,395	54,395
Credit Contracts (b)	13,370	—	13,370
	$ 13,370	**$ 139,828**	**$ 153,198**

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

(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.

(b) Unrealized appreciation on bilateral swap contracts

Liability Derivatives	**Forward Contracts**	**Swap Contracts**	**Futures Contracts**	**Total**
Equity Contracts (c)	$ —	$ —	$ (33,430)	$ (33,430)
Interest Rate Contracts (c)	—	(35,989)	(160,392)	(196,381)
Foreign Exchange Contracts (d)	(5,783)	—	—	(5,783)
	$ (5,783)	**$ (35,989)**	**$ (193,822)**	**$ (235,594)**

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

(c) Includes cumulative depreciation 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.

(d) 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 year ended December 31, 2019, and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Forward Contracts	Swap Contracts	Futures Contracts	Total
Equity Contracts (e)	$ —	$ —	$ 120,575	$ 120,575
Credit Contracts (e)	—	(252,351)	—	(252,351)
Interest Rate Contracts (e)	—	108,413	1,153,515	1,261,928
Foreign Exchange Contracts (f)	17,110	—	—	17,110
	$ 17,110	**$ (143,938)**	**$ 1,274,090**	**$ 1,147,262**

Each of the above derivatives is located in the following Statement of Operations accounts:

(e) Net realized gain (loss) from swap contracts and futures, respectively

(f) Net realized gain (loss) from forward foreign currency contracts

Change in Net Unrealized Appreciation (Depreciation)	Forward Contracts	Swap Contracts	Futures Contracts	Total
Equity Contracts (g)	$ —	$ —	$ 294,104	$ 294,104
Credit Contracts (g)	—	320,727	—	320,727
Interest Rate Contracts (g)	—	(234,946)	(153,134)	(388,080)
Foreign Exchange Contracts (h)	33,823	—	—	33,823
	$ 33,823	**$ 85,781**	**$ 140,970**	**$ 260,574**

Each of the above derivatives is located in the following Statement of Operations accounts:

(g) Change in net unrealized appreciation (depreciation) on swap contracts and futures, respectively

(h) Change in net unrealized appreciation (depreciation) on forward foreign currency contracts

As of December 31, 2019, 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 tables:

Counterparty	Gross Amounts of Assets Presented in the Statement of Assets and Liabilities	Financial Instruments and Derivatives Available for Offset	Collateral Received	Net Amount of Derivative Assets
Morgan Stanley	$ 13,370	$ —	$ —	$ 13,370

Counterparty	Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Financial Instruments and Derivatives Available for Offset	Collateral Pledged	Net Amount of Derivative Liabilities
Bank of America	$ 5,783	$ —	$ —	$ 5,783

C. Purchases and Sales of Securities

During the year ended December 31, 2019, purchases and sales of investment transactions, excluding short-term investments, were as follows:

	Purchases	Sales
Non-U.S. Treasury Obligations	$ 206,380,459	$ 209,379,797
U.S. Treasury Obligations	$ 14,301,823	$ 17,036,822

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.

Effective May 16, 2019, DWS Alternatives Global Limited, also an indirect, wholly owned subsidiary of DWS Group, no longer serves as subadvisor for the Fund. DWS Alternatives Global Limited provided portfolio manager services to the Fund and pursuant to a sub-advisory agreement between DIMA and DWS Alternatives Global Limited, DIMA, not the Fund, compensated DWS Alternatives Global Limited for the services it provided to the Fund.

Under the Investment Management Agreement, 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	.370%
Next $750 million	.345%
Over $1 billion	.310%

Accordingly, for the year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waiver/reimbursements) of 0.37% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2019 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 each class as follows:

Class A	.73%
Class B	.86%

Effective October 1, 2019 through September 30, 2020 (and through April 30, 2020 for Class B shares), 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 each class as follows:

Class A	.71%
Class B	.86%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for Class B are $25.

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $127,880, of which $10,972 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 0.25% of average daily net assets of Class B shares. For the year ended December 31, 2019, the Distribution Service Fee was as follows:

Distribution Fee	Total Aggregated	Unpaid at December 31, 2019
Class B	$ 26	$ 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 319	$ 71
Class B	18	3
	$ 337	**$ 74**

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $17,964, of which $5,660 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 year ended December 31, 2019, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of $1,400.

E. Ownership of the Fund

At December 31, 2019, one participating insurance company was owner of record of 10% or more of the total outstanding Class A shares of the Fund, owning 69%.

F. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

G. Payments by Affiliates

During the year ended December 31, 2019, the Advisor agreed to reimburse the Fund $1,511 for losses incurred on trades executed incorrectly. The amount reimbursed was less than 0.01% of the Fund's average net assets, thus having no impact on the Fund's total return.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS Global Income Builder VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Global Income Builder VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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, Class B 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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,058.40	$ 1,058.00
Expenses Paid per $1,000*	$ 3.53	$ 4.46

Hypothetical 5% Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,021.78	$ 1,020.87
Expenses Paid per $1,000*	$ 3.47	$ 4.38

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratio	**Class A**	**Class B**
Deutsche DWS Variable Series II — DWS Global Income Builder VIP	.68%	.86%

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.

Tax Information

(Unaudited)

The Fund paid distributions of $0.03 per share from net long-term capital gains during its year ended December 31, 2019.

Pursuant to Section 852 of the Internal Revenue Code, the Fund designates $1,903,000 as capital gain dividends for its year ended December 31, 2019.

For corporate shareholders, 24% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2019 qualified for the dividends received deduction.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's performance (Class A shares) was in the 4th 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). The Board also observed that the Fund has outperformed its benchmark in the three-year period and has underperformed its benchmark in the one- and five-year periods ended December 31, 2018. 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 a change in the Fund's portfolio management team, effective December 6, 2018, and that certain additional changes to the portfolio management team were made effective April 10, 2019 and May 17, 2019. The Board observed that the Fund had experienced improved relative performance during the first eight months of 2019. 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 0.10% 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, 2018). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be equal to the median of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2018, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

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Notes

VS2GIB-2 (R-025825-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series I

DWS Global Small Cap VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

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DWS

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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.

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

Performance Summary

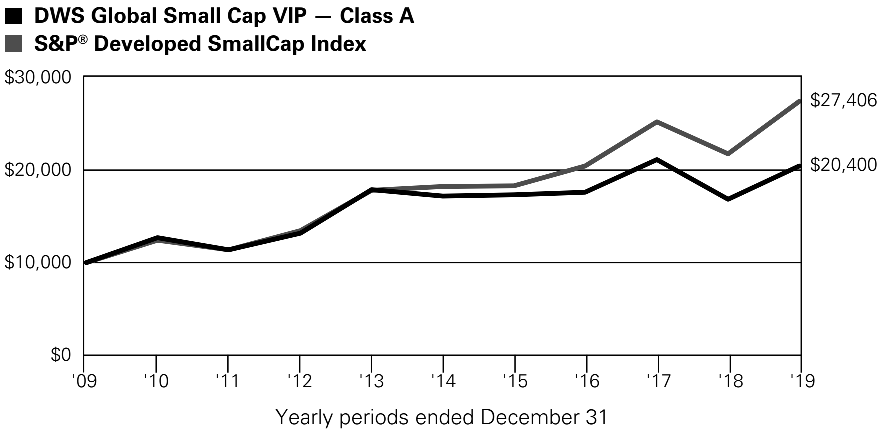
December 31, 2019 (Unaudited)

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, 2019, are 1.10% and 1.39% 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



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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$12,129	$11,572	$11,890	$20,400
	Average annual total return	21.29%	4.99%	3.52%	7.39%
S&P Developed SmallCap Index	Growth of $10,000	$12,614	$13,407	$15,058	$27,406
	Average annual total return	26.14%	10.27%	8.53%	10.61%
DWS Global Small Cap VIP		**1-Year**	**3-Year**	**5-Year**	**10-Year**
Class B	Growth of $10,000	$12,108	$11,477	$11,731	$19,900
	Average annual total return	21.08%	4.70%	3.24%	7.12%
S&P Developed SmallCap Index	Growth of $10,000	$12,614	$13,407	$15,058	$27,406
	Average annual total return	26.14%	10.27%	8.53%	10.61%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

DWS Global Small Cap VIP returned 21.29% in 2019 (Class A shares, unadjusted for contract charges) and underperformed the 26.14% return of its benchmark, the S&P® Developed SmallCap Index.

Global equities performed very well in 2019, reflecting the shift by the U.S. Federal Reserve and other major central banks toward more accommodative policies. In combination with a slow, but positive economic expansion and continued growth in corporate earnings, the move to a lower interest-rate regime boosted investors' appetite for risk. Despite the positive overall return for stocks, small caps trailed the broader market globally as investors sought the perceived safety of large- and mega-cap equities. U.S. stocks outperformed the international markets, while the growth style outpaced value.

The Fund's allocation to cash, which we held in an effort to offset market volatility at various points throughout the year, was a key detractor from performance given the strong gains for equities. Stock selection, primarily in health care, also played a role in the shortfall. The biopharmaceutical company Retrophin, Inc. (United States) was the most notable detractor in the sector. One of the company's key drugs failed to meet expectations, causing the stock to fall sharply in mid-August. A position in Merit Medical Systems, Inc.* also cost the Fund some performance, as shares of the device maker lagged due to weaker-than-expected earnings and reduced forward guidance. Providence Service Corp. (United States), a manager of non-emergency medical transportation programs for state governments and managed care organizations, further weighed on results in health care, as did the U.S. biotechnology firm Heron Therapeutics, Inc.

The financial sector also proved to be a challenging area for the Fund, due in part to a position in the U.S. company Green Dot Corp. The stock slid after the company announced that additional capital expenditures were required to stave off new completion in its core reloadable debit-card business, as well as for the launch of new products. We also lost ground through a holding in the U.S. asset manager Affiliated Managers Group, Inc., which declined due to outflows from several of its key funds.

On the positive side, we generated strong results in the information technology sector. The U.S. semiconductor company Inphi Corp. was the largest contributor to performance. The company makes chips used in fifth generation (5G) mobile communications, an area that has experienced rapid growth as the new technology is rolled out. Altran Technologies SA, a France-based consulting firm that became an acquisition target, further aided returns. Our robust showing in the energy sector stemmed from a position in Dril-Quip, Inc., an oilfield services company whose shares rallied due to improved order growth, cost reductions, and the announcement of a share buyback program. In the industrials sector, the Fund's outperformance was partially the result of an investment in Techtronic Industries Co., Ltd. The Hong Kong-based maker of power tools and other home-improvement items generates most of its earnings from sales to the United States, particularly at Home Depot. As a result, it was well positioned to benefit from the strength of the U.S. housing market.

The past year brought outperformance for fast-growing and momentum-oriented equities on one hand, and for defensive stocks on the other. This environment worked against the Fund, as the steady growers we emphasize were often left behind in the rally. We believe this sets the stage for a potential "mean reversion" for the types of stocks we hold in the portfolio, particularly in light of the face that their relative values have become more attractive. We would also note that analyst coverage of small caps has declined as asset managers have sought to reduce costs, providing a wider opportunity for active managers to identify inefficiencies in the market. With this as the backdrop, we maintained a focus on undervalued, growing companies with low leverage and management teams whose interests are aligned with those of their shareholders.

Peter Barsa, Director
Portfolio Manager

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

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.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the Fund.

Mean reversion is a theory that prices and returns eventually move back toward the long-term mean, or average.

* Not held at December 31, 2019.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	94%	88%
Cash Equivalents	5%	9%
Exchange-Traded Fund	1%	1%
Convertible Preferred Stock	0%	1%
Preferred Stock	—	1%
Warrant	—	0%
	100%	100%

Geographical Diversification (As of % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
United States	59%	60%
Japan	10%	10%
United Kingdom	6%	5%
Germany	3%	4%
Canada	3%	3%
France	3%	3%
Italy	3%	3%
Austria	2%	2%
Luxembourg	2%	—
Others	9%	10%
	100%	100%

Sector Diversification (As of % of Investment Portfolio excluding Exchange-Traded Fund, Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Industrials	20%	19%
Information Technology	17%	15%
Health Care	14%	16%
Financials	12%	13%
Real Estate	11%	4%
Consumer Discretionary	11%	16%
Materials	6%	6%
Communication Services	3%	3%
Consumer Staples	3%	3%
Energy	3%	5%
	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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 93.7%		
Austria 1.9%		
Lenzing AG	3,467	320,731
Wienerberger AG	36,818	1,091,114
(Cost $1,394,542)		**1,411,845**
Bermuda 0.9%		
Lazard Ltd. "A" (a) (Cost $356,254)	16,265	**649,949**
Canada 2.8%		
First Quantum Minerals Ltd.	17,977	182,324
Linamar Corp.	12,569	475,542
Pan American Silver Corp.	16,342	387,109
Quebecor, Inc. "B"	39,795	1,015,599
(Cost $1,630,801)		**2,060,574**
France 2.6%		
Alten SA	3,084	389,422
Altran Technologies SA	14,885	236,324
SMCP SA 144A* (b)	24,421	259,680
SPIE SA	37,270	759,199
Synergie SA	7,182	235,404
(Cost $2,472,373)		**1,880,029**
Germany 3.3%		
Deutz AG	77,387	485,900
PATRIZIA AG	61,279	1,357,798
United Internet AG (Registered)	16,617	549,572
(Cost $1,452,000)		**2,393,270**
Hong Kong 0.5%		
Techtronic Industries Co., Ltd. (Cost $58,410)	48,041	**393,435**
India 1.2%		
WNS Holdings Ltd. (ADR)* (Cost $415,935)	13,658	**903,477**
Ireland 1.6%		
Avadel Pharmaceuticals PLC (ADR)* (b)	29,655	223,895
Dalata Hotel Group PLC	104,889	607,307
Ryanair Holdings PLC*	21,445	353,280
(Cost $890,124)		**1,184,482**
Italy 2.5%		
Buzzi Unicem SpA	43,862	1,104,456
Cerved Group SpA	23,914	233,842
Moncler SpA	10,749	483,812
(Cost $1,492,391)		**1,822,110**
Japan 9.8%		
Ai Holdings Corp.	34,117	606,111
Anicom Holdings, Inc.	23,200	782,879
BML, Inc.	27,700	796,813
Daikyonishikawa Corp.	39,500	307,965
Kura Sushi, Inc.	4,800	238,093
Kusuri No Aoki Holdings Co., Ltd.	12,458	779,759
Optex Group Co., Ltd.	17,000	256,052
Sawai Pharmaceutical Co., Ltd.	13,000	824,465
Syuppin Co., Ltd. (b)	49,200	562,802
Topcon Corp.	26,500	343,007
UT Group Co., Ltd.	25,024	748,132
Zenkoku Hosho Co., Ltd.	22,400	952,827
(Cost $4,906,893)		**7,198,905**
Korea 0.6%		
i-SENS, Inc. (Cost $569,029)	18,843	**418,707**
Luxembourg 1.6%		
B&M European Value Retail SA (Cost $1,007,174)	221,402	**1,201,213**
Spain 1.5%		
Talgo SA 144A* (Cost $819,877)	163,249	**1,117,011**
Sweden 1.0%		
Nobina AB 144A (Cost $485,067)	110,870	**764,443**
Switzerland 1.0%		
Landis & Gyr Group AG*	4,139	430,019
Transocean Ltd.* (c)	40,471	278,441
(Cost $784,509)		**708,460**
United Kingdom 5.9%		
accesso Technology Group PLC* (b)	11,842	76,049
Arrow Global Group PLC	95,792	326,106
Clinigen Healthcare Ltd.*	32,975	403,691
Domino's Pizza Group PLC	106,754	452,789
Electrocomponents PLC	132,047	1,185,791
Johnson Service Group PLC	255,682	665,133
Scapa Group PLC	249,121	806,651
Ultra Electronics Holdings PLC	13,329	373,303
(Cost $3,220,820)		**4,289,513**
United States 55.0%		
Advanced Disposal Services, Inc.*	19,649	645,863
Affiliated Managers Group, Inc.	4,203	356,162
Agilysys, Inc.*	13,712	348,422
Americold Realty Trust (REIT)	26,801	939,643
Amicus Therapeutics, Inc.*	13,338	129,912
Arena Pharmaceuticals, Inc.*	8,271	375,669
Bill.Com Holdings, Inc.*	708	26,939
Blucora, Inc.*	13,415	350,668
Cabot Microelectronics Corp.	3,793	547,406
California Resources Corp.* (b)	13,170	118,925
Cardiovascular Systems, Inc.*	16,253	789,733
Casey's General Stores, Inc.	7,262	1,154,585
Chart Industries, Inc.*	10,311	695,889
Cleveland-Cliffs, Inc. (b)	46,669	392,020
Contango Oil & Gas Co.*	121,885	447,322
Cornerstone OnDemand, Inc.*	11,453	670,573
Dril-Quip, Inc.*	13,199	619,165
Ducommun, Inc.*	26,024	1,314,993
Eagle Bancorp., Inc.	8,104	394,098
EastGroup Properties, Inc. (REIT)	4,060	538,640
Envestnet, Inc.*	10,634	740,445
Essential Properties Realty Trust, Inc. (REIT)	26,858	666,347
Five9, Inc.*	16,384	1,074,463
Four Corners Property Trust, Inc. (REIT)	27,967	788,390
Fox Factory Holding Corp.*	12,182	847,502

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

	Shares	Value ($)
Green Dot Corp. "A"*	5,528	128,802
H&E Equipment Services, Inc.	14,014	468,488
Heron Therapeutics, Inc.*	19,877	467,109
Hillenbrand, Inc.	10,258	341,694
Hudson Pacific Properties, Inc. (REIT)	21,914	825,062
Hyster-Yale Materials Handling, Inc.	10,535	621,144
Inphi Corp.*	12,756	944,199
iRhythm Technologies, Inc.*	3,926	267,321
Jack in the Box, Inc.	5,411	422,220
Jefferies Financial Group, Inc.	28,273	604,194
Lumentum Holdings, Inc.*	9,808	777,774
Masonite International Corp.*	7,831	565,476
Mistras Group, Inc.*	9,356	133,510
Molina Healthcare, Inc.*	5,952	807,627
National Storage Affiliates Trust (REIT)	38,326	1,288,520
Neurocrine Biosciences, Inc.*	11,283	1,212,810
Option Care Health, Inc.*	118,212	440,931
Pacira BioSciences, Inc.*	12,803	579,976
Physicians Realty Trust (REIT)	43,944	832,299
Providence Service Corp.*	14,901	881,841
QAD, Inc. "A"	17,187	875,334
QTS Realty Trust, Inc. "A", (REIT)	8,506	461,621
Retrophin, Inc.*	26,114	370,819
Rush Enterprises, Inc. "A"	37,604	1,748,586
SEACOR Marine Holdings, Inc.*	23,237	320,438
Sinclair Broadcast Group, Inc. "A"	15,935	531,273
South State Corp.	12,960	1,124,280
Synovus Financial Corp.	22,074	865,301
Tandem Diabetes Care, Inc.*	3,297	196,534
Tenneco, Inc. "A"	14,372	188,273
Thermon Group Holdings, Inc.*	40,365	1,081,782
Titan Machinery, Inc.*	33,491	494,997
TopBuild Corp.*	5,803	598,173
Trinseo SA	3,023	112,486
TriState Capital Holdings, Inc.*	27,098	707,800
Varonis Systems, Inc.*	11,732	911,694
WEX, Inc.*	3,693	773,536
YETI Holdings, Inc.* (b)	19,105	664,472
Zions Bancorp. NA	10,965	569,303
(Cost $29,957,948)		**40,181,473**
Total Common Stocks (Cost $51,914,147)		**68,578,896**

	Shares	Value ($)
Convertible Preferred Stocks 0.4%		
United States		
Providence Service Corp. (d) (Cost $196,900)	1,969	**292,190**
Exchange-Traded Funds 1.2%		
United States		
iShares Russell 2000 ETF (Cost $778,252)	5,251	**869,933**
Securities Lending Collateral 2.5%		
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (e) (f) (Cost $1,799,761)	1,799,761	**1,799,761**
Cash Equivalents 4.5%		
DWS Central Cash Management Government Fund, 1.62% (e) (Cost $3,272,911)	3,272,911	**3,272,911**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $57,961,971)	102.3	**74,813,691**
Other Assets and Liabilities, Net	(2.3)	**(1,695,666)**
Net Assets	100.0	**73,118,025**

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 2.5%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (e) (f)								
510,934	1,288,827 (g)	—	—	—	43,649	—	1,799,761	1,799,761
Cash Equivalents 4.5%								
DWS Central Cash Management Government Fund, 1.62% (e)								
6,042,652	11,750,943	14,520,684	—	—	108,698	—	3,272,911	3,272,911
6,553,586	**13,039,770**	**14,520,684**	**—**	**—**	**152,347**	**—**	**5,072,672**	**5,072,672**

* Non-income producing security.

(a) Listed on the NASDAQ Stock Market, Inc.

(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 December 31, 2019 amounted to $1,813,328, which is 2.5% of net assets.

(c) Listed on the New York Stock Exchange.

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

(d) Investment was valued using significant unobservable inputs.

(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 $72,184.

(g) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested for the period ended December 31, 2019.

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

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 December 31, 2019 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				
Austria	$ —	$ 1,411,845	$ —	$ 1,411,845
Bermuda	649,949	—	—	649,949
Canada	2,060,574	—	—	2,060,574
France	—	1,880,029	—	1,880,029
Germany	—	2,393,270	—	2,393,270
Hong Kong	—	393,435	—	393,435
India	903,477	—	—	903,477
Ireland	223,895	960,587	—	1,184,482
Italy	—	1,822,110	—	1,822,110
Japan	—	7,198,905	—	7,198,905
Korea	—	418,707	—	418,707
Luxembourg	—	1,201,213	—	1,201,213
Spain	—	1,117,011	—	1,117,011
Sweden	—	764,443	—	764,443
Switzerland	278,441	430,019	—	708,460
United Kingdom	—	4,289,513	—	4,289,513
United States	40,181,473	—	—	40,181,473
Convertible Preferred Stocks	—	—	292,190	292,190
Exchange-Traded Funds	869,933	—	—	869,933
Short-Term Investments (h)	5,072,672	—	—	5,072,672
Total	**$ 50,240,414**	**$ 24,281,087**	**$ 292,190**	**$ 74,813,691**

(h) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $52,889,299) including — $1,813,328 of securities loaned	$69,741,019
Investment in DWS Government & Agency Securities Portfolio (cost $1,799,761)*	1,799,761
Investment in DWS Central Cash Management Government Fund (cost $3,272,911)	3,272,911
Foreign currency, at value (cost $143,382)	144,850
Receivable for investments sold	7,725
Receivable for Fund shares sold	2,408
Dividends receivable	48,402
Interest receivable	8,833
Foreign taxes recoverable	13,294
Other assets	2,072
Total assets	75,041,275

Liabilities	
Payable upon return of securities loaned	1,799,761
Payable for Fund shares redeemed	5,944
Accrued management fee	22,700
Accrued Trustees' fees	2,200
Other accrued expenses and payables	92,645
Total liabilities	1,923,250
Net assets, at value	**$73,118,025**

Net Assets Consist of	
Distributable earnings (loss)	16,272,387
Paid-in capital	56,845,638
Net assets, at value	**$73,118,025**

Net Asset Value	
Class A **Net Asset Value,** offering and redemption price per share ($70,779,246 ÷ 6,910,961 outstanding shares of beneficial interest, $.01 par value, unlimited number of shares authorized)	**$ 10.24**
Class B **Net Asset Value,** offering and redemption price per share ($2,338,779 ÷ 238,523 outstanding shares of beneficial interest, $.01 par value, unlimited number of shares authorized)	**$ 9.81**

* Represents collateral on securities loaned. In addition, the Fund held non-cash collateral having a value of $72,184.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends (net of foreign taxes withheld of $48,065)	$ 806,531
Income distributions — DWS Central Cash Management Government Fund	108,698
Securities lending income, net of borrower rebates	43,649
Other income	207
Total income	959,085
Expenses: Management fee	562,865
Administration fee	70,358
Services to shareholders	1,774
Recordkeeping fee (Class B)	622
Distribution service fee (Class B)	5,432
Custodian fee	20,799
Professional fees	67,142
Reports to shareholders	36,226
Trustees' fees and expenses	5,813
Other	18,208
Total expenses before expense reductions	789,239
Expense reductions	(208,777)
Total expenses after expense reductions	580,462
Net investment income	**378,623**

Realized and Unrealized gain (loss)	
Net realized gain (loss) from: Investments	(697,953)
Foreign currency	2,493
	(695,460)
Change in net unrealized appreciation (depreciation) on: Investments	13,799,728
Foreign currency	2,035
	13,801,763
Net gain (loss)	**13,106,303**
Net increase (decrease) in net assets resulting from operations	**$13,484,926**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 378,623	$ 163,692
Net realized gain (loss)	(695,460)	4,101,641
Change in net unrealized appreciation (depreciation)	13,801,763	(21,204,229)
Net increase (decrease) in net assets resulting from operations	13,484,926	(16,938,896)
Distributions to shareholders:		
Class A	(3,709,915)	(10,751,156)
Class B	(121,306)	(359,200)
Total distributions	(3,831,221)	(11,110,356)
Fund share transactions:		
Class A		
Proceeds from shares sold	2,668,513	3,594,525
Reinvestment of distributions	3,709,915	10,751,156
Payments for shares redeemed	(8,101,927)	(9,398,765)
Net increase (decrease) in net assets from Class A share transactions	(1,723,499)	4,946,916
Class B		
Proceeds from shares sold	254,888	125,220
Reinvestment of distributions	121,306	359,200
Payments for shares redeemed	(426,683)	(387,600)
Net increase (decrease) in net assets from Class B share transactions	(50,489)	96,820
Increase (decrease) in net assets	7,879,717	(23,005,516)
Net assets at beginning of period	65,238,308	88,243,824
Net assets at end of period	**$73,118,025**	**$ 65,238,308**

Other Information		
Class A		
Shares outstanding at beginning of period	7,090,435	6,616,392
Shares sold	278,893	323,813
Shares issued to shareholders in reinvestment of distributions	383,652	963,365
Shares redeemed	(842,019)	(813,135)
Net increase (decrease) in Class A shares	(179,474)	474,043
Shares outstanding at end of period	**6,910,961**	**7,090,435**
Class B		
Shares outstanding at beginning of period	244,229	232,496
Shares sold	27,955	11,426
Shares issued to shareholders in reinvestment of distributions	13,086	33,383
Shares redeemed	(46,747)	(33,076)
Net increase (decrease) in Class B shares	(5,706)	11,733
Shares outstanding at end of period	**238,523**	**244,229**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 8.91**	**$ 12.90**	**$11.78**	**$13.17**	**$14.61**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.05	.02	.00*	.03	.06
Net realized and unrealized gain (loss)	1.82	(2.32)	2.21	.15	.21
Total from investment operations	1.87	(2.30)	2.21	.18	.27
Less distributions from:					
Net investment income	—	(.04)	—	(.05)	(.14)
Net realized gains	(.54)	(1.65)	(1.09)	(1.52)	(1.57)
Total distributions	(.54)	(1.69)	(1.09)	(1.57)	(1.71)
Net asset value, end of period	**$10.24**	**$ 8.91**	**$12.90**	**$11.78**	**$13.17**
Total Return (%)[b]	21.29	(20.51)	20.02	1.57	1.16
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	71	63	85	89	104
Ratio of expenses before expense reductions (%)[c]	1.11	1.10	1.15	1.17	1.12
Ratio of expenses after expense reductions (%)[c]	.82	.78	.94	1.02	.99
Ratio of net investment income (loss) (%)	.54	.21	.03	.22	.41
Portfolio turnover rate (%)	23	32	42	41	27

[a] Based on average shares outstanding during the period.
[b] Total return would have been lower had certain expenses not been reduced.
[c] 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 8.57**	**$ 12.47**	**$11.45**	**$12.85**	**$14.29**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.03	(.01)	(.03)	(.03)	.02
Net realized and unrealized gain (loss)	1.75	(2.24)	2.14	.17	.21
Total from investment operations	1.78	(2.25)	2.11	.14	.23
Less distributions from:					
Net investment income	—	—	—	(.02)	(.10)
Net realized gains	(.54)	(1.65)	(1.09)	(1.52)	(1.57)
Total distributions	(.54)	(1.65)	(1.09)	(1.54)	(1.67)
Net asset value, end of period	**$ 9.81**	**$ 8.57**	**$12.47**	**$11.45**	**$12.85**
Total Return (%)[b]	21.08	(20.74)	19.60	1.34	.86
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	2	2	3	3	3
Ratio of expenses before expense reductions (%)[c]	1.40	1.39	1.44	1.47	1.41
Ratio of expenses after expense reductions (%)[c]	1.09	1.06	1.22	1.30	1.24
Ratio of net investment income (loss) (%)	.27	(.08)	(.26)	(.23)	.15
Portfolio turnover rate (%)	23	32	42	41	27

[a] Based on average shares outstanding during the period.
[b] Total return would have been lower had certain expenses not been reduced.
[c] 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.

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

Notes to 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 five diversified funds: DWS Bond VIP, 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 0.25% and 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 securities. 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 Depository 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 year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, the Fund had securities on loan, which were classified as common stock in the Investment Portfolio. The value of the related collateral exceeded the value of the securities loaned at period end.

Remaining Contractual Maturity of the Agreements as of December 31, 2019

	Overnight and Continuous	<30 days	Between 30 & 90 days	>90 days	Total
Securities Lending Transactions					
Common Stocks	$1,799,761	$ —	$ —	$72,184	**$1,871,945**

Gross amount of recognized liabilities for securities lending transactions: $1,871,945

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, 2019, the Fund had a net tax basis short-term capital loss carryforward of approximately $763,000 which may be applied against realized net taxable capital gains indefinitely.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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 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.

At December 31, 2019, the Fund's components of distributable earnings (accumulated losses) on a tax basis are as follows:

Undistributed ordinary income*	$ 492,068
Capital loss carryforward	$ (763,000)
Net unrealized appreciation (depreciation) on investments	$ 16,531,104

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $58,282,587. The net unrealized appreciation for all investments based on tax cost was $16,531,104. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $20,428,556 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $3,897,452.

In addition, the tax character of distributions paid to shareholders by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ 56,074	$ 1,136,799
Distributions from long-term capital gains	$ 3,775,147	$ 9,973,557

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 year ended December 31, 2019, purchases and sales of investment securities (excluding short-term investments) aggregated $15,045,171 and $17,218,600 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 the Advisor an annual fee based on its average daily net assets, 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, 2019 through April 30, 2019, the Advisor had contractually agreed to waive all or a portion of 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) of certain classes as follows:

Class A	.78%
Class B	1.06%

For the period from May 1, 2019 through September 30, 2019, the Advisor had contractually agreed to waive all or a portion of 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) of each class as follows:

Class A	.85%
Class B	1.11%

Effective October 1, 2019 through September 30, 2020, the Advisor has contractually agreed to waive all or a portion of 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) of each class as follows:

Class A	.81%
Class B	1.09%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for each class are as follows:

Class A	$ 202,031
Class B	6,746
	$ 208,777

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 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $70,358, of which $6,149 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 527	$ 86
Class B	165	27
	$ 692	**$ 113**

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 0.25% of 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 year ended December 31, 2019, the Distribution Service Fee aggregated $5,432, of which $488 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $8,351, of which $3,633 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 December 31, 2019, three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 34%, 24% and 15%, 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 73% and 18%, respectively.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

F. Change of Independent Registered Public Accounting Firm

On May 14, 2019, PricewaterhouseCoopers LLP ("PwC") resigned as the independent registered public accounting firm to the Fund. PwC communicated its resignation to the Registrant's Board of Trustees (the "Board of Trustees").

PwC's reports on the Fund's financial statements for the fiscal years ended December 31, 2018 and December 31, 2017 contained no adverse opinion or disclaimer of opinion nor were they qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended December 31, 2018 and December 31, 2017 and during the subsequent interim period through May 14, 2019: (i) there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the subject matter of the disagreements in connection with its reports on the Fund's financial statements for such periods; and (ii) there were no "reportable events" of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

On May 15, 2019, the Audit Committee of the Board of Trustees and the Board of Trustees approved the selection of Ernst & Young LLP ("EY") as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2019. During the Fund's fiscal years ended December 31, 2018 and December 31, 2017, and the subsequent interim period through May 15, 2019, neither the Fund, nor anyone on their behalf, consulted with EY on items which: (i) concerned the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund's financial statements; or (ii) concerned the subject of a disagreement (as defined in paragraph (a)(1)(iv) of Item 304 of Regulation S-K) or reportable events (as described in paragraph (a)(1)(v) of said Item 304).

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series I and Shareholders of DWS Global Small Cap VIP

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Global Small Cap VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series I) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statements of operations and changes in net assets and the financial highlights for the year then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series I) at December 31, 2019, the results of its operations, the changes in its net assets and its financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

The statement of changes in net assets for the year ended December 31, 2018, and the financial highlights for the years ended December 31, 2015, December 31, 2016, December 31, 2017 and December 31, 2018, were audited by another independent registered public accounting firm whose report, dated February 14, 2019, expressed an unqualified opinion on that statement of changes in net assets and those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,068.90	$ 1,068.60
Expenses Paid per $1,000*	$ 4.33	$ 5.74

Hypothetical 5% Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,021.02	$ 1,019.66
Expenses Paid per $1,000*	$ 4.23	$ 5.60

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class B**
Deutsche DWS Variable Series I — DWS Global Small Cap VIP	.83%	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.

Tax Information

(Unaudited)

The Fund paid distributions of $0.54 per share from net long-term capital gains during its year ended December 31, 2019.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, 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, 2018. 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 portfolio management team, effective April 19, 2018. 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 0.10% 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, 2018). The Board noted that, effective October 1, 2017, in connection with the 2017 contract renewal process, DIMA agreed to reduce the Fund's contractual management fee rate to an annual rate of 0.80%. 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, 2018, 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 manages an institutional account comparable to the Fund, but that DWS Group does not manage any comparable DWS Europe Funds. The Board took note of the differences in services provided to DWS Funds as compared to institutional accounts and that such differences made comparison difficult.

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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/ Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

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December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS Government & Agency Securities VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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 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. The "full faith and credit" guarantee of the US government applies to the timely repayment of interest, and does not eliminate market risk. Because of the rising US government debt burden, it is possible that the US government may not be able to meet its financial obligations or that securities issued by the US government may experience credit downgrades. The Fund may lend securities to approved institutions. See the prospectus for details.

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

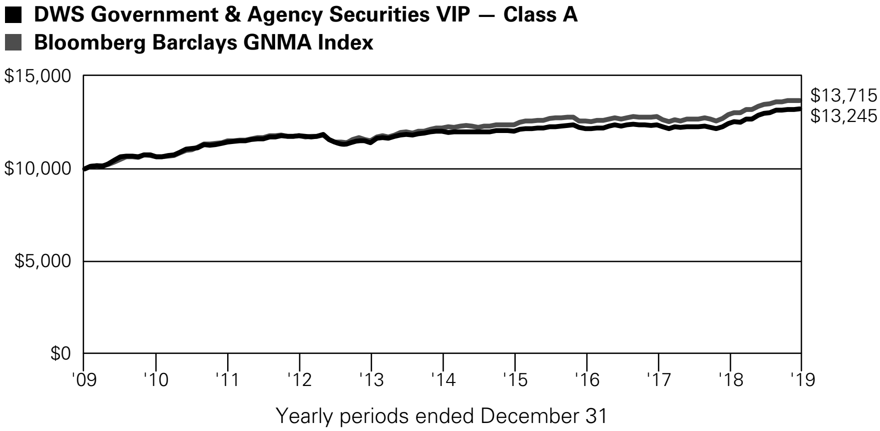
December 31, 2019 (Unaudited)

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, 2019 are 0.93% and 1.28% 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



The Bloomberg Barclays GNMA Index is an unmanaged, market-value-weighted measure of all fixed-rate securities backed by mortgage pools of the Government National Mortgage Association.

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

Comparative Results

DWS Government & Agency Securities VIP		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$10,643	$10,880	$11,002	$13,245
	Average annual total return	6.43%	2.85%	1.93%	2.85%
Bloomberg Barclays GNMA Index	Growth of $10,000	$10,585	$10,892	$11,216	$13,715
	Average annual total return	5.85%	2.89%	2.32%	3.21%

DWS Government & Agency Securities VIP		1-Year	3-Year	5-Year	10-Year
Class B	Growth of $10,000	$10,605	$10,764	$10,809	$12,805
	Average annual total return	6.05%	2.49%	1.57%	2.50%
Bloomberg Barclays GNMA Index	Growth of $10,000	$10,585	$10,892	$11,216	$13,715
	Average annual total return	5.85%	2.89%	2.32%	3.21%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

During the 12-month period ended December 31, 2019, the portfolio provided a total return of 6.43% (Class A shares, unadjusted for contract charges) compared with the 5.85% return of its benchmark, the Bloomberg Barclays GNMA Index.

The fixed income markets broadly produced exceptionally strong returns in 2019. A backdrop of moderate economic growth and low inflation led the U.S. Federal Reserve (the Fed) to lower its benchmark lending rate by a quarter point on three occasions between the end of July and the end of October. Other major central banks globally also moved to ease monetary policy. U.S. Treasuries performed well in this environment, as yields fell (and prices rose) for bonds of all maturities. For the 12 months ended December 31, 2019, the yield on the 10-year note fell from 2.69% to 1.92% while the two-year yield fell from 2.48% to 1.58%, resulting in a steepening of the curve. Treasury yields bottomed out around late August, when the market began to factor in improving economic data and the reduced outlook for further Fed rate cuts. Investment-grade corporate bonds led performance within the U.S. bond market for the year, benefiting from the decline in Treasury yields and continued corporate profit growth, followed closely by lower-rated, high yield corporates. Securitized assets including mortgage backed securities, asset backed securities, and commercial mortgage backed securities were also comfortably in positive territory, while lagging securities more sensitive to credit and interest rate conditions.

Performance for some sectors of the GNMA universe was challenged in 2019 as Treasury yields moved notably lower. Discount coupons and specified pools led performance within GNMAs as longer duration assets with greater interest rate sensitivity were favored in a declining rate environment. The portfolio maintained an underweight to GNMAs in favor of conventional mortgage-backed securities (MBS) across liquid coupons, while overweighting specified pools within GNMAs due to favorable prepayment behavior. As interest rates rallied in the first half of 2019, we reduced exposure to high coupon pass-throughs and increased duration via U.S. Treasury exposure. The portfolio's overweight stance with respect to duration was shifted to neutral late in the year while initiating a steepening bias with respect to the yield curve. For the period, GNMA security selection, in particular a bias toward seasoned collateral, added to relative performance, as did off-benchmark exposures to other securitized categories including commercial mortgage-backed securities and asset-backed securities. The portfolio's overweight stance with respect to duration for much of the period also benefited performance. The portfolio continues to utilize derivatives for both hedging and active management of duration and yield curve positioning.

The Fund is scheduled to liquidate on or about February 27, 2020.

Gregory M. Staples, CFA, Managing Director
Scott Agi, CFA, Director
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

The **yield curve** is a graphical representation of how yields on bonds of different maturities compare. Normally, yield curves slant up, as bonds with longer maturities typically offer higher yields than short-term bonds.

Credit spread is the additional yield provided by bonds rated AA and below vs. comparable maturity bonds rated AAA.

Mortgage-backed securities are securities made up of a bundle of home loans bought from the banks that issued them. Investors receive periodic payments similar to coupon payments on bonds. **Commercial mortgage-backed securities** are secured by loans on commercial properties. **Asset-backed securities** are secured by loans, credit or receivables, exclusive of mortgage debt.

The **Bloomberg Barclays GNMA Index** tracks the performance of fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA). Index returns, unlike fund returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Duration is a gauge of price sensitivity to changes in interest rates.

Overweight means the fund holds a higher weighting in a given sector or security than the benchmark. **Underweight** means the fund holds a lower weighting.

Contributors and detractors incorporate both a holding's return and its weight. If two holdings have the same return but one has a larger weighting in the fund, it will have a larger contribution to return in the period.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Net Assets)	**12/31/19**	**12/31/18**
Mortgage-Backed Securities Pass-Throughs	74%	82%
Collateralized Mortgage Obligations	14%	10%
Commercial Mortgage-Backed Securities	6%	4%
Asset-Backed	6%	3%
Government & Agency Obligations	4%	4%
Cash Equivalents and Other Assets and Liabilities, net	–4%	–3%
	100%	100%

Coupons*	**12/31/19**	**12/31/18**
Less than 3.5%	46%	25%
3.5%–4.49%	41%	52%
4.5%–5.49%	8%	17%
5.5%–6.49%	3%	3%
6.5%–7.49%	2%	3%
7.5% and Greater	0%	0%
	100%	100%

Interest Rate Sensitivity	**12/31/19**	**12/31/18**
Effective Maturity	5.3 years	8.1 years
Effective Duration	3.4 years	4.7 years

* Excludes Cash Equivalents and U.S. Treasury Bills.

Effective maturity is the weighted average of the maturity date of bonds held by the Fund taking into consideration any available maturity shortening features.

Effective duration is an approximate measure of the Fund's sensitivity to interest rate changes taking into consideration any maturity shortening features.

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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Principal Amount ($)	Value ($)
Mortgage-Backed Securities Pass-Throughs 74.5%		
Federal Home Loan Mortgage Corp.:		
3.0%, with various maturities from 9/1/2047 until 11/1/2049	1,163,183	1,180,276
3.5%, 9/1/2047	572,809	594,950
4.0%, with various maturities from 1/1/2045 until 12/1/2045	481,357	516,456
Federal National Mortgage Association:		
3.0%, with various maturities from 3/1/2047 until 10/1/2047	1,150,666	1,174,763
3.5%, with various maturities from 8/1/2047 until 1/1/2048	1,724,102	1,796,579
4.0%, 8/1/2047	836,625	882,322
Government National Mortgage Association:		
3.0%, with various maturities from 5/20/2045 until 1/1/2050 (a)	7,270,368	7,464,889
3.5%, with various maturities from 4/15/2042 until 9/20/2049	8,921,483	9,293,812
4.0%, 6/20/2047	341,978	361,732
4.5%, with various maturities from 4/20/2035 until 4/15/2041	866,485	941,292
4.55%, 1/15/2041	78,677	84,962
4.625%, 5/15/2041	95,125	98,190
5.0%, with various maturities from 12/15/2032 until 8/15/2040	127,722	140,494
5.5%, with various maturities from 1/15/2034 until 6/15/2042	470,944	537,891
6.0%, with various maturities from 5/20/2034 until 1/15/2038	234,433	271,386
6.5%, with various maturities from 9/15/2036 until 2/15/2039	187,447	217,851
7.0%, with various maturities from 2/20/2027 until 2/15/2038	58,346	61,966
7.5%, 10/20/2031	2,948	3,460
Total Mortgage-Backed Securities Pass-Throughs (Cost $25,228,457)		**25,623,271**
Asset-Backed 5.5%		
Automobile Receivables 2.9%		
AmeriCredit Automobile Receivables Trust:		
"A3", Series 2017-1, 1.87%, 8/18/2021	6,251	6,250
"C", Series 2019-2, 2.74%, 4/18/2025	330,000	332,919
"D", Series 2017-3, 3.18%, 7/18/2023	210,000	213,305
Hertz Vehicle Financing II LP, "A", Series 2018-1A, 144A, 3.29%, 2/25/2024	350,000	358,202

	Principal Amount ($)	Value ($)
United Auto Credit Securitization Trust, "A", Series 2019-1, 144A, 2.82%, 7/12/2021	84,876	85,016
		995,692
Miscellaneous 2.6%		
GMF Floorplan Owner Revolving Trust, "B", Series 2019-2, 144A, 3.1%, 4/15/2026	440,000	448,282
MVW Owner Trust, "A", Series 2019-1A, 144A, 2.89%, 11/20/2036	294,163	297,860
NRZ Excess Spread-Collateralized Notes, "B", Series 2018-PLS1, 144A, 3.588%, 1/25/2023	167,045	167,831
		913,973
Total Asset-Backed (Cost $1,885,251)		**1,909,665**
Collateralized Mortgage Obligations 14.2%		
Federal Home Loan Mortgage Corp.:		
"OA", Series 3179, Principal Only, Zero Coupon, 7/15/2036	60,884	53,260
"CZ", Series 4113, 3.0%, 9/15/2042	334,073	325,481
"PI", Series 3940, Interest Only, 4.0%, 2/15/2041	207,778	24,942
"UA", Series 4298, 4.0%, 2/15/2054	53,835	55,598
"C32", Series 303, Interest Only, 4.5%, 12/15/2042	627,591	137,796
"MI", Series 3871, Interest Only, 6.0%, 4/15/2040	15,926	555
"IJ", Series 4472, Interest Only, 6.0%, 11/15/2043	237,588	52,917
"A", Series 172, Interest Only, 6.5%, 1/1/2024	3,804	359
"C22", Series 324, Interest Only, 6.5%, 4/15/2039	344,750	87,720
Federal National Mortgage Association:		
"FE", Series 2018-94, 1-month USD-LIBOR + 0.400%, 2.192%*, 1/25/2049	285,565	284,127
"Z", Series 2013-44, 3.0%, 5/25/2043	102,397	94,888
"4", Series 406, Interest Only, 4.0%, 9/25/2040	158,652	24,905
"DZ", Series 2019-9, 4.0%, 3/25/2049	310,151	333,656
"IO", Series 2016-26, Interest Only, 5.0%, 5/25/2046	672,507	122,901
"UI", Series 2010-126, Interest Only, 5.5%, 10/25/2040	255,419	44,383
"IO", Series 2014-70, Interest Only, 5.5%, 10/25/2044	356,383	73,640
"BI", Series 2015-97, Interest Only, 5.5%, 1/25/2046	292,042	58,762
"WI", Series 2011-59, Interest Only, 6.0%, 5/25/2040	9,533	91
"YT", Series 2013-35, 6.5%, 9/25/2032	386,571	442,736

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

	Principal Amount ($)	Value ($)
Government National Mortgage Association:		
"JZ", Series 110-2017, 3.0%, 7/20/2047	261,248	245,474
"JI", Series 2013-10, Interest Only, 3.5%, 1/20/2043	395,294	69,648
"IP", Series 2015-50, Interest Only, 4.0%, 9/20/2040	508,640	23,159
"PI", Series 2015-40, Interest Only, 4.0%, 4/20/2044	162,942	11,711
"GZ", Series 2005-24, 5.0%, 3/20/2035	699,313	822,589
"AZ", Series 2019-31, 5.0%, 3/20/2049	299,335	337,252
"IA", Series 2012-64, Interest Only, 5.5%, 5/16/2042	141,172	30,713
"DI", Series 2009-10, Interest Only, 6.0%, 4/16/2038	68,847	6,382
"IP", Series 2009-118, Interest Only, 6.5%, 12/16/2039	25,049	5,305
"IC", Series 1997-4, Interest Only, 7.5%, 3/16/2027	171,948	25,496
JP Morgan Mortgage Trust:		
"A6", Series 2017-2, 144A, 3.0%, 5/25/2047	398,228	400,835
"A5", Series 2017-4, 144A, 3.5%, 11/25/2048	231,759	234,240
New Residential Mortgage Loan:		
"A1", Series 2019-NQM3, 144A, 2.802%, 7/25/2049	270,201	270,546
"A1", Series 2019-NQM2, 144A, 3.6%, 4/25/2049	181,596	182,989
Total Collateralized Mortgage Obligations (Cost $4,691,378)		**4,885,056**

Commercial Mortgage-Backed Securities 6.0%

	Principal Amount ($)	Value ($)
BANK, "A3", Series 2019-BN20, 3.011%, 9/15/2061	350,000	360,434
Benchmark Mortgage Trust, "A4" Series 2019-B13, 2.952%, 8/15/2057	413,045	422,936
FHLMC Multifamily Structured Pass-Through Certificates, "X1P", Series KL05, Interest Only, 0.892%, 6/25/2029	1,400,000	101,712
Morgan Stanley Capital I Trust, "A4" Series 2019-L3, 3.127%, 11/15/2029	400,000	412,789
Wells Fargo Commercial Mortgage Trust, "A4", Series 2016-NXS6, 2.918%, 11/15/2049	750,000	769,012
Total Commercial Mortgage-Backed Securities (Cost $2,027,726)		**2,066,883**

Government & Agency Obligations 1.5%

U.S. Treasury Obligation

	Principal Amount ($)	Value ($)
U.S. Treasury Notes, 2.125%, 7/31/2024 (Cost $509,692)	500,000	**509,726**

Short-Term U.S. Treasury Obligations 2.5%

	Principal Amount ($)	Value ($)
U.S. Treasury Bills:		
1.495%**, 7/16/2020	100,000	99,163
1.598%**, 9/10/2020 (c)	400,000	395,744
1.802%**, 7/16/2020 (b)	380,000	376,822
Total Short-Term U.S. Treasury Obligations (Cost $870,944)		**871,729**

Cash Equivalents 7.3%

	Shares	Value ($)
DWS Central Cash Management Government Fund, 1.62% (d)	1,400,632	1,400,632
DWS ESG Liquidity Fund "Capital Shares", 1.76% (d)	1,123,733	1,123,845
Total Cash Equivalents (Cost $2,524,259)		**2,524,477**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $37,737,707)	111.5	**38,390,807**
Other Assets and Liabilities, Net	(11.5)	**(3,969,180)**
Net Assets	100.0	**34,421,627**

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Cash Equivalents 7.3%								
DWS Central Cash Management Government Fund, 1.62% (d)								
3,485,215	33,127,069	35,211,652	—	—	53,547	—	1,400,632	1,400,632
DWS ESG Liquidity Fund "Capital Shares", 1.76% (d)								
3,784,362	39,374	2,700,540	810	(161)	22,058	—	1,123,733	1,123,845
7,269,577	**33,166,443**	**37,912,192**	**810**	**(161)**	**75,605**	**—**	**2,524,365**	**2,524,477**

* Variable or floating rate security. These securities are shown at their current rate as of December 31, 2019. 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.

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

** Annualized yield at time of purchase; not a coupon rate.

(a) When-issued, delayed delivery or forward commitment securities included.

(b) At December 31, 2019, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

(c) At December 31, 2019, this security has been pledged, in whole or in part, to cover initial margin requirements for open centrally cleared swap contracts.

(d) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.

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.

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.

LIBOR: London Interbank Offered Rate

Principal Only: Principal Only (PO) bonds represent the "principal only" portion of payments on a pool of underlying mortgages or mortgage-backed securities.

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. Some separate investments in the Federal Home Loan Mortgage Corp., Federal National Mortgage Association and Government National Mortgage Association issues which have similar coupon rates have been aggregated for presentation purposes in this investment portfolio.

At December 31, 2019, open futures contracts sold were as follows:

Futures	Currency	Expiration Date	Contracts	Notional Amount ($)	Notional Value ($)	Unrealized Appreciation ($)
10 Year U.S. Treasury Note	USD	3/20/2020	6	771,641	770,531	1,110
U.S. Treasury Long Bond	USD	3/20/2020	6	944,312	935,438	8,874
Total unrealized appreciation						**9,984**

At December 31, 2019, 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) ($)	Unrealized Appreciation/ (Depreciation) ($)
Floating — 3-Month LIBOR Quarterly	Fixed — 1.62% Semi-Annually	11/8/2019 11/8/2021	4,400,000	USD	(7,057)	—	(7,057)
Floating — 3-Month LIBOR Quarterly	Fixed — 1.652% Semi-Annually	11/26/2019 11/26/2029	300,000	USD	(6,320)	—	(6,320)
Floating — 3-Month LIBOR Quarterly	Fixed — 1.659% Semi-Annually	10/15/2019 10/15/2021	13,400,000	USD	(17,876)	—	(17,876)
Fixed — 2.724% Semi-Annually	Floating — 3-Month LIBOR Quarterly	3/4/2019 3/5/2029	700,000	USD	(56,985)	—	(56,985)
Fixed — 2.179% Semi-Annually	Floating — 3-Month LIBOR Quarterly	5/21/2019 2/21/2023	300,000	USD	(6,385)	—	(6,385)
Fixed — 1.756% Semi-Annually	Floating — 3-Month LIBOR Quarterly	9/17/2019 9/17/2029	400,000	USD	2,508	—	2,508
Fixed — 2.085% Semi-Annually	Floating — 3-Month LIBOR Quarterly	5/30/2019 5/31/2022	200,000	USD	(1,986)	—	(1,986)
Fixed — 2.45% Semi-Annually	Floating — 3-Month LIBOR Quarterly	12/20/2017 12/20/2032	500,000	USD	(27,790)	—	(27,790)
Fixed — 1.537% Semi-Annually	Floating — 3-Month LIBOR Quarterly	11/26/2019 11/26/2024	3,200,000	USD	27,994	—	27,994
Fixed — 1.961% Semi-Annually	Floating — 3-Month LIBOR Quarterly	6/28/2019 6/28/2029	300,000	USD	(2,437)	—	(2,437)
Fixed — 1.565% Semi-Annually	Floating — 3-Month LIBOR Quarterly	9/27/2019 9/27/2029	400,000	USD	9,690	—	9,690
Total net unrealized depreciation							**(86,644)**

LIBOR: London Interbank Offered Rate; 3-Month LIBOR rate at December 30, 2019 is 1.908%.

Currency Abbreviations

USD United States Dollar

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

For information on the Fund's policy and additional disclosures regarding futures contracts, interest rate swap contracts, total return swap contracts and forward foreign currency 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 December 31, 2019 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**
Fixed Income Investments (e)				
Mortgage-Backed Securities Pass-Throughs	$ —	$ 25,623,271	$ —	$ 25,623,271
Asset-Backed	—	1,909,665	—	1,909,665
Collateralized Mortgage Obligations	—	4,885,056	—	4,885,056
Commercial Mortgage-Backed Securities	—	2,066,883	—	2,066,883
Government & Agency Obligations	—	509,726	—	509,726
Short-Term U.S. Treasury Obligations	—	871,729	—	871,729
Short-Term Investments (e)	2,524,477	—	—	2,524,477
Derivatives (f)				
Futures Contracts	9,984	—	—	9,984
Interest Rate Swap Contracts	—	40,192	—	40,192
Total	**$ 2,534,461**	**$ 35,906,522**	**$ —**	**$ 38,440,983**

Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives (f)				
Interest Rate Swap Contracts	$ —	$ (126,836)	$ —	$ (126,836)
Total	**$ —**	**$ (126,836)**	**$ —**	**$ (126,836)**

(e) See Investment Portfolio for additional detailed categorizations.

(f) Derivatives include unrealized appreciation (depreciation) on open futures contracts and interest rate swap contracts.

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

Statement of Assets and Liabilities

as of December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $35,213,448)	$ 35,866,330
Investment in affiliated securities, at value (cost $2,524,259)	2,524,477
Foreign currency, at value	17
Receivable for investments sold — forward commitments	1,033,898
Receivable for Fund shares sold	12,307
Interest receivable	118,026
Receivable for variation margin on futures contracts	2,703
Receivable for variation margin on centrally cleared swaps	4,561
Other assets	1,073
Total assets	39,563,392
Liabilities	
Cash overdraft	2,650
Payable for investments purchased — forward commitments	5,042,081
Payable for Fund shares redeemed	9,138
Accrued management fee	6,611
Accrued Trustees' fees	1,902
Other accrued expenses and payables	79,383
Total liabilities	5,141,765
Net assets, at value	**$ 34,421,627**
Net Assets Consist of	
Distributable earnings (loss)	1,654,579
Paid-in capital	32,767,048
Net assets, at value	**$ 34,421,627**
Net Asset Value	
Class A	
Net Asset Value, offering and redemption price per share ($33,073,826 ÷ 2,926,799 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 11.30**
Class B	
Net Asset Value, offering and redemption price per share ($1,347,801 ÷ 119,399 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 11.29**

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income:	
Interest	$ 1,077,129
Income distributions from affiliated securities	75,605
Total income	1,152,734
Expenses:	
Management fee	160,744
Administration fee	35,721
Services to Shareholders	656
Record keeping fee (Class B)	1,386
Distribution service fees (Class B)	3,711
Custodian fee	13,541
Professional fees	52,651
Reports to shareholders	37,315
Trustees' fees and expenses	4,464
Other	8,502
Total expenses before expense reductions	318,691
Expense reductions	(124,218)
Total expenses after expense reductions	194,473
Net investment income	**958,261**
Realized and Unrealized Gain/(Loss)	
Net realized gain (loss) from:	
Non-Affiliated investments	145,531
Affiliated investments	810
Swap contracts	(53,187)
Futures	568,103
Forward foreign currency contracts	12,444
Foreign currency	(1,514)
	672,187
Change in net unrealized appreciation (depreciation) on:	
Non-Affiliated investments	772,720
Affiliated investments	(161)
Swap contracts	(47,390)
Futures	(106,570)
Forward foreign currency contracts	(5,304)
Foreign currency	(461)
	612,834
Net gain (loss)	**1,285,021**
Net increase (decrease) in net assets resulting from operations	**$ 2,243,282**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income	$ 958,261	$ 1,004,300
Net realized gain (loss)	672,187	(489,745)
Change in net unrealized appreciation (depreciation)	612,834	(391,353)
Net increase (decrease) in net assets resulting from operations	2,243,282	123,202
Distributions to shareholders		
Class A	(931,223)	(1,045,563)
Class B	(36,052)	(40,012)
Total distributions	(967,275)	(1,085,575)
Fund share transactions:		
Class A		
Proceeds from shares sold	3,483,018	2,638,856
Reinvestment of distributions	931,223	1,045,563
Payments for shares redeemed	(7,472,223)	(8,226,521)
Net increase (decrease) in net assets from Class A share transactions	(3,057,982)	(4,542,102)
Class B		
Proceeds from shares sold	111,055	54,842
Reinvestment of distributions	36,052	40,012
Payments for shares redeemed	(459,912)	(296,226)
Net increase (decrease) in net assets from Class B share transactions	(312,805)	(201,372)
Increase (decrease) in net assets	(2,094,780)	(5,705,847)
Net assets at beginning of period	36,516,407	42,222,254
Net assets at end of period	**$34,421,627**	**$36,516,407**

Other Information		
Class A		
Shares outstanding at beginning of period	3,199,776	3,619,812
Shares sold	314,630	242,507
Shares issued to shareholders in reinvestment of distributions	85,985	97,716
Shares redeemed	(673,592)	(760,259)
Net increase (decrease) in Class A shares	(272,977)	(420,036)
Shares outstanding at end of period	**2,926,799**	**3,199,776**
Class B		
Shares outstanding at beginning of period	147,546	165,975
Shares sold	9,978	5,073
Shares issued to shareholders in reinvestment of distributions	3,326	3,736
Shares redeemed	(41,451)	(27,238)
Net increase (decrease) in Class B shares	(28,147)	(18,429)
Shares outstanding at end of period	**119,399**	**147,546**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$10.91**	**$11.15**	**$11.25**	**$11.48**	**$11.80**
Income (loss) from investment operations:					
Net investment income[a]	.30	.28	.23	.25	.27
Net realized and unrealized gain (loss)	.39	(.22)	(.04)	(.13)	(.26)
Total from investment operations	.69	.06	.19	.12	.01
Less distributions from:					
Net investment income	(.30)	(.30)	(.29)	(.35)	(.33)
Net asset value, end of period	**$11.30**	**$10.91**	**$11.15**	**$11.25**	**$11.48**
Total Return (%)[b]	6.43	.55	1.67	1.06	.06
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	33	35	40	52	66
Ratio of expenses before expense reductions (%)[c]	.88	.93	.87	.86	.74
Ratio of expenses after expense reductions (%)[c]	.53	.55	.61	.58	.68
Ratio of net investment income (%)	2.70	2.58	2.03	2.22	2.33
Portfolio turnover rate (%)	334	448	588	521	376

[a] Based on average shares outstanding during the period.

[b] Total return would have been lower had certain expenses not been reduced.

[c] 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$10.90**	**$11.14**	**$11.24**	**$11.46**	**$11.79**
Income (loss) from investment operations:					
Net investment income[a]	.26	.24	.19	.21	.23
Net realized and unrealized gain (loss)	.39	(.22)	(.04)	(.12)	(.27)
Total from investment operations	.65	.02	.15	.09	(.04)
Less distributions from:					
Net investment income	(.26)	(.26)	(.25)	(.31)	(.29)
Net asset value, end of period	**$11.29**	**$10.90**	**$11.14**	**$11.24**	**$11.46**
Total Return (%)[b]	6.05	.19	1.31	.79	(.36)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	1	2	2	2	3
Ratio of expenses before expense reductions (%)[c]	1.23	1.28	1.21	1.21	1.09
Ratio of expenses after expense reductions (%)[c]	.88	.90	.95	.93	1.03
Ratio of net investment income (%)	2.35	2.23	1.69	1.88	1.99
Portfolio turnover rate (%)	334	448	588	521	376

[a] Based on average shares outstanding during the period.

[b] Total return would have been lower had certain expenses not been reduced.

[c] 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.

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

Notes to Financial Statements

A. Organization and Significant Accounting Policies

DWS Government & Agency Securities 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). Sales of Class B shares are subject to recordkeeping fees up to 0.15% and Rule 12b-1 fees under the 1940 Act equal to an annual rate of 0.25% 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 Rule 12b-1 fee 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 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.

Exchange-traded options are valued at the last sale price or, in the absence of a sale, the mean between the closing bid and asked prices or at the most recent asked price (bid for purchased options) if no bid or asked price are available. Exchange-traded options are generally categorized as Level 1. Over-the-counter written or purchased options are valued at prices supplied by a Board approved pricing vendor, if available, and otherwise are valued at the price provided by the broker-dealer with which the option was traded. Over-the-counter written or purchased options 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. During the year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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.

During the year ended December 31, 2019, the Fund had no securities on loan.

Forward Commitments. The Fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis 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 or sell a security, the transaction is recorded and the value of the transaction 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 Fund may sell the forward commitment security before the settlement date or enter into a new commitment to extend the delivery date into the future. The value of the security may vary with market fluctuations. 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 or the counterparty 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, delayed delivery or forward commitment 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. Such transactions may also have the effect of leverage on the Fund and may cause the Fund to be more volatile. Additionally, losses may arise due to changes in the value of the underlying securities.

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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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, investments in swap contracts 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 1,066,070
Net unrealized appreciation (depreciation) on investments	$ 588,603

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $37,737,707. The net unrealized appreciation for all investments based on tax cost was $588,603. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $824,381 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $235,778.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ 967,275	$ 1,085,575

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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. Realized gains and losses from investment transactions are recorded on an identified cost basis. All discounts and premiums are accreted/amortized for both tax and financial reporting purposes for the Fund.

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 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.

Total Return Swap Contracts. Total return swaps involve commitments to pay interest in exchange for a market-linked return based on a notional amount. One counterparty pays out the total return of the reference security or index underlying the total return swap, and in return receives a fixed or variable rate. As a receiver, the Fund would receive payments based on any positive total return and would owe payments in the event of a negative total return. As the payer, the Fund would owe payments on any net positive total return, and would receive payments in the event of a negative total return. For the year ended December 31, 2019, the Fund entered into total return swap transactions as a means of gaining exposure to a particular asset class without investing directly in such asset class.

There were no open total return swap contracts as of December 31, 2019. For the year ended December 31, 2019, the investment in total return swap contracts had a total notional amount generally indicative of a range from $0 to approximately $348,000.

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 year ended December 31, 2019, the Fund entered into interest rate swap agreements to gain exposure to different parts of the yield curve while managing overall duration and for non-hedging purposes to seek to enhance potential gains.

A summary of the open interest rate swap contracts as of December 31, 2019 is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in interest rate swap contracts had a total USD equivalent notional amount generally indicative of a range from $1,600,000 to $24,100,000.

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 year ended December 31, 2019, the Fund entered into interest rate futures to gain exposure to different parts of the yield curve while managing overall duration and for non-hedging purposes to seek to enhance potential gains.

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 disclosed in the Statement of Assets and Liabilities.

A summary of the open futures contracts as of December 31, 2019, is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in futures contracts purchased had a total notional value generally indicative of a range from $0 to approximately $13,329,000 and the investment in futures contracts sold had a total notional value generally indicative of a range from approximately $579,000 to $4,963,000.

Options. An option contract is a contract in which the writer (seller) of the option grants the buyer of the option, upon payment of a premium, the right to purchase from (call option), or sell to (put option), the writer a designated instrument at a specified price within a specified period of time. The Fund may write or purchase interest rate swaption agreements which are options to enter into a pre-defined swap agreement. The interest rate swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed-rate payer upon exercise. Certain options, including options on indices and interest rate options, will require cash settlement by the Fund if exercised. For the year ended December 31, 2019, the Fund entered into options on interest rate swaps in order to hedge against potential adverse interest rate movements of portfolio assets.

If the Fund writes a covered call option, the Fund foregoes, in exchange for the premium, the opportunity to profit during the option period from an increase in the market value of the underlying security above the exercise price. If the Fund writes a put option it accepts the risk of a decline in the value of the underlying security below the exercise price. Over-the-counter options have the risk of the potential inability of counterparties to meet the terms of their contracts. The Fund's maximum exposure to purchased options is limited to the premium initially paid. In addition, certain risks may arise upon entering into option contracts including the risk that an illiquid secondary market will limit the Fund's ability to close out an option contract prior to the expiration date and that a change in the value of the option contract may not correlate exactly with changes in the value of the securities hedged.

There were no open option contracts as of December 31, 2019. For the year ended December 31, 2019, the investment in purchased option contracts had a total value generally indicative of a range from $0 to approximately $3,000.

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 year ended December 31, 2019, 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 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.

There were no open forward currency contracts as of December 31, 2019. For the year ended December 31, 2019, the investment in forward currency contracts short vs. U.S. dollars had a total contract value generally indicative of a range from $0 to approximately $785,000 and the investment in forward currency contracts long vs. U.S. dollars had a total contract value generally indicative of a range from $0 to approximately $780,000. The investment in forward currency contracts long vs. other foreign currencies sold had a total contract value generally indicative of a range from $0 to approximately $720,000.

The following tables summarize the value of the Fund's derivative instruments held as of December 31, 2019 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

Asset Derivatives	Swap Contracts	Futures Contracts	Total
Interest Rate Contracts (a)	$ 40,192	$ 9,984	$ 50,176

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

(a) Includes cumulative appreciation of swap contracts and futures contracts as disclosed in the Investment Portfolio. Unsettled variation margin is disclosed separately within the Statement of Assets and Liabilities.

Liability Derivatives	Swap Contracts
Interest Rate Contracts (b)	$ (126,836)

The above derivative is located in the following Statement of Assets and Liabilities accounts:

(b) Includes cumulative depreciation of swap 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 year ended December 31, 2019 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Purchased Options	Forward Contracts	Swap Contracts	Futures Contracts	Total
Interest Rate Contracts (c)	$ (150)	$ —	$ (53,187)	$ 568,103	$ 514,766
Foreign Exchange Contracts (d)	—	12,444	—	—	12,444
	$ (150)	**$ 12,444**	**$ (53,187)**	**$ 568,103**	**$ 527,210**

Each of the above derivatives is located in the following Statement of Operations accounts:

(c) Net realized gain (loss) from investments (includes purchased options), swap contracts and futures, respectively

(d) Net realized gain (loss) from forward foreign currency contracts

Change in Net Unrealized Appreciation (Depreciation)	Forward Contracts	Swap Contracts	Futures Contracts	Total
Interest Rate Contracts (e)	$ —	$ (47,390)	$ (106,570)	$ (153,960)
Foreign Exchange Contracts (f)	(5,304)	—	—	(5,304)
	$ (5,304)	**$ (47,390)**	**$ (106,570)**	**$ (159,264)**

Each of the above derivatives is located in the following Statement of Operations accounts:

(e) Change in net unrealized appreciation (depreciation) from swap contracts and futures, respectively

(f) Change in net unrealized appreciation (depreciation) on forward foreign currency contracts

C. Purchases and Sales of Securities

During the year ended December 31, 2019, purchases and sales of investment securities, excluding short-term investments, were as follows:

	Purchases	Sales
Non-U.S. Treasury Obligations	$ 126,446,654	$ 128,703,642
U.S. Treasury Obligations	$ 1,609,820	$ 1,819,417

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.

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	.450%
Next $750 million	.430%
Next $1.5 billion	.410%
Next $2.5 billion	.400%
Next $2.5 billion	.380%
Next $2.5 billion	.360%
Next $2.5 billion	.340%
Over $12.5 billion	.320%

Accordingly, for the year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.45% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2019, the Advisor had contractually agreed to waive all or a portion of 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) of each class as follows:

Class A	.53%
Class B	.88%

Effective October 1, 2019 through February 27, 2020 (see Note G), the Advisor has contractually agreed to waive all or a portion of 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) of each class as follows:

Class A	.53%
Class B	.87%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for each class are as follows:

Class A	$ 119,044
Class B	5,174
	$ 124,218

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $35,721, of which $2,939 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 253	$ 39
Class B	38	6
	$ 291	**$ 45**

Distribution Service Agreement. Under the Fund's Class B 12b-1 plan, DWS Distributors, Inc. ("DDI") received a fee ("Distribution Service Fee") of 0.25% of average daily net assets of Class B shares. For the year ended December 31, 2019, the Distribution Service Fee aggregated $3,711, of which $294 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $9,724, of which $4,281 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.

Security Lending Fees. Deutsche Bank AG serves as securities lending agent for the Fund. For the year ended December 31, 2019, the Fund did not incur securities lending agent fees to Deutsche Bank AG.

E. Ownership of the Fund

At December 31, 2019, three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 50%, 32% and 15%. One participating insurance company was the owner of record of 10% or more of the total outstanding Class B shares of the Fund, owning 92%.

F. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

G. Fund Liquidation

Upon the recommendation of the Advisor, the Fund's Board of Trustees has authorized the Fund's termination and liquidation, effective on or about February 27, 2020 (the "Liquidation Date"). Accordingly, the Fund will involuntarily redeem the shares of any shareholder (i.e. participating insurance company that offers the Fund) outstanding on the Liquidation Date. Existing participating insurance company investors that currently offer the Fund as an investment option may continue to offer it to their contract owners until the Liquidation Date.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS Government & Agency Securities VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Government & Agency Securities VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,018.90	$ 1,018.00
Expenses Paid per $1,000*	$ 2.70	$ 4.48

Hypothetical 5% Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,022.53	$ 1,020.77
Expenses Paid per $1,000*	$ 2.70	$ 4.48

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class B**
Deutsche DWS Variable Series II — DWS Government & Agency Securities VIP	.53%	.88%

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.

Tax Information

(Unaudited)

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 & Agency Securities VIP's (the "Fund") investment management agreement (the "Agreement") with DWS Investment Management Americas, Inc. ("DIMA") in September 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's performance (Class A shares) was in the 2nd quartile, 3rd quartile and 3rd 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, 2018.

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 0.10% 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, 2018). 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, 2018, 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"), 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, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

1 The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

2 A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

3 Executive title, not a board directorship.

4 As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

5 The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

6 Address: 875 Third Avenue, New York, NY 10022.

7 Address: One International Place, Boston, MA 02110.

8 Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

VS2GAS-2 (R-025831-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS Government Money Market VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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. You should not rely on or expect the Advisor to enter into support agreements or take other actions to maintain the Fund's $1.00 share price. 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.

Management Summary

December 31, 2019 (Unaudited)

During the 12-month period ended December 31, 2019, the Fund provided a total return of 1.77% (Class A shares, unadjusted for contract charges). All performance is historical and does not guarantee future results. Yields fluctuate and are not guaranteed.

Over the past 12 months ended December 31, 2019, yields across the money market yield curve fluctuated based on the still-expanding U.S. economy and evolving U.S. Federal Reserve (the Fed) statements and actions. In January 2019, the Fed pivoted dramatically, changing from a hawkish to a dovish monetary policy stance. The Fed not only walked backed its prior projections of federal funds rate increases, but also lowered its U.S. economic growth estimates. In June, a breakdown in the trade negotiations between the United States and China and some signs of a slight U.S. economic slowdown (amid an abruptly decelerating global economy) disrupted financial markets and sent interest rates significantly lower. Though the Federal Open Market Committee (FOMC) did not cut interest rates at its June meeting, the Fed implied that it would now be more "data dependent" in determining its rate policy. Driven by economic uncertainty resulting from the trade war, the FOMC reduced short-term rates to 2.0%–2.25% at its July 2019 meeting. On the following day, the U.S. administration rattled equity markets and again sent fixed-income yields significantly lower by threatening to impose tariffs on the remaining $300 billion in Chinese imports not yet subject to tariffs. As a way of managing the attendant risks to the U.S. economy, the Fed cut short-term rates at the September and October FOMC meetings. Also in September, the money markets suddenly experienced a sharp spike in overnight repurchase agreement (overnight repo) rates caused by a supply/demand imbalance and regulatory constraints within the repo market. The Fed was forced to step in immediately and inject a large amount of liquidity in order to ensure an orderly repo market through year end 2019. The Fed's efforts — performed through open market operations and a Treasury bill purchase program — were successful, but they also pushed Treasury bill rates to artificially low levels. During the remainder of the fourth quarter, many nagging concerns for financial market participants such as U.S./China trade tensions, Brexit uncertainty and global economic weakness receded, and most markets ended the year very strongly. The Fed shifted back from a policy of economic risk management to a more data dependent, "wait and see" stance as U.S. third quarter GDP came in higher than anticipated at 2.1%.

During the first half of the year, the Fund held a large percentage of portfolio assets in agency and Treasury floating-rate securities to take advantage of incremental rises in LIBOR and Treasury bill rates. At the same time, the Fund invested in overnight agency repurchase agreements for liquidity and looked for yield opportunities from three- to six-month agency and Treasury securities. During the second half of 2019, when the Fed was engaged in lowering short-term rates, we slightly extended duration at times and purchased longer-term fixed-rate instruments to capture additional yield.

With presidential primaries and the U.S. general election due this year, we believe that the Fed will remain "on hold" for much of 2020 if not the entire year, and will not act unless there is an unforeseen catalyst or crisis that would force a change in the federal funds rate. With the economy and markets in favorable shape at year end, the money market yield curve has become relatively flat, meaning that there is less incentive to purchase longer money market instruments that currently do not offer significantly higher yields.

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.

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Fund Performance (as of December 31, 2019)

All 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 yield quotation more closely reflects the current earnings of the Fund than the total return quotation.

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.

	7-Day Current Yield
December 31, 2019	1.16%

Yields are historical, will fluctuate and do not guarantee future performance. The 7-day current yield refers to the income paid by the Fund over a 7-day period expressed as an annual percentage rate of the Fund's shares outstanding.

Terms to Know

The **yield curve** is a graphical representation of how yields on bonds of different maturities compare. Normally, yield curves slant up, as bonds with longer maturities typically offer higher yields than short-term bonds.

The **federal funds rate** is the interest rate a borrowing bank pays to a lending bank, with the rate determined by members of the Federal Open Market Committee (FOMC) at their regular meetings. The federal funds rate sets the standard for short-term U.S. interest rates.

A **repurchase agreement**, or "overnight repo," is an agreement between a seller and a buyer, usually of government securities, where the seller agrees to repurchase the securities at a given price and usually at a stated time. Repos are widely used money market instruments that serve as an interest-bearing, short-term "parking place" for large sums of money.

Gross domestic product (GDP) is the monetary value of goods and services produced within a country's borders in a specific time frame.

Floating-rate securities are debt instruments with floating-rate coupons that generally reset every 30 to 90 days. While floating-rate securities are senior to equity and fixed- income securities, there is no guaranteed return of principal in case of default. Floating- rate issues often have less interest-rate risk than other fixed-income investments.

Floating-rate securities are most often secured assets, generally senior to a company's secured debt, and can be transferred to debt holders, resulting in potential downside risk.

Duration is a measure of price volatility for fixed-income instruments. Duration can be defined as the approximate percentage change in price for a 100 basis point (one single percentage point) change in market interest rate levels.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio)	**12/31/19**	**12/31/18**
Government & Agency Obligations	79%	62%
Repurchase Agreements	21%	38%
	100%	100%

Weighted Average Maturity	**12/31/19**	**12/31/18**
Deutsche DWS Variable Series II — DWS Government Money Market VIP	29 days	25 days
iMoneyNet Money Fund Average™ — Gov't & Agency Retail*	29 days	28 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 6.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing was filed with the SEC on Form N-Q. Effective from and after the Fund's third fiscal quarter-end of 2019, Form N-Q is rescinded and will not be filed with the SEC. In addition, 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.

Investment Portfolio

as of December 31, 2019

	Principal Amount ($)	Value ($)
Government & Agency Obligations 79.0%		
U.S. Government Sponsored Agencies 58.8%		
Federal Farm Credit Bank:		
1-month LIBOR minus 0.050%, 1.644%*, 2/4/2020	1,180,000	1,180,000
1-month LIBOR minus 0.035%, 1.73%*, 8/20/2020	1,500,000	1,500,000
1-month LIBOR minus 0.050%, 1.742%*, 2/25/2020	500,000	499,996
1-month LIBOR minus 0.025%, 1.78%*, 5/29/2020	500,000	499,990
1-month LIBOR minus 0.020%, 1.785%*, 4/30/2020	2,000,000	2,000,000
Federal Home Loan Bank:		
SOFR plus 0.025%, 1.565%*, 4/22/2020	1,000,000	1,000,000
SOFR plus 0.030%, 1.57%*, 11/6/2020	1,750,000	1,750,000
SOFR plus 0.035%, 1.575%*, 2/21/2020	1,000,000	1,000,000
SOFR plus 0.035%, 1.575%*, 5/8/2020	1,000,000	1,000,000
SOFR plus 0.035%, 1.575%*, 6/19/2020	1,250,000	1,250,000
SOFR plus 0.040%, 1.58%*, 2/9/2021	1,000,000	1,000,000
SOFR plus 0.050%, 1.59%*, 1/22/2021	300,000	300,000
SOFR plus 0.050%, 1.59%*, 1/28/2021	2,500,000	2,500,000
1.591%**, 2/19/2020	2,500,000	2,494,661
SOFR plus 0.065%, 1.605%*, 2/26/2021	1,500,000	1,500,000
1.618%**, 2/26/2020	1,500,000	1,496,276
SOFR plus 0.105%, 1.645%*, 10/1/2020	500,000	500,000
1-month LIBOR minus 0.010%, 1.681%*, 9/1/2020	650,000	650,000
1-month LIBOR minus 0.055%, 1.685%*, 1/14/2020	500,000	500,000
3-month LIBOR minus 0.195%, 1.714%*, 2/14/2020	1,000,000	1,000,000
1-month LIBOR minus 0.020%, 1.716%*, 5/12/2020	750,000	750,000
1-month LIBOR minus 0.025%, 1.74%*, 4/20/2020	1,250,000	1,250,000
3-month LIBOR minus 0.200%, 1.801%*, 1/16/2020	1,000,000	1,000,000
3-month LIBOR minus 0.200%, 1.81%*, 1/10/2020	1,000,000	1,000,000
1.813%**, 4/1/2020	2,500,000	2,488,701
Federal Home Loan Bank Discount Notes:		
SOFR plus 0.040%, 1.58%*, 9/10/2020	1,000,000	1,000,000
1.59%**, 5/22/2020	3,250,000	3,229,899
1.591%**, 5/20/2020	3,000,000	2,981,695
1.593%**, 2/21/2020	2,000,000	1,995,549
1.602%**, 3/10/2020	2,000,000	1,993,943
1.621%**, 5/29/2020	3,000,000	2,980,146
1.663%**, 1/31/2020	1,500,000	1,497,950
1.678%**, 1/21/2020	1,500,000	1,498,621
1.916%**, 3/20/2020	1,250,000	1,244,816
Federal Home Loan Mortgage Corp.:		
SOFR, 1.54%*, 2/12/2020	3,750,000	3,750,000
SOFR plus 0.005%, 1.545%*, 5/13/2020	1,000,000	1,000,000
SOFR plus 0.010%, 1.55%*, 2/21/2020	1,500,000	1,500,000
SOFR plus 0.020%, 1.56%*, 2/28/2020	1,000,000	1,000,000
SOFR plus 0.030%, 1.57%*, 5/8/2020	750,000	750,000
SOFR plus 0.030%, 1.57%*, 6/2/2020	1,500,000	1,500,000
SOFR plus 0.030%, 1.57%*, 6/4/2020	3,500,000	3,500,000
SOFR plus 0.030%, 1.57%*, 8/21/2020	2,250,000	2,250,000
SOFR plus 0.030%, 1.57%*, 1/22/2021	1,200,000	1,200,000
1.592%**, 4/17/2020	2,500,000	2,488,334
1.713%**, 2/20/2020	1,500,000	1,496,479
Federal National Mortgage Association:		
SOFR plus 0.040%, 1.58%*, 1/29/2021	1,500,000	1,500,000
SOFR plus 0.060%, 1.6%*, 7/30/2020	400,000	400,000
SOFR plus 0.075%, 1.615%*, 10/30/2020	750,000	750,000
SOFR plus 0.100%, 1.64%*, 4/30/2020	250,000	250,000
		71,867,056
U.S. Treasury Obligations 20.2%		
U.S. Treasury Bills:		
1.65%**, 4/16/2020	1,000,000	995,209
1.659%**, 1/30/2020	3,000,000	2,996,046
1.678%**, 1/9/2020	500,000	499,816
1.695%**, 4/9/2020	500,000	497,700
1.713%**, 4/9/2020	500,000	497,677
1.81%**, 4/2/2020	1,000,000	995,437
1.866%**, 1/2/2020	1,000,000	999,949
1.886%**, 3/26/2020	500,000	497,804
U.S. Treasury Floating Rate Notes:		
3-month U.S. Treasury Bill Money Market Yield, 1.526%*, 1/31/2020	4,500,000	4,499,613
3-month U.S. Treasury Bill Money Market Yield plus 0.033%, 1.559%*, 4/30/2020	4,750,000	4,748,880
3-month U.S. Treasury Bill Money Market Yield plus 0.043%, 1.569%*, 7/31/2020	2,500,000	2,499,482
3-month U.S. Treasury Bill Money Market Yield plus 0.045%, 1.571%*, 10/31/2020	3,500,000	3,497,816
U.S. Treasury Notes:		
1.125%, 4/30/2020	500,000	499,209
1.375%, 4/30/2020	1,000,000	999,238
		24,723,876
Total Government & Agency Obligations (Cost $96,590,932)		**96,590,932**

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

	Principal Amount ($)	Value ($)
Repurchase Agreements 20.9%		
Wells Fargo Bank, 1.57%, dated 12/31/2019, to be repurchased at $25,502,224 on 1/2/2020 (a) (Cost $25,500,000)	25,500,000	**25,500,000**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $122,090,932)	99.9	**122,090,932**
Other Assets and Liabilities, Net	0.1	**178,650**
Net Assets	100.0	**122,269,582**

* Floating rate security. These securities are shown at their current rate as of December 31, 2019.

** Annualized yield at time of purchase; not a coupon rate.

(a) Collateralized by:

Principal Amount ($)	Security	Rate (%)	Maturity Date	Collateral Value ($)
1,416	Federal Home Loan Mortgage Corp.	4	2/1/2049	1,483
25,358,460	Federal National Mortgage Association	2 – 5	1/1/2029 – 11/1/2049	26,008,517
Total Collateral Value				**26,010,000**

LIBOR: London Interbank Offered Rate

SOFR: Secured Overnight Financing Rate

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 December 31, 2019 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 (b)	$ —	$ 96,590,932	$ —	$ 96,590,932
Repurchase Agreements	—	25,500,000	—	25,500,000
Total	**$ —**	**$122,090,932**	**$ —**	**$122,090,932**

(b) 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 December 31, 2019

Assets	
Investments in securities, valued at amortized cost	$ 96,590,932
Repurchase Agreements, valued at amortized cost	25,500,000
Cash	41,532
Receivable for Fund shares sold	206,884
Interest receivable	129,408
Other assets	2,797
Total assets	122,471,553
Liabilities	
Payable for Fund shares redeemed	4,009
Distributions payable	59,137
Accrued management fee	25,065
Accrued Trustees' fees	2,796
Other accrued expenses and payables	110,964
Total liabilities	201,971
Net assets, at value	**$122,269,582**
Net Assets Consist of	
Distributable earnings (loss)	14,866
Paid-in capital	122,254,716
Net assets, at value	**$122,269,582**
Class A Net Asset Value	
Net asset value, offering and redemption price per share ($122,269,582 ÷ 122,338,432 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 1.00**

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Interest	$2,457,147
Expenses: Management fee	261,153
Administration fee	111,129
Services to Shareholders	2,693
Custodian fee	8,434
Professional fees	50,463
Reports to shareholders	74,009
Trustees' fees and expenses	7,651
Other	12,077
Total expenses before expense reductions	527,609
Expense reductions	(120)
Total expenses after expense reductions	527,489
Net investment income	**1,929,658**
Net realized gain (loss) from investments	**42**
Net increase (decrease) in net assets resulting from operations	**$1,929,700**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 1,929,658	$ 1,437,915
Net realized gain (loss)	42	(141)
Net increase (decrease) in net assets resulting from operations	1,929,700	1,437,774
Distributions to shareholders :		
Class A	(1,929,596)	(1,437,977)
Fund share transactions:		
Class A		
Proceeds from shares sold	121,681,165	122,763,991
Reinvestment of distributions	1,949,598	1,393,905
Payments for shares redeemed	(108,541,061)	(128,197,879)
Net increase (decrease) in net assets from Class A share transactions	15,089,702	(4,039,983)
Increase (decrease) in net assets	15,089,806	(4,040,186)
Net assets at beginning of period	107,179,776	111,219,962
Net assets at end of period	**$ 122,269,582**	**$ 107,179,776**
Other Information:		
Class A		
Shares outstanding at beginning of period	107,248,730	111,288,713
Shares sold	121,681,165	122,763,991
Shares issued to shareholders in reinvestment of distributions	1,949,598	1,393,905
Shares redeemed	(108,541,061)	(128,197,879)
Net increase (decrease) in Fund shares	15,089,702	(4,039,983)
Shares outstanding at end of period	**122,338,432**	**107,248,730**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 1.00**	**$ 1.00**	**$ 1.00**	**$ 1.00**	**$ 1.00**
Income from investment operations:					
Net investment income	.018	.014	.005	.001[b]	.000*
Net realized gain (loss)	.000*	(.000)*	.000*	.000*	(.000)*
Total from investment operations	.018	.014	.005	.001	.000*
Less distributions from:					
Net investment income	(.018)	(.014)	(.005)	(.001)	(.000)*
Net asset value, end of period	**$ 1.00**	**$ 1.00**	**$ 1.00**	**$ 1.00**	**$ 1.00**
Total Return (%)	1.77[a]	1.39[a]	.45	.05[a,b]	.01[a]
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	122	107	111	122	134
Ratio of expenses before expense reductions (%)[c]	.47	.50	.48	.51	.49
Ratio of expenses after expense reductions (%)[c]	.47	.50	.48	.44	.25
Ratio of net investment income (%)	1.74	1.37	.45	.05[b]	.01

[a] Total return would have been lower had certain expenses not been reduced.

[b] Includes a non-recurring payment for overbilling of prior years' custodian out-of-pocket fees. Excluding this payment, net investment income per share, total return, and ratio of net investment income to average net assets would have been reduced by $0.0004, 0.04%, and 0.04%, respectively.

[c] 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.

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

Notes to Financial Statements

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 value is equal to at least the principal amount of the repurchase price plus accrued interest. The custodian bank or another designated sub-custodian 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 December 31, 2019, the Fund held repurchase agreements with a gross value of $25,500,000. 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, 2019, the Fund had $99 of short-term tax basis capital loss carryforwards, which may be applied against realized net taxable capital gains indefinitely.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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 differences relating to shareholder distributions will result in reclassifications to paid-in capital. Temporary book and tax differences will reverse in a subsequent period. There were no significant book to tax differences for the Fund.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	$ 14,965
Capital loss carryforwards	$ (99)

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $122,090,932.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income	$ 1,929,596	$ 1,437,977

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. Interest income is recorded on the accrual basis. Realized gains and losses from investment transactions are recorded on an identified cost basis. All discounts and premiums are accreted/amortized 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.

Pursuant to the Investment Management Agreement with the Advisor, the Fund pays the Advisor a monthly management fee based on its average daily net assets, 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 year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.235% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2020, the Advisor has contractually agreed to waive its fee 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) at 0.51%.

For the year ended December 31, 2019, fees waived and/or expenses reimbursed amounted to $120.

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019 the Administration Fee was $111,129, of which $10,666 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 year ended December 31, 2019, the amounts charged to the Fund by DSC aggregated $2,237, of which $414 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $7,946, of which $3,040 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 December 31, 2019, four participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 37%, 16%,15% and 13%.

D. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate, plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS Government Money Market VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Government Money Market VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and brokers. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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. 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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,007.90
Expenses Paid per $1,000*	$ 2.28

Hypothetical 5% Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,022.94
Expenses Paid per $1,000*	$ 2.29

* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratio	**Class A**
Deutsche DWS Variable Series II — DWS Government Money Market VIP	.45%

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.

Tax Information

(Unaudited)

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's gross performance (Class A shares) was in the 1st quartile 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 0.10% 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, 2018). Based on Broadridge data provided as of December 31, 2018, the Board noted that the Fund's Class A shares total operating expenses were higher than the median (4th 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 prior to December 31, 2017 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

VS2GMM-2 (R-025834-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS High Income VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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 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.

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

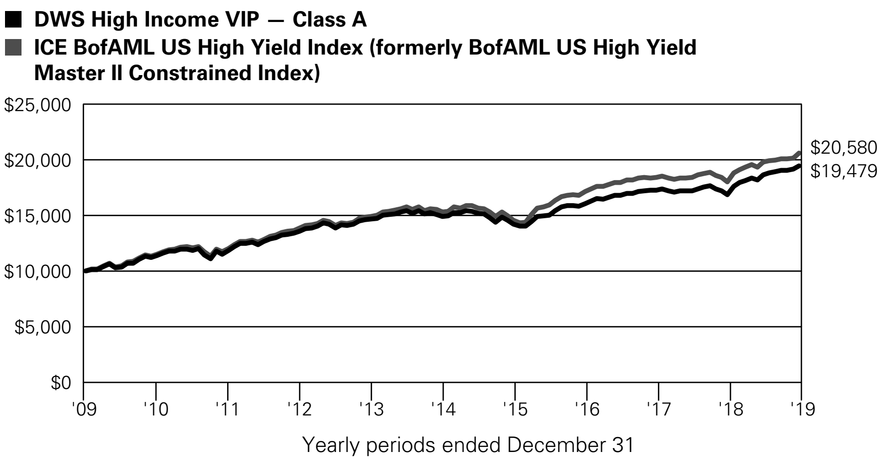
December 31, 2019 (Unaudited)

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, 2019 are 0.94% and 1.34% 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



ICE BofAML US High Yield Index (formerly BofAML US High Yield Master II Constrained 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		**1-Year**	**3-Year**	**5-Year**	**10-Year**
Class A	Growth of $10,000	$11,569	$12,124	$13,077	$19,479
	Average annual total return	15.69%	6.63%	5.51%	6.89%
ICE BofAML US High Yield Index (formerly BofAML US High Yield Master II Constrained Index)	Growth of $10,000	$11,441	$12,019	$13,469	$20,580
	Average annual total return	14.41%	6.32%	6.14%	7.48%
DWS High Income VIP		**1-Year**	**3-Year**	**5-Year**	**10-Year**
Class B	Growth of $10,000	$11,533	$12,023	$12,877	$18,904
	Average annual total return	15.33%	6.33%	5.19%	6.57%
ICE BofAML US High Yield Index (formerly BofAML US High Yield Master II Constrained Index)	Growth of $10,000	$11,441	$12,019	$13,469	$20,580
	Average annual total return	14.41%	6.32%	6.14%	7.48%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

The Fund returned 15.69% in 2019 (Class A shares, unadjusted for contract charges), outperforming the 14.41% return of its benchmark, the ICE BofA ML U.S. High Yield Index. Much of the gain for high yield occurred in the first calendar quarter, when the market strongly rebounded from pronounced weakness in late 2018. The positive market sentiment was driven by a number of factors, including a shift to more dovish stance by global central banks and expectations for a resolution to global trade conflicts.

In terms of the Fund's broad positioning, an overweight in the outperforming cable and satellite industry contributed to performance, as did an overweight in wireless communications. However, an underweight in technology, which outperformed the index, detracted. From a ratings perspective, an overweight in BB rated securities aided results despite their relative weakness in the "risk on" market of the fourth quarter.

At the individual security level, an overweight position in the telecommunications company Altice France SA was a key contributor performance. The bonds moved higher after the company posted solid results and issued new bonds to repay near-term maturities. An overweight in Vistra Operations Co. LLC, a power generation firm whose bonds outperformed as its improving credit profile resulted in multiple upgrades to its credit rating, also contributed. An overweight in the healthcare firm HCA, Inc. further benefited performance. The bonds traded higher as the company reported better results and was upgraded to an investment-grade rating.

An underweight in the health care services provider Community Health Systems, Inc., whose bonds rallied as the company divested hospitals and used the proceeds to strengthen its balance sheet, detracted. Underweights in the finance companies Springleaf Finance Corp. and Navient Corp. also hurt Fund performance. The outstanding bonds of the two issuers performed well after the companies refinanced near-term maturities by issuing new debt with favorable terms.

The Fund used derivatives to hedge its modest euro exposure back into U.S. dollars, which had no impact on relative performance. While we use derivatives periodically for specific purposes, they are not a core aspect of our strategy.

We retained a constructive view on the high-yield market at year-end. U.S. economic growth remained slow, but we saw a low probability of recession in the near term. Credit fundamentals for high-yield issuers were largely positive, and we did not anticipate an increase in default rates. The use of proceeds from new issuance was focused on refinancing, diminishing refinancing risk for high-yield issuers and alleviating concerns about a large wall of near-term maturities. This trend further contributed to expectations for low defaults.

An expansion of geopolitical risks, including the possibility of a broader conflict in the Middle East, represents a potential disruption to this view. Additionally, a re-escalation of trade tensions between the United States and China or the failure to reach a "phase-two" agreement could dampen the outlook for global economic growth. While we believe the U.S. Federal Reserve is likely to remain accommodative at least through the 2020 election, the possibility of poorly communicated Fed policy could provide a headwind for risk assets, including high yield. We continue to monitor the overall credit quality and covenant terms of new-issue bonds, as we view an increase in the equity-friendly use of proceeds as a possible source of market disruption once the business cycle turns and credit conditions tighten.

We believe the fourth-quarter strength in high yield, which drove the category's yield spread over U.S. Treasuries to 12-month lows in December, created more challenging conditions in which to find investments with the potential for favorable risk-adjusted total returns. In this environment, we believe fundamental credit analysis remains necessary to identify securities with attractive total return potential relative to the underlying risks. In addition, we seek to recognize broader investment themes that can translate to opportunities from sector allocation.

Gary Russell, CFA, Managing Director
Thomas R. Bouchard, Director
Lonnie Fox, Director
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

ICE BofA Merrill Lynch US High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

Credit quality measures a bond issuer's ability to repay interest and principal in a timely manner. Rating agencies assign letter designations, such as AAA, AA and so forth. The lower the rating, the higher the probability of default. Credit quality does not remove market risk and is subject to change.

Overweight means a fund holds a higher weighting in a given sector or individual security compared with its benchmark index; **underweight** means a fund holds a lower weighting.

Contribution and **detraction** incorporate both an investment's total return and its weighting in the Fund.

Derivatives are contracts whose values can be based on a variety of instruments, including indices, currencies or securities. They can be utilized for a variety of reasons, including for hedging purposes, for risk management, for non-hedging purposes to seek to enhance potential gains, as a substitute for direct investment in a particular asset class or to keep cash on hand to meet shareholder redemptions. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility.

Portfolio Summary (Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Corporate Bonds	96%	83%
Cash Equivalent	4%	8%
Convertible Bonds	0%	3%
Loan Participations and Assignments	0%	6%
Common Stocks	0%	0%
Warrants	0%	0%
	100%	100%

Sector Diversification (As a % of Investment Portfolio excluding Cash Equivalent and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Communication Services	24%	23%
Consumer Discretionary	14%	10%
Energy	13%	22%
Materials	12%	17%
Health Care	9%	10%
Industrials	9%	7%
Utilities	6%	3%
Consumer Staples	4%	2%
Real Estate	3%	3%
Information Technology	3%	2%
Financials	3%	1%
	100%	100%

Quality (As a % of Investment Portfolio excluding Cash Equivalent and Securities Lending Collateral)	**12/31/19**	**12/31/18**
BBB	5%	10%
BB	61%	56%
B	32%	28%
CCC	2%	2%
Not Rated	0%	4%
	100%	100%

The quality ratings represent the higher of Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings, Inc. ("Fitch") or Standard & Poor's Corporation ("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 7.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

Corporate Bonds 94.4%

Communication Services 23.1%

	Principal Amount ($)(a)	Value ($)
Altice France SA:		
144A, 5.5%, 1/15/2028	200,000	205,510
144A, 7.375%, 5/1/2026	910,000	977,012
144A, 8.125%, 2/1/2027	200,000	225,250
Altice Luxembourg SA, 144A, 10.5%, 5/15/2027	200,000	228,010
AMC Networks, Inc., 4.75%, 8/1/2025	220,000	220,825
CCO Holdings LLC:		
144A, 4.75%, 3/1/2030	135,000	137,434
144A, 5.0%, 2/1/2028	150,000	157,398
144A, 5.125%, 5/1/2027	125,000	131,875
144A, 5.375%, 6/1/2029	130,000	139,100
144A, 5.5%, 5/1/2026	210,000	221,288
144A, 5.75%, 2/15/2026	530,000	559,161
144A, 5.875%, 4/1/2024	170,000	175,738
144A, 5.875%, 5/1/2027	200,000	211,500
CenturyLink, Inc.:		
144A, 5.125%, 12/15/2026	246,000	250,337
5.625%, 4/1/2025	225,000	239,074
Series W, 6.75%, 12/1/2023	45,000	50,231
Clear Channel Worldwide Holdings, Inc.:		
144A, 5.125%, 8/15/2027	320,000	333,216
144A, 9.25%, 2/15/2024	217,000	240,328
CommScope, Inc.:		
144A, 5.5%, 3/1/2024	130,000	135,525
144A, 8.25%, 3/1/2027	130,000	136,825
CSC Holdings LLC:		
144A, 5.5%, 4/15/2027	345,000	370,478
144A, 5.75%, 1/15/2030	200,000	213,500
144A, 6.5%, 2/1/2029	200,000	223,000
144A, 7.5%, 4/1/2028	200,000	226,000
144A, 10.875%, 10/15/2025	230,000	257,025
Diamond Sports Group LLC:		
144A, 5.375%, 8/15/2026	279,000	282,223
144A, 6.625%, 8/15/2027 (b)	50,000	48,625
DISH DBS Corp.:		
5.875%, 11/15/2024	231,000	236,053
7.75%, 7/1/2026	160,000	169,502
Entercom Media Corp.:		
144A, 6.5%, 5/1/2027	96,000	102,720
144A, 7.25%, 11/1/2024	80,000	84,200
Frontier Communications Corp., 144A, 8.0%, 4/1/2027	240,000	250,800
Intelsat Connect Finance SA, 144A, 9.5%, 2/15/2023	90,000	62,973
Intelsat Jackson Holdings SA:		
144A, 8.5%, 10/15/2024	251,000	228,618
144A, 9.75%, 7/15/2025	95,000	87,875
Lamar Media Corp., 5.75%, 2/1/2026	140,000	148,386
LCPR Senior Secured Financing DAC, 144A, 6.75%, 10/15/2027	210,000	222,600
Level 3 Financing, Inc.:		
144A, 4.625%, 9/15/2027	339,000	347,068
5.25%, 3/15/2026	110,000	114,400
5.375%, 5/1/2025	100,000	103,500
Netflix, Inc.:		
REG S, 3.625%, 6/15/2030	EUR 100,000	115,255
4.375%, 11/15/2026	330,000	338,250
4.625%, 5/15/2029	EUR 230,000	287,531
4.875%, 4/15/2028	210,000	218,127
5.875%, 2/15/2025	60,000	66,900
5.875%, 11/15/2028	71,000	78,708
Nexstar Broadcasting, Inc., 144A, 5.625%, 7/15/2027	55,000	57,959
Sprint Capital Corp.:		
6.875%, 11/15/2028	365,000	393,287
8.75%, 3/15/2032	115,000	139,581
Sprint Corp.:		
7.125%, 6/15/2024	165,000	177,994
7.625%, 3/1/2026	135,000	148,878
T-Mobile U.S.A., Inc., 4.75%, 2/1/2028	215,000	225,279
Telecom Italia Capital SA, 6.375%, 11/15/2033	155,000	172,050
Telecom Italia SpA, 144A, 5.303%, 5/30/2024	200,000	215,000
Telefonica Europe BV, REG S, 7.625%, Perpetual (c)	EUR 100,000	125,490
Telesat Canada:		
144A, 4.875%, 6/1/2027	110,000	111,925
144A, 6.5%, 10/15/2027	160,000	166,800
ViaSat, Inc.:		
144A, 5.625%, 9/15/2025	55,000	56,650
144A, 5.625%, 4/15/2027	120,000	128,400
Virgin Media Secured Finance PLC:		
144A, 5.5%, 8/15/2026	215,000	225,750
144A, 5.5%, 5/15/2029	345,000	365,269
Vodafone Group PLC, 7.0%, 4/4/2079	70,000	82,240
Ziggo BV, 144A, 4.875%, 1/15/2030	290,000	299,370
		12,951,876

Consumer Discretionary 13.1%

	Principal Amount ($)(a)	Value ($)
1011778 B.C. Unlimited Liability Co., 144A, 4.375%, 1/15/2028	90,000	90,225
American Axle & Manufacturing, Inc.:		
6.25%, 4/1/2025	135,000	140,569
6.25%, 3/15/2026	75,000	76,781
American Builders & Contractors Supply Co., Inc., 144A, 4.0%, 1/15/2028	164,000	166,460
Asbury Automotive Group, Inc., 6.0%, 12/15/2024	219,000	226,117
Beacon Roofing Supply, Inc., 144A, 4.5%, 11/15/2026	30,000	30,900
Beazer Homes USA, Inc., 5.875%, 10/15/2027	170,000	171,700
Boyd Gaming Corp.:		
144A, 4.75%, 12/1/2027	60,000	62,325
6.0%, 8/15/2026	160,000	171,600
Dana Financing Luxembourg Sarl:		
144A, 5.75%, 4/15/2025	155,000	161,975
144A, 6.5%, 6/1/2026	160,000	171,000
Dana, Inc.:		
5.375%, 11/15/2027	55,000	56,650
5.5%, 12/15/2024	65,000	66,815

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	Principal Amount ($)(a)	Value ($)
Eldorado Resorts, Inc., 6.0%, 9/15/2026	173,000	190,516
Fiat Chrysler Automobiles NV, 5.25%, 4/15/2023	245,000	261,844
HD Supply, Inc., 144A, 5.375%, 10/15/2026	100,000	106,000
Hilton Domestic Operating Co., Inc., 4.875%, 1/15/2030	139,000	147,257
IAA, Inc., 144A, 5.5%, 6/15/2027	75,000	79,687
Korn Ferry, 144A, 4.625%, 12/15/2027	30,000	30,150
Lennar Corp., 5.0%, 6/15/2027	50,000	54,250
Lithia Motors, Inc., 144A, 4.625%, 12/15/2027	140,000	143,900
Mattel, Inc., 144A, 6.75%, 12/31/2025	325,000	349,310
Meritor, Inc., 6.25%, 2/15/2024	75,000	76,852
MGM Resorts International:		
5.5%, 4/15/2027	100,000	111,000
5.75%, 6/15/2025	190,000	212,800
NCL Corp. Ltd., 144A, 3.625%, 12/15/2024	200,000	202,750
Newell Brands, Inc., 4.2%, 4/1/2026	640,000	667,363
Outfront Media Capital LLC:		
144A, 4.625%, 3/15/2030	30,000	30,525
144A, 5.0%, 8/15/2027	140,000	146,650
Panther BF Aggregator 2 LP:		
144A, 4.375%, 5/15/2026	EUR 100,000	117,577
REG S, 4.375%, 5/15/2026	EUR 100,000	117,577
144A, 6.25%, 5/15/2026	55,000	59,263
Penn National Gaming, Inc., 144A, 5.625%, 1/15/2027	80,000	84,544
PetSmart, Inc.:		
144A, 7.125%, 3/15/2023	270,000	264,600
144A, 8.875%, 6/1/2025	90,000	88,875
Prestige Brands, Inc., 144A, 5.125%, 1/15/2028	60,000	62,850
PulteGroup, Inc., 6.375%, 5/15/2033	100,000	116,750
Scientific Games International, Inc., 144A, 7.0%, 5/15/2028	165,000	176,962
Sonic Automotive, Inc., 6.125%, 3/15/2027	55,000	57,338
Spectrum Brands, Inc., 144A, 5.0%, 10/1/2029	30,000	30,975
Staples, Inc.:		
144A, 7.5%, 4/15/2026	210,000	217,875
144A, 10.75%, 4/15/2027	160,000	162,400
Stars Group Holdings BV, 144A, 7.0%, 7/15/2026	105,000	113,662
Suburban Propane Partners LP, 5.75%, 3/1/2025	105,000	107,887
Taylor Morrison Communities, Inc., 144A, 5.75%, 1/15/2028	170,000	185,300
Tesla, Inc., 144A, 5.3%, 8/15/2025	135,000	130,950
Toll Brothers Finance Corp., 4.35%, 2/15/2028	67,000	69,848
TRI Pointe Group, Inc., 5.25%, 6/1/2027	55,000	57,475
United Rentals North America, Inc., 5.25%, 1/15/2030	80,000	86,104
Viking Cruises Ltd., 144A, 5.875%, 9/15/2027	205,000	219,094
WMG Acquisition Corp., 144A, 5.0%, 8/1/2023	75,000	76,688
Wynn Las Vegas LLC, 144A, 5.5%, 3/1/2025	285,000	304,950
Wynn Resorts Finance LLC, 144A, 5.125%, 10/1/2029	5,000	5,363
Yum! Brands, Inc., 144A, 4.75%, 1/15/2030	35,000	36,663
		7,355,541
Consumer Staples 3.4%		
Albertsons Companies, Inc.:		
144A, 4.625%, 1/15/2027	140,000	139,832
144A, 5.875%, 2/15/2028	60,000	63,750
Cott Holdings, Inc., 144A, 5.5%, 4/1/2025	325,000	339,625
Darling Ingredients, Inc., 144A, 5.25%, 4/15/2027	30,000	31,913
JBS U.S.A. LUX SA:		
144A, 5.5%, 1/15/2030	60,000	64,446
144A, 5.75%, 6/15/2025	210,000	217,350
144A, 6.5%, 4/15/2029	132,000	146,689
144A, 6.75%, 2/15/2028	235,000	259,677
Pilgrim's Pride Corp.:		
144A, 5.75%, 3/15/2025	50,000	51,682
144A, 5.875%, 9/30/2027	150,000	162,187
Post Holdings, Inc.:		
144A, 5.0%, 8/15/2026	65,000	68,656
144A, 5.5%, 3/1/2025	250,000	261,875
144A, 5.5%, 12/15/2029	110,000	117,293
		1,924,975
Energy 12.8%		
Antero Midstream Partners LP:		
5.375%, 9/15/2024	95,000	88,113
144A, 5.75%, 3/1/2027	80,000	70,350
144A, 5.75%, 1/15/2028	90,000	78,300
Archrock Partners LP:		
144A, 6.25%, 4/1/2028	30,000	30,900
144A, 6.875%, 4/1/2027	110,000	116,325
Cheniere Energy Partners LP:		
144A, 4.5%, 10/1/2029	217,000	222,989
5.625%, 10/1/2026	80,000	84,600
Chesapeake Energy Corp., 144A, 11.5%, 1/1/2025 (b)	115,500	109,148
Crestwood Midstream Partners LP:		
144A, 5.625%, 5/1/2027	150,000	152,062
6.25%, 4/1/2023	245,000	249,900
DCP Midstream Operating LP, 5.375%, 7/15/2025	387,000	420,862
Endeavor Energy Resources LP:		
144A, 5.5%, 1/30/2026	35,000	36,138
144A, 5.75%, 1/30/2028	35,000	36,794
EnLink Midstream Partners LP, 4.4%, 4/1/2024	280,000	271,628
Genesis Energy LP:		
6.25%, 5/15/2026	115,000	109,825
6.5%, 10/1/2025	85,000	82,238
Hilcorp Energy I LP:		
144A, 5.0%, 12/1/2024	105,000	101,532
144A, 5.75%, 10/1/2025	145,000	141,381
144A, 6.25%, 11/1/2028	105,000	99,750
Holly Energy Partners LP, 144A, 6.0%, 8/1/2024	225,000	234,562

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	Principal Amount ($)(a)	Value ($)
Matador Resources Co., 5.875%, 9/15/2026	134,000	134,335
MEG Energy Corp., 144A, 6.5%, 1/15/2025	234,000	243,383
Murphy Oil U.S.A., Inc.:		
4.75%, 9/15/2029	115,000	121,448
5.625%, 5/1/2027	65,000	69,713
Nabors Industries, Inc., 5.75%, 2/1/2025	80,000	72,000
NuStar Logistics LP:		
5.625%, 4/28/2027	236,000	242,490
6.0%, 6/1/2026	160,000	169,200
Oasis Petroleum, Inc.:		
6.875%, 3/15/2022	373,000	359,012
6.875%, 1/15/2023 (b)	60,000	58,650
Parkland Fuel Corp., 144A, 5.875%, 7/15/2027	170,000	182,811
Parsley Energy LLC:		
144A, 5.25%, 8/15/2025	55,000	56,513
144A, 5.375%, 1/15/2025	185,000	190,550
144A, 5.625%, 10/15/2027	175,000	185,062
Precision Drilling Corp., 144A, 7.125%, 1/15/2026	110,000	104,500
Range Resources Corp., 5.0%, 8/15/2022	185,000	181,300
Shelf Drilling Holdings Ltd., 144A, 8.25%, 2/15/2025	180,000	171,450
Southwestern Energy Co.:		
6.2%, 1/23/2025	60,000	55,032
7.75%, 10/1/2027 (b)	30,000	27,786
Sunoco LP:		
5.5%, 2/15/2026	130,000	134,875
5.875%, 3/15/2028	35,000	37,163
6.0%, 4/15/2027	52,000	55,510
Targa Resources Partners LP:		
5.0%, 1/15/2028	235,000	239,700
5.375%, 2/1/2027	260,000	269,750
144A, 5.5%, 3/1/2030	90,000	92,475
TerraForm Power Operating LLC, 144A, 4.75%, 1/15/2030	135,000	137,363
Transocean Poseidon Ltd., 144A, 6.875%, 2/1/2027	105,000	111,300
USA Compression Partners LP, 6.875%, 4/1/2026	142,000	149,100
Whiting Petroleum Corp.:		
5.75%, 3/15/2021	160,000	151,360
6.625%, 1/15/2026	75,000	51,111
WPX Energy, Inc.:		
5.25%, 9/15/2024	145,000	154,062
5.25%, 10/15/2027	105,000	110,775
8.25%, 8/1/2023	105,000	120,750
		7,177,926

Financials 2.4%

	Principal Amount ($)(a)	Value ($)
AmWINS Group, Inc., 144A, 7.75%, 7/1/2026	70,000	77,359
Hertz Corp., 144A, 6.0%, 1/15/2028	220,000	220,000
Intesa Sanpaolo SpA, 144A, 5.71%, 1/15/2026	200,000	216,489
Lions Gate Capital Holdings LLC, 144A, 6.375%, 2/1/2024	80,000	83,602
LPL Holdings, Inc., 144A, 4.625%, 11/15/2027	30,000	30,600
Navient Corp.:		
5.5%, 1/25/2023	235,000	250,862
6.5%, 6/15/2022	100,000	108,375
6.75%, 6/25/2025	80,000	88,320
Springleaf Finance Corp.:		
5.375%, 11/15/2029	160,000	167,008
6.625%, 1/15/2028	35,000	39,508
Tempo Acquisition LLC, 144A, 6.75%, 6/1/2025	75,000	77,438
		1,359,561

Health Care 8.3%

	Principal Amount ($)(a)	Value ($)
Avantor, Inc.:		
144A, 6.0%, 10/1/2024	130,000	138,610
144A, 9.0%, 10/1/2025	125,000	139,691
Bausch Health Americas, Inc.:		
144A, 8.5%, 1/31/2027	385,000	438,438
144A, 9.25%, 4/1/2026	85,000	97,631
Bausch Health Companies, Inc.:		
144A, 5.0%, 1/30/2028	110,000	112,903
144A, 5.25%, 1/30/2030	80,000	82,960
144A, 5.75%, 8/15/2027	115,000	124,775
144A, 5.875%, 5/15/2023	9,000	9,079
144A, 6.125%, 4/15/2025	150,000	154,984
144A, 6.5%, 3/15/2022	105,000	107,362
144A, 7.0%, 3/15/2024	255,000	265,200
144A, 7.0%, 1/15/2028	40,000	44,152
144A, 7.25%, 5/30/2029	20,000	22,850
Catalent Pharma Solutions, Inc., 144A, 5.0%, 7/15/2027	125,000	130,937
Centene Corp.:		
144A, 4.25%, 12/15/2027	90,000	92,588
144A, 4.625%, 12/15/2029	135,000	141,932
144A, 5.375%, 6/1/2026	95,000	100,819
Charles River Laboratories International, Inc.:		
144A, 4.25%, 5/1/2028	275,000	280,156
144A, 5.5%, 4/1/2026	20,000	21,500
Community Health Systems, Inc.:		
6.25%, 3/31/2023	280,000	284,200
144A, 8.0%, 3/15/2026	95,000	97,850
Encompass Health Corp.:		
4.5%, 2/1/2028	45,000	46,631
4.75%, 2/1/2030	37,000	38,388
HCA, Inc.:		
5.375%, 9/1/2026	90,000	100,238
5.875%, 2/15/2026	100,000	113,713
Hill-Rom Holdings, Inc., 144A, 4.375%, 9/15/2027	85,000	87,444
Select Medical Corp., 144A, 6.25%, 8/15/2026	275,000	297,693
Tenet Healthcare Corp.:		
144A, 4.875%, 1/1/2026	190,000	199,006
5.125%, 5/1/2025	215,000	221,450
144A, 5.125%, 11/1/2027	220,000	232,375
144A, 6.25%, 2/1/2027	60,000	64,575
6.75%, 6/15/2023	85,000	93,390
7.0%, 8/1/2025 (b)	55,000	58,094
Teva Pharmaceutical Finance Netherlands III BV, 2.2%, 7/21/2021	46,000	44,549
WellCare Health Plans, Inc., 144A, 5.375%, 8/15/2026	130,000	138,450
		4,624,613

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	Principal Amount ($)(a)	Value ($)
Industrials 8.3%		
Bombardier, Inc.:		
144A, 5.75%, 3/15/2022	179,000	184,873
144A, 6.0%, 10/15/2022	143,000	142,957
144A, 7.875%, 4/15/2027	244,000	251,015
Builders Firstsource, Inc., 144A, 6.75%, 6/1/2027	15,000	16,444
BWX Technologies, Inc., 144A, 5.375%, 7/15/2026	30,000	31,800
Clean Harbors, Inc.:		
144A, 4.875%, 7/15/2027	65,000	68,412
144A, 5.125%, 7/15/2029	30,000	32,178
Colfax Corp.:		
144A, 6.0%, 2/15/2024	25,000	26,563
144A, 6.375%, 2/15/2026	95,000	103,550
Covanta Holding Corp., 5.875%, 7/1/2025	205,000	216,275
DAE Funding LLC:		
144A, 4.5%, 8/1/2022	8,000	8,120
144A, 5.0%, 8/1/2024	25,000	26,249
144A, 5.75%, 11/15/2023	115,000	120,606
Energizer Holdings, Inc.:		
144A, 5.5%, 6/15/2025	115,000	119,312
144A, 6.375%, 7/15/2026	120,000	127,800
144A, 7.75%, 1/15/2027	105,000	117,343
EnerSys, 144A, 4.375%, 12/15/2027	90,000	88,884
GFL Environmental, Inc.:		
144A, 5.125%, 12/15/2026	50,000	52,569
144A, 7.0%, 6/1/2026	160,000	169,024
Graphic Packaging International LLC, 144A, 4.75%, 7/15/2027	30,000	32,100
Itron, Inc., 144A, 5.0%, 1/15/2026	140,000	145,075
Masonite International Corp., 144A, 5.375%, 2/1/2028	74,000	78,162
Moog, Inc.:		
144A, 4.25%, 12/15/2027	160,000	162,816
144A, 5.25%, 12/1/2022	120,000	121,644
Prime Security Services Borrower LLC:		
144A, 5.75%, 4/15/2026	135,000	146,729
144A, 9.25%, 5/15/2023	2,000	2,098
Sensata Technologies, Inc., 144A, 4.375%, 2/15/2030	30,000	30,583
Signature Aviation US Holdings Inc, 144A, 4.0%, 3/1/2028	155,000	152,876
Summit Materials LLC, 6.125%, 7/15/2023	200,000	203,250
Tennant Co., 5.625%, 5/1/2025	30,000	31,350
TransDigm, Inc.:		
144A, 5.5%, 11/15/2027	170,000	171,909
144A, 6.25%, 3/15/2026	315,000	341,022
Triumph Group, Inc., 144A, 6.25%, 9/15/2024	64,000	67,280
United Rentals North America, Inc.:		
4.625%, 10/15/2025	800,000	822,480
6.5%, 12/15/2026	220,000	241,794
		4,655,142
Information Technology 2.6%		
Camelot Finance SA, 144A, 4.5%, 11/1/2026	55,000	56,513
Cardtronics, Inc., 144A, 5.5%, 5/1/2025	95,000	98,562
CDK Global, Inc., 144A, 5.25%, 5/15/2029	85,000	91,162
Change Healthcare Holdings LLC, 144A, 5.75%, 3/1/2025	210,000	215,775
Fair Isaac Corp., 144A, 5.25%, 5/15/2026	130,000	143,000
Go Daddy Operating Co. LLC, 144A, 5.25%, 12/1/2027	165,000	173,662
IQVIA, Inc., 144A, 5.0%, 5/15/2027	220,000	232,728
MTS Systems Corp., 144A, 5.75%, 8/15/2027	32,000	33,440
Qorvo, Inc., 144A, 4.375%, 10/15/2029	55,000	57,613
Refinitiv U.S. Holdings, Inc., 144A, 8.25%, 11/15/2026	85,000	95,731
SS&C Technologies, Inc., 144A, 5.5%, 9/30/2027	85,000	90,738
TTM Technologies, Inc., 144A, 5.625%, 10/1/2025	155,000	160,231
		1,449,155
Materials 11.2%		
AK Steel Corp., 7.5%, 7/15/2023	85,000	88,400
Ardagh Packaging Finance PLC, 144A, 6.0%, 2/15/2025	220,000	230,725
Axalta Coating Systems LLC, 144A, 4.875%, 8/15/2024	175,000	181,125
Berry Global, Inc.:		
144A, 4.875%, 7/15/2026	105,000	110,744
5.5%, 5/15/2022	315,000	318,544
144A, 5.625%, 7/15/2027	15,000	16,088
Cascades, Inc.:		
144A, 5.125%, 1/15/2026	10,000	10,275
144A, 5.375%, 1/15/2028	15,000	15,413
CF Industries, Inc., 5.15%, 3/15/2034	105,000	117,338
Chemours Co.:		
5.375%, 5/15/2027	115,000	101,775
7.0%, 5/15/2025 (b)	60,000	60,450
Clearwater Paper Corp., 144A, 5.375%, 2/1/2025	110,000	109,175
Constellium SE:		
144A, 4.625%, 5/15/2021	EUR 100,000	112,432
144A, 5.75%, 5/15/2024	250,000	256,875
144A, 6.625%, 3/1/2025	250,000	259,400
Element Solutions, Inc., 144A, 5.875%, 12/1/2025	85,000	88,931
First Quantum Minerals Ltd.:		
144A, 6.5%, 3/1/2024	245,000	245,612
144A, 6.875%, 3/1/2026	200,000	202,500
Freeport-McMoRan, Inc.:		
3.875%, 3/15/2023	100,000	101,823
5.0%, 9/1/2027	240,000	252,000
5.25%, 9/1/2029	280,000	299,964
Hudbay Minerals, Inc.:		
144A, 7.25%, 1/15/2023	95,000	98,503
144A, 7.625%, 1/15/2025	220,000	232,210
Kaiser Aluminum Corp., 144A, 4.625%, 3/1/2028	70,000	71,820
LABL Escrow Issuer LLC, 144A, 6.75%, 7/15/2026	100,000	106,250

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	Principal Amount ($)(a)	Value ($)
Mauser Packaging Solutions Holding Co.:		
144A, 5.5%, 4/15/2024	175,000	180,268
144A, 7.25%, 4/15/2025	205,000	202,437
Mercer International, Inc.:		
6.5%, 2/1/2024	110,000	114,125
7.375%, 1/15/2025	175,000	188,379
NOVA Chemicals Corp.:		
144A, 4.875%, 6/1/2024	185,000	191,013
144A, 5.25%, 6/1/2027	140,000	143,850
Novelis Corp., 144A, 5.875%, 9/30/2026	230,000	244,744
Olin Corp., 5.625%, 8/1/2029	314,000	331,647
Reynolds Group Issuer, Inc.:		
144A, 5.125%, 7/15/2023	290,000	296,887
144A, 7.0%, 7/15/2024	35,000	36,181
Tronox Finance PLC, 144A, 5.75%, 10/1/2025	266,000	270,980
Tronox, Inc., 144A, 6.5%, 4/15/2026	192,000	197,798
United States Steel Corp., 6.25%, 3/15/2026	124,000	106,032
Univar Solutions USA, Inc., 144A, 5.125%, 12/1/2027	80,000	83,502
		6,276,215

Real Estate 3.2%

Iron Mountain, Inc.:		
144A, (REIT), 4.875%, 9/15/2029	125,000	126,975
144A, (REIT), 5.25%, 3/15/2028	50,000	52,000
(REIT), 5.75%, 8/15/2024	320,000	323,600
(REIT), 6.0%, 8/15/2023	300,000	306,375
iStar, Inc.:		
(REIT), 4.25%, 8/1/2025	100,000	101,096
(REIT), 4.75%, 10/1/2024	170,000	176,162
MGM Growth Properties Operating Partnership LP, 144A, (REIT), 5.75%, 2/1/2027	310,000	345,650
MPT Operating Partnership LP:		
(REIT), 4.625%, 8/1/2029	140,000	144,200
(REIT), 6.375%, 3/1/2024	170,000	176,795
Ryman Hospitality Properties, Inc., 144A, (REIT), 4.75%, 10/15/2027	5,000	5,163
VICI Properties LP, 144A (REIT), 4.625%, 12/1/2029	16,000	16,680
		1,774,696

Utilities 6.0%

AES Corp., 4.875%, 5/15/2023	94,000	95,410
AmeriGas Partners LP:		
5.5%, 5/20/2025	205,000	221,400
5.75%, 5/20/2027	110,000	120,725
Calpine Corp.:		
144A, 4.5%, 2/15/2028	155,000	156,375
144A, 5.125%, 3/15/2028	160,000	163,312
144A, 5.25%, 6/1/2026	260,000	270,725
5.75%, 1/15/2025	125,000	128,281
Clearway Energy Operating LLC, 144A, 4.75%, 3/15/2028	165,000	167,269
NextEra Energy Operating Partners LP, 144A, 4.25%, 7/15/2024	210,000	218,662

	Principal Amount ($)(a)	Value ($)
NRG Energy, Inc.:		
144A, 5.25%, 6/15/2029	157,000	169,756
5.75%, 1/15/2028	200,000	217,000
7.25%, 5/15/2026	75,000	81,938
Talen Energy Supply LLC, 144A, 7.25%, 5/15/2027	190,000	199,918
Vistra Energy Corp., 5.875%, 6/1/2023	70,000	71,613
Vistra Operations Co. LLC:		
144A, 5.0%, 7/31/2027	220,000	229,896
144A, 5.5%, 9/1/2026	315,000	333,900
144A, 5.625%, 2/15/2027	495,000	521,606
		3,367,786
Total Corporate Bonds (Cost $51,007,698)		**52,917,486**

Loan Participations and Assignments 0.3%

Senior Loan**

Endo Luxembourg Finance Company I S.a r.l., Term Loan B, 1-month USD LIBOR + 4.250%, 6.063%, 4/29/2024 (Cost $166,021)	179,540	**172,386**

Convertible Bonds 0.1%

Communication Services

DISH Network Corp., 2.375%, 3/15/2024 (Cost $36,925)	35,000	**31,959**

	Shares	Value ($)

Common Stocks 0.0%

Industrials

Quad Graphics, Inc. (Cost $0)	287	**1,340**

Warrants 0.1%

Materials

Hercules Trust II, Expiration Date 3/31/2029* (d) (Cost $244,285)	1,100	**42,051**

Securities Lending Collateral 0.6%

DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (e) (f) (Cost $361,289)	361,289	**361,289**

Cash Equivalents 3.9%

DWS Central Cash Management Government Fund, 1.62% (e) (Cost $2,187,480)	2,187,480	**2,187,480**

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

	% of Net Assets	Value ($)
Total Investment Portfolio		
(Cost $54,003,698)	99.4	**55,713,991**
Other Assets and Liabilities, Net	0.6	**321,555**
Net Assets	100.0	**56,035,546**

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 0.6%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (e) (f)								
1,464,490	—	1,103,201(g)	—	—	6,051	—	361,289	361,289
Cash Equivalents 3.9%								
DWS Central Cash Management Government Fund, 1.62% (e)								
4,341,875	29,948,464	32,102,859	—	—	60,892	—	2,187,480	2,187,480
5,806,365	**29,948,464**	**33,206,060**	**—**	**—**	**66,943**	**—**	**2,548,769**	**2,548,769**

* Non-income producing security.

** Variable or floating rate security. These securities are shown at their current rate as of December 31, 2019. 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.

(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 December 31, 2019 amounted to $350,511, which is 0.6% of net assets.

(c) Perpetual, callable security with no stated maturity date.

(d) Investment was valued using significant unobservable inputs.

(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.

(g) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the year ended December 31, 2019.

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.

LIBOR: London Interbank Offered Rate

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

As of December 31, 2019, the Fund had the following open forward foreign currency contracts:

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Depreciation ($)	Counterparty
EUR	791,230	USD	879,605	1/31/2020	(9,627)	BNP Paribas SA

Currency Abbreviations

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 December 31, 2019 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**
Fixed Income Investments				
Corporate Bonds (h)	$ —	$52,917,486	$ —	$52,917,486
Loan Participations and Assignments	—	172,386	—	172,386
Convertible Bonds	—	31,959	—	31,959
Common Stocks	1,340	—	—	1,340
Warrants	—	—	42,051	42,051
Short-Term Investments (h)	2,548,769	—	—	2,548,769
Total	**$2,550,109**	**$53,121,831**	**$42,051**	**$55,713,991**

Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives (i)				
Forward Foreign Currency Contracts	$ —	$ (9,627)	$ —	$ (9,627)
Total	**$ —**	**$ (9,627)**	**$ —**	**$ (9,627)**

(h) See Investment Portfolio for additional detailed categorizations.

(i) Derivatives include unrealized appreciation (depreciation) on open forward foreign currency contracts.

Level 3 Reconciliation

The following is a reconciliation of the Fund's Level 3 investments for which significant unobservable inputs were used in determining value:

	Convertible Bond	**Common Stocks**	**Warrant**	**Total**
Balance as of December 31, 2018	**$ 1,710,710**	**$ 116,277**	**$27,119**	**$ 1,854,106**
Realized gains (loss)	—	(30,915)	—	(30,915)
Change in unrealized appreciation (depreciation)	(135,355)	386,695	14,932	266,272
Amortization of premium/accretion of discount	174	—	—	174
Purchases/PIK	110,092	1,781,183	—	1,891,275
(Sales)	(1,685,621)	(2,253,240)	—	(3,938,861)
Transfer into Level 3	—	—	—	—
Transfer (out) of Level 3	—	—	—	—
Balance as of December 31, 2019	**$ —**	**$ —**	**$42,051**	**$ 42,051**
Net change in unrealized appreciation (depreciation) from investments still held as of December 31, 2019	**$ —**	**$ —**	**$14,932**	**$ 14,932**

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

Statement of Assets and Liabilities

as of December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $51,454,929) — including $350,511 of securities loaned	$ 53,165,222
Investment in DWS Government & Agency Securities Portfolio (cost $361,289)*	361,289
Investment in DWS Central Cash Management Government Fund (cost $2,187,480)	2,187,480
Cash	10,000
Foreign currency, at value (cost $124,910)	124,902
Receivable for investments sold	58,405
Receivable for Fund shares sold	27,969
Interest receivable	821,193
Other assets	1,536
Total assets	56,757,996

Liabilities	
Payable upon return of securities loaned	361,289
Payable for investments purchased	198,817
Payable for Fund shares redeemed	11,056
Unrealized depreciation on forward foreign currency contracts	9,627
Accrued management fee	5,242
Accrued Trustees' fees	1,885
Other accrued expenses and payables	134,534
Total liabilities	722,450
Net assets, at value	**$ 56,035,546**

Net Assets Consist of	
Distributable earnings (loss)	(2,184,761)
Paid-in capital	58,220,307
Net assets, at value	**$ 56,035,546**

Net Asset Value	
Class A **Net Asset Value,** offering and redemption price per share ($55,876,386 ÷ 8,976,023 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 6.23**
Class B **Net Asset Value,** offering and redemption price per share ($159,160 ÷ 25,470 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 6.25**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Interest	$ 3,129,488
Income distributions — DWS Central Cash Management Government Fund	60,892
Securities lending income, net of borrower rebates	6,051
Total income	3,196,431
Expenses: Management fee	277,093
Administration fee	55,419
Services to Shareholders	768
Record keeping fee (Class B)	208
Distribution service fees (Class B)	353
Custodian fee	23,037
Professional fees	93,081
Reports to shareholders	37,370
Trustees' fees and expenses	4,840
Pricing service fee	37,913
Other	3,217
Total expenses before expense reductions	533,299
Expense reductions	(156,003)
Total expenses after expense reductions	377,296
Net investment income	**2,819,135**

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from: Investments	(168,942)
Forward foreign currency contracts	52,518
Foreign currency	(2,137)
	(118,561)
Change in net unrealized appreciation (depreciation) on: Investments	5,190,057
Forward foreign currency contracts	(8,191)
Foreign currency	40
	5,181,906
Net gain (loss)	**5,063,345**
Net increase (decrease) in net assets resulting from operations	**$ 7,882,480**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 2,819,135	$ 3,142,998
Net realized gain (loss)	(118,561)	(176,656)
Change in net unrealized appreciation (depreciation)	5,181,906	(4,256,326)
Net increase (decrease) in net assets resulting from operations	7,882,480	(1,289,984)
Distributions to shareholders:		
Class A	(3,177,995)	(4,670,013)
Class B	(7,539)	(14,079)
Total distributions	(3,185,534)	(4,684,092)
Fund share transactions:		
Class A		
Proceeds from shares sold	5,665,153	4,796,087
Reinvestment of distributions	3,177,995	4,670,013
Payments for shares redeemed	(9,540,349)	(12,180,108)
Net increase (decrease) in net assets from Class A share transactions	(697,201)	(2,714,008)
Class B		
Proceeds from shares sold	16,476	63,056
Reinvestment of distributions	7,539	14,079
Payments for shares redeemed	(11,195)	(64,199)
Net increase (decrease) in net assets from Class B share transactions	12,820	12,936
Increase (decrease) in net assets	4,012,565	(8,675,148)
Net assets at beginning of period	52,022,981	60,698,129
Net assets at end of period	**$56,035,546**	**$ 52,022,981**

Other Information		
Class A		
Shares outstanding at beginning of period	9,081,584	9,527,083
Shares sold	944,540	775,176
Shares issued to shareholders in reinvestment of distributions	543,247	803,789
Shares redeemed	(1,593,348)	(2,024,464)
Net increase (decrease) in Class A shares	(105,561)	(445,499)
Shares outstanding at end of period	**8,976,023**	**9,081,584**
Class B		
Shares outstanding at beginning of period	23,418	21,761
Shares sold	2,669	9,962
Shares issued to shareholders in reinvestment of distributions	1,282	2,411
Shares redeemed	(1,899)	(10,716)
Net increase (decrease) in Class B shares	2,052	1,657
Shares outstanding at end of period	**25,470**	**23,418**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 5.71**	**$ 6.36**	**$6.28**	**$ 5.93**	**$ 6.60**
Income (loss) from investment operations:					
Net investment income[a]	.31	.33	.31	.32	.32
Net realized and unrealized gain (loss)	.56	(.48)	.15	.41	(.58)
Total from investment operations	.87	(.15)	.46	.73	(.26)
Less distributions from: Net investment income	(.35)	(.50)	(.38)	(.38)	(.41)
Net asset value, end of period	**$ 6.23**	**$ 5.71**	**$6.36**	**$ 6.28**	**$ 5.93**
Total Return (%)[b]	15.69	(2.52)	7.51	12.87	(4.44)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	56	52	61	100	101
Ratio of expenses before expense reductions (%)[c]	.96	.94	.78	.80	.75
Ratio of expenses after expense reductions (%)[c]	.68	.69	.72	.72	.72
Ratio of net investment income (%)	5.09	5.41	4.98	5.38	5.09
Portfolio turnover rate (%)	82	62	71	77	47

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$ 5.73**	**$ 6.38**	**$6.30**	**$ 5.94**	**$ 6.63**
Income (loss) from investment operations:					
Net investment income[a]	.29	.31	.31	.31	.32
Net realized and unrealized gain (loss)	.57	(.48)	.13	.41	(.61)
Total from investment operations	.86	(.17)	.44	.72	(.29)
Less distributions from: Net investment income	(.34)	(.48)	(.36)	(.36)	(.40)
Net asset value, end of period	**$ 6.25**	**$ 5.73**	**$6.38**	**$ 6.30**	**$ 5.94**
Total Return (%)[b]	15.33	(2.76)	7.21	12.67	(4.95)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	.2	.1	.1	2	3
Ratio of expenses before expense reductions (%)[c]	1.40	1.34	1.15	1.21	1.14
Ratio of expenses after expense reductions (%)[c]	.94	.96	.98	.98	1.02
Ratio of net investment income (%)	4.82	5.14	4.88	5.15	4.86
Portfolio turnover rate (%)	82	62	71	77	47

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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.

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

Notes to 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). Sales of Class B shares are subject to recordkeeping fees up to 0.15% and Rule 12b-1 fees under the 1940 Act equal to an annual rate of 0.25% 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 Rule 12b-1 fee 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 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 securities.

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. That 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 year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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 were 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 December 31, 2019, the Fund had a net tax basis capital loss carryforward of approximately $6,728,000, which may be applied against realized net taxable capital gains indefinitely, including short-term losses ($531,000) and long-term losses ($6,197,000).

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 2,847,071
Capital loss carryforwards	$ (6,728,000)
Net unrealized appreciation (depreciation) on investments	$ 1,696,201

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $54,017,790. The net unrealized appreciation for all investments based on tax cost was $1,696,201. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $2,174,743 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $478,542.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31,	
	2019	**2018**
Distributions from ordinary income*	$ 3,185,534	$ 4,684,092

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 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 discounts and premiums are accreted/amortized for both tax and financial reporting purposes for the Fund, with the exception of securities in default of principal.

B. Derivative Instruments

Forward Foreign Currency Exchange Contracts. A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at the settlement date at a negotiated rate. For the year ended December 31, 2019, 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 December 31, 2019 is included in a table following the Fund's Investment Portfolio. For the year ended December 31, 2019, the investment in forward currency contracts short vs. U.S. dollars had a total contract value generally indicative of a range from approximately $719,000 to $1,151,000.

The following table summarizes the value of the Fund's derivative instruments held as of December 31, 2019 and the related location in the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

Liability Derivative	**Forward Contract**
Foreign Exchange contracts (a)	$ (9,627)

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 year ended December 31, 2019 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	**Forward Contract**
Foreign Exchange Contracts (b)	$ 52,518

The above derivative is located in the following Statement of Operations accounts:
(b) Net realized gain (loss) from forward foreign currency contracts

Change in Net Unrealized Appreciation (Depreciation)	**Forward Contract**
Foreign Exchange contracts (c)	$ (8,191)

The above derivative is located in the following Statement of Operations accounts:
(c) Change in net unrealized appreciation (depreciation) on forward foreign currency contracts

As of December 31, 2019, 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 Amounts of Liabilities Presented in the Statement of Assets and Liabilities**	**Financial Instruments and Derivatives Available for Offset**	**Collateral Pledged**	**Net Amount of Derivative Liabilities**
BNP Paribas SA	$ 9,627	$ —	$ —	$ 9,627

C. Purchases and Sales of Securities

During the year ended December 31, 2019, purchases and sales of investment transactions (excluding short-term investments and U.S. Treasury securities) aggregated $45,069,571 and $42,800,355, 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.

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	.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 year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.50% of the Fund's average daily net assets.

For the period from January 1, 2019 through April 30, 2020, the Advisor has contractually agreed to waive all or a portion of 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	.68%
Class B	.94%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for each class were as follows:

Class A	$ 155,358
Class B	645
	$ 156,003

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $55,419, of which $4,740 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 257	$ 42
Class B	54	9
	$ 311	**$ 51**

Distribution Service Agreement. Under the Fund's Class B 12b-1 plan, DWS Distributors, Inc. ("DDI") received a fee ("Distribution Service Fee") of 0.25% of average daily net assets of Class B shares. For the year ended December 31, 2019, the Distribution Service Fee was $353, of which $32 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $11,003, all of which $4,906 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.

Security Lending Fees. Deutsche Bank AG serves as lending agent for the Fund. For the year ended December 31, 2019, the Fund incurred lending agent fees to Deutsche Bank AG for the amount of $455.

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 December 31, 2019, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 71% and 20%. One participating insurance company was owner of record of 10% or more of the total outstanding Class B shares of the Fund, owning 85%.

G. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS High Income VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS High Income VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	Class A	Class B
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,043.60	$ 1,041.70
Expenses Paid per $1,000*	$ 3.50	$ 4.84

Hypothetical 5% Fund Return	Class A	Class B
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,021.78	$ 1,020.47
Expenses Paid per $1,000*	$ 3.47	$ 4.79

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	Class A	Class B
Deutsche DWS Variable Series II — DWS High Income VIP	.68%	.94%

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.

Tax Information

(Unaudited)

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's performance (Class A shares) was in the 2nd quartile, 3rd 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, 2018.

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 0.10% 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, 2018). 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, 2018, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

1 The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

2 A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

3 Executive title, not a board directorship.

4 As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered “interested persons” of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

5 The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

6 Address: 875 Third Avenue, New York, NY 10022.

7 Address: One International Place, Boston, MA 02110.

8 Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund’s Statement of Additional Information (“SAI”) includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

VS2HI-2 (R-025832-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS International Growth VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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. 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 prospectus for details.

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

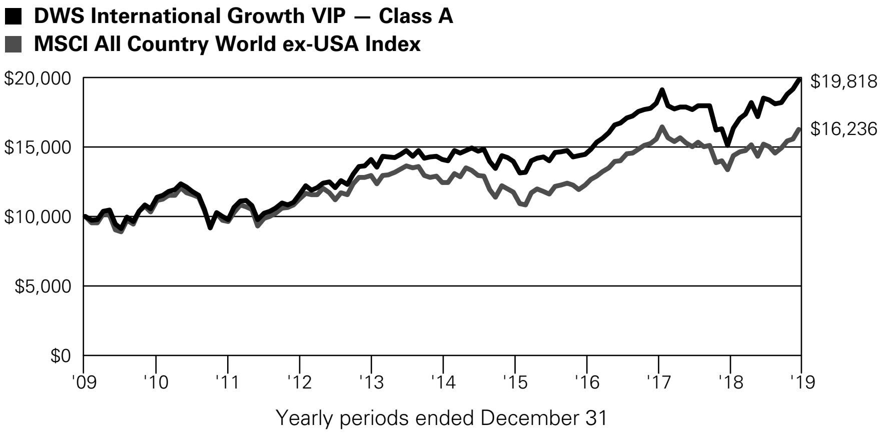
December 31, 2019 (Unaudited)

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, 2019 are 1.72% and 2.07% 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 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 26 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.

Comparative Results

DWS International Growth VIP		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$13,122	$13,717	$14,052	$19,818
	Average annual total return	31.22%	11.11%	7.04%	7.08%
MSCI All Country World ex-USA Index	Growth of $10,000	$12,151	$13,261	$13,073	$16,236
	Average annual total return	21.51%	9.87%	5.51%	4.97%

DWS International Growth VIP		1-Year	3-Year	5-Year	10-Year
Class B	Growth of $10,000	$13,084	$13,616	$13,858	$19,198
	Average annual total return	30.84%	10.84%	6.74%	6.74%
MSCI All Country World ex-USA Index	Growth of $10,000	$12,151	$13,261	$13,073	$16,236
	Average annual total return	21.51%	9.87%	5.51%	4.97%

The growth of $10,000 is cumulative.

Management Summary

The Fund's Class A shares returned 31.22% during the 12 months ended December 31, 2019 (unadjusted for contract charges), strongly outperforming the 21.51% return of the MSCI All-Country World ex-USA Index.

Our emphasis on growth stocks was a key factor driving performance in 2019. Stock selection also played a large role in the Fund's strong showing. The Fund's holdings outpaced the corresponding index components in ten of the eleven major sectors, led by financials, information technology, industrials, and health care. Energy was the only area in which the Fund lagged, but we made up for the shortfall by having an underweight allocation to this underperforming sector.

Brookfield Asset Management, Inc. (Canada), which reported steady growth, was the leading contributor in both the financial sector and the Fund as a whole. Globant SA, a software company based in Argentina, also rallied on the strength of better-than-expected earnings and forward guidance, as well as a generally favorable demand environment. New Oriental Education & Technology Group, Inc. (China), Agnico Eagle Mines Ltd. (Canada), and LVMH Moet Hennessy Louis Vuitton SE (France) were additional contributors of note.

Although we use a bottom-up approach, sector allocations had a positive effect on performance. Most notably, the Fund was helped by having a meaningful overweight in information technology. The sector was the top performer for the year, with a gain nearly twice that of the broader index.

At a time of robust relative performance, few aspects of the Fund's positioning stood out as negatives. The apparel designer SMCP SA (France) was the leading detractor. Protests in France disrupted sales in its home market, and uncertainty surrounding trade policy dampened enthusiasm for the company's expansion in China. Shares of Canada Goose Holdings, Inc. (Canada) also lost ground due to weaker-than-expected results and soft forward guidance. A position in cash, while limited, further hurt results given the strength in the broader market.

The strong performance of the global markets led to a significant increase in valuations in 2019, resulting in a narrower set of investment opportunities. We therefore became increasingly selective in identifying investment candidates for the Fund. For example, we built positions in a number of companies that we believe are supported by the long-term tailwinds of secular change. In the emerging markets, this included Pagseguro Digital Ltd. (Brazil), Luckin Coffee, Inc. (China), and Magazine Luiza SA (Brazil). In the developed markets, we added companies such as TeamViewer AG (Germany), Shimadzu Corp. (Japan), and Orpea (France). We also invested in high-quality franchises with cyclical upside and reasonable valuations, including Cie de Saint-Gobain (France), BASF SE (Germany) and Evonik Industries AG (Germany). On the other hand, we either sold or reduced stocks with deteriorating fundamentals, including China Life Insurance Co., Ltd.* (China), Continental AG* (Germany), Komatsu Ltd.* (Japan), and Chr Hansen Holding AS* (Denmark).

We held a relatively neutral stance from a regional perspective, with the largest absolute weightings in Continental Europe, China/Hong Kong, Japan, and Canada. On a longer-term basis, we think the emerging markets offer the most compelling growth prospects — particularly in areas that are sensitive to domestic consumption trends. Japan has also captured our attention as a source of innovative companies that drive market-leading solutions and place a growing emphasis on shareholder return.

At the sector level, the Fund was overweight in technology, health care, industrials, and consumer discretionary. Conversely, it was underweight in energy, consumer staples, materials, financials, and communication services. These weightings are the result of our bottom-up stock selection process, rather than a top-down view. The Fund ended the year with a cash weighting of about 1%, which we think provides us with flexibility to add to positions in our favored companies if macro-related headlines fuel additional market volatility in the months ahead. We would welcome such disruptions, as they can provide an opportunity to build positions in attractive, higher-growth stocks at more reasonable valuations.

Sebastian P. Werner, PhD, Director
Julia A. Merz, PhD, Assistant Vice President
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

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 26 emerging markets countries. It covers approximately 85% of the global equity opportunity set outside of the U.S.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the fund.

Overweight means that a Fund holds a higher weighting in a given sector compared with its benchmark index. **Underweight** means that a Fund holds a lower weighting.

* Not held at December 31, 2019.

Portfolio Summary (Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	97%	99%
Exchange-Traded Funds	2%	—
Cash Equivalents	1%	1%
Preferred Stocks	0%	0%
Warrants	—	0%
	100%	100%

Sector Diversification (As a % of Investment Portfolio excluding Cash Equivalents, Securities Lending Collateral and Exchange-Traded Funds)	**12/31/19**	**12/31/18**
Financials	19%	20%
Information Technology	18%	14%
Industrials	15%	15%
Health Care	15%	14%
Consumer Discretionary	14%	15%
Consumer Staples	7%	7%
Communication Services	5%	7%
Materials	5%	6%
Energy	2%	2%
	100%	100%

Geographical Diversification (As a % of Investment Portfolio excluding Cash Equivalents, Securities Lending Collateral and Exchange-Traded Funds)	**12/31/19**	**12/31/18**
France	13%	11%
Germany	13%	13%
Japan	10%	12%
Canada	9%	10%
United States	8%	7%
Switzerland	9%	9%
China	8%	8%
Netherlands	4%	4%
United Kingdom	4%	7%
Ireland	4%	1%
Sweden	3%	3%
Singapore	2%	2%
Argentina	2%	2%
Brazil	2%	0%
Korea	2%	2%
Other	7%	9%
	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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 96.2%		
Argentina 2.1%		
Globant SA* (a)	3,331	353,253
Grupo Supervielle SA (ADR) (b)	3,968	14,602
(Cost $240,383)		**367,855**
Brazil 1.8%		
Magazine Luiza SA	12,960	153,436
Pagseguro Digital Ltd. "A"* (a)	4,756	162,465
(Cost $271,746)		**315,901**
Canada 9.3%		
Agnico Eagle Mines Ltd.	5,048	310,915
Alimentation Couche-Tard, Inc. "B"	5,580	177,084
Brookfield Asset Management, Inc. "A"	9,774	564,740
Canada Goose Holdings, Inc.* (b)	3,715	134,490
Canadian National Railway Co.	2,610	236,107
Toronto-Dominion Bank	3,902	218,846
(Cost $979,618)		**1,642,182**
China 8.2%		
Alibaba Group Holding Ltd. (ADR)*	1,560	330,876
Luckin Coffee, Inc. (ADR)* (b)	2,265	89,150
Minth Group Ltd.	16,870	59,599
Momo, Inc. (ADR)	3,331	111,589
New Oriental Education & Technology Group, Inc. (ADR)*	1,120	135,800
Ping An Healthcare and Technology Co., Ltd. 144A*	2,100	15,388
Ping An Insurance (Group) Co. of China Ltd. "H"	33,000	391,713
Tencent Holdings Ltd.	6,400	308,056
(Cost $920,012)		**1,442,171**
Finland 0.3%		
Sampo Oyj "A" (Cost $60,170)	1,263	**55,145**
France 13.0%		
Airbus SE	1,067	156,415
BNP Paribas SA	1,857	110,396
Capgemini SE	1,600	195,492
Cie de Saint-Gobain	2,354	96,463
LVMH Moet Hennessy Louis Vuitton SE	890	414,413
Orpea	1,082	138,840
SMCP SA 144A* (b)	8,225	87,460
Teleperformance	1,222	298,044
Total SA	6,004	332,453
VINCI SA	2,736	304,520
Vivendi SA	5,423	157,003
(Cost $1,952,004)		**2,291,499**
Germany 12.9%		
adidas AG	145	47,360
Allianz SE (Registered)	1,308	320,573
BASF SE	2,532	192,050
Deutsche Boerse AG	2,802	441,779
Deutsche Post AG (Registered)	2,693	103,137
Evonik Industries AG	6,411	197,249
Fresenius Medical Care AG & Co. KGaA	3,122	231,813
LANXESS AG	2,236	150,931
SAP SE	1,685	228,623
Siemens AG (Registered)	915	119,901
TeamViewer AG*	6,933	251,717
(Cost $2,086,126)		**2,285,133**
Hong Kong 1.0%		
Techtronic Industries Co., Ltd. (Cost $58,450)	22,597	**185,060**
Ireland 3.7%		
Experian PLC	11,889	402,014
Kerry Group PLC1 "A"	2,035	253,734
(Cost $391,644)		**655,748**
Japan 9.5%		
Daikin Industries Ltd.	2,500	352,507
Fast Retailing Co., Ltd.	500	298,204
Hoya Corp.	2,600	248,642
Kao Corp.	1,100	90,799
Keyence Corp.	800	281,666
MISUMI Group, Inc.	3,911	96,919
Mitsubishi UFJ Financial Group, Inc.	10,300	55,713
Pigeon Corp.	3,900	143,283
Shimadzu Corp.	3,500	109,918
(Cost $1,331,458)		**1,677,651**
Korea 1.6%		
Samsung Electronics Co., Ltd. (Cost $248,084)	5,801	**279,195**
Luxembourg 1.0%		
Eurofins Scientific (Cost $75,208)	332	**184,133**
Macau 1.0%		
Sands China Ltd. (Cost $169,235)	32,000	**171,287**
Malaysia 0.9%		
IHH Healthcare Bhd. (Cost $160,964)	116,000	**155,147**
Netherlands 3.9%		
Adyen NV 144A*	11	9,025
ASML Holding NV	662	196,897
ING Groep NV	16,397	197,029
Koninklijke Philips NV	4,455	217,865
Prosus NV*	1,047	78,293
(Cost $617,646)		**699,109**
Norway 0.6%		
Mowi ASA (Cost $50,908)	4,230	**109,814**
Singapore 2.1%		
DBS Group Holdings Ltd. (Cost $310,391)	19,400	**373,634**
South Africa 1.0%		
Naspers Ltd. "N" (Cost $238,774)	1,047	**171,415**
Sweden 2.4%		
Assa Abloy AB "B"	3,000	70,116
Hexagon AB "B"	1,080	60,467
Nobina AB 144A	22,904	157,922
Spotify Technology SA* (a)	937	140,128
(Cost $380,388)		**428,633**

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

	Shares	Value ($)
Switzerland 8.3%		
Alcon, Inc.*	640	36,204
Julius Baer Group Ltd.*	1,404	72,437
Lonza Group AG (Registered)*	1,307	476,920
Nestle SA (Registered)	3,312	358,535
Novartis AG (Registered)	2,716	257,627
Roche Holding AG (Genusschein)	815	264,468
(Cost $906,510)		**1,466,191**
Taiwan 1.3%		
Taiwan Semiconductor Manufacturing Co., Ltd. (Cost $127,110)	21,000	**233,139**
United Kingdom 3.8%		
Clinigen Healthcare Ltd.*	9,466	115,886
Compass Group PLC	7,068	177,345
Farfetch Ltd. "A"* (a)	4,029	41,700
Halma PLC	4,945	139,391
Prudential PLC	10,000	192,454
(Cost $556,388)		**666,776**
United States 6.5%		
Activision Blizzard, Inc.	2,582	153,423
EPAM Systems, Inc.*	1,363	289,174
Marsh & McLennan Companies, Inc.	1,696	188,951
MasterCard, Inc. "A"	631	188,410
NVIDIA Corp.	332	78,120
Schlumberger Ltd.	2,602	104,600
Thermo Fisher Scientific, Inc.	446	144,892
(Cost $610,622)		**1,147,570**
Total Common Stocks (Cost $12,743,839)		**17,004,388**

	Shares	Value ($)
Convertible Preferred Stocks 0.1%		
United States		
Providence Service Corp. (c) (Cost $13,600)	136	**20,182**
Exchange-Traded Funds 1.9%		
United States		
iShares MSCI Japan ETF (Cost $341,111)	5,700	**337,668**
Securities Lending Collateral 1.7%		
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (d) (e) (Cost $290,624)	290,624	**290,624**
Cash Equivalents 1.4%		
DWS Central Cash Management Government Fund, 1.62% (d) (Cost $241,211)	241,211	**241,211**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $13,630,385)	101.3	**17,894,073**
Other Assets and Liabilities, Net	(1.3)	**(222,976)**
Net Assets	100.0	**17,671,097**

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 1.7%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (d) (e)								
156,436	134,188 (f)	—	—	—	11,826	—	290,624	290,624
Cash Equivalents 1.4%								
DWS Central Cash Management Government Fund, 1.62% (d)								
148,953	4,160,183	4,067,925	—	—	8,243	—	241,211	241,211
305,389	**4,294,371**	**4,067,925**	**—**	**—**	**20,069**	**—**	**531,835**	**531,835**

* Non-income producing security.

(a) Listed on the New York Stock Exchange.

(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 December 31, 2019 amounted to $283,155, which is 1.6% of net assets.

(c) Investment was valued using significant unobservable inputs.

(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 year ended December 31, 2019.

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

MSCI: Morgan Stanley Capital International

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 December 31, 2019 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				
Argentina	$ 367,855	$ —	$ —	$ 367,855
Brazil	162,465	153,436	—	315,901
Canada	1,642,182	—	—	1,642,182
China	667,415	774,756	—	1,442,171
Finland	—	55,145	—	55,145
France	—	2,291,499	—	2,291,499
Germany	—	2,285,133	—	2,285,133
Hong Kong	—	185,060	—	185,060
Ireland	—	655,748	—	655,748
Japan	—	1,677,651	—	1,677,651
Korea	—	279,195	—	279,195
Luxembourg	—	184,133	—	184,133
Macau	—	171,287	—	171,287
Malaysia	—	155,147	—	155,147
Netherlands	—	699,109	—	699,109
Norway	—	109,814	—	109,814
Singapore	—	373,634	—	373,634
South Africa	—	171,415	—	171,415
Sweden	140,128	288,505	—	428,633
Switzerland	—	1,466,191	—	1,466,191
Taiwan	—	233,139	—	233,139
United Kingdom	41,700	625,076	—	666,776
United States	1,147,570	—	—	1,147,570
Convertible Preferred Stocks	—	—	20,182	20,182
Exchange-Traded Funds	337,668	—	—	337,668
Short-Term Investments (g)	531,835	—	—	531,835
Total	**$5,038,818**	**$12,835,073**	**$20,182**	**$17,894,073**

(g) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $13,098,550) — including $283,155 of securities loaned	$17,362,238
Investment in DWS Government & Agency Securities Portfolio (cost $290,624)*	290,624
Investment in DWS Central Cash Management Government Fund (cost $241,211)	241,211
Foreign currency, at value (cost $145,600)	144,789
Receivable for Fund shares sold	51
Dividends receivable	4,819
Interest receivable	779
Foreign taxes recoverable	24,608
Due from Advisor	3,892
Other assets	569
Total assets	18,073,580

Liabilities	
Payable upon return of securities loaned	290,624
Payable for Fund shares redeemed	13,589
Accrued Trustees' fees	1,131
Other accrued expenses and payables	97,139
Total liabilities	402,483
Net assets, at value	**$17,671,097**

Net Assets Consist of	
Distributable earnings (loss)	4,442,285
Paid-in capital	13,228,812
Net assets, at value	**$17,671,097**

Net Asset Value	
Class A **Net Asset Value,** offering and redemption price per share ($17,513,656 ÷ 1,196,084 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 14.64**
Class B **Net Asset Value,** offering and redemption price per share ($157,441 ÷ 10,737 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 14.66**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends (net of foreign taxes withheld of $37,203)	$ 385,021
Income distributions — DWS Central Cash Management Government Fund	8,243
Securities lending income, net of borrower rebates	11,826
Total income	405,090
Expenses: Management fee	100,737
Administration fee	16,248
Services to Shareholders	906
Record keeping fee (Class B)	34
Distribution service fee (Class B)	334
Custodian fee	24,728
Professional fees	81,624
Reports to shareholders	24,063
Trustees' fees and expenses	2,264
Other	15,335
Total expenses before expense reductions	266,273
Expense reductions	(126,215)
Total expenses after expense reductions	140,058
Net investment income (loss)	**265,032**

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from: Investments	(34,791)
Foreign currency	(4,204)
	(38,995)
Change in net unrealized appreciation (depreciation) on: Investments	4,098,050
Foreign currency	2,754
	4,100,804
Net gain (loss)	**4,061,809**
Net increase (decrease) in net assets resulting from operations	**$4,326,841**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 265,032	$ 210,075
Net realized gain (loss)	(38,995)	228,637
Change in net unrealized appreciation (depreciation)	4,100,804	(3,352,382)
Net increase (decrease) in net assets resulting from operations	4,326,841	(2,913,670)
Distributions to shareholders:		
Class A	(445,123)	(169,762)
Class B	(3,307)	(1,806)
Total distributions	(448,430)	(171,568)
Fund share transactions:		
Class A		
Proceeds from shares sold	1,652,668	1,452,220
Reinvestment of distributions	445,123	169,762
Payments for shares redeemed	(2,520,782)	(3,127,727)
Net increase (decrease) in net assets from Class A share transactions	(422,991)	(1,505,745)
Class B		
Proceeds from shares sold	16,855	82,846
Reinvestment of distributions	3,307	1,806
Payments for shares redeemed	(112,320)	(28,351)
Net increase (decrease) in net assets from Class B share transactions	(92,158)	56,301
Increase (decrease) in net assets	3,363,262	(4,534,682)
Net assets at beginning of period	14,307,835	18,842,517
Net assets at end of period	**$17,671,097**	**$14,307,835**

Other Information		
Class A		
Shares outstanding at beginning of period	1,228,635	1,340,522
Shares sold	122,990	108,093
Shares issued to shareholders in reinvestment of distributions	33,594	12,631
Shares redeemed	(189,135)	(232,611)
Net increase (decrease) in Class A shares	(32,551)	(111,887)
Shares outstanding at end of period	**1,196,084**	**1,228,635**
Class B		
Shares outstanding at beginning of period	19,045	14,862
Shares sold	1,204	6,136
Shares issued to shareholders in reinvestment of distributions	249	134
Shares redeemed	(9,761)	(2,087)
Net increase (decrease) in Class B shares	(8,308)	4,183
Shares outstanding at end of period	**10,737**	**19,045**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$11.47**	**$ 13.90**	**$11.12**	**$10.81**	**$11.04**
Income (loss) from investment operations:					
Net investment income[a]	.22	.16	.08	.06	.07
Net realized and unrealized gain (loss)	3.32	(2.46)	2.75	.34	(.21)
Total from investment operations	3.54	(2.30)	2.83	.40	(.14)
Less distribution from:					
Net investment income	(.17)	(.13)	(.05)	(.09)	(.09)
Net realized gain	(.20)	—	—	—	—
Total distributions	(.37)	(.13)	(.05)	(.09)	(.09)
Net asset value, end of period	**$14.64**	**$ 11.47**	**$13.90**	**$11.12**	**$10.81**
Total Return (%)[b]	31.22	(16.69)	25.47	3.72	(1.32)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	18	14	19	27	34
Ratio of expenses before expense reductions (%)[c]	1.64	1.72	1.56	1.66	1.44
Ratio of expenses after expense reductions (%)[c]	.86	.81	.92	.95	.90
Ratio of net investment income (%)	1.63	1.21	.61	.51	.65
Portfolio turnover rate (%)	16	38	62	70	64

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$11.49**	**$ 13.93**	**$11.13**	**$10.82**	**$11.05**
Income (loss) from investment operations:					
Net investment income[a]	.18	.12	.02	.02	.05
Net realized and unrealized gain (loss)	3.33	(2.46)	2.79	.35	(.23)
Total from investment operations	3.51	(2.34)	2.81	.37	(.18)
Less distribution from:					
Net investment income	(.14)	(.10)	(.01)	(.06)	(.05)
Net realized gain	(.20)	—	—	—	—
Total distributions	(.34)	(.10)	(.01)	(.06)	(.05)
Net asset value, end of period	**$14.66**	**$ 11.49**	**$13.93**	**$11.13**	**$10.82**
Total Return (%)[b]	30.84	(16.92)	25.26	3.38	(1.64)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	.2	.2	.2	.07	.1
Ratio of expenses before expense reductions (%)[c]	1.95	2.07	1.90	1.98	1.76
Ratio of expenses after expense reductions (%)[c]	1.16	1.06	1.15	1.24	1.22
Ratio of net investment income (%)	1.31	.92	.12	.17	.40
Portfolio turnover rate (%)	16	38	62	70	64

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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.

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

Notes to 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). Sales of Class B shares are subject to recordkeeping fees up to 0.15% and Rule 12b-1 fees under the 1940 Act equal to an annual rate of 0.25% of the average daily net assets for 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 Rule 12b-1 fee 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 and 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 Depository 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 effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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.

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, 2019, the Fund had a net tax basis capital loss carryforward of approximately $30,000 of long-term losses, which may be applied against realized net taxable capital gains indefinitely.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 246,272
Capital loss carryforward	$ (30,000)
Net unrealized appreciation (depreciation) on investments	$ 4,226,416

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $13,667,657. The net unrealized appreciation for all investments based on tax cost was $4,226,416. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $4,878,811 aggregate gross unrealized depreciation for all investments in which was an excess of tax cost over value of $652,395.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ 213,752	$ 171,568
Distributions from long-term capital gains	$ 234,678	$ —

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 year ended December 31, 2019, purchases and sales of investment transactions (excluding short-term investments) aggregated $2,478,337 and $3,164,488, 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 the Advisor an annual fee based on its average daily net assets, 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, 2019 through April 30, 2019, 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 each class as follows:

Class A	.81%
Class B	1.06%

For the period from May 1, 2019 through September 30, 2019, 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 each class as follows:

Class A	.89%
Class B	1.21%

Effective October 1, 2019 through September 30, 2020, 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 each class as follows:

Class A	.87%
Class B	1.19%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for each class are as follows:

Class A	$ 125,158
Class B	1,057
	$ 126,215

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $16,248, of which $1,485 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 214	$ 35
Class B	53	9
	$ 267	$ 44

Distribution Service Agreement. Under the Fund's Class B 12b-1 plan, DWS Distributors, Inc. ("DDI") received a fee ("Distribution Service Fee") of 0.25% of average daily net assets of Class B shares. For the year ended December 31, 2019, the Distribution Service Fee aggregated $334, of which $33 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $8,891, of which $3,563 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 December 31, 2019, one participating insurance company was owner of record of 10% or more of the total outstanding Class A shares of the Fund, owning 85%. Three participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, owning 47%, 43%, and 10%.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS International Growth VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS International Growth VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,071.00	$ 1,069.30
Expenses Paid per $1,000*	$ 4.59	$ 6.26
Hypothetical 5% Fund Return		
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,020.77	$ 1,019.16
Expenses Paid per $1,000*	$ 4.48	$ 6.11

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class B**
Deutsche DWS Variable Series II — DWS International Growth VIP	.88%	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.

Tax Information

(Unaudited)

The Fund paid distributions of $0.20 per share from net long-term capital gains during its year ended December 31, 2019.

For corporate shareholders, 4% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2019, qualified for the dividends received deduction.

The Fund paid foreign taxes of $30,998 and earned $252,697 of foreign source income during the year ended December 31, 2019. Pursuant to Section 853 of the Internal Revenue Code, the Fund designates $0.03 per share as foreign taxes paid and $0.21 per share as income earned from foreign sources for the year ended December 31, 2019.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, 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 five-year period and underperformed its benchmark in the one- and three-year periods ended December 31, 2018. 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 considered that, effective October 3, 2016, the Fund's investment strategy and certain members of the portfolio management team were changed, and that, effective October 1, 2017, the Fund further changed its investment strategy. The Board observed that the Fund had experienced improved relative performance during the first eight months of 2019. 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 0.10% 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, 2018). The Board noted that, effective October 1, 2017, DIMA agreed to reduce the Fund's contractual management fee rate to an annual rate of 0.62% in connection with changes to the Fund's investment strategy. 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, 2018, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/ Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered “interested persons” of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund’s Statement of Additional Information (“SAI”) includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

VS2IG-2 (R-025830-10 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS Multisector Income VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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, 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. The Fund may lend securities to approved institutions. See the prospectus for details.

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

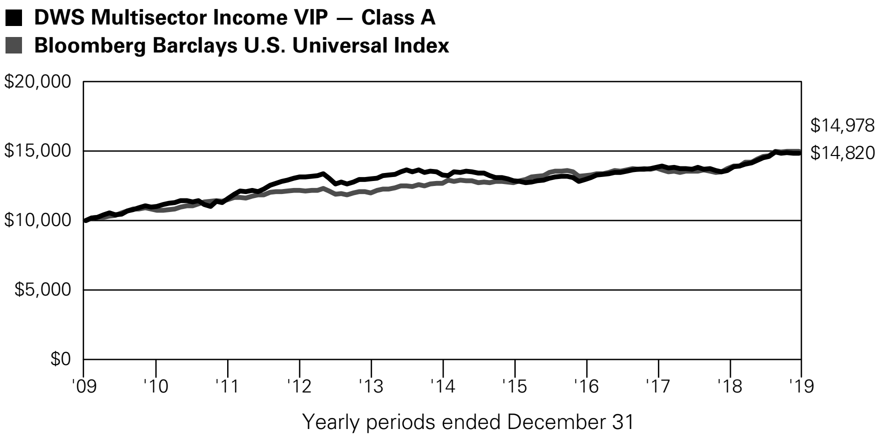
December 31, 2019 (Unaudited)

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, 2019 is 2.19% 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



The unmanaged Bloomberg Barclays U.S. Universal Index represents the union of the U.S. Aggregate Index, the U.S. High-Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index and the non-ERISA portion of the CMBS Index.

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

Comparative Results

DWS Multisector Income VIP		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$10,922	$11,470	$11,179	$14,820
	Average annual total return	9.22%	4.68%	2.25%	4.01%
Bloomberg Barclays U.S. Universal Index	Growth of $10,000	$10,929	$11,347	$11,842	$14,978
	Average annual total return	9.29%	4.30%	3.44%	4.12%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

The Class A shares of the Fund returned 9.22% (unadjusted for contract charges) in the 12-month period ended December 31, 2019, slightly below the 9.29% gain of the Bloomberg Barclays U.S. Universal Index.

The world bond markets generated strong, broad-based returns in 2019. The U.S. Federal Reserve (Fed), after raising interest rates nine times in the 2015-2018 interval, moved to a more accommodative posture in the past year. In addition to enacting three quarter-point rate cuts, the Fed injected daily liquidity into the financial system from mid-September onward. In combination with the backdrop of low inflation and slow global growth, the shift in Fed policy fueled a rally in U.S. Treasuries and other rate-sensitive areas of the bond market. Investment-grade corporates, which benefited from steady corporate profit growth and investors' thirst for yield, outperformed government issues. High-yield bonds and emerging-markets debt, which were boosted by robust investor sentiment and elevated demand for higher-risk assets, posted double-digit gains and outpaced investment-grade bonds.

Several aspects of the Fund's positioning contributed to its strong relative performance in 2019. First, our decision to maintain a lower-quality tilt to the portfolio through the first nine months of the year helped the Fund capitalize on the "risk-on" market. This aspect of our positioning included overweight in high-yield and emerging-market bonds, as well as an underweight in U.S. Treasuries. The Fund's performance was further aided by our preference for higher-yielding, lower-quality securities within each of the major categories. In the investment-grade corporate space, for instance, we emphasized BBB rated debt (the lowest credit tier in the category). Additionally, the Fund's allocation to the emerging markets favored higher-yielding countries in the Middle East and Africa. Both regions outperformed the broader category by a wide margin in 2019, and the portfolio was well positioned to capitalize on this trend.

Our duration positioning was an additional contributor of note. The Fund's duration (interest-rate sensitivity) was above that of the benchmark until mid-way through the third quarter, augmenting the effect of falling yields.

Few aspects of the Fund's positioning stood out as meaningful detractors. We lost some ground from foreign-currency positioning and an underweight in investment-grade corporate issues, as well as from a position in Mexico in the emerging-market portfolio.

We used derivatives to shift the Fund's weightings in specific asset classes, adjust foreign-currency exposure, and manage duration. In the aggregate, our use of derivatives was a small net contributor. Derivatives are used to achieve the Fund's risk and return objectives and should therefore be evaluated within the context of the entire portfolio rather than as a standalone strategy.

We began to reposition the portfolio in the autumn, with a focus on reducing overall risk exposure. While an emphasis on lower-quality issues served the Fund well through the first half of the year and into the third quarter, we believed the rally had made the credit sectors more vulnerable to issues such as trade policy, geopolitical uncertainty, and instability in the repurchase agreement market. We therefore sought to de-risk the portfolio by decreasing its weightings in high-yield bonds and lower-rated emerging-markets debt. In turn, we redeployed the proceeds into higher-quality investment-grade corporates and U.S. Treasuries. We also moved duration more closely in line with the benchmark, as we saw little additional benefit to maintaining a long duration with the 10-year U.S. Treasury yield having fallen below 1.5% in late August. Although these moves caused the Fund to miss some of the continued rally in risk assets in the fourth quarter, we believed they were appropriate given the combination of lower total return potential and rising risks.

The Fund is scheduled to liquidate on or about February 27, 2020.

Thomas M. Farina, CFA, Managing Director
Kelly L. Beam, CFA, Director
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

Bloomberg Barclays U.S. Universal Index represents the union of the U.S. Aggregate Index, the U.S. High-Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index and the non-ERISA portion of the CMBS Index.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the index.

Credit quality is the ability of an issuer of fixed-income securities to repay interest and principal in a timely manner. Credit quality is measured using credit ratings, i.e., assessments of the creditworthiness of a borrower such as a corporation, a municipality or a sovereign country by a credit ratings agency. Letter grades of "BBB" and above indicate that the rated borrower is considered "investment grade" by a particular ratings agency.

Overweight means the fund holds a higher weighting in a given sector or security than the benchmark. **Underweight** means the fund holds a lower weighting.

Duration, which is expressed in years, measures the sensitivity of the price of a bond or bond fund to a change in interest rates.

Derivatives are contracts whose values can be based on a variety of instruments, including indices, currencies or securities. They can be utilized for a variety of reasons, including for hedging purposes, for risk management; for non-hedging purposes to seek to enhance potential gains, or as a substitute for direct investment in a particular asset class or to keep cash on hand to meet shareholder redemptions. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility.

Repurchase Agreements (Repos) are an agreement between a seller and a buyer, usually of government securities, where the seller agrees to repurchase the securities at a given price and usually at a stated time. Repos are widely used money market instruments that serve as an interest-bearing, short-term "parking places" for large sums of money.

Portfolio Summary (Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Government & Agency Obligations	40%	44%
Corporate Bonds	34%	11%
Collateralized Mortgage Obligations	12%	17%
Commercial Mortgage-Backed Securities	5%	5%
Mortgage-Backed Securities Pass-Throughs	5%	6%
Short-Term U.S. Treasury Obligations	2%	3%
Cash Equivalents	1%	5%
Asset-Backed	1%	2%
Common Stocks	0%	0%
Warrants	0%	0%
Loan Participations and Assignments	—	5%
Convertible Bonds	—	2%
	100%	100%

Quality (Excludes Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
AAA	50%	38%
AA	1%	0%
A	8%	8%
BBB	19%	12%
BB	11%	22%
B	7%	11%
CCC or Below	0%	2%
Non Rated	4%	7%
	100%	100%

Interest Rate Sensitivity	**12/31/19**	**12/31/18**
Effective Maturity	8.5 years	4.8 years
Effective Duration	5.9 years	3.6 years

The quality ratings represent the higher of Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings, Inc. ("Fitch") or Standard & Poor's Corporation ("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.

Effective maturity is the weighted average of the maturity date of bonds held by the Fund taking into consideration any available maturity shortening features.

Effective duration is an approximate measure of the Fund's sensitivity to interest rate changes taking into consideration any maturity shortening features.

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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Principal Amount ($)(a)	Value ($)
Corporate Bonds 33.7%		
Communication Services 5.2%		
AT&T, Inc., 4.35%, 3/1/2029	20,000	22,250
CCO Holdings LLC, 144A, 4.75%, 3/1/2030	20,000	20,360
Charter Communications Operating LLC:		
4.8%, 3/1/2050	10,000	10,545
5.75%, 4/1/2048	30,000	35,038
Comcast Corp.:		
2.65%, 2/1/2030	21,000	21,090
4.6%, 10/15/2038	20,000	23,845
4.95%, 10/15/2058	12,000	15,639
Discovery Communications LLC, 5.3%, 5/15/2049	10,000	11,854
Netflix, Inc.:		
5.5%, 2/15/2022	60,000	63,525
5.875%, 11/15/2028	25,000	27,714
NortonLifeLock, Inc., 3.95%, 6/15/2022	50,000	51,265
VeriSign, Inc.:		
4.625%, 5/1/2023	50,000	50,800
5.25%, 4/1/2025	50,000	55,116
Verizon Communications, Inc.:		
4.016%, 12/3/2029	30,000	33,442
4.329%, 9/21/2028	20,000	22,699
		465,182
Consumer Discretionary 5.5%		
1011778 B.C. Unlimited Liability Co., 144A, 4.375%, 1/15/2028	45,000	45,113
Boyd Gaming Corp., 144A, 4.75%, 12/1/2027	10,000	10,388
Ford Motor Credit Co. LLC, 5.584%, 3/18/2024	200,000	216,508
General Motors Co., 5.95%, 4/1/2049	12,000	13,303
Hasbro, Inc., 3.55%, 11/19/2026	13,000	13,091
Las Vegas Sands Corp.:		
3.5%, 8/18/2026	20,000	20,576
3.9%, 8/8/2029	9,000	9,397
Lowe's Companies, Inc.:		
2.5%, 4/15/2026	75,000	75,506
4.05%, 5/3/2047	10,000	10,803
NCL Corp. Ltd., 144A, 3.625%, 12/15/2024	40,000	40,550
Nordstrom, Inc., 4.375%, 4/1/2030	10,000	10,199
Starbucks Corp., 4.5%, 11/15/2048	18,000	20,972
		486,406
Consumer Staples 1.3%		
Altria Group, Inc., 5.95%, 2/14/2049	20,000	24,249
Anheuser-Busch InBev Worldwide, Inc.:		
4.75%, 4/15/2058	10,000	11,696
5.45%, 1/23/2039	12,000	15,101
5.55%, 1/23/2049	20,000	25,986
Estee Lauder Companies, Inc.:		
2.375%, 12/1/2029	7,000	6,998
3.125%, 12/1/2049	7,000	7,005
Keurig Dr Pepper, Inc., 4.597%, 5/25/2028	11,000	12,353
PepsiCo, Inc., 3.375%, 7/29/2049	11,000	11,539
		114,927
Energy 3.5%		
Apache Corp.:		
4.25%, 1/15/2030	34,000	35,265
4.75%, 4/15/2043	10,000	9,662
Cenovus Energy, Inc., 5.4%, 6/15/2047	10,000	11,623
Cheniere Energy Partners LP, 5.625%, 10/1/2026	100,000	105,750
Devon Energy Corp., 5.0%, 6/15/2045	15,000	17,410
Enterprise Products Operating LP, 4.2%, 1/31/2050	20,000	21,469
Hess Corp., 5.8%, 4/1/2047	20,000	24,495
Kinder Morgan, Inc., 5.2%, 3/1/2048	11,000	12,774
MPLX LP, 5.5%, 2/15/2049	30,000	34,082
Occidental Petroleum Corp.:		
3.5%, 8/15/2029	17,000	17,355
4.2%, 3/15/2048	10,000	9,934
Plains All American Pipeline LP, 3.55%, 12/15/2029	10,000	9,865
		309,684
Financials 6.0%		
Bank of America Corp.:		
2.884%, 10/22/2030	20,000	20,176
3.974%, 2/7/2030	40,000	43,915
Citigroup, Inc., 3.98%, 3/20/2030	58,000	63,499
Global Payments, Inc., 3.2%, 8/15/2029	30,000	30,576
Hartford Financial Services Group, Inc., 2.8%, 8/19/2029	10,000	10,117
JPMorgan Chase & Co.:		
2.739%, 10/15/2030	20,000	20,003
3.782%, 2/1/2028	35,000	37,743
Morgan Stanley, 4.431%, 1/23/2030	60,000	67,865
Park Aerospace Holdings Ltd., 144A, 5.25%, 8/15/2022	60,000	63,924
PayPal Holdings, Inc.:		
2.65%, 10/1/2026	25,000	25,351
2.85%, 10/1/2029	40,000	40,372
Synchrony Financial, 4.375%, 3/19/2024	20,000	21,340
The Allstate Corp., 3.85%, 8/10/2049	10,000	11,076
Truist Financial Corp., 4.8%, Perpetual (b)	60,000	61,950
Wells Fargo & Co., 3.196%, 6/17/2027	20,000	20,753
		538,660
Health Care 3.9%		
AbbVie, Inc.:		
144A, 3.2%, 11/21/2029	10,000	10,174
144A, 4.25%, 11/21/2049	10,000	10,618
4.875%, 11/14/2048	15,000	17,330

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

	Principal Amount ($)(a)	Value ($)
Amgen, Inc., 4.563%, 6/15/2048	10,000	11,625
Anthem, Inc., 2.875%, 9/15/2029	10,000	9,962
Bausch Health Companies, Inc., 144A, 5.25%, 1/30/2030	10,000	10,370
Bristol-Myers Squibb Co., 144A, 4.25%, 10/26/2049	40,000	47,491
Centene Corp.:		
144A, 4.25%, 12/15/2027	15,000	15,431
144A, 4.625%, 12/15/2029	10,000	10,513
CVS Health Corp., 5.05%, 3/25/2048	20,000	23,700
Eli Lilly & Co., 4.15%, 3/15/2059	9,000	10,630
HCA, Inc.:		
4.125%, 6/15/2029	20,000	21,222
7.5%, 2/15/2022	60,000	66,300
Select Medical Corp., 144A, 6.25%, 8/15/2026	30,000	32,476
Thermo Fisher Scientific, Inc., 2.6%, 10/1/2029	50,000	49,462
		347,304
Industrials 1.7%		
CSX Corp., 3.35%, 9/15/2049	10,000	9,864
FedEx Corp., 4.05%, 2/15/2048	10,000	9,662
Parker-Hannifin Corp., 3.25%, 6/14/2029	10,000	10,448
Prime Security Services Borrower LLC, 144A, 5.25%, 4/15/2024	50,000	52,900
Signature Aviation US Holdings Inc, 144A, 4.0%, 3/1/2028	35,000	34,520
United Technologies Corp., 4.625%, 11/16/2048	25,000	31,329
		148,723
Information Technology 0.8%		
Broadcom, Inc., 144A, 4.75%, 4/15/2029	11,000	12,028
Fiserv, Inc., 3.5%, 7/1/2029	30,000	31,533
MSCI, Inc., 144A, 4.0%, 11/15/2029	15,000	15,206
Oracle Corp., 4.0%, 11/15/2047	10,000	11,188
		69,955
Real Estate 2.6%		
American Tower Corp., (REIT), 3.8%, 8/15/2029	50,000	53,456
Equinix, Inc.:		
(REIT), 2.625%, 11/18/2024	17,000	17,032
(REIT), 3.2%, 11/18/2029	16,000	16,060
Office Properties Income Trust:		
(REIT), 4.0%, 7/15/2022	25,000	25,592
(REIT), 4.15%, 2/1/2022	30,000	30,726
(REIT), 4.25%, 5/15/2024	10,000	10,394
Omega Healthcare Investors, Inc.:		
(REIT), 4.5%, 4/1/2027	15,000	16,194
(REIT), 4.75%, 1/15/2028	20,000	21,784
VICI Properties LP:		
144A (REIT), 4.25%, 12/1/2026	10,000	10,300
144A (REIT), 4.625%, 12/1/2029	6,000	6,255
Welltower, Inc., (REIT), 3.1%, 1/15/2030	20,000	20,254
		228,047

	Principal Amount ($)(a)	Value ($)
Utilities 3.2%		
American Electric Power Co., Inc.:		
3.2%, 11/13/2027	10,000	10,320
4.3%, 12/1/2028	5,000	5,565
Calpine Corp.:		
144A, 4.5%, 2/15/2028	40,000	40,355
144A, 5.125%, 3/15/2028	20,000	20,414
Duke Energy Corp.:		
3.4%, 6/15/2029	10,000	10,453
4.2%, 6/15/2049	10,000	11,057
Edison International, 5.75%, 6/15/2027	90,000	101,052
NextEra Energy Operating Partners LP:		
144A, 3.875%, 10/15/2026	30,000	30,112
144A, 4.25%, 7/15/2024	45,000	46,856
Southern California Edison Co., 4.875%, 3/1/2049	10,000	11,864
		288,048
Total Corporate Bonds (Cost $2,894,111)		**2,996,936**

Mortgage-Backed Securities Pass-Throughs 5.1%

Federal National Mortgage Association, 4.0%, 9/1/2048 (Cost $430,134)	429,933	**454,750**

Asset-Backed 0.6%

Home Equity Loans 0.1%		
CIT Home Equity Loan Trust, "AF6", Series 2002-1, 6.2%, 2/25/2030	10,165	**10,252**
Miscellaneous 0.5%		
Hilton Grand Vacations Trust, "B", Series 2014-AA, 144A, 2.07%, 11/25/2026	39,237	**39,073**
Total Asset-Backed (Cost $49,158)		**49,325**

Commercial Mortgage-Backed Securities 5.4%

GMAC Commercial Mortgage Securities, Inc., "G", Series 2004-C1, 144A, 5.455%, 3/10/2038	394,448	376,387
Morgan Stanley Capital I Trust, "A4" Series 2019-L3, 3.127%, 11/15/2029	100,000	103,197
Total Commercial Mortgage-Backed Securities (Cost $499,908)		**479,584**

Collateralized Mortgage Obligations 12.3%

Banc of America Mortgage Trust, "2A2", Series 2004-A, 4.781%**, 2/25/2034	19,612	19,817
Bear Stearns Adjustable Rate Mortgage Trust, "2A1", Series 2005-11, 5.111%**, 12/25/2035	22,496	23,194

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

	Principal Amount ($)(a)	Value ($)
CHL Mortgage Pass Through Trust, "2A5", Series 2004-13, 5.75%, 8/25/2034	22,774	22,862
Fannie Mae Connecticut Avenue Securities:		
"1M2", Series 2018-C06, 1-month USD-LIBOR + 2.000%, 3.792%**, 3/25/2031	59,315	59,564
"1M2", Series 2018-C01, 1-month USD-LIBOR + 2.250%, 4.042%**, 7/25/2030	250,000	253,288
"1M2", Series 2019-R02, 144A, 1-month USD-LIBOR + 2.300%, 4.092%**, 8/25/2031	70,000	70,646
"1M2", Series 2018-C05, 1-month USD-LIBOR + 2.350%, 4.142%**, 1/25/2031	100,000	101,425
Federal Home Loan Mortgage Corp.:		
"PI", Series 3843, Interest Only, 4.5%, 5/15/2038	54,448	1,616
"C31", Series 303, Interest Only, 4.5%, 12/15/2042	342,381	55,136
Federal National Mortgage Association, "4", Series 406, Interest Only, 4.0%, 9/25/2040	79,326	12,452
Freddie Mac Structured Agency Credit Risk Debt Notes, "M2", Series 2019-DNA2, 144A, 1-month USD-LIBOR + 2.450%, 4.242%**, 3/25/2049	106,003	106,934
Government National Mortgage Association:		
"GI", Series 2014-146, Interest Only, 3.5%, 9/20/2029	656,463	62,714
"PI", Series 2015-40, Interest Only, 4.0%, 4/20/2044	81,471	5,856
"HI", Series 2015-77, Interest Only, 4.0%, 5/20/2045	184,318	34,716
"IN", Series 2009-69, Interest Only, 5.5%, 8/20/2039	95,908	16,555
"IV", Series 2009-69, Interest Only, 5.5%, 8/20/2039	92,163	15,901
"IJ", Series 2009-75, Interest Only, 6.0%, 8/16/2039	80,167	13,808
JPMorgan Mortgage Trust, "2A1", Series 2006-A2, 4.187%**, 4/25/2036	90,569	88,778
Merrill Lynch Mortgage Investors Trust, "2A", Series 2003-A6, 4.16%**, 10/25/2033	20,520	20,797
STACR Trust, "M2", Series 2018-DNA3, 144A, 1-month USD-LIBOR + 2.100%, 3.892%**, 9/25/2048	108,108	108,971
Total Collateralized Mortgage Obligations (Cost $878,066)		**1,095,030**

	Principal Amount ($)(a)	Value ($)
Government & Agency Obligations 40.3%		
Sovereign Bonds 1.3%		
Republic of Argentina-Inflation Linked Bond, 5.83%, 12/31/2033	ARS 476	69
Republic of Slovenia, 144A, 5.5%, 10/26/2022	100,000	109,693
		109,762
U.S. Treasury Obligations 39.0%		
U.S. Treasury Bond, 2.25%, 8/15/2049	543,000	528,237
U.S. Treasury Inflation Indexed Note, 0.625%, 4/15/2023	284,892	289,301
U.S. Treasury Notes:		
1.5%, 10/31/2024	171,000	169,577
1.75%, 11/15/2029	1,625,000	1,601,768
2.125%, 5/31/2026	272,000	277,493
2.625%, 8/31/2020	600,000	603,844
		3,470,220
Total Government & Agency Obligations (Cost $3,582,030)		**3,579,982**
Short-Term U.S. Treasury Obligations 2.2%		
U.S. Treasury Bills:		
1.595%***, 9/10/2020	20,000	19,787
1.763%***, 7/16/2020	180,000	178,495
Total Short-Term U.S. Treasury Obligations (Cost $198,040)		**198,282**

	Shares	Value ($)
Common Stocks 0.0%		
Industrials		
Quad Graphics, Inc. (Cost $0)	4	**19**
Warrants 0.0%		
Materials		
Hercules Trust II, Expiration Date 3/31/2029* (c) (Cost $17,432)	85	**3,249**
Cash Equivalents 0.7%		
DWS Central Cash Management Government Fund, 1.62% (d) (Cost $62,647)	62,647	**62,647**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $8,611,526)	100.3	**8,919,804**
Other Assets and Liabilities, Net	(0.3)	**(28,746)**
Net Assets	100.0	**8,891,058**

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

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 0.0%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (d) (e)								
302,310	—	302,310 (f)	—	—	3,514	—	—	—
Cash Equivalents 0.7%								
DWS Central Cash Management Government Fund, 1.62% (d)								
395,710	6,671,477	7,004,540	—	—	14,939	—	62,647	62,647
698,020	**6,671,477**	**7,306,850**	**—**	**—**	**18,453**	**—**	**62,647**	**62,647**

* Non-income producing security.

** Variable or floating rate security. These securities are shown at their current rate as of December 31, 2019. 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.

*** Annualized yield at time of purchase; not a coupon rate.

(a) Principal amount stated in U.S. dollars unless otherwise noted.

(b) Perpetual, callable security with no stated maturity date.

(c) Investment was valued using significant unobservable inputs.

(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 year ended December 31, 2019.

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.

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.

LIBOR: London Interbank Offered Rate

PIK: Denotes that all or a portion of the income is paid in-kind in the form of additional principal.

REIT: Real Estate Investment Trust

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.

Currency Abbreviations

ARS	Argentine Peso
USD	United States Dollar

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 December 31, 2019 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
Fixed Income Investments (g)				
Corporate Bonds	$ —	$2,996,936	$ —	$2,996,936
Mortgage-Backed Securities Pass-Throughs	—	454,750	—	454,750
Asset-Backed	—	49,325	—	49,325
Commercial Mortgage-Backed Securities	—	479,584	—	479,584
Collateralized Mortgage Obligations	—	1,095,030	—	1,095,030
Government & Agency Obligations	—	3,579,982	—	3,579,982
Short-Term U.S. Treasury Obligations	—	198,282	—	198,282
Common Stocks	19	—	—	19
Warrants	—	—	3,249	3,249
Short-Term Investments	62,647	—	—	62,647
Total	**$62,666**	**$8,853,889**	**$3,249**	**$8,919,804**

(g) See Investment Portfolio for additional detailed categorizations.

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

Level 3 Reconciliation

The following is a reconciliation of the Fund's Level 3 investments for which significant unobservable inputs were used in determining value:

	Bank Loans	Convertible Bond	Common Stocks	Warrants	Total
Balance as of December 31, 2018	**$ 56,865**	**$ 158,403**	**$ 10,724**	**$ 2,096**	**$ 228,088**
Realized gains (loss)	(6)	—	4,080	—	4,074
Change in unrealized appreciation (depreciation)	328	(12,457)	28,732	1,153	17,756
Amortization premium/discount	0	15	—	—	15
Purchases/PIK	—	10,194	165,000	—	175,194
(Sales)	(57,187)	(156,155)	(208,536)	—	(421,878)
Transfers into Level 3	—	—	—	—	—
Transfers (out) of Level 3	—	—	—	—	—
Balance as of December 31, 2019	**$ —**	**$ —**	**$ —**	**$ 3,249**	**$ 3,249**
Net change in unrealized appreciation (depreciation) from investments still held as of December 31, 2019	**$ —**	**$ —**	**$ —**	**$ 1,153**	**$ 1,153**

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

Statement of Assets and Liabilities

as of December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $8,548,879)	$ 8,857,157
Investment in DWS Central Cash Management Government Fund (cost $62,647)	62,647
Cash	10,000
Receivable for Fund shares sold	13,344
Interest receivable	59,751
Foreign taxes recoverable	617
Due from Advisor	9,171
Other assets	871
Total assets	9,013,558

Liabilities	
Foreign cash overdraft, at value	3
Payable for investments purchased	21,577
Payable for Fund shares redeemed	16
Accrued Audit fees	72,769
Accrued Trustees' fees	989
Other accrued expenses and payables	27,146
Total liabilities	122,500
Net assets, at value	**$ 8,891,058**

Net Assets Consist of	
Distributable earnings (loss)	(3,987,930)
Paid-in capital	12,878,988
Net assets, at value	**$ 8,891,058**

Net Asset Value	
Class A	
Net asset value, offering and redemption price per share ($8,891,058 ÷ 908,826 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 9.78**

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Interest	$ 308,797
Income distributions — DWS Central Cash Management Government Fund	14,939
Securities lending income, net of borrower rebates	2,507
Total income	326,243
Expenses: Management fee	47,793
Administration fee	8,690
Services to Shareholders	267
Custodian fee	14,060
Professional fees	91,513
Reports to shareholders	30,165
Trustees' fees and expenses	2,652
Pricing service fee	10,968
Other	2,413
Total expenses before expense reductions	208,521
Expense reductions	(151,444)
Total expenses after expense reductions	57,077
Net investment income	**269,166**

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from: Investments	4,139
Swap contracts	(25,964)
Futures	150,877
Forward foreign currency contracts	2,307
Foreign currency	354
	131,713
Change in net unrealized appreciation (depreciation) on: Investments	410,275
Futures	(40,004)
Forward foreign currency contracts	(9,774)
Foreign currency	450
	360,947
Net gain (loss)	**492,660**
Net increase (decrease) in net assets resulting from operations	**$ 761,826**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income	$ 269,166	$ 309,384
Net realized gain (loss)	131,713	(106,781)
Change in net unrealized appreciation (depreciation)	360,947	(345,745)
Net increase (decrease) in net assets resulting from operations	761,826	(143,142)
Distributions to shareholders:		
Class A	(339,978)	(641,992)
Fund share transactions:		
Class A		
Proceeds from shares sold	846,845	612,918
Reinvestment of distributions	339,978	641,992
Payments for shares redeemed	(1,009,448)	(1,895,400)
Net increase (decrease) in net assets from Class A share transactions	177,375	(640,490)
Increase (decrease) in net assets	599,223	(1,425,624)
Net assets at beginning of period	8,291,835	9,717,459
Net assets at end of period	**$ 8,891,058**	**$ 8,291,835**

Other Information		
Class A		
Shares outstanding at beginning of period	888,694	951,249
Shares sold	89,042	64,660
Shares issued to shareholders in reinvestment of distributions	36,596	68,080
Shares redeemed	(105,506)	(195,295)
Net increase (decrease) in Class A shares	20,132	(62,555)
Shares outstanding at end of period	**908,826**	**888,694**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$9.33**	**$10.22**	**$ 9.65**	**$10.43**	**$11.20**
Income (loss) from investment operations:					
Net investment income[a]	.30	.34	.28	.22	.40
Net realized and unrealized gain (loss)	.54	(.50)	.37	(.17)	(.72)
Total from investment operations	.84	(.16)	.65	.05	(.32)
Less distributions from:					
Net investment income	(.39)	(.73)	(.08)	(.83)	(.45)
Net asset value, end of period	**$9.78**	**$ 9.33**	**$10.22**	**$ 9.65**	**$10.43**
Total Return (%)[b]	9.22	(1.65)	6.78	.50	(3.02)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	9	8	10	25	33
Ratio of expenses before expense reductions (%)[c]	2.40	2.19	1.37	1.31	1.15
Ratio of expenses after expense reductions (%)[c]	.66	.65	.67	.68	.70
Ratio of net investment income (%)	3.10	3.50	2.81	2.19	3.67
Portfolio turnover rate (%)	199	85	96	159	185

[a] Based on average shares outstanding during the period.

[b] Total return would have been lower had certain expenses not been reduced.

[c] 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.

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

Notes to Financial Statements

A. Organization and Significant Accounting Policies

DWS Multisector 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.

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 one or more 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. 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 3.

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.

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 year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, the Fund had no securities on loan.

Loan Participations and Assignments. Loan Participations and Assignments are portions of loans originated by banks and sold in pieces to investors. These floating-rate loans ("Loans") in which the Fund invests are arranged between the borrower and one or more financial institutions ("Lenders"). These Loans may take the form of Senior Loans, which are corporate obligations often issued in connection with recapitalizations, acquisitions, leveraged buy outs and refinancing. The Fund invests in such Loans in the form of participations in Loans ("Participations") or assignments of all or a portion of Loans from third parties ("Assignments"). Participations typically result in the Fund having a contractual relationship with only the Lender, not with the borrower. The Fund has the right to receive payments of principal, interest and any fees to which it is entitled from the Lender selling the Participation and only upon receipt by the Lender of the payments from the borrower. In connection with purchasing Participations, the Fund generally has no right to enforce compliance by the borrower with the terms of the loan agreement relating to the Loan, or any rights of set off against the borrower, and the Fund will not benefit directly from any collateral supporting the Loan in which it has purchased the Participation. As a result, the Fund assumes the credit risk of both the borrower and the Lender that is selling the Participation. Assignments typically result in the Fund having a direct contractual relationship with the borrower, and the Fund may enforce compliance by the borrower with the terms of the loan agreement. Loans held by the Fund are generally in the form of Assignments, but the Fund may also invest in Participations. If affiliates of the Advisor participate in the primary and secondary market for senior loans, legal limitations may restrict the Fund's ability to participate in restructuring or acquiring some senior loans. All Loans involve interest rate risk, liquidity risk and credit risk, including the potential default or insolvency of the borrower.

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 December 31, 2019, the Fund had net tax basis capital loss carryforwards of approximately $4,509,000, which may be applied against realized net taxable capital gains indefinitely, including short-term losses ($1,825,000) and long-term losses ($2,684,000).

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 and has determined that no provision for income tax and/or uncertain tax provisions 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 currencies, futures contracts 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 212,315
Capital loss carryforwards	$ (4,509,000)
Net unrealized appreciation (depreciation) on investments	$ 308,818

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $8,610,986. The net unrealized appreciation for all investments based on tax cost was $308,818. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $369,046 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of $60,228.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31,	
	2019	**2018**
Distributions from ordinary income*	$ 339,978	$ 641,992

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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. All discounts and premiums are accreted/amortized for both tax and financial reporting purposes for the Fund, with the exception of securities in default of principal.

B. Derivative Instruments

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 year ended December 31, 2019, the Fund entered into interest rate futures to gain exposure to different parts of the yield curve while managing overall duration and for non-hedging purposes to seek to enhance potential gains.

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 disclosed in the Statement of Assets and Liabilities.

There were no open futures contracts as of December 31, 2019. For the year ended December 31, 2019, the investment in futures contracts purchased had a total notional value generally indicative of a range from $0 to approximately $3,769,000, and the investment in futures contracts sold had a total notional value generally indicative of a range from $0 to approximately $1,301,000.

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 year ended December 31, 2019, the Fund entered into forward currency contracts in order to hedge against anticipated currency market changes 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.

There were no open forward currency contracts as of December 31, 2019. For the year ended December 31, 2019, the investment in forward currency contracts short vs. U.S. dollars had a total contract value generally indicative of a range from $0 to approximately $785,000, and the investment in forward currency contracts long vs. U.S. dollars had a total contract value generally indicative of a range from $0 to approximately $212,000. The investment in forward currency contracts long vs. other foreign currencies sold had a total contract value generally indicative of a range from $0 to approximately $342,000.

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 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.

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 year ended December 31, 2018, 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 December 31, 2019. For the year ended December 31, 2019, the investment in credit default swap contracts purchased had a total notional amount generally indicative of a range from $0 to approximately $921,000.

The amount of unrealized and realized gains and losses on derivative instruments recognized in Fund earnings during the year ended December 31, 2019 and the related location in the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	**Forward Contracts**	**Futures Contracts**	**Swap Contracts**	**Total**
Interest Rate Contracts (a)	$ —	$ 150,877	$ —	$ 150,877
Foreign Exchange Contracts (b)	2,307	—	—	2,307
Credit Contracts (c)	—	—	(25,964)	(25,964)
	$ 2,307	**$ 150,877**	**$ (25,964)**	**$ 127,220**

Each of the above derivatives is located in the following Statement of Operations accounts:

(a) Net realized gain (loss) from futures contracts

(b) Net realized gain (loss) from forward foreign currency contracts

(c) Net realized gain (loss) from swap contracts

Change in Net Unrealized Appreciation (Depreciation)	Forward Contracts	Futures Contracts	Total
Interest Rate Contracts (d)	$ —	$ (40,004)	$ (40,004)
Foreign Exchange Contracts (e)	(9,774)	—	(9,774)
	$ (9,774)	**$ (40,004)**	**$ (49,778)**

Each of the above derivatives is located in the following Statement of Operations accounts:

(d) Change in net unrealized appreciation (depreciation) on futures

(e) Change in net unrealized appreciation (depreciation) on forward foreign currency contracts

C. Purchases and Sales of Securities

During the year ended December 31, 2019, purchases and sales of investment securities, excluding short-term investments, were as follows:

	Purchases	Sales
Non-U.S. Treasury Obligations	$ 9,524,448	$ 10,259,927
U.S. Treasury Obligations	$ 7,066,631	$ 5,474,215

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.

Effective May 16, 2019, DWS Alternatives Global Limited, also an indirect, wholly owned subsidiary of DWS Group, no longer serves as subadvisor for the Fund. DWS Alternatives Global Limited provided portfolio manager services to the Fund and pursuant to a sub-advisory agreement between DIMA and DWS Alternatives Global Limited, DIMA, not the Fund, compensated DWS Alternatives Global Limited for the services it provided to 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	.550%
Next $750 million	.520%
Next $1.5 billion	.500%
Next $2.5 billion	.480%
Next $2.5 billion	.450%
Next $2.5 billion	.430%
Next $2.5 billion	.410%
Over $12.5 billion	.390%

Accordingly, for the year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.55% of the Fund's average daily net assets.

For the period from January 1, 2019 through April 30, 2019, the Advisor had contractually agreed to waive its fee 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) at 0.65%.

Effective May 1, 2019 through February 27, 2020 (See Note I), the Advisor has contractually agreed to waive its fee 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) at 0.66%.

For the year ended December 31, 2019, fees waived and/or expenses reimbursed amounted to $151,444.

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $8,690, of which $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 year ended December 31, 2019, the amounts charged to the Fund by DSC aggregated $111, of which $18 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing typesetting and certain regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $9,590, of which $4,433 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.

Security Lending Fees. Deutsche Bank AG serves as securities lending agent for the Fund. For the year ended December 31, 2019, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of $189.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

F. Investing in High-Yield 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.

G. Investing in Emerging Markets

Investing in emerging markets may involve special risks and considerations not typically associated with investing in developed markets. These risks include revaluation of currencies, high rates of inflation or deflation, repatriation restrictions on income and capital, and future adverse political, social and economic developments. Moreover, securities issued in these markets may be less liquid, subject to government ownership controls or delayed settlements, and may have prices that are more volatile or less easily assessed than those of comparable securities of issuers in developed markets.

H. Ownership of the Fund

At December 31, 2019, one participating insurance company was the owner of record of 10% or more of the total outstanding Class A shares of the Fund, owning 97%.

I. Fund Liquidation

Upon the recommendation of the Advisor, the Fund's Board of Trustees has authorized the Fund's termination and liquidation, effective on or about February 27, 2020 (the "Liquidation Date"). Accordingly, the Fund will involuntarily redeem the shares of any shareholder (i.e. participating insurance company that offers the Fund) outstanding on the Liquidation Date. Existing participating insurance company investors that currently offer the Fund as an investment option may continue to offer it to their contract owners until the Liquidation Date.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS Multisector Income VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Multisector Income VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,020.90
Expenses Paid per $1,000*	$ 3.36

Hypothetical 5% Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,021.88
Expenses Paid per $1,000*	$ 3.36

* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratio	**Class A**
Deutsche DWS Variable Series II — DWS Multisector Income VIP	.66%

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.

Tax Information

(Unaudited)

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 Multisector Income VIP's (the "Fund") investment management agreement (the "Agreement") with DWS Investment Management Americas, Inc. ("DIMA") in September 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, the Fund's performance (Class A shares) was in the 3rd quartile, 3rd 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, 2018.

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 0.10% 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, 2018). 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, 2018, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). 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 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 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/ Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered “interested persons” of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund’s Statement of Additional Information (“SAI”) includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

VS2MSI-2 (R-025836-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS Small Mid Cap Growth VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

Performance Summary

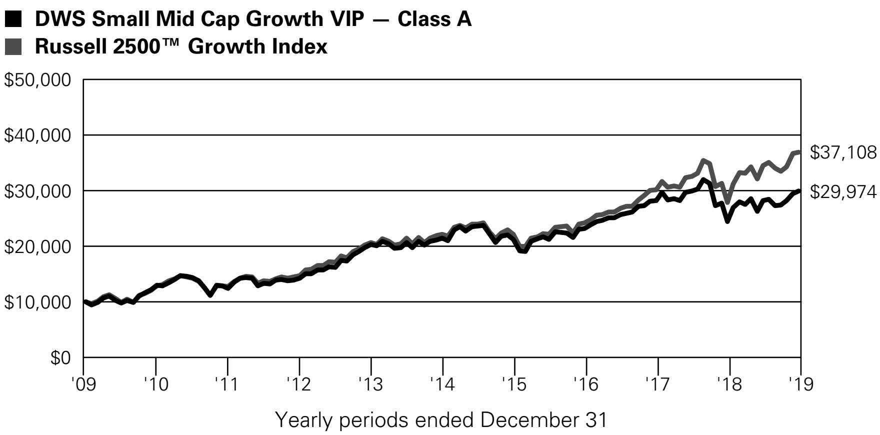
December 31, 2019 (Unaudited)

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, 2019 is 0.81% 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



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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$12,241	$12,918	$13,964	$29,974
	Average annual total return	22.41%	8.91%	6.91%	11.60%
Russell 2500 Growth Index	Growth of $10,000	$13,265	$15,277	$16,732	$37,108
	Average annual total return	32.65%	15.17%	10.84%	14.01%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

For the 12-month period ended December 31, 2019, the Fund returned 22.41% (Class A shares, unadjusted for contract charges), compared with the 32.65% return of the Russell 2500™ Growth Index.

Global equities performed very well in 2019, reflecting the shift by the U.S. Federal Reserve and other major central banks toward more accommodative policies. In combination with a slow but positive economic expansion and continued growth in corporate earnings, the move to a lower interest-rate regime boosted investors' appetite for risk assets including stocks.

The portfolio's underperformance derived in part from sector allocation, as an underweight in information technology and a slight overweight within energy detracted from returns. In addition, stock selection within health care, consumer discretionary and financials weighed on performance. Stock selection within industrials, consumer staples, information technology and energy was positive. The top individual contributors to performance were outpatient diagnostic imaging company Radnet, Inc., homebuilding products and insulation installer TopBuild Corp. and enterprise software company Tyler Technologies, Inc. Radnet's favorable results demonstrated that patients are moving from higher cost hospital imaging to Radnet's lower cost outpatient centers, resulting in strong performance. TopBuild, a commercial and residential distributor and installer of insulation products, reported financial results that were consistently higher than expected, as low interest rates aided housing starts and strong pricing power boosted margins. Tyler Technologies, which provides software services to municipal and county governments, contributed positively as the company's pipeline of new business continued to be strong, leading to better bookings and higher subscription revenue growth. Stock selection within health care, consumer discretionary and financials was negative. The Fund struggled within the biotechnology industry, as stock selection there was negative amid an active merger & acquisition environment, and with drug approvals and product failures receiving outsized reactions by investors. The largest individual detractors from performance were Retrophin, Inc., iRobot Corp. and Green Dot Corp. The Fund's cash position also detracted amid a strong equity market environment. The biopharmaceutical company Retrophin was the most notable detractor as one of the company's key drugs failed to meet expectations, causing the stock to fall sharply in mid-August. In addition, iRobot's shares were negatively impacted after the company reported its first revenue disappointment in several years, higher product prices due to tariffs, and uncertainty regarding new competition. The financial sector also proved to be a challenging area for the Fund during the 12-month period, due in part to its position in the U.S firm Green Dot Corp. The company's shares fell after Green Dot announced that additional capital expenditures were required to stave off new competition in its core reloadable debit-card business, and for new product launches.

We continue to position the Fund for sustained economic recovery and remain focused on our bottom-up stock selection process. We maintain a long-term perspective, investing in quality small- and mid-cap growth companies whose shares trade at attractive valuations, with strong management teams that align shareholders' interests with their own. The past year brought outperformance for fast-growing and momentum-oriented equities on one hand, and defensive stocks on the other. This environment worked against the Fund, as the steady growth companies that we emphasize lagged during the rally.

Peter Barsa, Director

Michael A. Sesser, CFA, Director

Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

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.

Overweight means that the Fund holds a higher weighting in a given sector or security than the benchmark. **Underweight** means that the Fund holds a lower weighting.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the Fund.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	98%	93%
Cash Equivalents	1%	6%
Convertible Preferred Stock	1%	1%
	100%	100%

Sector Diversification

(As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Information Technology	24%	22%
Health Care	24%	25%
Industrials	20%	18%
Consumer Discretionary	15%	16%
Financials	6%	7%
Real Estate	4%	3%
Materials	3%	4%
Consumer Staples	2%	2%
Communication Services	1%	1%
Energy	1%	2%
	100%	100%

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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 98.0%		
Communication Services 1.1%		
Entertainment		
Cinemark Holdings, Inc.	12,290	416,016
Take-Two Interactive Software, Inc.*	2,174	266,163
		682,179
Consumer Discretionary 14.3%		
Auto Components 0.9%		
Gentherm, Inc.*	7,364	326,888
Tenneco, Inc. "A"	18,953	248,284
		575,172
Diversified Consumer Services 2.2%		
Bright Horizons Family Solutions, Inc.*	7,023	1,055,487
ServiceMaster Global Holdings, Inc.*	9,448	365,260
		1,420,747
Hotels, Restaurants & Leisure 1.7%		
Hilton Grand Vacations, Inc.*	14,583	501,509
Jack in the Box, Inc.	7,892	615,813
		1,117,322
Household Durables 3.7%		
Helen of Troy Ltd.*	6,092	1,095,281
iRobot Corp.* (a)	10,403	526,704
TopBuild Corp.*	7,103	732,177
		2,354,162
Internet & Direct Marketing Retail 0.3%		
Grubhub, Inc.*	3,663	**178,168**
Leisure Products 0.9%		
YETI Holdings, Inc.* (a)	16,312	**567,332**
Specialty Retail 3.6%		
Burlington Stores, Inc.*	5,895	1,344,237
Camping World Holdings, Inc. "A"	36,664	540,427
The Children's Place, Inc. (a)	7,128	445,643
		2,330,307
Textiles, Apparel & Luxury Goods 1.0%		
Carter's, Inc.	5,951	**650,682**
Consumer Staples 2.0%		
Food & Staples Retailing 1.3%		
Casey's General Stores, Inc.	5,089	**809,100**
Household Products 0.7%		
Spectrum Brands Holdings, Inc.	6,982	**448,873**
Energy 0.9%		
Energy Equipment & Services 0.4%		
Dril-Quip, Inc.*	5,773	**270,811**
Oil, Gas & Consumable Fuels 0.5%		
California Resources Corp.* (a)	20,788	187,716
Contango Oil & Gas Co.*	39,242	144,018
		331,734
Financials 6.0%		
Banks 4.5%		
Eagle Bancorp., Inc.	4,767	231,819
Pinnacle Financial Partners, Inc.	7,304	467,456
South State Corp.	8,024	696,082
SVB Financial Group*	2,996	752,116
Synovus Financial Corp.	17,695	693,644
		2,841,117
Capital Markets 1.3%		
Lazard Ltd. "A"	13,717	548,131
Moelis & Co. "A"	9,136	291,621
		839,752
Consumer Finance 0.2%		
Green Dot Corp. "A"*	6,162	**143,575**
Health Care 22.9%		
Biotechnology 7.9%		
Acceleron Pharma, Inc.*	3,899	206,725
Alkermes PLC*	10,757	219,443
Amicus Therapeutics, Inc.*	17,294	168,444
Arena Pharmaceuticals, Inc.*	7,158	325,116
Biohaven Pharmaceutical Holding Co., Ltd.*	6,937	377,650
Bluebird Bio, Inc.*	2,317	203,317
Blueprint Medicines Corp.*	4,684	375,235
Emergent BioSolutions, Inc.*	11,619	626,845
Global Blood Therapeutics, Inc.*	3,700	294,113
Heron Therapeutics, Inc.*	22,719	533,896
Ligand Pharmaceuticals, Inc.*	3,112	324,550
Neurocrine Biosciences, Inc.*	10,195	1,095,861
Retrophin, Inc.*	23,478	333,388
		5,084,583
Health Care Equipment & Supplies 4.1%		
Cardiovascular Systems, Inc.*	11,951	580,699
Globus Medical, Inc. "A"*	6,168	363,172
iRhythm Technologies, Inc.*	3,325	226,399
Masimo Corp.*	5,052	798,519
Natus Medical, Inc.*	12,922	426,297
Tandem Diabetes Care, Inc.*	4,219	251,494
		2,646,580
Health Care Providers & Services 8.0%		
AMN Healthcare Services, Inc.*	15,169	945,180
HealthEquity, Inc.*	1,929	142,881
Molina Healthcare, Inc.*	7,851	1,065,302
Option Care Health, Inc.*	197,723	737,507
Providence Service Corp.*	13,693	810,352
RadNet, Inc.*	55,477	1,126,183
Tivity Health, Inc.*	13,396	272,542
		5,099,947
Health Care Technology 1.0%		
HMS Holdings Corp.*	21,178	**626,869**
Pharmaceuticals 1.9%		
ANI Pharmaceuticals, Inc.*	8,521	525,490
Avadel Pharmaceuticals PLC (ADR)* (a)	23,243	175,485
Pacira BioSciences, Inc.*	11,807	534,857
		1,235,832
Industrials 19.2%		
Aerospace & Defense 1.1%		
HEICO Corp.	6,086	**694,717**

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

	Shares	Value ($)
Building Products 4.7%		
A.O. Smith Corp.	11,719	558,293
Allegion PLC	9,959	1,240,294
Fortune Brands Home & Security, Inc.	11,751	767,810
Masonite International Corp.*	6,705	484,168
		3,050,565
Commercial Services & Supplies 2.5%		
MSA Safety, Inc.	3,599	454,770
The Brink's Co.	12,428	1,126,971
		1,581,741
Construction & Engineering 0.9%		
MasTec, Inc.*	8,966	**575,258**
Electrical Equipment 1.9%		
Generac Holdings, Inc.*	1,993	200,476
Thermon Group Holdings, Inc.*	39,309	1,053,481
		1,253,957
Machinery 2.1%		
Chart Industries, Inc.*	8,727	588,985
Hillenbrand, Inc.	10,483	349,189
IDEX Corp.	2,502	430,344
		1,368,518
Professional Services 1.6%		
Kforce, Inc.	22,466	891,900
Mistras Group, Inc.*	7,831	111,749
		1,003,649
Trading Companies & Distributors 4.4%		
H&E Equipment Services, Inc.	22,784	761,669
Rush Enterprises, Inc. "A"	32,955	1,532,408
Titan Machinery, Inc.*	36,290	536,366
		2,830,443
Information Technology 23.9%		
Communications Equipment 1.1%		
Lumentum Holdings, Inc.*	8,768	**695,302**
Electronic Equipment, Instruments & Components 1.1%		
Cognex Corp.	7,873	441,203
IPG Photonics Corp.*	1,883	272,884
		714,087
IT Services 5.0%		
Broadridge Financial Solutions, Inc.	6,371	787,073
MAXIMUS, Inc.	8,556	636,481
WEX, Inc.*	4,266	893,557
WNS Holdings Ltd. (ADR)*	13,113	867,425
		3,184,536
Semiconductors & Semiconductor Equipment 3.5%		
Advanced Energy Industries, Inc.*	12,629	899,185
Advanced Micro Devices, Inc.*	11,189	513,127
Cabot Microelectronics Corp.	3,131	451,866
Entegris, Inc.	8,229	412,191
		2,276,369
Software 13.2%		
Aspen Technology, Inc.*	9,895	1,196,602
Bill.Com Holdings, Inc.*	624	23,743
Cornerstone OnDemand, Inc.*	11,656	682,459
Envestnet, Inc.*	9,852	685,995
Five9, Inc.*	18,703	1,226,543
New Relic, Inc.*	1,634	107,370
Proofpoint, Inc.*	7,005	804,034
QAD, Inc. "A"	15,977	813,708
Tyler Technologies, Inc.*	5,381	1,614,408
Varonis Systems, Inc.*	16,810	1,306,305
		8,461,167
Materials 3.4%		
Chemicals 0.3%		
Trinseo SA	5,309	**197,548**
Construction Materials 1.3%		
Eagle Materials, Inc.	9,476	**859,094**
Containers & Packaging 0.6%		
Berry Global Group, Inc.*	7,728	**367,003**
Metals & Mining 1.2%		
Cleveland-Cliffs, Inc. (a)	67,277	565,127
First Quantum Minerals Ltd.	17,207	174,515
		739,642
Real Estate 4.3%		
Equity Real Estate Investment Trusts (REITs)		
Americold Realty Trust	12,475	437,373
EastGroup Properties, Inc.	2,708	359,270
Essential Properties Realty Trust, Inc.	23,274	577,428
Four Corners Property Trust, Inc.	13,954	393,363
National Storage Affiliates Trust	19,930	670,047
QTS Realty Trust, Inc. "A"	6,380	346,243
		2,783,724
Total Common Stocks (Cost $41,899,845)		**62,892,164**
Convertible Preferred Stocks 0.7%		
Health Care		
Providence Service Corp., 5.5% (b) (Cost $283,300)	2,833	**420,404**
Securities Lending Collateral 3.2%		
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (c) (d) (Cost $2,086,238)	2,086,238	**2,086,238**
Cash Equivalents 1.5%		
DWS Central Cash Management Government Fund, 1.62% (c) (Cost $955,515)	955,515	**955,515**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $45,224,898)	103.4	**66,354,321**
Other Assets and Liabilities, Net	(3.4)	**(2,153,463)**
Net Assets	100.0	**64,200,858**

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

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 3.2%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (c) (d)								
2,032,950	53,288 (e)	—	—	—	57,317	—	2,086,238	2,086,238
Cash Equivalents 1.5%								
DWS Central Cash Management Government Fund, 1.62% (c)								
3,874,651	10,857,060	13,776,196	—	—	57,797	—	955,515	955,515
5,907,601	**10,910,348**	**13,776,196**	**—**	**—**	**115,114**	**—**	**3,041,753**	**3,041,753**

* 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 December 31, 2019 amounted to $2,049,043, which is 3.2% of net assets.

(b) Investment was valued using significant unobservable inputs.

(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.

(e) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the year ended December 31, 2019.

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 December 31, 2019 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 (f)	$62,892,164	$ —	$ —	$62,892,164
Convertible Preferred Stocks	—	—	420,404	420,404
Short-Term Investments (f)	3,041,753	—	—	3,041,753
Total	**$65,933,917**	**$ —**	**$420,404**	**$66,354,321**

(f) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $42,183,145) — including $2,049,043 of securities loaned	$63,312,568
Investment in DWS Government & Agency Securities Portfolio (cost $2,086,238)*	2,086,238
Investment in DWS Central Cash Management Government Fund (cost $955,515)	955,515
Receivable for investments sold	5,310
Receivable for Fund shares sold	29,409
Dividends receivable	24,848
Interest receivable	7,003
Other assets	1,489
Total assets	66,422,380
Liabilities	
Payable upon return of securities loaned	2,086,238
Payable for Fund shares redeemed	30,095
Accrued management fee	24,715
Accrued Trustees' fees	1,514
Other accrued expenses and payables	78,960
Total liabilities	2,221,522
Net assets, at value	**$64,200,858**
Net Assets Consist of	
Distributable earnings (loss)	21,970,327
Paid-in capital	42,230,531
Net assets, at value	**$64,200,858**
Net Asset Value	
Net Asset Value, offering and redemption price per share ($64,200,858 ÷ 4,698,629 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 13.66**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of $25)	$ 500,825
Income distributions — DWS Central Cash Management Government Fund	57,797
Securities lending income, net of borrower rebates	57,317
Total income	615,939
Expenses:	
Management fee	369,908
Administration fee	67,256
Services to Shareholders	770
Custodian fee	3,782
Professional fees	61,252
Reports to shareholders	34,094
Trustees' fees and expenses	5,424
Other	7,315
Total expenses before expense reductions	549,801
Expense reductions	(5,027)
Total expenses after expense reductions	544,774
Net investment income (loss)	**71,165**
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	1,091,843
Foreign currency	319
	1,092,162
Change in net unrealized appreciation (depreciation) on:	
Investments	12,312,196
Foreign currency	4
	12,312,200
Net gain (loss)	**13,404,362**
Net increase (decrease) in net assets resulting from operations	**$13,475,527**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 71,165	$ (48,368)
Net realized gain (loss)	1,092,162	8,989,403
Change in net unrealized appreciation (depreciation)	12,312,200	(19,054,040)
Net increase (decrease) in net assets resulting from operations	13,475,527	(10,113,005)
Distributions to shareholders:		
Class A	(8,788,523)	(25,334,744)
Fund share transactions:		
Class A		
Proceeds from shares sold	2,374,360	6,446,792
Reinvestment of distributions	8,788,523	25,334,744
Payments for shares redeemed	(16,023,146)	(9,303,196)
Net increase (decrease) in net assets from Class A share transactions	(4,860,263)	22,478,340
Increase (decrease) in net assets	(173,259)	(12,969,409)
Net assets at beginning of period	64,374,117	77,343,526
Net assets at end of period	**$ 64,200,858**	**$ 64,374,117**

Other Information		
Class A		
Shares outstanding at beginning of period	5,077,014	3,525,232
Shares sold	179,399	381,309
Shares issued to shareholders in reinvestment of distributions	680,753	1,711,807
Shares redeemed	(1,238,537)	(541,334)
Net increase (decrease) in Class A shares	(378,385)	1,551,782
Shares outstanding at end of period	4,698,629	5,077,014

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$12.68**	**$ 21.94**	**$18.96**	**$20.90**	**$22.83**
Income (loss) from investment operations:					
Net investment income (loss)[a]	.01	(.01)	(.02)	.02	(.04)
Net realized and unrealized gain (loss)	2.73	(1.92)	4.08	1.64	(.00)
Total from investment operations	2.74	(1.93)	4.06	1.66	(.04)
Less distributions from:					
Net investment income	—	—	(.02)	—	—
Net realized gains	(1.76)	(7.33)	(1.06)	(3.60)	(1.89)
Total distributions	(1.76)	(7.33)	(1.08)	(3.60)	(1.89)
Net asset value, end of period	**$13.66**	**$ 12.68**	**$21.94**	**$18.96**	**$20.90**
Total Return (%)	22.41[b]	(13.59)[b]	22.12	9.08	(.90)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	64	64	77	118	135
Ratio of expenses before expense reductions (%)[c]	.82	.81	.75	.75	.72
Ratio of expenses after expense reductions (%)[c]	.81	.80	.75	.75	.72
Ratio of net investment income (loss) (%)	.11	(.06)	(.08)	.11	(.19)
Portfolio turnover rate (%)	10	32	32	28	42

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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.

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

Notes to Financial Statements

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 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 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 year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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.

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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 31,323
Undistributed long-term capital gainzs	$ 914,739
Net unrealized appreciation (depreciation) on investments	$ 21,017,336

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $45,336,985. The net unrealized appreciation for all investments based on tax cost was $21,017,336. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $24,291,092 aggregate gross unrealized depreciation for all investments in which was an excess of tax cost over value of $3,273,756.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ —	$ 1,616,576
Distributions from long-term capital gains	$ 8,788,523	$ 23,718,168

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 year ended December 31, 2019, purchases and sales of investment transactions (excluding short-term investments) aggregated $6,601,955 and $17,143,395, 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	.550%
Next $750 million	.525%
Over $1 billion	.500%

Accordingly, for the year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.55% of the Fund's average daily net assets.

For the period from January 1, 2019 through September 30, 2020, 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 0.81%.

For the year ended December 31, 2019, fees waived and/or expenses reimbursed were $5,027.

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $67,256, of which $5,408 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 year ended December 31, 2019, the amounts charged to the Fund by DSC aggregated $396, of which $66 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $8,464, of which $3,174 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 year ended December 31, 2019, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of $4,313.

D. Ownership of the Fund

At December 31, 2019, one participating insurance company was owner of record of 10% or more of the total outstanding Class A shares of the Fund, owning 90%.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate the amount of such excess. 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 December 31, 2019.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS Small Mid Cap Growth VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Small Mid Cap Growth VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,058.10
Expenses Paid per $1,000*	$ 4.20

Hypothetical 5% Fund Return	**Class A**
Beginning Account Value 7/1/19	$ 1,000.00
Ending Account Value 12/31/19	$ 1,021.12
Expenses Paid per $1,000*	$ 4.13

* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratio	**Class A**
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.

Tax Information

(Unaudited)

The Fund paid distributions of $1.76 per share from net long-term capital gains during its year ended December 31, 2019.

Pursuant to Section 852 of the Internal Revenue Code, the Fund designates $1,050,000 as capital gain dividends for its year ended December 31, 2019.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, 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, 2018. 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 portfolio management team, effective April 19, 2018. 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 0.10% 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, 2018). 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, 2018, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

1 The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

2 A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

3 Executive title, not a board directorship.

4 As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered “interested persons” of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

5 The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

6 Address: 875 Third Avenue, New York, NY 10022.

7 Address: One International Place, Boston, MA 02110.

8 Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund’s Statement of Additional Information (“SAI”) includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

Notes

Notes

VS2SMCG-2 (R-025835-9 2/20)

December 31, 2019

Annual Report

Deutsche DWS Variable Series II

DWS Small Mid Cap Value VIP

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from your insurance company electronically by following the instructions provided by your insurance company.

You may elect to receive all future reports in paper free of charge from your insurance company. If your insurance company informs you that future reports will be delivered via Web access, you can inform your insurance company that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by your insurance company.

DWS

Contents

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. Any fund that focuses in a particular segment of the market or region of the world will generally be more volatile than a fund that invests more broadly. The Fund may lend securities to approved institutions. Please read the prospectus for details.

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

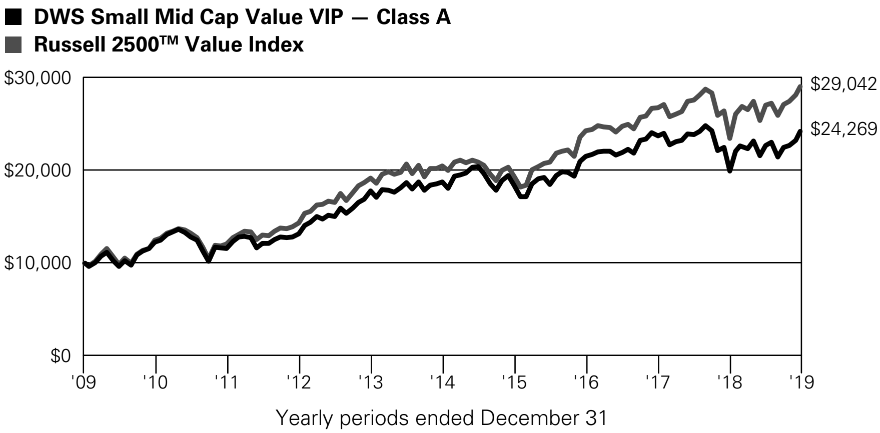
December 31, 2019 (Unaudited)

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, 2019 are 0.87% and 1.24% 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



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		1-Year	3-Year	5-Year	10-Year
Class A	Growth of $10,000	$12,151	$11,279	$12,932	$24,269
	Average annual total return	21.51%	4.09%	5.28%	9.27%
Russell 2500 Value Index	Growth of $10,000	$12,356	$11,951	$14,142	$29,042
	Average annual total return	23.56%	6.12%	7.18%	11.25%
DWS Small Mid Cap Value VIP		**1-Year**	**3-Year**	**5-Year**	**10-Year**
Class B	Growth of $10,000	$12,099	$11,150	$12,699	$23,417
	Average annual total return	20.99%	3.69%	4.89%	8.88%
Russell 2500 Value Index	Growth of $10,000	$12,356	$11,951	$14,142	$29,042
	Average annual total return	23.56%	6.12%	7.18%	11.25%

The growth of $10,000 is cumulative.

Management Summary

December 31, 2019 (Unaudited)

Class A shares of DWS Small Mid Cap Value VIP returned 21.51% in 2019 (unadjusted for contract charges) and underperformed the 23.56% return of the Russell 2500™ Value Index.

Small- and mid-cap U.S. equities performed very well in the 12-month period, thanks in large part to the increasingly accommodative monetary policy of the U.S. Federal Reserve (Fed). The Fed cut rates three times from August to October 2019, and it began to inject liquidity into the markets on a daily basis in the fourth quarter. These actions, together with steady economic conditions and continued corporate earnings growth, boosted investors' appetite for risk and led to a strong gain for domestic equities. The value style underperformed the broader market, however, as investors displayed a clear preference companies with the ability to deliver above-average profit growth despite the sluggish global economy.

The Fund's management team changed in February 2019, leading to the adoption of a new stock-picking methodology. As a result, our primary portfolio activity involved shifting the Fund's holdings to be consistent with the new strategy. We accomplished this changeover in a gradual fashion as the year progressed. Consistent with our bottom-up approach, we shifted the portfolio so its sector weightings are very close to those of the benchmark. Allocation therefore had a minimal impact on performance in the second half of the year.

Stock selection, which incorporated the results of two management teams, was a net detractor from performance. Much of the weakness in occurred in communications services, where the Fund's investments posted a loss even as the broader sector delivered a double-digit gain. The movie theatre operator AMC Entertainment Holdings, Inc. was the largest individual detractor, followed by the Indian movie-production company Eros International Media, Ltd.* The industrials sector was also an area of weakness, due largely to positions in the conglomerate Hillenbrand, Inc. and the battery producer EnerSys. A position in cash, while limited, further detracted from results given the robust return for the index.

On the plus side, we added value through the outperformance of our stock picks in the consumer discretionary space. Winnebago Industries, Inc. was the top contributor in both the sector and the Fund as a whole. The stock produced a triple-digit gain due to a healthy third quarter earnings report and the market's rotation to cyclical stocks in the late summer/early fall period. WW International, Inc. (formerly Weight Watchers International), also advanced as a better-than-expected earnings report in August set the stage for a rally in the second half of the year. Real estate was an additional area of strength, led by holdings in Community Healthcare Trust, Inc.* and Easterly Government Properties, Inc.

The outlook for economic growth, trade, and global central bank policy remained murky at year end, but equities nonetheless closed out 2019 on a high note behind continued ebullience in investor sentiment. For our part, we choose to look beyond the headlines to focus on selecting the best individual stocks for the Fund by using a quantitative strategy.

Pankaj Bhatnagar, PhD, Managing Director
Arno V. Puskar, Director
Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

Russell 2500 Value Index is an unmanaged index measuring the small- to mid-cap U.S. equity value market.

Contribution and **detraction** incorporate both a stock's total return and its weighting in the fund.

* Not held at December 31, 2019.

Portfolio Summary

(Unaudited)

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	**12/31/19**	**12/31/18**
Common Stocks	99%	97%
Cash Equivalents	1%	3%
	100%	100%

Sector Diversification (As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	**12/31/19**	**12/31/18**
Financials	23%	22%
Real Estate	14%	13%
Industrials	14%	16%
Consumer Discretionary	10%	12%
Information Technology	9%	11%
Materials	7%	5%
Utilities	6%	6%
Health Care	6%	6%
Energy	5%	4%
Consumer Staples	3%	3%
Communication Services	3%	2%
	100%	100%

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 filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings are also posted on dws.com from time to time. Please read the Fund's current prospectus for more information.

Investment Portfolio

as of December 31, 2019

	Shares	Value ($)
Common Stocks 98.5%		
Communication Services 2.8%		
Entertainment 0.4%		
AMC Entertainment Holdings, Inc. "A" (a)	55,055	**398,598**
Media 1.9%		
Interpublic Group of Companies, Inc.	78,123	**1,804,641**
Wireless Telecommunication Services 0.5%		
Telephone & Data Systems, Inc.	19,087	**485,383**
Consumer Discretionary 9.5%		
Automobiles 0.9%		
Winnebago Industries, Inc.	16,677	**883,547**
Diversified Consumer Services 2.3%		
Regis Corp.*	74,377	1,329,117
WW International, Inc.*	21,998	840,544
		2,169,661
Hotels, Restaurants & Leisure 1.9%		
Aramark	42,196	**1,831,306**
Household Durables 0.5%		
PulteGroup, Inc.	12,282	**476,542**
Leisure Products 0.9%		
Brunswick Corp.	14,307	**858,134**
Multiline Retail 0.4%		
Kohl's Corp.	8,100	**412,695**
Specialty Retail 0.8%		
The Michaels Companies, Inc.*	98,280	**795,085**
Textiles, Apparel & Luxury Goods 1.8%		
Columbia Sportswear Co.	17,354	**1,738,697**
Consumer Staples 3.0%		
Food Products 0.6%		
Conagra Brands, Inc.	17,736	**607,281**
Household Products 1.9%		
Central Garden & Pet Co.*	58,597	**1,820,609**
Tobacco 0.5%		
Vector Group Ltd.	35,608	**476,791**
Energy 4.6%		
Energy Equipment & Services 1.1%		
NexTier Oilfield Solutions, Inc.*	70,248	470,662
Patterson-UTI Energy, Inc.	54,471	571,945
		1,042,607
Oil, Gas & Consumable Fuels 3.5%		
Equitrans Midstream Corp.	38,708	517,139
Gulfport Energy Corp.*	177,539	539,719
HollyFrontier Corp.	8,348	423,327
Murphy Oil Corp.	15,131	405,511
Peabody Energy Corp.	60,187	548,905
Targa Resources Corp.	22,695	926,637
		3,361,238
Financials 22.5%		
Banks 9.7%		
Bank of America Corp.	12,884	453,775
BankUnited, Inc.	12,677	463,471
Eagle Bancorp., Inc.	23,396	1,137,748
Hancock Whitney Corp.	46,301	2,031,688
Hilltop Holdings, Inc.	18,694	466,041
JPMorgan Chase & Co.	3,495	487,203
Pacific Premier Bancorp., Inc.	33,715	1,099,278
Simmons First National Corp. "A"	17,474	468,128
Sterling Bancorp.	66,324	1,398,110
UMB Financial Corp.	18,452	1,266,545
		9,271,987
Consumer Finance 1.0%		
Credit Acceptance Corp.*	947	418,887
EZCORP, Inc. "A"*	84,871	578,820
		997,707
Insurance 7.3%		
American Equity Investment Life Holding Co.	15,529	464,783
American Financial Group, Inc.	5,290	580,048
Assurant, Inc.	9,527	1,248,799
Brown & Brown, Inc.	50,612	1,998,162
Everest Re Group Ltd.	2,634	729,196
Globe Life, Inc.	9,200	968,300
MBIA, Inc.*	99,772	927,880
		6,917,168
Mortgage Real Estate Investment Trusts (REITs) 2.5%		
Blackstone Mortgage Trust, Inc. ,"A"	24,538	913,304
Ellington Financial, Inc.	25,520	467,782
PennyMac Mortgage Investment Trust	41,713	929,783
		2,310,869
Thrifts & Mortgage Finance 2.0%		
Walker & Dunlop, Inc.	29,822	**1,928,887**
Health Care 6.1%		
Health Care Equipment & Supplies 1.0%		
Invacare Corp.	109,769	**990,117**
Health Care Providers & Services 1.1%		
Premier, Inc. "A"*	26,798	**1,015,108**
Life Sciences Tools & Services 3.6%		
Bruker Corp.	42,574	2,169,997
PerkinElmer, Inc.	12,605	1,223,945
		3,393,942
Pharmaceuticals 0.4%		
Mallinckrodt PLC* (a)	113,663	**396,684**
Industrials 13.4%		
Aerospace & Defense 1.9%		
Teledyne Technologies, Inc.*	5,099	**1,767,007**
Building Products 1.2%		
Simpson Manufacturing Co., Inc.	14,345	**1,150,899**
Commercial Services & Supplies 1.3%		
IAA, Inc.*	9,289	437,141
Interface, Inc.	47,907	794,777
		1,231,918

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

	Shares	Value ($)
Construction & Engineering 1.5%		
Great Lakes Dredge & Dock Corp.*	45,105	511,040
Jacobs Engineering Group, Inc.	9,994	897,761
		1,408,801
Electrical Equipment 2.1%		
EnerSys	26,151	**1,956,879**
Industrial Conglomerates 0.5%		
Carlisle Companies, Inc.	3,124	**505,588**
Machinery 3.2%		
Federal Signal Corp.	57,319	1,848,538
Hillenbrand, Inc.	34,641	1,153,891
		3,002,429
Professional Services 0.8%		
ICF International, Inc.	8,417	**771,166**
Road & Rail 0.9%		
Hertz Global Holdings, Inc.*	55,813	**879,055**
Information Technology 9.3%		
Communications Equipment 1.0%		
CommScope Holding Co., Inc.*	67,304	**955,044**
Electronic Equipment, Instruments & Components 2.2%		
Insight Enterprises, Inc.*	29,427	**2,068,424**
IT Services 2.0%		
Alliance Data Systems Corp.	3,213	360,498
Leidos Holdings, Inc.	15,800	1,546,662
		1,907,160
Semiconductors & Semiconductor Equipment 2.1%		
Cirrus Logic, Inc.*	5,821	479,709
Marvell Technology Group Ltd.	36,100	958,816
ON Semiconductor Corp.*	24,024	585,705
		2,024,230
Software 2.0%		
Verint Systems, Inc.*	34,980	**1,936,493**
Materials 6.9%		
Chemicals 0.6%		
Kraton Corp.*	24,688	**625,100**
Metals & Mining 6.3%		
Cleveland-Cliffs, Inc. (a)	142,611	1,197,932
Coeur Mining, Inc.*	134,562	1,087,261
Steel Dynamics, Inc.	62,445	2,125,628
SunCoke Energy, Inc.	87,242	543,518
Warrior Met Coal, Inc.	45,896	969,782
		5,924,121
Real Estate 14.1%		
Equity Real Estate Investment Trusts (REITs)		
Agree Realty Corp.	18,341	1,286,988
Alexander & Baldwin, Inc.*	19,251	403,501
Colony Capital, Inc.	82,585	392,279
Duke Realty Corp.	35,999	1,248,085
Easterly Government Properties, Inc.	71,737	1,702,319
Gaming and Leisure Properties, Inc.	28,066	1,208,241
Highwoods Properties, Inc.	28,870	1,412,032
Lexington Realty Trust	44,373	471,241
Pebblebrook Hotel Trust	39,087	1,047,923
SITE Centers Corp.	71,120	997,102
STAG Industrial, Inc.	43,423	1,370,864
Urban Edge Properties	24,690	473,554
WP Carey, Inc.	15,846	1,268,314
		13,282,443
Utilities 6.3%		
Electric Utilities 4.0%		
Alliant Energy Corp.	12,910	706,435
IDACORP, Inc.	18,329	1,957,537
Pinnacle West Capital Corp.	12,092	1,087,434
		3,751,406
Gas Utilities 2.3%		
ONE Gas, Inc.	18,958	1,773,900
UGI Corp.	9,057	409,014
		2,182,914
Total Common Stocks (Cost $84,136,295)		**93,716,361**

Securities Lending Collateral 2.1%

	Shares	Value ($)
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (b) (c) (Cost $1,984,280)	1,984,280	**1,984,280**

Cash Equivalents 0.5%

	Shares	Value ($)
DWS Central Cash Management Government Fund, 1.62% (b) (Cost $487,000)	487,000	**487,000**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $86,607,575)	101.1	**96,187,641**
Other Assets and Liabilities, Net	(1.1)	**(1,019,827)**
Net Assets	100.0	**95,167,814**

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

A summary of the Fund's transactions with affiliated investments during the year ended December 31, 2019 are as follows:

Value ($) at 12/31/2018	Purchases Cost ($)	Sales Proceeds ($)	Net Realized Gain/ (Loss) ($)	Net Change in Unrealized Appreciation (Depreciation) ($)	Income ($)	Capital Gain Distributions ($)	Number of Shares at 12/31/2019	Value ($) at 12/31/2019
Securities Lending Collateral 2.1%								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 1.50% (b) (c)								
—	1,984,280(d)	—	—	—	33,113	—	1,984,280	1,984,280
Cash Equivalents 0.5%								
DWS Central Cash Management Government Fund, 1.62% (b)								
2,497,809	12,067,941	14,078,750	—	—	34,862	—	487,000	487,000
2,497,809	**14,052,221**	**14,078,750**	**—**	**—**	**67,975**	**—**	**2,471,280**	**2,471,280**

* 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 December 31, 2019 amounted to $1,955,693, which is 2.1% 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 year ended December 31, 2019.

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 December 31, 2019 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 (e)	$ 93,716,361	$ —	$ —	$ 93,716,361
Short-Term Investments (e)	2,471,280	—	—	2,471,280
Total	**$ 96,187,641**	**$ —**	**$ —**	**$ 96,187,641**

(e) 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 December 31, 2019

Assets	
Investments in non-affiliated securities, at value (cost $84,136,295) — including $1,955,693 of securities loaned	$ 93,716,361
Investment in DWS Government & Agency Securities Portfolio (cost $1,984,280)*	1,984,280
Investment in DWS Central Cash Management Government Fund (cost $487,000)	487,000
Receivable for Fund shares sold	8,194
Dividends receivable	148,287
Interest receivable	5,907
Other assets	991,803
Total assets	97,341,832
Liabilities	
Payable upon return of securities loaned	1,984,280
Payable for Fund shares redeemed	39,673
Accrued management fee	59,930
Accrued Trustees' fees	2,618
Other accrued expenses and payables	87,517
Total liabilities	2,174,018
Net assets, at value	**$ 95,167,814**
Net Assets Consist of	
Distributable earnings (loss)	16,879,530
Paid-in capital	78,288,284
Net assets, at value	**$ 95,167,814**
Net Asset Value	
Class A	
Net Asset Value, offering and redemption price per share ($78,356,454 ÷ 5,666,170 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 13.83**
Class B	
Net Asset Value, offering and redemption price per share ($16,811,360 ÷ 1,216,620 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	**$ 13.82**

* Represents collateral on securities loaned.

Statement of Operations

for the year ended December 31, 2019

Investment Income	
Income: Dividends	$ 1,941,948
Income distributions — DWS Cash Management Government Fund	34,862
Securities lending income, net of borrower rebates	33,113
Total income	2,009,923
Expenses: Management fee	598,567
Administration fee	92,087
Services to Shareholders	2,286
Record keeping fee (Class B)	19,966
Distribution service fees (Class B)	40,665
Custodian fee	3,724
Professional fees	57,901
Reports to shareholders	40,904
Trustees' fees and expenses	6,999
Other	7,409
Total expenses before expense reductions	870,508
Expense reductions	(48,588)
Total expenses after expense reductions	821,920
Net investment income	**1,188,003**
Realized and Unrealized gain (loss)	
Net realized gain (loss) from investments	6,244,068
Change in net unrealized appreciation (depreciation) on investments	11,215,454
Net gain (loss)	**17,459,522**
Net increase (decrease) in net assets resulting from operations	**$ 18,647,525**

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

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	Years Ended December 31, 2019	2018
Operations:		
Net investment income (loss)	$ 1,188,003	$ 620,637
Net realized gain (loss)	6,244,068	6,571,650
Change in net unrealized appreciation (depreciation)	11,215,454	(23,519,638)
Net increase (decrease) in net assets resulting from operations	18,647,525	(16,327,351)
Distributions to shareholders:		
Class A	(6,073,443)	(17,037,935)
Class B	(1,252,920)	(3,363,724)
Total distributions	(7,326,363)	(20,401,659)
Fund share transactions:		
Class A		
Proceeds from shares sold	3,385,798	4,320,688
Reinvestment of distributions	6,073,443	17,037,935
Payments for shares redeemed	(10,531,345)	(16,960,024)
Net increase (decrease) in net assets from Class A share transactions	(1,072,104)	4,398,599
Class B		
Proceeds from shares sold	1,581,613	2,796,123
Reinvestment of distributions	1,252,920	3,363,724
Payments for shares redeemed	(3,209,519)	(3,194,564)
Net increase (decrease) in net assets from Class B share transactions	(374,986)	2,965,283
Increase (decrease) in net assets	9,874,072	(29,365,128)
Net assets at beginning of period	85,293,742	114,658,870
Net assets at end of period	**$ 95,167,814**	**$ 85,293,742**

Other Information		
Class A		
Shares outstanding at beginning of period	5,742,711	5,375,574
Shares sold	261,390	286,538
Shares issued to shareholders in reinvestment of distributions	468,268	1,188,970
Shares redeemed	(806,199)	(1,108,371)
Net increase (decrease) in Class A shares	(76,541)	367,137
Shares outstanding at end of period	**5,666,170**	**5,742,711**
Class B		
Shares outstanding at beginning of period	1,243,269	1,037,183
Shares sold	121,577	183,198
Shares issued to shareholders in reinvestment of distributions	96,453	234,243
Shares redeemed	(244,679)	(211,355)
Net increase (decrease) in Class B shares	(26,649)	206,086
Shares outstanding at end of period	**1,216,620**	**1,243,269**

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

Financial Highlights

Class A	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$12.21**	**$17.88**	**$16.65**	**$15.97**	**$17.79**
Income (loss) from investment operations:					
Net investment income[a]	.18	.10	.17	.15	.09
Net realized and unrealized gain (loss)	2.53[d]	(2.47)	1.55	2.34	(.31)
Total from investment operations	2.71	(2.37)	1.72	2.49	(.22)
Less distributions from:					
Net investment income	(.10)	(.24)	(.12)	(.10)	(.05)
Net realized gains	(.99)	(3.06)	(.37)	(1.71)	(1.55)
Total distributions	(1.09)	(3.30)	(.49)	(1.81)	(1.60)
Net asset value, end of period	**$13.83**	**$12.21**	**$17.88**	**$16.65**	**$15.97**
Total Return (%)	22.76[b,d]	(16.01)[b]	10.52[b]	16.89[b]	(1.91)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	78	70	96	153	161
Ratio of expenses before expense reductions (%)[c]	.88	.87	.83	.83	.80
Ratio of expenses after expense reductions (%)[c]	.83	.81	.83	.82	.80
Ratio of net investment income (%)	1.35	.65	.98	.99	.51
Portfolio turnover rate (%)	55	64	35	53	25

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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.

d 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.

Class B	2019	Years Ended December 31, 2018	2017	2016	2015
Selected Per Share Data					
Net asset value, beginning of period	**$12.20**	**$17.86**	**$16.63**	**$15.95**	**$17.77**
Income (loss) from investment operations:					
Net investment income[a]	.13	.05	.11	.09	.02
Net realized and unrealized gain (loss)	2.53[d]	(2.48)	1.55	2.34	(.29)
Total from investment operations	2.66	(2.43)	1.66	2.43	(.27)
Less distributions from:					
Net investment income	(.05)	(.17)	(.06)	(.04)	—
Net realized gains	(.99)	(3.06)	(.37)	(1.71)	(1.55)
Total distributions	(1.04)	(3.23)	(.43)	(1.75)	(1.55)
Net asset value, end of period	**$13.82**	**$12.20**	**$17.86**	**$16.63**	**$15.95**
Total Return (%)	22.32[b,d]	(16.32)[b]	10.13[b]	16.47[b]	(2.21)
Ratios to Average Net Assets and Supplemental Data					
Net assets, end of period ($ millions)	17	15	19	15	14
Ratio of expenses before expense reductions (%)[c]	1.25	1.24	1.19	1.19	1.16
Ratio of expenses after expense reductions (%)[c]	1.19	1.16	1.19	1.18	1.16
Ratio of net investment income (loss) (%)	.99	.30	.65	.57	.14
Portfolio turnover rate (%)	55	64	35	53	25

a Based on average shares outstanding during the period.

b Total return would have been lower had certain expenses not been reduced.

c 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.

d 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.

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

Notes to Financial Statements

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). Sales of Class B shares are subject to recordkeeping fees up to 0.15% and Rule 12b-1 fees under the 1940 Act equal to an annual rate of 0.25% 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 Rule 12b-1 fee 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 effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the year ended December 31, 2019, 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 (0.12% annualized effective rate as of December 31, 2019) 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 December 31, 2019, 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.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 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.

At December 31, 2019, the Fund's components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income*	$ 1,257,590
Undistributed long-term capital gains	$ 6,075,704
Unrealized appreciation (depreciation) on investments	$ 9,463,122

At December 31, 2019, the aggregate cost of investments for federal income tax purposes was $86,724,519. The net unrealized appreciation for all investments based on tax cost was $9,463,122. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of $15,256,045 aggregate gross unrealized depreciation for all investments in which was an excess of tax cost over value of $5,792,923.

In addition, the tax character of distributions paid by the Fund is summarized as follows:

	Years Ended December 31, 2019	2018
Distributions from ordinary income*	$ 615,525	$ 1,404,457
Distributions from long-term capital gains	$ 6,710,838	$ 18,997,202

* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

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 year ended December 31, 2019, purchases and sales of investment transactions (excluding short-term investments) aggregated $49,564,762 and $54,887,640, 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 year ended December 31, 2019, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.65% of the Fund's average daily net assets.

For the period from January 1, 2019 through April 30, 2019, 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 each class as follows:

Class A	.81%
Class B	1.16%

For the period from May 1, 2019 through September 30, 2019, the Advisor had contractually agreed to waive all or a portion of 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) of certain classes as follows:

Class A	.85%
Class B	1.21%

Effective October 1, 2019 through September 30, 2020, the Advisor has contractually agreed to waive all or a portion of 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) of certain classes as follows:

Class A	.82%
Class B	1.19%

For the year ended December 31, 2019, fees waived and/or expenses reimbursed for each class were as follows:

Class A	$ 37,897
Class B	10,691
	$ 48,588

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 DIMA an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2019, the Administration Fee was $92,087, of which $7,882 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 year ended December 31, 2019, the amounts charged to the Fund by DSC were as follows:

Service to Shareholders	Total Aggregated	Unpaid at December 31, 2019
Class A	$ 654	$ 108
Class B	476	83
	$ 1,130	**$ 191**

Distribution Service Agreement. Under the Fund's Class B 12b-1 plan, DWS Distributors, Inc. ("DDI") received a fee ("Distribution Service Fee") of 0.25% of average daily net assets of Class B shares. For the year ended December 31, 2019, the Distribution Service Fee aggregated $40,665, of which $3,484 is unpaid.

Typesetting and Filing Service Fees. Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended December 31, 2019, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated $9,216, of which $3,343 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 December 31, 2019, one participating insurance company was owner of record of 10% or more of the total outstanding Class A shares of the Fund, owning 69%. Three participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 32%, 21% and 18%.

E. Line of Credit

The Fund and other affiliated funds (the "Participants") share in a $400 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 rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. 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 December 31, 2019.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Deutsche DWS Variable Series II and Shareholders of DWS Small Mid Cap Value VIP:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of DWS Small Mid Cap Value VIP (the "Fund") (one of the funds constituting Deutsche DWS Variable Series II) (the "Trust"), including the investment portfolio, as of December 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Deutsche DWS Variable Series II) at December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodian and others. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more investment companies in the DWS family of funds since at least 1979, but we are unable to determine the specific year.

Boston, Massachusetts
February 14, 2020

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 (July 1, 2019 to December 31, 2019).

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 December 31, 2019

Actual Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,067.00	$ 1,064.60
Expenses Paid per $1,000*	$ 4.32	$ 6.24

Hypothetical 5% Fund Return	**Class A**	**Class B**
Beginning Account Value 7/1/19	$ 1,000.00	$ 1,000.00
Ending Account Value 12/31/19	$ 1,021.02	$ 1,019.16
Expenses Paid per $1,000*	$ 4.23	$ 6.11

* 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 184 (the number of days in the most recent six-month period), then divided by 365.

Annualized Expense Ratios	**Class A**	**Class 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.

Tax Information

(Unaudited)

The Fund paid distributions of $0.99 per share from net long-term capital gains during its year ended December 31, 2019.

Pursuant to Section 852 of the Internal Revenue Code, the Fund designates $6,737,000 as capital gain dividends for its year ended December 31, 2019.

For corporate shareholders, 100% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2019, qualified for the dividends received deduction.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

Proxy Voting

(Unaudited)

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 — or on the SEC's Web site — 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 2019.

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's Contract Committee 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"). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

— 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 Contract Committee and 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. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

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 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, 2018, 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, 2018. 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 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 0.10% 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, 2018). 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, 2018, 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.

Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the Trust/ Corporation. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is Keith R. Fox, DWS Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the Trust/Corporation. Because the Fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period.

The Board Members may also serve in similar capacities with other funds in the fund complex. The number of funds in DWS fund complex shown in the table below includes all registered open- and closed-end funds (including all of their portfolios) advised by the Advisor and any registered funds that have an investment advisor that is an affiliated person of the Advisor.

Independent Board Members

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	**Business Experience and Directorships During the Past Five Years**	**Number of Funds in DWS Fund Complex Overseen**	**Other Directorships Held by Board Member**
Keith R. Fox, CFA (1954) Chairperson since 2017, and Board Member since 1996	Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: ICI Mutual Insurance Company; Progressive International Corporation (kitchen goods importer and distributor); former Chairman, National Association of Small Business Investment Companies; former Directorships: The Kennel Shop (retailer); BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)	77	—
John W. Ballantine (1946) Board Member since 1999	Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and Chairman of the Board, Healthways, Inc.[2] (population well-being and wellness services) (2003–2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/Trustee: Palm Beach Civic Association; Window to the World Communications (public media); Life Director of Harris Theater for Music and Dance (Chicago); Life Director of Hubbard Street Dance Chicago; former Not-for-Profit Directorships: Public Radio International	77	Portland General Electric[2] (utility company) (2003–present)
Dawn-Marie Driscoll (1946) Board Member since 1987	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007–2015); Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	77	—
Richard J. Herring (1946) Board Member since 1990	Jacob Safra Professor of International Banking and Professor of Finance, The Wharton School, University of Pennsylvania (since July 1972); Director, The Wharton Financial Institutions Center (since 1994); formerly: Vice Dean and Director, Wharton Undergraduate Division (1995–2000) and Director, The Lauder Institute of International Management Studies (2000–2006); Member FDIC Systemic Risk Advisory Committee since 2011, member Systemic Risk Council since 2012 and member of the Advisory Board at the Yale Program on Financial Stability since 2013; Formerly Co-Chair of the Shadow Financial Regulatory Committee (2003–2015), Executive Director of The Financial Economists Roundtable (2008–2015), Director of The Thai Capital Fund (2007–2013), Director of The Aberdeen Singapore Fund (2007–2018), and Nonexecutive Director of Barclays Bank DE (2010–2018)	77	Director, Aberdeen Japan Fund (since 2007)

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[1]	Business Experience and Directorships During the Past Five Years	Number of Funds in DWS Fund Complex Overseen	Other Directorships Held by Board Member
William McClayton (1944) Board Member since 2004	Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival	77	—
Rebecca W. Rimel (1951) Board Member since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994–present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care[2] (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012)	77	Director, Becton Dickinson and Company[2] (medical technology company) (2012–present); Director, BioTelemetry Inc.[2] (health care) (2009–present)
William N. Searcy, Jr. (1946) Board Member since 1993	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation[2] (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)	77	—

Officers[4]

Name, Year of Birth, Position with the Trust/ Corporation and Length of Time Served[5]	Business Experience and Directorships During the Past Five Years
Hepsen Uzcan[6] (1974) President and Chief Executive Officer, 2017–present	Managing Director,[3] DWS; Secretary, DWS USA Corporation (2018–present); Assistant Secretary, DWS Distributors, Inc. (2018–present); Director and Vice President, DWS Service Company (2018–present); Assistant Secretary, DWS Investment Management Americas, Inc. (2018–present); and Director and President, DB Investment Managers, Inc. (2018–present); formerly: Vice President for the Deutsche funds (2016–2017); Assistant Secretary for the DWS funds (2013–2019)
John Millette[7] (1962) Vice President and Secretary, 1999–present	Director,[3] DWS; Chief Legal Officer, DWS Investment Management Americas, Inc. (2015–present); Director and Vice President, DWS Trust Company (2016–present); and Assistant Secretary, DBX ETF Trust (2019–present); formerly: Secretary, Deutsche Investment Management Americas Inc. (2015–2017)
Diane Kenneally[7] (1966) Chief Financial Officer and Treasurer, 2018–present	Director,[3] DWS; and Treasurer, Chief Financial Officer and Controller, DBX ETF Trust (2019–present); formerly: Assistant Treasurer for the DWS funds (2007–2018)
Paul Antosca[7] (1957) Assistant Treasurer, 2007–present	Director,[3] DWS; and Assistant Treasurer, DBX ETF Trust (2019–present)
Sheila Cadogan[7] (1966) Assistant Treasurer, 2017–present	Director,[3] DWS; Director and Vice President, DWS Trust Company (2018–present); and Assistant Treasurer, DBX ETF Trust (2019–present)
Scott D. Hogan[7] (1970) Chief Compliance Officer, 2016–present	Director,[3] DWS
Caroline Pearson[7] (1962) Chief Legal Officer, 2010–present	Managing Director,[3] DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002–2017); and Secretary, Deutsche AM Service Company (2010–2017)
Wayne Salit[6] (1967) Anti-Money Laundering Compliance Officer, 2014–present	Director,[3] Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)
Ciara Crawford[8] (1984) Assistant Secretary, (2019–present)	Associate, DWS (since 2015); previously, Legal Assistant at Accelerated Tax Solutions.

[1] The length of time served represents the year in which the Board Member joined the board of one or more DWS funds currently overseen by the Board.

[2] A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

[3] Executive title, not a board directorship.

[4] As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the Fund.

[5] The length of time served represents the year in which the officer was first elected in such capacity for one or more DWS funds.

[6] Address: 875 Third Avenue, New York, NY 10022.

[7] Address: One International Place, Boston, MA 02110.

[8] Address: 5022 Gate Parkway, Suite 400, Jacksonville, FL 32256.

The Fund's Statement of Additional Information ("SAI") includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.

Notes

Notes

VS2SMCV-2 (R-025829-9 2/20)

Annual Report to Shareholders December 31, 2019

Invesco V.I. Managed Volatility Fund

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the insurance company that offers your variable annuity or variable life insurance contract may no longer send you paper copies of the Fund's shareholder reports by mail, unless you specifically request paper copies of the reports from the insurance company or your financial intermediary. Instead of delivering paper copies of the report, the insurance company may choose to make the reports available on a website, and will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If the insurance company offers electronic delivery, you may elect to receive shareholder reports and other communications about the Fund electronically by following the instructions provided by the insurance company or by contacting your financial intermediary. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action.

You may elect to receive all future reports in paper free of charge from the insurance company. You can inform the insurance company or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by the insurance company or by contacting your financial intermediary. Your election to receive reports in paper will apply to all portfolio companies available under your contract with the insurance company.

The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter-ends. For the second and fourth quarters, the lists appear in the Fund's semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the lists 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. 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/proxyguidelines. The information is also available on the SEC website, 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. The information is also available on the SEC website, 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.

Management's Discussion of Fund Performance

Performance summary

For the year ended December 31, 2019, Series I shares of Invesco V.I. Managed Volatility Fund (the Fund) underperformed the Russell 1000 Value Index.

Your Fund's long-term performance appears later in this report.

Fund vs. Indexes

Total returns, 12/31/18 to 12/31/19, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	18.58%
Series II Shares	18.30
Russell 1000 Value Index▼ (Broad Market Index)	26.54
Bloomberg Barclays U.S. Government/Credit Index▼ (Style-Specific Index)	9.71
Lipper VUF Mixed-Asset Target Allocation Growth Funds Index■ (Peer Group Index)	20.66

Source(s): ▼RIMES Technologies Corp.; ■Lipper Inc.

Market conditions and your Fund

Equity markets rallied in the first quarter of 2019, fueled by optimism about a potential US-China trade deal and indication that the US Federal Reserve (the Fed) would not raise interest rates in 2019, a surprising shift in monetary policy. The Fed's more accommodative stance provided a supportive environment for equities and fixed income, even as US economic data were mixed and overseas growth appeared to be slowing. Against this backdrop, the S&P 500 Index posted its best first quarter returns since 1998.

Although the S&P 500 Index posted modest gains for the second quarter of 2019, the US stock market experienced increased volatility. After four consecutive months of rising stock markets, the market sold off in May 2019, along with bond yields and oil prices, as investors weighed the impact of the lingering trade war between the US and China, as well as potential tariffs imposed on Mexico. In addition, economic data showed a slowing domestic and global economy.

Key issues that concerned investors in the second quarter of 2019 carried over into the third quarter. The US-China trade conflict worried investors and stifled business investment, even as the Fed cut interest rates by 0.25% in July and again in September 2019.[1] This environment, combined with evidence of slowing global economic growth, fueled market volatility in August 2019. The US Treasury yield curve inverted several times, increasing fears of a possible US recession. As a result, August saw increased risk aversion, with investors crowding into asset classes perceived as safe havens, such as US Treasuries and gold. However, the Fed's accommodative tone provided some support for risk assets.

Macroeconomic issues that concerned investors in the third quarter of 2019 mostly abated during the fourth quarter, providing the backdrop for strong equity market returns. Risk assets surged higher as a result of a delay in the Brexit agreement until January 2020, optimism that phase one of a US-China trade deal would be completed and better-than-expected third-quarter corporate earnings results. The US economy rose higher than expected, at 2.1% during the third quarter of 2019.[2] During its October meeting, the Fed cut interest rates again by 0.25% based on business investment and exports remaining weak.[1] Investors were also encouraged by a resilient US economy and corporate earnings, putting the US equity market on track for its largest annual rise since 2013.

All sectors within the Russell 1000 Value Index had positive returns for the year, and except for energy, all had double digit returns, with the information technology and industrials posting the strongest gains.

Security selection in the financials sector was the largest contributor to the Fund's performance relative to the Russell 1000 Value Index for the year. Several key relative contributors for the year were concentrated in the banking industry, including **Citigroup**, **Citizens Financial**, **PNC Financials** and **Bank of America**. Following a sharp selloff in the fourth quarter of 2018, banks rebounded in the first quarter of 2019, and performed well throughout 2019 as revenues have generally improved and companies continue to return capital to shareholders through stock buybacks (reducing outstanding shares) and increased dividends.

Good stock selection in the health care, communication services and consumer staples sectors also contributed to the Fund's performance relative to the Russell 1000 Value Index during the year. Within the health care sector, the Fund's holdings in **Celgene** and **Pfizer** were strong contributors. During the year, Celgene was acquired by **Bristol Meyers Squibb** (also a Fund holding) at a significant premium, and shares of the

Portfolio Composition

By sector	% of total net assets
Financials	24.29%
Health Care	14.85
Information Technology	10.63
U.S. Treasury Securities	7.78
Communication Services	7.56
Consumer Discretionary	7.06
Energy	6.96
Consumer Staples	5.88
Industrials	5.03
Materials	2.57
Other Sectors, Each Less than 2% of Net Assets	2.50
Money Market Funds Plus Other Assets Less Liabilities	4.89

Top 10 Equity Holdings*

	% of total net assets
1. Johnson & Johnson	2.24%
2. Bank of America Corp.	2.19
3. Philip Morris International, Inc.	2.06
4. Citigroup, Inc.	1.98
5. American International Group, Inc.	1.85
6. General Motors Co.	1.61
7. PNC Financial Services Group, Inc. (The)	1.59
8. Morgan Stanley	1.57
9. General Dynamics Corp.	1.35
10. Bristol-Myers Squibb Co.	1.28

Total Net Assets	$36.7 million
Total Number of Holdings*	250

The Fund's holdings are subject to change, and there is no assurance that the Fund will continue to hold any particular security.

*Excluding money market fund holdings, if any.

Data presented here are as of December 31, 2019.

acquisition target rose sharply following the announcement. We sold Celgene after the bid was announced, and the deal ultimately closed in November. At the close of the year, we maintained our holding in Bristol Meyers.

Charter Communications was a key absolute and relative contributor (versus the Russell 1000 Value Index) in the communication services sector during the year. The company reported strong revenues during the year as the company focused on adding broadband subscribers to drive future growth. At the close of the year, we maintained our position in the company.

Within the consumer staples sector, **Mondelez** was a strong absolute and relative contributor (versus the Russell 1000 Value Index) to Fund performance for the year. The company has made progress on its plan to increase profitability, with revenues and earnings growth accelerating during the year. Additionally, the Fund's lack of exposure to Walgreens Boots Alliance (an underperforming component of the Russell 1000 Value Index) contributed to relative Fund performance.

Given the strong equity market, the Fund's allocation to cash, although averaging less than 5% for the year, was the Fund's largest relative detractor compared to the Russell 1000 Value Index.

Security selection in the consumer discretionary sector also detracted from the Fund's relative performance compared to the Russell 1000 Value Index during the year, due largely to **Capri Holdings** and **Carnival**. Capri Holdings suffered as its Michael Kors brand witnessed declining sales, and reduced its 2020 outlook. However, the company's Jimmy Choo and Versace brands have shown improvement, and the company is focusing more on accessories which we believe should help boost margins. Shares of cruise operator Carnival declined in June after the company reported a decline in profits and a weaker outlook for the remainder of 2019.

The materials and information technology sectors also detracted from the Fund's relative return versus the Russell 1000 Value Index during the year. Within the materials sector, this was due largely to **The Mosaic Company**, a potash and phosphate supplier which announced plans to reduce phosphate production, an intended long-term benefit that has the potential to negatively affect short-term earnings. We liquidated our position in The Mosaic Company during the year.

The Fund uses high grade bonds as a source of income and to dampen return volatility. While bonds fared well on an absolute basis during the year, the bond portion of the Fund's portfolio underperformed the Russell 1000 Value Index. Similarly, the Fund's allocation to convertible securities, while positive, underperformed the Russell 1000 Value Index, detracting from the Fund's relative returns.

The Fund held currency forward contracts during the year for the purpose of hedging currency exposure of non-US-based companies held in the Fund. These derivatives were not for speculative purposes or leverage, and these positions had a small negative impact on the Fund's performance relative to the Russell 1000 Value Index for the year.

As part of our mandate, and to potentially reduce portfolio volatility during a market downturn, we sold short S&P 500 futures contracts during the year. Derivatives were used solely for the purpose of reducing volatility and not for speculative purposes. The use of S&P 500 futures contracts had a negative impact on the Fund's performance relative to the Russell 1000 Value Index for the year. However, the Fund was less volatile, as measured by standard deviation, than the Russell 1000 Value Index for the year.

During the year, within the equity portion of the Fund, we reduced the Fund's relative overweight exposures to the financials and energy sectors, and increased exposures to the consumer staples, communication services and materials sectors. At the end of the year, the Fund's largest equity overweight exposures relative to the style-specific benchmark were in the information technology, health care and financials sectors, while the largest underweight exposures were in the real estate, utilities and communication services sectors.

Thank you for your investment in Invesco V.I. Managed Volatility Fund and for sharing our long-term investment horizon.

1 Source: US Federal Reserve

2 Source: Bureau of Economic Analysis

Portfolio managers:

Jacob Borbidge

Chuck Burge

Brian Jurkash - Lead

Sergio Marcheli

Matthew Titus - Lead

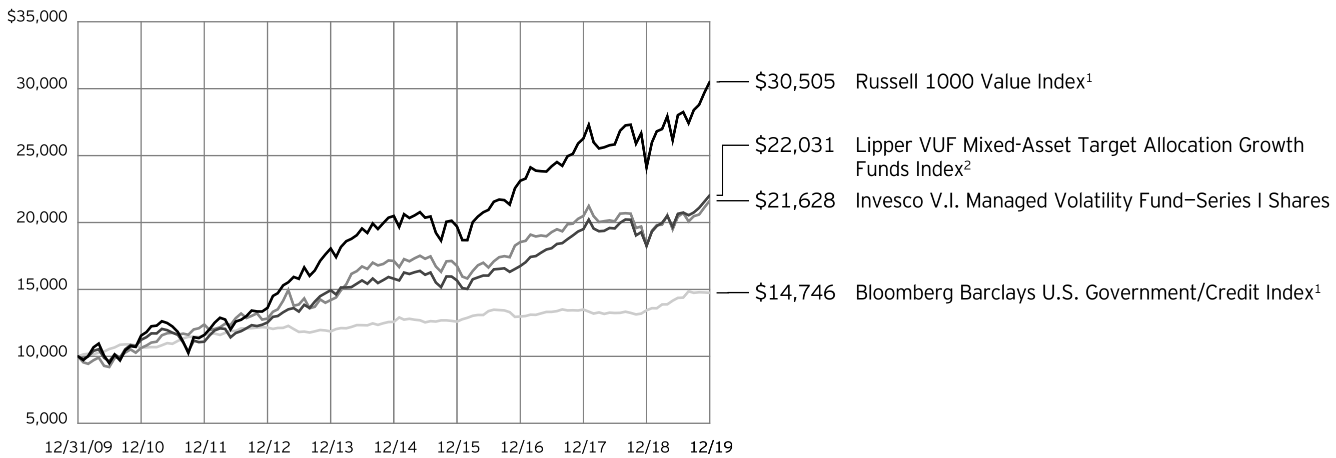
The views and opinions expressed in management's discussion of Fund performance are those of Invesco Advisers, Inc. These views and opinions are subject to change at any time based on factors such as market and economic conditions. These views and opinions may not be relied upon as investment advice or recommendations, or as an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but Invesco Advisers, Inc. makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

See important Fund and, if applicable, index disclosures later in this report.

Your Fund's Long-Term Performance

Results of a $10,000 Investment — Oldest Share Class(es)

Fund and index data from 12/31/09



1 Source: RIMES Technologies Corp.
2 Source: Lipper Inc.

Past performance cannot guarantee future results.

Average Annual Total Returns *As of 12/31/19*	
Series I Shares	
Inception (12/30/94)	7.10%
10 Years	8.02
5 Years	4.78
1 Year	18.58
Series II Shares	
Inception (4/30/04)	8.38%
10 Years	7.74
5 Years	4.51
1 Year	18.30

The performance of the Fund's Series I and Series II share classes will differ primarily due to different class 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.

The net annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 1.13% and 1.38%, respectively.[1] The total annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 1.14% and 1.39%, respectively. The expense ratios presented above may vary from the expense ratios presented in other sections of this report that are based on expenses incurred during the period covered by this report.

Invesco V.I. Managed Volatility 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.

1 Total annual Fund operating expenses after any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2021. See current prospectus for more information.

Invesco V.I. Managed Volatility Fund's investment objective is both capital appreciation and current income while managing portfolio volatility.

- Unless otherwise stated, information presented in this report is as of December 31, 2019, and is based on total net assets.
- Unless otherwise noted, all data provided by Invesco.
- To access your Fund's reports/prospectus, visit invesco.com/fundreports.

About indexes used in this report

- The **Russell 1000® 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® is a trademark of the Frank Russell Co.
- The **Bloomberg Barclays 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.

Other information

- The returns shown in management's discussion of Fund performance are based on net asset values calculated for shareholder transactions. Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes, and as such, the net asset values for shareholder transactions and the returns based on those net asset values may differ from the net asset values and returns reported in the Financial Highlights. Additionally, the returns and net asset values shown throughout this report are at the Fund level only and do not include variable product issuer charges. If such charges were included, the total returns would be lower.
- Industry 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.

Schedule of Investments[a]

December 31, 2019

	Shares	Value
Common Stocks & Other Equity Interests-60.40%		
Aerospace & Defense-1.35%		
General Dynamics Corp.	2,806	$ 494,838
Apparel, Accessories & Luxury Goods-1.22%		
Capri Holdings Ltd.[b]	11,788	449,712
Automobile Manufacturers-1.61%		
General Motors Co.	16,195	592,737
Building Products-0.88%		
Johnson Controls International PLC	7,908	321,935
Cable & Satellite-1.70%		
Charter Communications, Inc., Class A[b]	726	352,168
Comcast Corp., Class A	6,023	270,854
		623,022
Commodity Chemicals-0.59%		
Dow, Inc.	3,990	218,373
Communications Equipment-0.60%		
Cisco Systems, Inc.	4,585	219,897
Diversified Banks-5.97%		
Bank of America Corp.	22,834	804,214
Citigroup, Inc.	9,097	726,759
JPMorgan Chase & Co.	2,853	397,708
Wells Fargo & Co.	4,897	263,459
		2,192,140
Electric Utilities-1.31%		
Duke Energy Corp.	1,353	123,407
Exelon Corp.	4,026	183,545
FirstEnergy Corp.	3,571	173,551
		480,503
Fertilizers & Agricultural Chemicals-1.45%		
Corteva, Inc.	12,616	372,929
Nutrien Ltd. (Canada)	3,364	161,169
		534,098
Food Distributors-1.06%		
US Foods Holding Corp.[b]	9,326	390,666
Health Care Distributors-0.83%		
McKesson Corp.	2,214	306,241
Health Care Equipment-1.62%		
Medtronic PLC	2,537	287,823
Zimmer Biomet Holdings, Inc.	2,058	308,041
		595,864
Health Care Services-0.98%		
CVS Health Corp.	4,863	$ 361,272
Health Care Supplies-0.40%		
Alcon, Inc. (Switzerland)[b]	2,584	146,383
Home Improvement Retail-0.56%		
Kingfisher PLC (United Kingdom)	70,708	205,058
Hotels, Resorts & Cruise Lines-1.26%		
Carnival Corp.	9,078	461,435
Industrial Machinery-0.98%		
Ingersoll-Rand PLC	2,700	358,884
Insurance Brokers-0.91%		
Willis Towers Watson PLC	1,660	335,220
Integrated Oil & Gas-3.01%		
BP PLC (United Kingdom)	56,053	351,864
Chevron Corp.	2,861	344,779
Royal Dutch Shell PLC, Class A (United Kingdom)	13,814	410,614
		1,107,257
Internet & Direct Marketing Retail-0.78%		
eBay, Inc.	7,963	287,544
Investment Banking & Brokerage-2.82%		
Goldman Sachs Group, Inc. (The)	1,987	456,871
Morgan Stanley	11,308	578,065
		1,034,936
IT Consulting & Other Services-1.00%		
Cognizant Technology Solutions Corp., Class A	5,937	368,213
Managed Health Care-0.72%		
Anthem, Inc.	872	263,370
Multi-line Insurance-1.85%		
American International Group, Inc.	13,249	680,071
Oil & Gas Equipment & Services-0.74%		
TechnipFMC PLC (United Kingdom)	12,662	271,473
Oil & Gas Exploration & Production-2.34%		
Canadian Natural Resources Ltd. (Canada)	7,614	246,265
Devon Energy Corp.	12,105	314,367
Marathon Oil Corp.	21,901	297,416
		858,048
Other Diversified Financial Services-1.37%		
AXA Equitable Holdings, Inc.	8,100	200,718
Voya Financial, Inc.	4,935	300,936
		501,654

	Shares	Value
Packaged Foods & Meats-1.87%		
Kellogg Co.	3,625	$ 250,705
Mondelez International, Inc., Class A	7,908	435,573
		686,278
Pharmaceuticals-5.40%		
Bristol-Myers Squibb Co.	7,312	469,357
GlaxoSmithKline PLC (United Kingdom)	7,350	172,915
Johnson & Johnson	5,635	821,977
Pfizer, Inc.	5,538	216,979
Sanofi (France)	3,005	301,814
		1,983,042
Railroads-1.00%		
CSX Corp.	5,054	365,708
Regional Banks-3.98%		
Citizens Financial Group, Inc.	11,541	468,680
PNC Financial Services Group, Inc. (The)	3,652	582,969
Truist Financial Corp.	7,280	410,009
		1,461,658
Semiconductors-2.68%		
Intel Corp.	6,595	394,711
NXP Semiconductors N.V. (Netherlands)	1,902	242,048
QUALCOMM, Inc.	3,918	345,685
		982,444
Specialty Chemicals-0.51%		
DuPont de Nemours, Inc.	2,944	189,005
Systems Software-1.16%		
Oracle Corp.	8,046	426,277
Technology Hardware, Storage & Peripherals-1.05%		
Apple, Inc.	1,317	386,737
Tobacco-2.06%		
Philip Morris International, Inc.	8,887	756,195
Wireless Telecommunication Services-0.78%		
Vodafone Group PLC (United Kingdom)	147,262	285,890
Total Common Stocks & Other Equity Interests (Cost $17,598,002)		22,184,078

	Principal Amount	Value
U.S. Dollar Denominated Bonds & Notes-26.70%		
Aerospace & Defense-0.25%		
General Dynamics Corp., 2.88%, 05/11/2020	$ 10,000	10,035
Northrop Grumman Corp., 2.08%, 10/15/2020	35,000	35,042
Raytheon Co., 3.13%, 10/15/2020	35,000	35,340
United Technologies Corp., 4.45%, 11/16/2038	9,000	10,649
		91,066
Air Freight & Logistics-0.01%		
United Parcel Service, Inc., 3.40%, 11/15/2046	$ 4,000	$ 3,990
Airlines-0.16%		
American Airlines Pass Through Trust, Series 2014-1, Class A, 3.70%, 04/01/2028	18,163	19,142
United Airlines Pass Through Trust, Series 2014-2, Class A, 3.75%, 09/03/2026	23,208	24,503
Series 2018-1, Class AA, 3.50%, 03/01/2030	16,283	16,791
		60,436
Alternative Carriers-0.32%		
GCI Liberty, Inc., Conv., 1.75%, 10/05/2023[c][d]	85,000	117,428
Application Software-0.85%		
Nuance Communications, Inc., Conv., 1.00%, 12/15/2022[d]	127,000	128,191
1.25%, 04/01/2025	49,000	54,674
RealPage, Inc., Conv., 1.50%, 11/15/2022	24,000	33,510
Workday, Inc., Conv., 0.25%, 10/01/2022	75,000	96,182
		312,557
Asset Management & Custody Banks-0.48%		
Apollo Management Holdings L.P., 4.00%, 05/30/2024[c]	40,000	42,363
Brookfield Asset Management, Inc. (Canada), 4.00%, 01/15/2025	25,000	26,885
Carlyle Holdings Finance LLC, 3.88%, 02/01/2023[c]	5,000	5,167
KKR Group Finance Co. III LLC, 5.13%, 06/01/2044[c]	85,000	100,546
		174,961
Automobile Manufacturers-0.67%		
Ford Motor Credit Co. LLC, 4.13%, 08/04/2025	200,000	202,770
General Motors Co., 6.60%, 04/01/2036	16,000	18,876
General Motors Financial Co., Inc., 5.25%, 03/01/2026	21,000	23,322
		244,968
Biotechnology-1.03%		
AbbVie, Inc., 4.50%, 05/14/2035	38,000	43,073
4.05%, 11/21/2039[c]	34,000	36,053
BioMarin Pharmaceutical, Inc., Conv., 1.50%, 10/15/2020	117,000	127,390
Gilead Sciences, Inc., 2.55%, 09/01/2020	50,000	50,218
4.40%, 12/01/2021	25,000	26,087

	Principal Amount	Value
Biotechnology–		
Neurocrine Biosciences, Inc., Conv., 2.25%, 05/15/2024	$ 62,000	$ 95,250
		378,071
Brewers–0.44%		
Anheuser-Busch Cos. LLC/Anheuser-Busch InBev Worldwide, Inc. (Belgium), 4.70%, 02/01/2036	45,000	51,980
4.90%, 02/01/2046	47,000	55,670
Heineken N.V. (Netherlands), 3.50%, 01/29/2028(c)	35,000	37,082
Molson Coors Beverage Co., 4.20%, 07/15/2046	16,000	15,951
		160,683
Broadcasting–1.26%		
Liberty Media Corp., Conv., 2.25%, 10/05/2021(d)	55,000	31,927
1.38%, 10/15/2023	299,000	403,082
Liberty Formula One, Conv., 1.00%, 01/30/2023	20,000	26,654
		461,663
Cable & Satellite–1.34%		
Charter Communications Operating LLC/ Charter Communications Operating Capital Corp., 4.46%, 07/23/2022	60,000	63,060
Comcast Corp., 4.15%, 10/15/2028	30,000	33,774
3.90%, 03/01/2038	10,000	11,070
4.60%, 10/15/2038	10,000	11,914
Discovery Communications LLC, 2.80%, 06/15/2020	85,000	85,226
DISH Network Corp., Conv., 3.38%, 08/15/2026	216,000	208,310
Liberty Latin America Ltd. (Chile), Conv., 2.00%, 07/15/2024(c)	74,000	79,458
		492,812
Communications Equipment–0.59%		
Finisar Corp., Conv., 0.50%, 12/15/2021(d)	39,000	38,961
Viavi Solutions, Inc., Conv., 1.75%, 06/01/2023	71,000	89,456
1.00%, 03/01/2024	68,000	87,890
		216,307
Consumer Finance–0.12%		
American Express Co., 3.63%, 12/05/2024	18,000	19,025
Capital One Financial Corp., 3.20%, 01/30/2023	15,000	15,423
Synchrony Financial, 3.95%, 12/01/2027	10,000	10,507
		44,955

	Principal Amount	Value
Data Processing & Outsourced Services–0.10%		
Euronet Worldwide, Inc., Conv., 0.75%, 03/15/2025(c)(d)	$ 17,000	$ 20,320
Fiserv, Inc., 3.80%, 10/01/2023	15,000	15,843
		36,163
Diversified Banks–2.00%		
Bank of America Corp., 3.25%, 10/21/2027	10,000	10,421
Citigroup, Inc., 4.00%, 08/05/2024	60,000	64,249
3.67%, (3 mo. USD LIBOR + 1.39%), 07/24/2028(e)	15,000	15,985
4.75%, 05/18/2046	15,000	18,001
Commonwealth Bank of Australia (Australia), 2.25%, 03/10/2020(c)	40,000	40,024
JPMorgan Chase & Co., Series V, 5.23%(f)	150,000	151,312
3.20%, 06/15/2026	15,000	15,669
3.51%, (3 mo. USD LIBOR + 0.95%), 01/23/2029(e)	15,000	15,936
4.26%, (3 mo. USD LIBOR + 1.58%), 02/22/2048(e)	10,000	11,853
3.90%, (3 mo. USD LIBOR + 1.22%), 01/23/2049(e)	15,000	16,853
Toronto-Dominion Bank (The) (Canada), 2.65%, 06/12/2024	15,000	15,362
U.S. Bancorp, Series W, 3.10%, 04/27/2026	10,000	10,408
Wells Fargo & Co., 3.55%, 09/29/2025	30,000	31,769
4.10%, 06/03/2026	95,000	102,441
4.65%, 11/04/2044	100,000	117,444
Westpac Banking Corp. (Australia), 2.10%, 05/13/2021	95,000	95,284
		733,011
Diversified Capital Markets–0.68%		
Credit Suisse AG (Switzerland), Conv., 0.50%, 06/24/2024(c)	260,000	249,340
Drug Retail–0.16%		
Walgreens Boots Alliance, Inc., 3.30%, 11/18/2021	32,000	32,607
4.50%, 11/18/2034	24,000	25,029
		57,636
Electric Utilities–0.15%		
Georgia Power Co., 2.00%, 03/30/2020	35,000	34,996
NextEra Energy Capital Holdings, Inc., 3.55%, 05/01/2027	11,000	11,684
Xcel Energy, Inc., 3.50%, 12/01/2049	7,000	7,125
		53,805
Environmental & Facilities Services–0.07%		
Waste Management, Inc., 3.90%, 03/01/2035	25,000	27,544

	Principal Amount	Value
Food Retail-0.03%		
Kraft Heinz Foods Co., 4.63%, 10/01/2039[(c)]	$ 10,000	$ 10,414
General Merchandise Stores-0.06%		
Dollar General Corp., 3.25%, 04/15/2023	20,000	20,657
Health Care Equipment-1.70%		
Becton, Dickinson and Co., 4.88%, 05/15/2044	86,000	99,505
DexCom, Inc., Conv., 0.75%, 05/15/2022	32,000	71,237
0.75%, 12/01/2023	86,000	127,598
Medtronic, Inc., 3.15%, 03/15/2022	23,000	23,653
4.38%, 03/15/2035	15,000	17,761
NuVasive, Inc., Conv., 2.25%, 03/15/2021	80,000	106,785
Wright Medical Group N.V., Conv., 2.25%, 11/15/2021	39,000	56,630
Wright Medical Group, Inc., Conv., 1.63%, 06/15/2023	113,000	119,643
		622,812
Health Care REITs-0.07%		
Healthpeak Properties, Inc., 3.88%, 08/15/2024	25,000	26,591
Health Care Services-0.29%		
Cigna Corp., 4.80%, 08/15/2038	9,000	10,506
CVS Health Corp., 3.38%, 08/12/2024	20,000	20,815
4.10%, 03/25/2025	16,000	17,173
Laboratory Corp. of America Holdings, 3.20%, 02/01/2022	33,000	33,750
4.70%, 02/01/2045	22,000	24,739
		106,983
Home Improvement Retail-0.07%		
Home Depot, Inc. (The), 2.00%, 04/01/2021	27,000	27,059
Insurance Brokers-0.01%		
Willis North America, Inc., 3.60%, 05/15/2024	5,000	5,223
Integrated Oil & Gas-0.11%		
Occidental Petroleum Corp., 3.40%, 04/15/2026	15,000	15,399
3.20%, 08/15/2026	7,000	7,089
Suncor Energy, Inc. (Canada), 3.60%, 12/01/2024	18,000	19,099
		41,587

	Principal Amount	Value
Integrated Telecommunication Services-1.75%		
AT&T, Inc., 3.00%, 06/30/2022	$ 28,000	$ 28,617
3.40%, 05/15/2025	15,000	15,723
4.50%, 05/15/2035	25,000	27,844
5.15%, 03/15/2042	150,000	175,144
4.80%, 06/15/2044	40,000	45,583
Telefonica Emisiones S.A. (Spain), 7.05%, 06/20/2036	150,000	209,815
Verizon Communications, Inc., 4.40%, 11/01/2034	120,000	139,045
		641,771
Interactive Media & Services-0.17%		
JOYY, Inc. (China), Conv., 1.38%, 06/15/2024[(c)(d)]	69,000	62,423
Internet & Direct Marketing Retail-0.77%		
Amazon.com, Inc., 4.80%, 12/05/2034	9,000	11,342
IAC Financeco 3, Inc., Conv., 2.00%, 01/15/2030[(c)]	94,000	110,036
QVC, Inc., 5.45%, 08/15/2034	50,000	47,996
Trip.com Group Ltd. (China), Conv., 1.25%, 09/15/2022	113,000	112,847
		282,221
Investment Banking & Brokerage-0.74%		
Goldman Sachs Group, Inc. (The), 4.25%, 10/21/2025	27,000	29,318
GS Finance Corp., Series 0001, Conv., 0.25%, 07/08/2024	198,000	203,544
Morgan Stanley, 4.00%, 07/23/2025	35,000	37,873
		270,735
Life & Health Insurance-0.42%		
Athene Global Funding, 4.00%, 01/25/2022[(c)]	45,000	46,483
Guardian Life Global Funding, 2.90%, 05/06/2024[(c)]	20,000	20,554
Jackson National Life Global Funding, 2.10%, 10/25/2021[(c)]	10,000	10,025
3.25%, 01/30/2024[(c)]	15,000	15,561
Nationwide Financial Services, Inc., 5.30%, 11/18/2044[(c)]	35,000	39,886
Reliance Standard Life Global Funding II, 3.05%, 01/20/2021[(c)]	20,000	20,216
		152,725
Managed Health Care-0.04%		
UnitedHealth Group, Inc., 3.50%, 08/15/2039	16,000	16,794
Movies & Entertainment-0.21%		
Live Nation Entertainment, Inc., Conv., 2.50%, 03/15/2023	62,000	75,758
Multi-line Insurance-0.18%		
American Financial Group, Inc., 4.50%, 06/15/2047	20,000	21,615

	Principal Amount	Value
Multi-line Insurance-		
American International Group, Inc., 4.38%, 01/15/2055	$ 40,000	$ 43,847
		65,462
Multi-Utilities-0.05%		
NiSource, Inc., 4.38%, 05/15/2047	9,000	9,969
Sempra Energy, 3.80%, 02/01/2038	8,000	8,351
		18,320
Office REITs-0.48%		
Highwoods Realty L.P., 3.20%, 06/15/2021	150,000	151,928
Office Properties Income Trust, 4.00%, 07/15/2022	25,000	25,588
		177,516
Oil & Gas Equipment & Services-0.23%		
Helix Energy Solutions Group, Inc., Conv., 4.25%, 05/01/2022	40,000	42,852
Oil States International, Inc., Conv., 1.50%, 02/15/2023	46,000	41,520
		84,372
Oil & Gas Exploration & Production-0.08%		
Cameron LNG LLC, 3.70%, 01/15/2039[(c)]	16,000	16,341
ConocoPhillips Co., 4.15%, 11/15/2034	13,000	14,594
		30,935
Oil & Gas Storage & Transportation-0.44%		
Energy Transfer Operating L.P., 7.50%, 10/15/2020	20,000	20,788
4.20%, 09/15/2023	2,000	2,100
4.90%, 03/15/2035	19,000	19,952
Enterprise Products Operating LLC, 4.25%, 02/15/2048	10,000	10,729
Kinder Morgan, Inc., 5.30%, 12/01/2034	23,000	27,085
MPLX L.P., 4.50%, 07/15/2023	65,000	69,073
4.50%, 04/15/2038	11,000	11,186
		160,913
Other Diversified Financial Services-1.93%		
Convertible Trust - Consumer, Series 2018-1, 0.25%, 01/17/2024	160,000	164,896
Convertible Trust - Energy, Series 2019-1, 0.33%, 09/19/2024	168,000	173,997
Convertible Trust - Healthcare, Series 2018-1, 0.25%, 02/05/2024	168,000	182,952
Convertible Trust - Media, Series 2019, Class 1, 0.25%, 12/04/2024	168,000	186,329
		708,174
Packaged Foods & Meats-0.14%		
J. M. Smucker Co. (The), 2.50%, 03/15/2020	50,000	50,043

	Principal Amount	Value
Packaged Foods & Meats-		
Mead Johnson Nutrition Co. (United Kingdom), 4.13%, 11/15/2025	$ 3,000	$ 3,279
		53,322
Pharmaceuticals-1.83%		
Allergan Funding S.C.S., 4.85%, 06/15/2044	150,000	163,286
Bayer US Finance LLC (Germany), 3.00%, 10/08/2021[(c)]	200,000	202,566
Bristol-Myers Squibb Co., 4.13%, 06/15/2039[(c)]	18,000	20,761
4.63%, 05/15/2044[(c)]	100,000	121,169
Jazz Investments I Ltd., Conv., 1.88%, 08/15/2021	76,000	78,441
Mylan N.V., 3.15%, 06/15/2021	17,000	17,224
Pacira BioSciences, Inc., Conv., 2.38%, 04/01/2022	39,000	40,639
Supernus Pharmaceuticals, Inc., Conv., 0.63%, 04/01/2023	33,000	30,036
		674,122
Property & Casualty Insurance-0.44%		
Allstate Corp. (The), 3.28%, 12/15/2026	10,000	10,562
Liberty Mutual Group, Inc., 4.85%, 08/01/2044[(c)]	115,000	131,876
Markel Corp., 5.00%, 05/20/2049	15,000	17,650
		160,088
Railroads-0.09%		
Norfolk Southern Corp., 3.40%, 11/01/2049	5,000	4,973
Union Pacific Corp., 4.15%, 01/15/2045	25,000	27,398
		32,371
Regional Banks-0.10%		
Citizens Financial Group, Inc., 2.38%, 07/28/2021	15,000	15,074
PNC Financial Services Group, Inc. (The), 3.45%, 04/23/2029	20,000	21,335
		36,409
Reinsurance-0.08%		
PartnerRe Finance B LLC, 3.70%, 07/02/2029	30,000	31,204
Renewable Electricity-0.43%		
Oglethorpe Power Corp., 4.55%, 06/01/2044	150,000	157,343
Restaurants-0.06%		
Starbucks Corp., 3.55%, 08/15/2029	20,000	21,684
Retail REITs-0.01%		
Regency Centers L.P., 2.95%, 09/15/2029	5,000	4,996

	Principal Amount	Value
Semiconductor Equipment-0.18%		
Applied Materials, Inc., 2.63%, 10/01/2020	$ 65,000	$ 65,360
Semiconductors-1.09%		
Broadcom Corp./Broadcom Cayman Finance Ltd., 3.63%, 01/15/2024	30,000	31,089
Cree, Inc., Conv., 0.88%, 09/01/2023	98,000	104,137
Microchip Technology, Inc., Conv., 1.63%, 02/15/2027	74,000	105,635
NXP B.V./NXP Funding LLC (Netherlands), 5.35%, 03/01/2026[(c)]	20,000	22,553
ON Semiconductor Corp., Conv., 1.00%, 12/01/2020	76,000	103,473
Silicon Laboratories, Inc., Conv., 1.38%, 03/01/2022	21,000	27,963
Texas Instruments, Inc., 2.63%, 05/15/2024	5,000	5,132
		399,982
Specialty Chemicals-0.01%		
Sherwin-Williams Co. (The), 4.50%, 06/01/2047	3,000	3,404
Systems Software-0.52%		
FireEye, Inc., Series A, Conv., 1.00%, 06/01/2020[(d)]	76,000	75,773
Series B, Conv., 1.63%, 06/01/2022[(d)]	77,000	74,707
Microsoft Corp., 3.50%, 02/12/2035	37,000	40,737
		191,217
Technology Distributors-0.09%		
Avnet, Inc., 4.63%, 04/15/2026	30,000	31,742
Technology Hardware, Storage & Peripherals-0.72%		
Apple, Inc., 2.15%, 02/09/2022	39,000	39,327
3.35%, 02/09/2027	10,000	10,649
Dell International LLC/EMC Corp., 5.45%, 06/15/2023[(c)]	26,000	28,201
SanDisk LLC, Conv., 0.50%, 10/15/2020	140,000	127,530
Western Digital Corp., Conv., 1.50%, 02/01/2024	61,000	60,047
		265,754
Tobacco-0.11%		
Altria Group, Inc., 5.80%, 02/14/2039	36,000	42,338
Trading Companies & Distributors-0.13%		
Air Lease Corp., 4.25%, 09/15/2024	35,000	37,486

Investment Abbreviations:

Conv. – Convertible
LIBOR – London Interbank Offered Rate
Pfd. – Preferred
REIT – Real Estate Investment Trust
USD – U.S. Dollar

	Principal Amount	Value
Trading Companies & Distributors-		
Aircastle Ltd., 4.40%, 09/25/2023	$ 10,000	$ 10,573
		48,059
Trucking-0.12%		
Aviation Capital Group LLC, 4.88%, 10/01/2025[(c)]	40,000	43,086
Wireless Telecommunication Services-0.04%		
Rogers Communications, Inc. (Canada), 4.30%, 02/15/2048	15,000	16,685
Total U.S. Dollar Denominated Bonds & Notes (Cost $8,969,250)		9,806,007
U.S. Treasury Securities-7.78%		
U.S. Treasury Bonds-0.49%		
4.50%, 02/15/2036	75,000	99,378
2.25%, 08/15/2049	84,500	81,901
		181,279
U.S. Treasury Floating Rate Notes-0.29%		
1.75%, 12/31/2024	88,200	88,400
1.75%, 12/31/2026	19,300	19,188
		107,588
U.S. Treasury Notes-7.00%		
1.63%, 12/31/2021	2,218,000	2,220,238
1.63%, 12/15/2022	290,000	290,138
1.75%, 11/15/2029	59,300	58,366
		2,568,742
Total U.S. Treasury Securities (Cost $2,844,883)		2,857,609
	Shares	
Preferred Stocks-0.23%		
Asset Management & Custody Banks-0.23%		
AMG Capital Trust II, 5.15%, Conv. Pfd. (Cost $106,269)	1,700	82,450
Money Market Funds-4.82%		
Invesco Government & Agency Portfolio, Institutional Class, 1.50%[(g)]	619,911	619,911
Invesco Liquid Assets Portfolio, Institutional Class, 1.71%[(g)]	441,688	441,820
Invesco Treasury Portfolio, Institutional Class, 1.49%[(g)]	708,469	708,469
Total Money Market Funds (Cost $1,770,200)		1,770,200
TOTAL INVESTMENTS IN SECURITIES-99.93% (Cost $31,288,604)		36,700,344
OTHER ASSETS LESS LIABILITIES-0.07%		25,951
NET ASSETS-100.00%		$36,726,295

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) Non-income producing security.
(c) 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 December 31, 2019 was $1,649,932, which represented 4.49% of the Fund's Net Assets.
(d) Security has an irrevocable call by the issuer or mandatory put by the holder. Maturity date reflects such call or put.
(e) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on December 31, 2019.
(f) Perpetual bond with no specified maturity date.
(g) The money market fund and the Fund are affiliated by having the same investment adviser. The rate shown is the 7-day SEC standardized yield as of December 31, 2019.

Open Forward Foreign Currency Contracts

Settlement Date	Counterparty	Contract to Deliver		Contract to Receive		Unrealized Appreciation (Depreciation)
Currency Risk						
01/17/2020	State Street Bank & Trust Co.	USD	3,895	CAD	5,139	$ 63
01/17/2020	State Street Bank & Trust Co.	USD	1,939	CHF	1,899	25
01/17/2020	State Street Bank & Trust Co.	USD	10,076	EUR	9,059	94
01/17/2020	State Street Bank & Trust Co.	USD	34,413	GBP	26,132	215
Subtotal—Appreciation						397
Currency Risk						
01/17/2020	Bank of New York Mellon (The)	GBP	387,927	USD	502,284	(11,772)
01/17/2020	State Street Bank & Trust Co.	CAD	242,467	USD	182,612	(4,125)
01/17/2020	State Street Bank & Trust Co.	CHF	110,640	USD	111,799	(2,612)
01/17/2020	State Street Bank & Trust Co.	EUR	213,249	USD	236,926	(2,484)
01/17/2020	State Street Bank & Trust Co.	GBP	451,409	USD	585,784	(12,393)
01/17/2020	State Street Bank & Trust Co.	USD	2,626	CHF	2,539	(1)
Subtotal—Depreciation						(33,387)
Total Forward Foreign Currency Contracts						$(32,990)

Abbreviations:

CAD – Canadian Dollar
CHF – Swiss Franc
EUR – Euro
GBP – British Pound Sterling
USD – U.S. Dollar

Statement of Assets and Liabilities

December 31, 2019

Assets:	
Investments in securities, at value (Cost $29,518,404)	$34,930,144
Investments in affiliated money market funds, at value (Cost $1,770,200)	1,770,200
Other investments:	
Unrealized appreciation on forward foreign currency contracts outstanding	397
Cash	840
Foreign currencies, at value (Cost $28,719)	28,825
Receivable for:	
Fund shares sold	30,856
Dividends	38,409
Interest	61,551
Investment for trustee deferred compensation and retirement plans	71,613
Total assets	36,932,835
Liabilities:	
Other investments:	
Unrealized depreciation on forward foreign currency contracts outstanding	33,387
Payable for:	
Investments purchased	1,831
Fund shares reacquired	19,339
Accrued fees to affiliates	17,159
Accrued other operating expenses	58,838
Trustee deferred compensation and retirement plans	75,986
Total liabilities	206,540
Net assets applicable to shares outstanding	$36,726,295
Net assets consist of:	
Shares of beneficial interest	$30,328,254
Distributable earnings	6,398,041
	$36,726,295
Net Assets:	
Series I	$35,408,916
Series II	$ 1,317,379
Shares outstanding, no par value, with an unlimited number of shares authorized:	
Series I	2,852,985
Series II	107,410
Series I:	
Net asset value per share	$ 12.41
Series II:	
Net asset value per share	$ 12.26

Statement of Operations

For the year ended December 31, 2019

Investment income:	
Dividends (net of foreign withholding taxes of $10,035)	$ 596,028
Interest	327,206
Dividends from affiliated money market funds	48,005
Total investment income	971,239
Expenses:	
Advisory fees	222,843
Administrative services fees	61,341
Custodian fees	9,572
Distribution fees - Series II	3,219
Transfer agent fees	18,521
Trustees' and officers' fees and benefits	18,995
Reports to shareholders	10,467
Professional services fees	53,471
Other	5,608
Total expenses	404,037
Less: Fees waived	(2,546)
Net expenses	401,491
Net investment income	569,748
Realized and unrealized gain (loss) from:	
Net realized gain (loss) from:	
Investment securities	1,314,895
Foreign currencies	9,796
Forward foreign currency contracts	4,611
Futures contracts	(620,303)
	708,999
Change in net unrealized appreciation (depreciation) of:	
Investment securities	4,868,935
Foreign currencies	308
Forward foreign currency contracts	(30,101)
Futures contracts	172,631
	5,011,773
Net realized and unrealized gain	5,720,772
Net increase in net assets resulting from operations	$6,290,520

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Changes in Net Assets

For the years ended December 31, 2019 and 2018

	2019	2018
Operations:		
Net investment income	$ 569,748	$ 521,300
Net realized gain	708,999	1,584,562
Change in net unrealized appreciation (depreciation)	5,011,773	(6,547,229)
Net increase (decrease) in net assets resulting from operations	6,290,520	(4,441,367)
Distributions to shareholders from distributable earnings:		
Series I	(1,896,583)	(2,054,218)
Series II	(63,708)	(66,296)
Total distributions from distributable earnings	(1,960,291)	(2,120,514)
Share transactions–net:		
Series I	(3,190,164)	(3,342,378)
Series II	(47,952)	(11,717)
Net increase (decrease) in net assets resulting from share transactions	(3,238,116)	(3,354,095)
Net increase (decrease) in net assets	1,092,113	(9,915,976)
Net assets:		
Beginning of year	35,634,182	45,550,158
End of year	$36,726,295	$35,634,182

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Financial Highlights

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[(a)]	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 [(b)]	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 [(c)]
Series I														
Year ended 12/31/19	$11.04	$0.19	$ 1.82	$ 2.01	$(0.17)	$(0.47)	$(0.64)	$12.41	18.58%	$35,409	1.07%[(d)]	1.08%[(d)]	1.55%[(d)]	109%
Year ended 12/31/18	13.06	0.16	(1.51)	(1.35)	(0.22)	(0.45)	(0.67)	11.04	(11.00)	34,420	1.23	1.24	1.24	111
Year ended 12/31/17	11.97	0.18[(e)]	1.08	1.26	(0.17)	–	(0.17)	13.06	10.56	44,104	1.13	1.13	1.42[(e)]	91
Year ended 12/31/16	11.38	0.14	1.03	1.17	(0.22)	(0.36)	(0.58)	11.97	10.61	50,183	1.15	1.16	1.26	92
Year ended 12/31/15	19.02	0.18	(0.74)	(0.56)	(0.27)	(6.81)	(7.08)	11.38	(2.15)	52,360	1.08	1.10	1.07	117
Series II														
Year ended 12/31/19	10.91	0.15	1.81	1.96	(0.14)	(0.47)	(0.61)	12.26	18.30	1,317	1.32[(d)]	1.33[(d)]	1.30[(d)]	109
Year ended 12/31/18	12.92	0.12	(1.49)	(1.37)	(0.19)	(0.45)	(0.64)	10.91	(11.28)	1,214	1.48	1.49	0.99	111
Year ended 12/31/17	11.84	0.15[(e)]	1.07	1.22	(0.14)	–	(0.14)	12.92	10.33	1,446	1.38	1.38	1.17[(e)]	91
Year ended 12/31/16	11.26	0.11	1.02	1.13	(0.19)	(0.36)	(0.55)	11.84	10.31	1,462	1.40	1.41	1.01	92
Year ended 12/31/15	18.88	0.13	(0.72)	(0.59)	(0.22)	(6.81)	(7.03)	11.26	(2.37)	1,500	1.33	1.35	0.82	117

(a) Calculated using average shares outstanding.
(b) 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.
(c) Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable.
(d) Ratios are based on average daily net assets (000's omitted) of $35,853 and $1,288 for Series I and Series II shares, respectively.
(e) 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 $0.14 and 1.11% and $0.11 and 0.86% 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

December 31, 2019

NOTE 1—Significant Accounting Policies

Invesco V.I. Managed Volatility 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 objective is both capital appreciation and current income while managing portfolio volatility.

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 (except convertible securities) 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 generally are valued 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 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 economic conditions, interest rates, investor perceptions 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 the accrual basis from settlement date. Bond premiums and discounts are amortized and/or accreted over the lives of the respective securities. 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. 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.

J. 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.

K. 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 two parties ("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.

L. Other Risks – Active trading of portfolio securities may result in added expenses, a lower return and increased tax liability.

NOTE 2—Advisory Fees and Other Fees Paid to Affiliates

The Trust has entered into a master investment advisory agreement with Invesco Advisers, Inc. (the "Adviser" or "Invesco"). Under the terms of the investment advisory agreement, the Fund accrues daily and pays monthly an advisory fee to the Adviser at the annual rate of 0.60% of the Fund's average daily net assets.

For the year ended December 31, 2019, the effective advisory fee rate incurred by the Fund was 0.60%.

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, 2020, 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 2.00% and Series II shares to 2.25% of 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, 2020. 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, 2021, 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 in such affiliated money market funds.

For the year ended December 31, 2019, the Adviser waived advisory fees of $2,546.

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 year ended December 31, 2019, Invesco was paid $5,271 for accounting and fund administrative services and was reimbursed $56,070 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. For the year ended December 31, 2019, 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 year ended December 31, 2019, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

For the year ended December 31, 2019, the Fund incurred $477 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 December 31, 2019. 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
Investments in Securities				
Common Stocks & Other Equity Interests	$20,309,540	$ 1,874,538	$–	$22,184,078
U.S. Dollar Denominated Bonds & Notes	–	9,806,007	–	9,806,007
U.S. Treasury Securities	–	2,857,609	–	2,857,609
Preferred Stocks	82,450	–	–	82,450
Money Market Funds	1,770,200	–	–	1,770,200
Total Investments in Securities	22,162,190	14,538,154	–	36,700,344
Other Investments - Assets*				
Forward Foreign Currency Contracts	–	397	–	397
Other Investments - Liabilities*				
Forward Foreign Currency Contracts	–	(33,387)	–	(33,387)
Total Other Investments	–	(32,990)	–	(32,990)
Total Investments	$22,162,190	$14,505,164	$–	$36,667,354

* 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 December 31, 2019:

	Value
Derivative Assets	**Currency Risk**
Unrealized appreciation on forward foreign currency contracts outstanding	$ 397
Derivatives not subject to master netting agreements	-
Total Derivative Assets subject to master netting agreements	$ 397

	Value
Derivative Liabilities	**Currency Risk**
Unrealized depreciation on forward foreign currency contracts outstanding	$(33,387)
Derivatives not subject to master netting agreements	-
Total Derivative Liabilities subject to master netting agreements	$(33,387)

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 December 31, 2019.

	Financial Derivative Assets	Financial Derivative Liabilities		Collateral (Received)/Pledged		
Counterparty	**Forward Foreign Currency Contracts**	**Forward Foreign Currency Contracts**	**Net Value of Derivatives**	**Non-Cash**	**Cash**	**Net Amount**
Bank of New York Mellon (The)	$ -	$(11,772)	$(11,772)	$-	$-	$(11,772)
State Street Bank & Trust Co.	397	(21,615)	(21,218)	-	-	(21,218)
Total	$397	$(33,387)	$(32,990)	$-	$-	$(32,990)

Effect of Derivative Investments for the year ended December 31, 2019

The table below summarizes the gains (losses) on derivative investments, detailed by primary risk exposure, recognized in earnings during the period:

	Location of Gain (Loss) on Statement of Operations		
	Currency Risk	**Equity Risk**	**Total**
Realized Gain (Loss):			
Forward foreign currency contracts	$ 4,611	$ -	$ 4,611
Futures contracts	-	(620,303)	(620,303)
Change in Net Unrealized Appreciation (Depreciation):			
Forward foreign currency contracts	(30,101)	-	(30,101)
Futures contracts	-	172,631	172,631
Total	$(25,490)	$(447,672)	$(473,162)

The table below summarizes the average notional value of derivatives held during the period.

	Forward Foreign Currency Contracts	Futures Contracts
Average notional value	$2,322,134	$2,286,424

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.

NOTE 7—Distributions to Shareholders and Tax Components of Net Assets

Tax Character of Distributions to Shareholders Paid During the Fiscal Years Ended December 31, 2019 and 2018:

	2019	2018
Ordinary income	$ 514,166	$ 700,251
Long-term capital gain	1,446,125	1,420,263
Total distributions	$1,960,291	$2,120,514

Tax Components of Net Assets at Period-End:

	2019
Undistributed ordinary income	$ 621,474
Undistributed long-term capital gain	690,387
Net unrealized appreciation — investments	5,142,726
Net unrealized appreciation - foreign currencies	326
Temporary book/tax differences	(56,872)
Shares of beneficial interest	30,328,254
Total net assets	$36,726,295

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is due to differences in the timing of recognition of gains and losses on investments for tax and book purposes. The Fund's net unrealized appreciation difference is attributable primarily to wash sales, tax treatment of forward contracts and adjustments to contingent payment debt instruments.

The temporary book/tax differences are a result of timing differences between book and tax recognition of income and/or expenses. The Fund's temporary book/tax differences are the result of the trustee deferral of compensation and retirement plan benefits.

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. Capital losses generated in years beginning after December 22, 2010 can be carried forward for an unlimited period, whereas previous losses expire in eight tax years. Capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Capital loss carryforwards with no expiration date will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. The ability to utilize capital loss carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund does not have a capital loss carryforward as of December 31, 2019.

NOTE 8—Investment Transactions

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the year ended December 31, 2019 was $6,742,855 and $10,980,156, respectively. During the same period, purchases and sales of U.S. Treasury obligations were $30,943,773 and $31,731,190, 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	$5,833,149
Aggregate unrealized (depreciation) of investments	(690,423)
Net unrealized appreciation of investments	$5,142,726

Cost of investments for tax purposes is $31,524,628.

NOTE 9—Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of foreign currency transactions, on December 31, 2019, undistributed net investment income was increased by $9,796 and undistributed net realized gain was decreased by $9,796. This reclassification had no effect on the net assets or the distributable earnings of the Fund.

NOTE 10—Share Information

	Summary of Share Activity			
	Year ended December 31, 2019[a]		Year ended December 31, 2018	
	Shares	Amount	Shares	Amount
Sold:				
Series I	262,050	$ 3,173,461	209,264	$ 2,541,868
Series II	2,709	32,332	5,870	72,638
Issued as reinvestment of dividends:				
Series I	161,687	1,896,583	162,517	2,054,218
Series II	5,492	63,708	5,304	66,295
Reacquired:				
Series I	(688,807)	(8,260,208)	(630,388)	(7,938,464)
Series II	(12,075)	(143,992)	(11,831)	(150,650)
Net increase (decrease) in share activity	(268,944)	$(3,238,116)	(259,264)	$(3,354,095)

[a] There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 59% 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.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of AIM Variable Insurance Funds (Invesco Variable Insurance Funds) and Shareholders of Invesco V.I. Managed Volatility Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Invesco V.I. Managed Volatility Fund (one of the funds constituting AIM Variable Insurance Funds (Invesco Variable Insurance Funds), referred to hereafter as the "Fund") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Houston, Texas
February 18, 2020

We have served as the auditor of one or more of the investment companies in the Invesco group of investment companies since at least 1995. We have not been able to determine the specific year we began serving as auditor.

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 July 1, 2019 through December 31, 2019.

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.

		ACTUAL		HYPOTHETICAL (5% annual return before expenses)		
	Beginning Account Value (07/01/19)	Ending Account Value (12/31/19)[1]	Expenses Paid During Period[2]	Ending Account Value (12/31/19)	Expenses Paid During Period[2]	Annualized Expense Ratio
Series I	$1,000.00	$1,058.30	$5.55	$1,019.81	$5.45	1.07%
Series II	1,000.00	1,057.00	6.84	1,018.55	6.72	1.32

[1] The actual ending account value is based on the actual total return of the Fund for the period July 1, 2019 through December 31, 2019, 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.

[2] Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by 184/365 to reflect the most recent fiscal half year.

Tax Information

Form 1099-DIV, Form 1042-S and other year-end tax information provide shareholders with actual calendar year amounts that should be included in their tax returns. Shareholders should consult their tax advisers.

The following distribution information is being provided as required by the Internal Revenue Code or to meet a specific state's requirement.

The Fund designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended December 31, 2019:

Federal and State Income Tax	
Long-Term Capital Gain Distributions	$1,446,125
Qualified Dividend Income*	0.00%
Corporate Dividends Received Deduction*	90.19%
U.S. Treasury Obligations*	6.05%

* The above percentages are based on ordinary income dividends paid to shareholders during the Fund's fiscal year.

Trustees and Officers

The address of each trustee and officer is AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the "Trust"), 11 Greenway Plaza, Suite 1000, Houston, Texas 77046-1173. The trustees serve for the life of the Trust, subject to their earlier death, incapacitation, resignation, retirement or removal as more specifically provided in the Trust's organizational documents. Each officer serves for a one year term or until their successors are elected and qualified. Column two below includes length of time served with predecessor entities, if any.

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Interested Person				
Martin L. Flanagan[1] – 1960 Trustee and Vice Chair	2007	Executive Director, Chief Executive Officer and President, Invesco Ltd. (ultimate parent of Invesco and a global investment management firm); Trustee and Vice Chair, The Invesco Funds; Vice Chair, Investment Company Institute; and Member of Executive Board, SMU Cox School of Business Formerly: Advisor to the Board, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Chairman and Chief Executive Officer, Invesco Advisers, Inc. (registered investment adviser); Director, Chairman, Chief Executive Officer and President, Invesco Holding Company (US), Inc. (formerly IVZ Inc.) (holding company), Invesco Group Services, Inc. (service provider) and Invesco North American Holdings, Inc. (holding company); Director, Chief Executive Officer and President, Invesco Holding Company Limited (parent of Invesco and a global investment management firm); Director, Invesco Ltd.; Chairman, Investment Company Institute and President, Co-Chief Executive Officer, Co-President, Chief Operating Officer and Chief Financial Officer, Franklin Resources, Inc. (global investment management organization)	229	None

1 Mr. Flanagan is considered an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of the Trust because he is an officer of the Adviser to the Trust, and an officer and a director of Invesco Ltd., ultimate parent of the Adviser.

Trustees and Officers

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Independent Trustees				
Bruce L. Crockett - 1944 Trustee and Chair	1993	Chairman, Crockett Technologies Associates (technology consulting company) Formerly: Director, Captaris (unified messaging provider); Director, President and Chief Executive Officer, COMSAT Corporation; Chairman, Board of Governors of INTELSAT (international communications company); ACE Limited (insurance company); Independent Directors Council and Investment Company Institute: Member of the Audit Committee, Investment Company Institute; Member of the Executive Committee and Chair of the Governance Committee, Independent Directors Council	229	Director and Chairman of the Audit Committee, ALPS (Attorneys Liability Protection Society) (insurance company); Director and Member of the Audit Committee and Compensation Committee, Ferroglobe PLC (metallurgical company)
David C. Arch - 1945 Trustee	2010	Chairman of Blistex Inc. (consumer health care products manufacturer); Member, World Presidents' Organization	229	Board member of the Illinois Manufacturers' Association
Beth Ann Brown - 1968 Trustee	2019	Independent Consultant Formerly: Head of Intermediary Distribution, Managing Director, Strategic Relations, Managing Director, Head of National Accounts, Senior Vice President, National Account Manager and Senior Vice President, Key Account Manager, Columbia Management Investment Advisers LLC; Vice President, Key Account Manager, Liberty Funds Distributor, Inc.; and Trustee of certain Oppenheimer Funds	229	Director, Board of Directors of Caron Engineering Inc.; Advisor, Board of Advisors of Caron Engineering Inc.; President and Director, Acton Shapleigh Youth Conservation Corps (non - profit); and Vice President and Director of Grahamtastic Connection (non-profit)
Jack M. Fields - 1952 Trustee	1997	Chief Executive Officer, Twenty First Century Group, Inc. (government affairs company); and Chairman, Discovery Learning Alliance (non-profit) Formerly: Owner and Chief Executive Officer, Dos Angeles Ranch L.P. (cattle, hunting, corporate entertainment); Director, Insperity, Inc. (formerly known as Administaff) (human resources provider); Chief Executive Officer, Texana Timber LP (sustainable forestry company); Director of Cross Timbers Quail Research Ranch (non-profit); and member of the U.S. House of Representatives	229	None

Trustees and Officers–

Name , Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Independent Trustees—				
Cynthia Hostetler −1962 Trustee	2017	Non-Executive Director and Trustee of a number of public and private business corporations Formerly: Director, Aberdeen Investment Funds (4 portfolios); Head of Investment Funds and Private Equity, Overseas Private Investment Corporation; President, First Manhattan Bancorporation, Inc.; Attorney, Simpson Thacher & Bartlett LLP	229	Vulcan Materials Company (construction materials company); Trilinc Global Impact Fund; Genesee & Wyoming, Inc. (railroads); Artio Global Investment LLC (mutual fund complex); Edgen Group, Inc. (specialized energy and infrastructure products distributor); Investment Company Institute (professional organization); Independent Directors Council (professional organization)
Eli Jones - 1961 Trustee	2016	Professor and Dean, Mays Business School - Texas A&M University Formerly: Professor and Dean, Walton College of Business, University of Arkansas and E.J. Ourso College of Business, Louisiana State University; Director, Arvest Bank	229	Insperity, Inc. (formerly known as Administaff) (human resources provider)
Elizabeth Krentzman - 1959 Trustee	2019	Formerly: Principal and Chief Regulatory Advisor for Asset Management Services and U.S. Mutual Fund Leader of Deloitte & Touche LLP; General Counsel of the Investment Company Institute (trade association); National Director of the Investment Management Regulatory Consulting Practice, Principal, Director and Senior Manager of Deloitte & Touche LLP; Assistant Director of the Division of Investment Management - Office of Disclosure and Investment Adviser Regulation of the U.S. Securities and Exchange Commission and various positions with the Division of Investment Management – Office of Regulatory Policy of the U.S. Securities and Exchange Commission; Associate at Ropes & Gray LLP; Advisory Board Member of the Securities and Exchange Commission Historical Society; and Trustee of certain Oppenheimer Funds	229	Trustee of the University of Florida National Board Foundation and Audit Committee Member; Member of the Cartica Funds Board of Directors (private investment funds); Member of the University of Florida Law Center Association, Inc. Board of Trustees and Audit Committee Member
Anthony J. LaCava, Jr. - 1956 Trustee	2019	Formerly: Director and Member of the Audit Committee, Blue Hills Bank (publicly traded financial institution) and Managing Partner, KPMG LLP	229	Blue Hills Bank; Chairman, Bentley University; Member, Business School Advisory Council; and Nominating Committee KPMG LLP
Prema Mathai-Davis - 1950 Trustee	1998	Retired Co-Owner & Partner of Quantalytics Research, LLC, (a FinTech Investment Research Platform for the Self-Directed Investor)	229	None

Trustees and Officers–

Name , Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Independent Trustees—				
Joel W. Motley - 1952 Trustee	2019	Director of Office of Finance, Federal Home Loan Bank; Member of the Vestry of Trinity Wall Street; Managing Director of Carmona Motley Inc. (privately held financial advisor); Member of the Finance and Budget Committee of the Council on Foreign Relations, Member of the Investment Committee and Board of Human Rights Watch and Member of the Investment Committee and Board of Historic Hudson Valley (non-profit cultural organization) Formerly: Managing Director of Public Capital Advisors, LLC (privately held financial advisor); Managing Director of Carmona Motley Hoffman, Inc. (privately held financial advisor); Trustee of certain Oppenheimer Funds; and Director of Columbia Equity Financial Corp. (privately held financial advisor)	229	Director of Greenwall Foundation (bioethics research foundation); Member of Board and Investment Committee of The Greenwall Foundation; Director of Southern Africa Legal Services Foundation; Board Member and Investment Committee Member of Pulizer Center for Crisis Reporting (non-profit journalism)
Teresa M. Ressel – 1962 Trustee	2017	Non-executive director and trustee of a number of public and private business corporations Formerly: Chief Financial Officer, Olayan America, The Olayan Group (international investor/commercial/industrial); Chief Executive Officer, UBS Securities LLC; Group Chief Operating Officer, Americas, UBS AG; Assistant Secretary for Management & Budget and CFO, US Department of the Treasury	229	Atlantic Power Corporation (power generation company); ON Semiconductor Corp. (semiconductor supplier)
Ann Barnett Stern - 1957 Trustee	2017	President and Chief Executive Officer, Houston Endowment Inc. (private philanthropic institution) Formerly: Executive Vice President and General Counsel, Texas Children's Hospital; Attorney, Beck, Redden and Secrest, LLP; Business Law Instructor, University of St. Thomas; Attorney, Andrews & Kurth LLP	229	Federal Reserve Bank of Dallas
Robert C. Troccoli - 1949 Trustee	2016	Retired	229	None
Daniel S. Vandivort -1954 Trustee	2019	Treasurer, Chairman of the Audit and Finance Committee, and Trustee, Board of Trustees, Huntington Disease Foundation of America; and President, Flyway Advisory Services LLC (consulting and property management) Formerly: Trustee and Governance Chair, of certain Oppenheimer Funds	229	Chairman and Lead Independent Director, Chairman of the Audit Committee, and Director, Board of Directors, Value Line Funds
James D. Vaughn - 1945 Trustee	2019	Retired Formerly: Managing Partner, Deloitte & Touche LLP; Trustee and Chairman of the Audit Committee, Schroder Funds; Board Member, Mile High United Way, Boys and Girls Clubs, Boy Scouts, Colorado Business Committee for the Arts, Economic Club of Colorado and Metro Denver Network (economic development corporation); and Trustee of certain Oppenheimer Funds	229	Board member and Chairman of Audit Committee of AMG National Trust Bank; Trustee and Investment Committee member, University of South Dakota Foundation; Board member, Audit Committee Member and past Board Chair, Junior Achievement (non-profit)

Trustees and Officers–

Name , Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Independent Trustees—				
Christopher L. WIlson - 1957 Trustee, Vice Chair and Chair Designate	2017	Retired Formerly: Director, TD Asset Management USA Inc. (mutual fund complex) (22 portfolios); Managing Partner, CT2, LLC (investing and consulting firm); President/Chief Executive Officer, Columbia Funds, Bank of America Corporation; President/Chief Executive Officer, CDC IXIS Asset Management Services, Inc.; Principal & Director of Operations, Scudder Funds, Scudder, Stevens & Clark, Inc.; Assistant Vice President, Fidelity Investments	229	ISO New England, Inc. (non-profit organization managing regional electricity market)

Trustees and Officers–

Name , Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Officers				
Sheri Morris – 1964 President, Principal Executive Officer and Treasurer	1999	Head of Global Fund Services, Invesco Ltd.; President, Principal Executive Officer and Treasurer, The Invesco Funds; Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); and Vice President, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; and Vice President, OppenheimerFunds, Inc. Formerly: Vice President and Principal Financial Officer, The Invesco Funds; Vice President, Invesco AIM Advisers, Inc., Invesco AIM Capital Management, Inc. and Invesco AIM Private Asset Management, Inc.; Assistant Vice President and Assistant Treasurer, The Invesco Funds and Assistant Vice President, Invesco Advisers, Inc., Invesco AIM Capital Management, Inc. and Invesco AIM Private Asset Management, Inc.; and Treasurer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust and Invesco Actively Managed Exchange-Traded Fund Trust	N/A	N/A
Russell C. Burk – 1958 Senior Vice President and Senior Officer	2005	Senior Vice President and Senior Officer, The Invesco Funds	N/A	N/A
Jeffrey H. Kupor - 1968 Senior Vice President, Chief Legal Officer and Secretary	2018	Head of Legal of the Americas, Invesco Ltd.; Senior Vice President and Secretary, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President and Secretary, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Vice President and Secretary, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.) Senior Vice President, Chief Legal Officer and Secretary, The Invesco Funds; Secretary and General Counsel, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Secretary and General Counsel, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.) and Chief Legal Officer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Secretary, Invesco Indexing LLC; Secretary, W.L. Ross & Co., LLC Formerly: Secretary and Vice President, Jemstep, Inc.; Head of Legal, Worldwide Institutional, Invesco Ltd.; Secretary and General Counsel, INVESCO Private Capital Investments, Inc.; Senior Vice President, Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Assistant Secretary, INVESCO Asset Management (Bermuda) Ltd.; Secretary and General Counsel, Invesco Private Capital, Inc.; Assistant Secretary and General Counsel, INVESCO Realty, Inc.; Secretary and General Counsel, Invesco Senior Secured Management, Inc.; and Secretary, Sovereign G./P. Holdings Inc.	N/A	N/A
Andrew R. Schlossberg - 1974 Senior Vice President	2019	Head of the Americas and Senior Managing Director, Invesco Ltd.; Director and Senior Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director and Chairman, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.) (registered transfer agent); Senior Vice President, The Invesco Funds; Director, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Director, President and Chairman, Invesco Insurance Agency, Inc. Formerly: Director, Invesco UK Limited; Director and Chief Executive, Invesco Asset Management Limited and Invesco Fund Managers Limited; Assistant Vice President, The Invesco Funds; Senior Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director and Chief Executive, Invesco Administration Services Limited and Invesco Global Investment Funds Limited; Director, Invesco Distributors, Inc.; Head of EMEA, Invesco Ltd.; President, Invesco Actively Managed Exchange-Traded Commodity Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II and Invesco India Exchange-Traded Fund Trust; Managing Director and Principal Executive Officer, Invesco Capital Management LLC	N/A	N/A

Trustees and Officers–

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Officers—				
John M. Zerr – 1962 Senior Vice President	2006	Chief Operating Officer of the Americas; Senior Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Director and Vice President, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.) Senior Vice President, The Invesco Funds; Managing Director, Invesco Capital Management LLC; Director, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Senior Vice President, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.); Manager, Invesco Indexing LLC; Manager, Invesco Specialized Products, LLC; Director and Senior Vice President, Invesco Insurance Agency, Inc.; Member, Invesco Canada Funds Advisory Board; Director, President and Chief Executive Officer, Invesco Corporate Class Inc. (corporate mutual fund company); and Director, Chairman, President and Chief Executive Officer, Invesco Canada Ltd. (formerly known as Invesco Trimark Ltd./Invesco Trimark Ltèe) (registered investment adviser and registered transfer agent) Formerly: Director and Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Secretary, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.); Chief Legal Officer and Secretary, The Invesco Funds; Secretary and General Counsel, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Secretary and General Counsel, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.); Chief Legal Officer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Secretary, Invesco Indexing LLC; Director, Secretary, General Counsel and Senior Vice President, Van Kampen Exchange Corp.; Director, Vice President and Secretary, IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.); Director and Vice President, INVESCO Funds Group, Inc.; Director and Vice President, Van Kampen Advisors Inc.; Director, Vice President, Secretary and General Counsel, Van Kampen Investor Services Inc.;Director and Secretary, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Director, Senior Vice President, General Counsel and Secretary, Invesco AIM Advisers, Inc. and Van Kampen Investments Inc.; Director, Vice President and Secretary, Fund Management Company; Director, Senior Vice President, Secretary, General Counsel and Vice President, Invesco AIM Capital Management, Inc.; Chief Operating Officer and General Counsel, Liberty Ridge Capital, Inc. (an investment adviser)	N/A	N/A
Gregory G. McGreevey - 1962 Senior Vice President	2012	Senior Managing Director, Invesco Ltd.; Director, Chairman, President, and Chief Executive Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director, Invesco Mortgage Capital, Inc. and Invesco Senior Secured Management, Inc.; and Senior Vice President, The Invesco Funds; and President, SNW Asset Management Corporation Formerly: Senior Vice President, Invesco Management Group, Inc. and Invesco Advisers, Inc.; Assistant Vice President, The Invesco Funds	N/A	N/A
Kelli Gallegos – 1970 Vice President, Principal Financial Officer and Assistant Treasurer	2008	Principal Financial and Accounting Officer – Investments Pool, Invesco Specialized Products, LLC; Vice President, Principal Financial Officer and Assistant Treasurer, The Invesco Funds; Principal Financial and Accounting Officer – Pooled Investments, Invesco Capital Management LLC; Vice President and Treasurer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust Formerly: Assistant Treasurer, Invesco Specialized Products, LLC; Assistant Treasurer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Assistant Treasurer, Invesco Capital Management LLC; Assistant Vice President, The Invesco Funds	N/A	N/A

Trustees and Officers–

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Officers—				
Crissie M. Wisdom – 1969 Anti-Money Laundering Compliance Officer	2013	Anti-Money Laundering Compliance Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser), Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.), Invesco Distributors, Inc., Invesco Investment Services, Inc., The Invesco Funds, and Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Anti-Money Laundering Compliance Officer and Bank Secrecy Act Officer, INVESCO National Trust Company and Invesco Trust Company; and Fraud Prevention Manager and Controls and Risk Analysis Manager for Invesco Investment Services, Inc. Formerly: Anti-Money Laundering Compliance Officer, Van Kampen Exchange Corp. and Invesco Management Group, Inc.	N/A	N/A
Robert R. Leveille – 1969 Chief Compliance Officer	2016	Chief Compliance Officer, Invesco Advisers, Inc. (registered investment adviser); and Chief Compliance Officer, The Invesco Funds Formerly: Chief Compliance Officer, Putnam Investments and the Putnam Funds	N/A	N/A

The Statement of Additional Information of the Trust includes additional information about the Fund's Trustees and is available upon request, without charge, by calling 1.800.959.4246. Please refer to the Fund's Statement of Additional Information for information on the Fund's sub-advisers.

Office of the Fund
11 Greenway Plaza, Suite 1000
Houston, TX 77046-1173

Investment Adviser
Invesco Advisers, Inc.
1555 Peachtree Street, N.E.
Atlanta, GA 30309

Distributor
Invesco Distributors, Inc.
11 Greenway Plaza, Suite 1000
Houston, TX 77046-1173

Auditors
PricewaterhouseCoopers LLP
1000 Louisiana Street, Suite 5800
Houston, TX 77002-5678

Counsel to the Fund
Stradley Ronon Stevens & Young, LLP
2005 Market Street, Suite 2600
Philadelphia, PA 19103-7018

Counsel to the Independent Trustees
Goodwin Procter LLP
901 New York Avenue, N.W.
Washington, D.C. 20001

Transfer Agent
Invesco Investment Services, Inc.
11 Greenway Plaza, Suite 1000
Houston, TX 77046-1173

Custodian
State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02110-2801

ANNUAL REPORT
December 31, 2019

Janus Henderson VIT Forty Portfolio

Janus Aspen Series

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the insurance company that offers your variable life insurance contract or variable annuity contract, may determine that it will no longer send you paper copies of the Portfolio's shareholder reports, unless you specifically request paper copies of the reports. Beginning on January 1, 2021, for shareholders who are not insurance contract holders, paper copies of the Portfolio's shareholder reports will no longer be sent by mail unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and your insurance company or plan sponsor, broker-dealer, or financial intermediary will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company or plan sponsor, broker-dealer, or financial intermediary.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Portfolio electronically by contacting your insurance company or plan sponsor, broker-dealer, or other financial intermediary.

You may elect to receive all future reports in paper free of charge by contacting your insurance company or plan sponsor, broker dealer or other financial intermediary. Your election to receive reports in paper will apply to all funds held in your account with your insurance company or plan sponsor, broker dealer or other financial intermediary.

HIGHLIGHTS

- Portfolio management perspective
- Investment strategy behind your portfolio
- Portfolio performance, characteristics and holdings

Janus Henderson
INVESTORS

Table of Contents

Janus Henderson VIT Forty Portfolio (unaudited)

PORTFOLIO SNAPSHOT

We believe that constructing a concentrated portfolio of quality growth companies will allow us to outperform our benchmark over time. We define quality as companies that enjoy sustainable "moats" around their businesses, potentially allowing them to grow faster, with higher returns, than their competitors. We believe the market often underestimates these companies' sustainable competitive advantage periods.

Doug Rao
co-portfolio manager

Nick Schommer
co-portfolio manager

PERFORMANCE OVERVIEW

For the 12-month period ending December 31, 2019, Janus Henderson VIT Forty Portfolio's Institutional Shares and Service Shares returned 37.16% and 36.85%, respectively, versus a return of 36.39% for the Portfolio's primary benchmark, the Russell 1000® Growth Index. The Portfolio's secondary benchmark, the S&P 500® Index, returned 31.49% for the period.

INVESTMENT ENVIRONMENT

The Russell 1000 Growth Index ended the year with a strong gain for 2019 following a disappointing 2018. The Federal Reserve cut its benchmark federal funds rate three times during the year, and the central bank signaled that it does not plan to raise rates in the near future given the current economic environment. The ongoing trade war between the U.S. and China concerned markets for much of the year; however, the countries agreed to a partial truce, although not a full resolution, late in the year. Despite indications of slowing global growth, U.S. economic growth and earnings results remained solid, driven largely by a healthy consumer and a strong labor market.

PERFORMANCE DISCUSSION

The Portfolio outperformed both its primary benchmark, the Russell 1000 Growth Index, and its secondary benchmark, the S&P 500 Index, during the year ending December 31, 2019. Stock selection in the Portfolio was the main contributor to performance relative to the primary benchmark during the period. As part of our investment strategy, we seek companies that have built clear, sustainable, competitive moats around their businesses, which should help them grow market share within their respective industries over time. Important competitive advantages could include a strong brand, network effects from a product or service that would be hard for a competitor to replicate, a lower cost structure than competitors in the industry, a distribution advantage or patent protection over valuable intellectual property. We think emphasizing these sustainable competitive advantages can be a meaningful driver of outperformance over longer time horizons because the market often underestimates the duration of growth for these companies and the long-term potential return to shareholders.

Microsoft was among the top absolute contributors, as it continues to see strong growth in its Azure cloud product. Microsoft has emerged as a credible competitor to Amazon's market-leading AWS cloud offering, which has had first-mover advantage in the space. Although on a smaller base, Azure growth rates have become significantly higher than those of AWS. We believe this is a result of Microsoft differentiating itself with a hybrid cloud offering and with products around the intelligent edge, a developing network of devices and systems that gather and analyze data. We think that we are still in the early stages of corporate IT transition to the cloud, a trend that should be supportive for continued growth.

Mastercard was another top absolute contributor. The company is beginning to demonstrate how its business model can address business-to-business payment solutions. A decision by many upstart fintech companies to use Mastercard's and Visa's payments networks – instead of competing against them – has also reinforced the durability of the two global card networks' values and helped drive the stock's appreciation. Mastercard has been a longtime holding and a large contributor to performance over the years. Our basic view is that Mastercard's payments network among merchants is a competitive moat that positions the business as a key beneficiary as more transactions migrate from cash and check to plastic and electronic payments. We believe Mastercard is particularly well positioned to benefit from this shift because a majority of its revenues are generated outside the U.S., where many markets have a lower penetration of card and electronic payments and are experiencing significantly faster electronic purchase volume growth.

Apple was also among the top absolute contributors. The firm reported strong earnings and benefited from the news of a trade truce between the U.S. and China, given that both its end-market demand and its supply chain are deeply connected to both countries. There has been continued strength in the stock as investors have become more confident in its interconnected ecosystem of products and services as well as the durability of its revenue model. The company has shifted from a purely hardware-based model to one more reliant on providing both hardware and complementary services, like Apple Music, iCloud and the recently launched Apple TV+.

Uber Technologies was one of the top absolute detractors. Stock of the ridesharing company fell after Uber reported a larger-than-expected second quarter loss. It has also faced new state legislation that could eventually require the company, as well as primary competitor Lyft, to treat workers as employees rather than independent contractors. We have a favorable view on the duopoly industry structure and the large opportunity set, but we believe the company will need to lessen its focus on gaining market share and instead shift to bolstering its financial posture and achieving profitability.

Humana was also among the largest absolute detractors. A proposal to expand Medicare and eliminate private medical insurance in the U.S. led to a broad, significant pullback in managed care stocks, including Humana. We are cautious on the health care landscape given the scrutiny of the industry by politicians in Washington and sold the position, choosing to invest in companies we believe will be less subjected to reform.

Allergan was another detractor. We were disappointed by what we view as several executional missteps by management that weighed on the stock and sold out of the position during the period.

Please see the Derivative Instruments section in the “Notes to Financial Statements” for a discussion of derivatives used by the Portfolio.

OUTLOOK

The trade war between the U.S. and China created uncertainty in markets for much of the year, generating daily headlines and rhetoric that if fully implemented would cause dramatic changes in input costs. The uncertainty associated with this ultimately stunted global growth. As a result of the trade truce reached toward the end of the year, and the easing of those headwinds, we believe that refilling supply chains globally could help boost earnings growth for the global economy in 2020.

While global growth prospects have become healthier heading into the new year, our fundamental process is focused on investing in businesses that can create their own growth, regardless of the macroeconomic environment. These companies are positioned to benefit from powerful, disruptive themes that we believe are the largest factors impacting company fundamentals. Among others, these themes include digital transformation, transition to the cloud, the shift from physical to digital payments, the evolution of companies into direct-to-consumer businesses, the proliferation of semiconductor content through the industrial economy and idiosyncratic innovation within the health care industry.

Going forward, we will continue to look for durable franchises with the ability to grow market share and expand their businesses. We remain committed to our unwavering, long-term investment philosophy of investing in companies that have built sustainable competitive advantages around their businesses.

Thank you for your investment in Janus Henderson VIT Forty Portfolio.

Janus Henderson VIT Forty Portfolio (unaudited)
Portfolio At A Glance
December 31, 2019

5 Top Performers - Holdings

	Contribution
Microsoft Corp	4.04%
Mastercard Inc	3.35%
Apple Inc	2.44%
ASML Holding NV	1.64%
Alphabet Inc - Class C	1.63%

5 Bottom Performers - Holdings

	Contribution
Uber Technologies Inc	-0.50%
Humana Inc	-0.41%
Allergan PLC	-0.27%
Avalara Inc	-0.11%
ABIOMED Inc	-0.01%

5 Top Performers - Sectors*

	Portfolio Contribution	Portfolio Weighting (Average % of Equity)	Russell 1000 Growth Index Weighting
Materials	0.76%	5.42%	1.61%
Consumer Discretionary	0.65%	10.51%	14.72%
Consumer Staples	0.50%	0.00%	5.26%
Information Technology	0.49%	34.10%	35.22%
Health Care	0.48%	14.37%	13.84%

5 Bottom Performers - Sectors*

	Portfolio Contribution	Portfolio Weighting (Average % of Equity)	Russell 1000 Growth Index Weighting
Other**	-1.15%	2.14%	0.00%
Communication Services	-0.63%	14.21%	11.92%
Financials	-0.40%	7.81%	3.78%
Utilities	0.00%	0.00%	0.00%
Industrials	0.06%	8.70%	10.73%

Security contribution to performance is measured by using an algorithm that multiplies the daily performance of each security with the previous day's ending weight in the portfolio and is gross of advisory fees. Fixed income securities and certain equity securities, such as private placements and some share classes of equity securities, are excluded.

* 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
December 31, 2019

5 Largest Equity Holdings - (% of Net Assets)

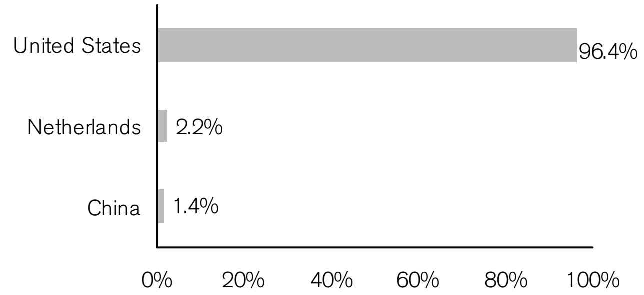
Microsoft Corp	
Software	8.2%
Mastercard Inc	
Information Technology Services	6.0%
Alphabet Inc - Class C	
Interactive Media & Services	5.6%
Apple Inc	
Technology Hardware, Storage & Peripherals	4.8%
Amazon.com Inc	
Internet & Direct Marketing Retail	4.3%
	28.9%

Asset Allocation - (% of Net Assets)

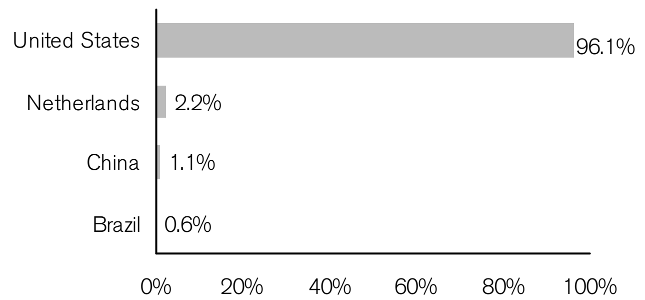
Common Stocks	98.1%
Investment Companies	2.0%
Other	(0.1)%
	100.0%

Top Country Allocations - Long Positions - (% of Investment Securities)

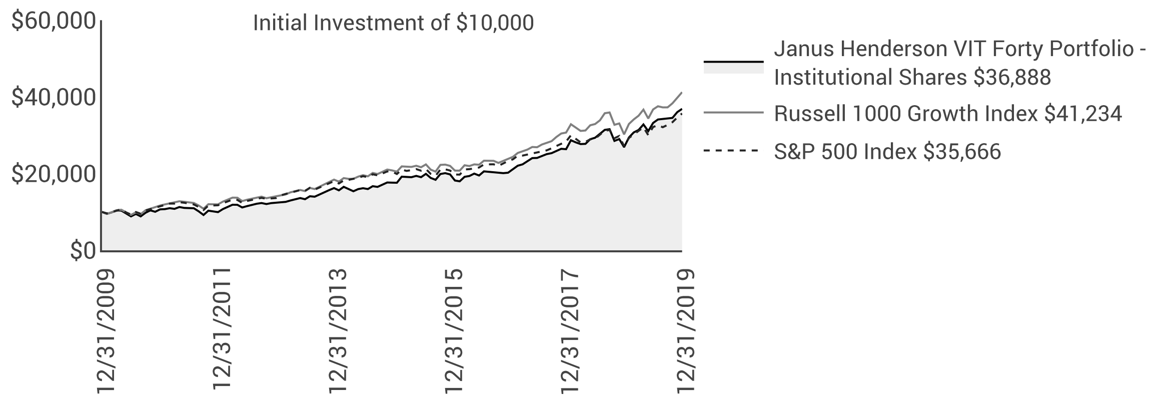
As of December 31, 2019



As of December 31, 2018



Janus Henderson VIT Forty Portfolio (unaudited)
Performance



Average Annual Total Return - for the periods ended December 31, 2019	One Year	Five Year	Ten Year	Since Inception*	Expense Ratios: Total Annual Fund Operating Expenses‡
Institutional Shares	37.16%	15.89%	13.94%	12.03%	0.71%
Service Shares	36.85%	15.61%	13.66%	11.72%	0.96%
Russell 1000 Growth Index	36.39%	14.63%	15.22%	8.37%	
S&P 500 Index	31.49%	11.70%	13.56%	8.39%	
Morningstar Quartile - Institutional Shares	1st	1st	2nd	1st	
Morningstar Ranking - based on total returns for Large Growth Funds	164/1,377	45/1,267	446/1,109	8/595	

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.

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 non-diversification, portfolio turnover, short sales, potential conflicts of interest, foreign and emerging markets, initial public offerings (IPOs), high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), derivatives, and commodity-linked investments. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

High absolute short-term performance is not typical and may not be achieved in the future. Such results should not be the sole basis for evaluating material facts in making an investment decision.

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.

There is no assurance that the investment process will consistently lead to successful investing.

See important disclosures on the next page.

Janus Henderson VIT Forty Portfolio (unaudited)
Performance

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 "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.

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 (5% return before expenses)			
	Beginning Account Value (7/1/19)	**Ending Account Value (12/31/19)**	**Expenses Paid During Period (7/1/19 - 12/31/19)†**	**Beginning Account Value (7/1/19)**	**Ending Account Value (12/31/19)**	**Expenses Paid During Period (7/1/19 - 12/31/19)†**	**Net Annualized Expense Ratio (7/1/19 - 12/31/19)**
Institutional Shares	$1,000.00	$1,110.60	$4.26	$1,000.00	$1,021.17	$4.08	0.80%
Service Shares	$1,000.00	$1,109.40	$5.58	$1,000.00	$1,019.91	$5.35	1.05%

† Expenses Paid During Period are equal to the Net Annualized Expense Ratio multiplied by the average account value over the period, multiplied by 184/365 (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
December 31, 2019

	Shares	Value
Common Stocks – 98.1%		
Aerospace & Defense – 5.3%		
Boeing Co	63,081	$20,549,267
L3Harris Technologies Inc	136,322	26,974,034
		47,523,301
Capital Markets – 7.6%		
Blackstone Group Inc	498,053	27,861,085
Charles Schwab Corp	350,930	16,690,231
Intercontinental Exchange Inc	243,178	22,506,124
		67,057,440
Chemicals – 2.9%		
Air Products & Chemicals Inc	36,114	8,486,429
Sherwin-Williams Co	29,587	17,265,198
		25,751,627
Construction Materials – 1.6%		
Vulcan Materials Co	97,030	13,971,350
Electronic Equipment, Instruments & Components – 0.5%		
Cognex Corp	88,391	4,953,432
Entertainment – 5.2%		
Live Nation Entertainment Inc*	67,709	4,839,162
Netflix Inc*	66,820	21,620,947
Walt Disney Co	134,914	19,512,612
		45,972,721
Equity Real Estate Investment Trusts (REITs) – 2.9%		
American Tower Corp	112,448	25,842,799
Health Care Equipment & Supplies – 9.2%		
Boston Scientific Corp*	637,840	28,843,125
Danaher Corp	150,819	23,147,700
Edwards Lifesciences Corp*	33,841	7,894,767
Intuitive Surgical Inc*	36,445	21,544,462
		81,430,054
Information Technology Services – 7.3%		
Mastercard Inc	177,175	52,902,683
PayPal Holdings Inc*	108,048	11,687,552
		64,590,235
Interactive Media & Services – 9.2%		
Alphabet Inc - Class C*	36,839	49,254,480
Facebook Inc*	159,341	32,704,740
		81,959,220
Internet & Direct Marketing Retail – 5.8%		
Alibaba Group Holding Ltd (ADR)*	61,141	12,968,006
Amazon.com Inc*	20,828	38,486,811
		51,454,817
Machinery – 1.2%		
Wabtec Corp	134,116	10,434,225
Pharmaceuticals – 3.3%		
Merck & Co Inc	207,128	18,838,292
Zoetis Inc	82,455	10,912,919
		29,751,211
Professional Services – 2.1%		
CoStar Group Inc*	30,697	18,366,015
Road & Rail – 0.6%		
Uber Technologies Inc*	184,538	5,488,160
Semiconductor & Semiconductor Equipment – 7.0%		
ASML Holding NV	65,205	19,296,768
Microchip Technology Inc	93,609	9,802,734
NVIDIA Corp	34,586	8,138,086
Texas Instruments Inc	194,008	24,889,286
		62,126,874

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Schedule of Investments
December 31, 2019

	Shares	Value
Common Stocks – (continued)		
Software – 17.4%		
Adobe Inc*	88,059	$29,042,739
Avalara Inc*	107,913	7,904,627
Intuit Inc	36,699	9,612,569
Microsoft Corp	460,051	72,550,043
salesforce.com Inc*	214,988	34,965,648
		154,075,626
Specialty Retail – 2.6%		
Home Depot Inc	104,771	22,879,891
Technology Hardware, Storage & Peripherals – 4.8%		
Apple Inc	146,309	42,963,638
Textiles, Apparel & Luxury Goods – 1.6%		
NIKE Inc	139,888	14,172,053
Total Common Stocks (cost $514,692,732)		870,764,689
Investment Companies – 2.0%		
Money Markets – 2.0%		
Janus Henderson Cash Liquidity Fund LLC, 1.7210%[∞,£] (cost $17,377,566)	17,377,343	17,377,343
Total Investments (total cost $532,070,298) – 100.1%		888,142,032
Liabilities, net of Cash, Receivables and Other Assets – (0.1)%		(1,028,815)
Net Assets – 100%		$887,113,217

Summary of Investments by Country - (Long Positions) (unaudited)

Country	*Value*	*% of Investment Securities*
United States	$855,877,258	96.4 %
Netherlands	19,296,768	2.2
China	12,968,006	1.4
Total	$888,142,032	100.0 %

Schedules of Affiliated Investments – (% of Net Assets)

		Dividend Income		*Realized Gain/(Loss)*		*Change in Unrealized Appreciation/ Depreciation*		*Value at 12/31/19*
Investment Companies - 2.0%								
Money Markets - 2.0%								
Janus Henderson Cash Liquidity Fund LLC, 1.7210%[∞]	$	385,766	$	3,041	$	(223)	$	17,377,343
Investments Purchased with Cash Collateral from Securities Lending - N/A								
Investment Companies - N/A								
Janus Henderson Cash Collateral Fund LLC, 1.4338%[∞]		35,267[Δ]		-		-		-
Total Affiliated Investments - 2.0%	$	421,033	$	3,041	$	(223)	$	17,377,343

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

	Share Balance at 12/31/18	Purchases	Sales	Share Balance at 12/31/19
Investment Companies - 2.0%				
Money Markets - 2.0%				
Janus Henderson Cash Liquidity Fund LLC, 1.7210%°°	25,348,887	213,734,648	(221,706,192)	17,377,343
Investments Purchased with Cash Collateral from Securities Lending - N/A				
Investment Companies - N/A				
Janus Henderson Cash Collateral Fund LLC, 1.4338%°°	-	63,241,646	(63,241,646)	-

The following table provides information about the effect of derivatives and hedging activities on the Portfolio's Statement of Operations for the year ended December 31, 2019.

The effect of Derivative Instruments (not accounted for as hedging instruments) on the Statement of Operations for the year ended December 31, 2019

Amount of Realized Gain/(Loss) Recognized on Derivatives

Derivative	*Equity Contracts*
Swap contracts	$2,903,097

Please see the "Net Realized Gain/(Loss) on Investments" section of the Portfolio's Statement of Operations.

Average Ending Monthly Market Value of Derivative Instruments During the Year Ended December 31, 2019

	Market Value
Total return swaps	$ (109,384)

See Notes to Schedule of Investments and Other Information and Notes to Financial Statements.

Russell 1000® Growth Index	Russell 1000® 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® Index	S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.
ADR	American Depositary Receipt
LLC	Limited Liability Company

*	Non-income producing security.
ºº	Rate shown is the 7-day yield as of December 31, 2019.
£	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 December 31, 2019. See Notes to Financial Statements for more information.

Valuation Inputs Summary

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Assets			
Investments In Securities:			
Common Stocks	$ 870,764,689	$ -	$ -
Investment Companies	-	17,377,343	-
Total Assets	$ 870,764,689	$ 17,377,343	$ -

Janus Henderson VIT Forty Portfolio
Statement of Assets and Liabilities
December 31, 2019

Assets:		
Unaffiliated investments, at value[(1)]	$	870,764,689
Affiliated investments, at value[(2)]		17,377,343
Cash		12
Non-interested Trustees' deferred compensation		22,806
Receivables:		
Dividends		460,449
Portfolio shares sold		157,713
Dividends from affiliates		20,209
Foreign tax reclaims		7,366
Other assets		7,496
Total Assets		888,818,083
Liabilities:		
Payables:		
Portfolio shares repurchased		836,189
Advisory fees		555,452
12b-1 Distribution and shareholder servicing fees		113,571
Transfer agent fees and expenses		41,144
Professional fees		37,605
Non-interested Trustees' deferred compensation fees		22,806
Non-affiliated portfolio administration fees payable		21,035
Affiliated portfolio administration fees payable		1,918
Custodian fees		1,810
Non-interested Trustees' fees and expenses		141
Accrued expenses and other payables		73,195
Total Liabilities		1,704,866
Net Assets	$	887,113,217
Net Assets Consist of:		
Capital (par value and paid-in surplus)	$	459,224,073
Total distributable earnings (loss)		427,889,144
Total Net Assets	$	887,113,217
Net Assets - Institutional Shares	$	362,001,296
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		8,156,447
Net Asset Value Per Share	$	44.38
Net Assets - Service Shares	$	525,111,921
Shares Outstanding, $0.01 Par Value (unlimited shares authorized)		12,644,977
Net Asset Value Per Share	$	41.53

(1) Includes cost of $514,692,732.
(2) Includes cost of $17,377,566.

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Statement of Operations
For the year ended December 31, 2019

Investment Income:		
Dividends	$	7,959,413
Dividends from affiliates		385,766
Affiliated securities lending income, net		35,267
Foreign tax withheld		(34,369)
Total Investment Income		8,346,077
Expenses:		
Advisory fees		5,748,712
12b-1 Distribution and shareholder servicing fees:		
Service Shares		1,239,351
Transfer agent administrative fees and expenses:		
Institutional Shares		168,807
Service Shares		247,870
Other transfer agent fees and expenses:		
Institutional Shares		10,822
Service Shares		8,287
Professional fees		52,660
Shareholder reports expense		35,558
Registration fees		23,062
Non-interested Trustees' fees and expenses		20,239
Affiliated portfolio administration fees		19,607
Custodian fees		7,256
Other expenses		85,739
Total Expenses		7,667,970
Net Investment Income/(Loss)		678,107
Net Realized Gain/(Loss) on Investments:		
Investments		68,772,307
Investments in affiliates		3,041
Swap contracts		2,903,097
Total Net Realized Gain/(Loss) on Investments		71,678,445
Change in Unrealized Net Appreciation/Depreciation:		
Investments, foreign currency translations and non-interested Trustees' deferred compensation		183,133,394
Investments in affiliates		(223)
Total Change in Unrealized Net Appreciation/Depreciation		183,133,171
Net Increase/(Decrease) in Net Assets Resulting from Operations	$	255,489,723

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Statements of Changes in Net Assets

	Year ended December 31, 2019	Year ended December 31, 2018
Operations:		
Net investment income/(loss)	$ 678,107	$ 131,716
Net realized gain/(loss) on investments	71,678,445	69,559,947
Change in unrealized net appreciation/depreciation	183,133,171	(50,240,415)
Net Increase/(Decrease) in Net Assets Resulting from Operations	255,489,723	19,451,248
Dividends and Distributions to Shareholders		
Institutional Shares	(27,749,524)	(44,744,555)
Service Shares	(42,198,627)	(70,046,355)
Net Decrease from Dividends and Distributions to Shareholders	(69,948,151)	(114,790,910)
Capital Share Transactions:		
Institutional Shares	(6,219,350)	19,835,832
Service Shares	(11,662,110)	18,730,103
Net Increase/(Decrease) from Capital Share Transactions	(17,881,460)	38,565,935
Net Increase/(Decrease) in Net Assets	167,660,112	(56,773,727)
Net Assets:		
Beginning of period	719,453,105	776,226,832
End of period	$ 887,113,217	$ 719,453,105

See Notes to Financial Statements.

Janus Henderson VIT Forty Portfolio
Financial Highlights

Institutional Shares

For a share outstanding during the year ended December 31	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$35.20	$39.76	$32.19	$36.37	$40.27
Income/(Loss) from Investment Operations:					
Net investment income/(loss)(1)	0.09	0.07	0.02	0.05	0.03
Net realized and unrealized gain/(loss)	12.55	1.31	9.58	0.58	4.77
Total from Investment Operations	12.64	1.38	9.60	0.63	4.80
Less Dividends and Distributions:					
Dividends (from net investment income)	(0.06)	—	—	—	—
Distributions (from capital gains)	(3.40)	(5.94)	(2.03)	(4.81)	(8.70)
Total Dividends and Distributions	(3.46)	(5.94)	(2.03)	(4.81)	(8.70)
Net Asset Value, End of Period	$44.38	$35.20	$39.76	$32.19	$36.37
Total Return*	37.16%	1.98%	30.31%	2.20%	12.22%
Net Assets, End of Period (in thousands)	$362,001	$292,132	$309,258	$257,009	$295,725
Average Net Assets for the Period (in thousands)	$337,416	$327,962	$297,125	$273,374	$298,904
Ratios to Average Net Assets**:					
Ratio of Gross Expenses	0.77%	0.71%	0.82%	0.72%	0.69%
Ratio of Net Expenses (After Waivers and Expense Offsets)	0.77%	0.71%	0.82%	0.72%	0.69%
Ratio of Net Investment Income/(Loss)	0.23%	0.17%	0.05%	0.15%	0.08%
Portfolio Turnover Rate	35%	41%	39%	53%	55%

Service Shares

For a share outstanding during the year ended December 31	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	$33.15	$37.84	$30.79	$35.08	$39.21
Income/(Loss) from Investment Operations:					
Net investment income/(loss)(1)	(0.01)	(0.03)	(0.07)	(0.03)	(0.06)
Net realized and unrealized gain/(loss)	11.80	1.28	9.15	0.55	4.63
Total from Investment Operations	11.79	1.25	9.08	0.52	4.57
Less Dividends and Distributions:					
Dividends (from net investment income)	(0.01)	—	—	—	—
Distributions (from capital gains)	(3.40)	(5.94)	(2.03)	(4.81)	(8.70)
Total Dividends and Distributions	(3.41)	(5.94)	(2.03)	(4.81)	(8.70)
Net Asset Value, End of Period	$41.53	$33.15	$37.84	$30.79	$35.08
Total Return*	36.85%	1.72%	29.99%	1.94%	11.94%
Net Assets, End of Period (in thousands)	$525,112	$427,321	$466,969	$430,510	$501,003
Average Net Assets for the Period (in thousands)	$495,465	$487,559	$457,168	$464,943	$501,868
Ratios to Average Net Assets**:					
Ratio of Gross Expenses	1.02%	0.96%	1.06%	0.97%	0.94%
Ratio of Net Expenses (After Waivers and Expense Offsets)	1.02%	0.96%	1.06%	0.97%	0.94%
Ratio of Net Investment Income/(Loss)	(0.02)%	(0.08)%	(0.19)%	(0.09)%	(0.17)%
Portfolio Turnover Rate	35%	41%	39%	53%	55%

* 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.

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.

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 other portfolios, 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 accounting principles generally accepted in the United States of America).

The following accounting policies have been followed by the Portfolio and are in conformity with accounting principles generally accepted in the United States of America.

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 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 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 December 31, 2019 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. 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 accounting principles generally accepted in the United States of America 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.

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. Derivative Instruments

The Portfolio may invest in various types of derivatives, which may at times result in significant derivative exposure. A derivative is a financial instrument whose performance is derived from the performance of another asset. The Portfolio may invest in derivative instruments including, but not limited to: futures contracts, put options, call options, options on future contracts, options on foreign currencies, options on recovery locks, options on security and commodity indices, swaps, forward contracts, structured investments, and other equity-linked derivatives. Each derivative instrument that was held by the Portfolio during the year ended December 31, 2019 is discussed in further detail below. A summary of derivative activity by the Portfolio is reflected in the tables at the end of the Schedule of Investments.

The Portfolio may use derivative instruments for hedging purposes (to offset risks associated with an investment, currency exposure, or market conditions), to adjust currency exposure relative to a benchmark index, or for speculative purposes (to earn income and seek to enhance returns). When the Portfolio invests in a derivative for speculative purposes, the Portfolio will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the derivative's cost. The Portfolio may not use any derivative to gain exposure to an asset or class of assets that it would be prohibited by its investment restrictions from purchasing directly. The Portfolio's ability to use derivative instruments may also be limited by tax considerations.

Investments in derivatives in general are subject to market risks that may cause their prices to fluctuate over time. Investments in derivatives may not directly correlate with the price movements of the underlying instrument. As a result, the use of derivatives may expose the Portfolio to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. The use of derivatives may result in larger losses or smaller gains than otherwise would be the case. Derivatives can be volatile and may involve significant risks.

In pursuit of its investment objective, the Portfolio may seek to use derivatives to increase or decrease exposure to the following market risk factors:

- **Commodity Risk** – the risk related to the change in value of commodities or commodity-linked investments due to changes in the overall market movements, volatility of the underlying benchmark, changes in interest rates, or other factors affecting a particular industry or commodity such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.
- **Counterparty Risk** – the risk that the counterparty (the party on the other side of the transaction) on a derivative transaction will be unable to honor its financial obligation to the Portfolio.
- **Credit Risk** – the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.
- **Currency Risk** – the risk that changes in the exchange rate between currencies will adversely affect the value (in U.S. dollar terms) of an investment.
- **Equity Risk** – the risk related to the change in value of equity securities as they relate to increases or decreases in the general market.
- **Index Risk** – if the derivative is linked to the performance of an index, it will be subject to the risks associated with changes in that index. If the index changes, the Portfolio could receive lower interest payments or experience a reduction in the value of the derivative to below what the Portfolio paid. Certain indexed securities, including inverse securities (which move in an opposite direction to the index), may create leverage, to the extent that they increase or decrease in value at a rate that is a multiple of the changes in the applicable index.
- **Interest Rate Risk** – the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise, which may cause the Portfolio's NAV to likewise decrease.
- **Leverage Risk** – the risk associated with certain types of leveraged investments or trading strategies pursuant to which relatively small market movements may result in large changes in the value of an investment. The Portfolio creates leverage by investing in instruments, including derivatives, where the investment loss can exceed the original amount invested. Certain investments or trading strategies, such as short sales, that involve leverage can result in losses that greatly exceed the amount originally invested.
- **Liquidity Risk** – the risk that certain securities may be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

Derivatives may generally be traded OTC or on an exchange. Derivatives traded OTC are agreements that are individually negotiated between parties and can be tailored to meet a purchaser's needs. OTC derivatives are not guaranteed by a clearing agency and may be subject to increased credit risk.

In an effort to mitigate credit risk associated with derivatives traded OTC, the Portfolio may enter into collateral agreements with certain counterparties whereby, subject to certain minimum exposure requirements, the Portfolio may require the counterparty to post collateral if the Portfolio has a net aggregate unrealized gain on all OTC derivative contracts with a particular counterparty. Additionally, the Portfolio may deposit cash and/or treasuries as collateral with the counterparty and/or custodian daily (based on the daily valuation of the financial asset) if the Portfolio has a net aggregate unrealized loss on OTC derivative contracts with a particular counterparty. All liquid securities and restricted cash are considered to cover in an amount at all times equal to or greater than the Portfolio's commitment with respect to certain exchange-traded derivatives, centrally cleared derivatives, forward foreign currency exchange contracts, short sales, and/or securities with extended settlement dates. There is no guarantee that counterparty exposure is reduced and these arrangements are dependent on Janus Capital Management LLC's ("Janus Capital") ability to establish and maintain appropriate systems and trading.

Swaps

Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a day to more than one year to exchange one set of cash flows for another. The most significant factor in the performance of swap agreements is the change in value of the specific index, security, or currency, or other factors that determine the amounts of payments due to and from the Portfolio. The use of swaps is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. Swap transactions may in some instances involve the delivery of securities or other underlying assets by the Portfolio or its counterparty to collateralize obligations under the swap. If the other party to a swap that is not collateralized defaults, the Portfolio would risk the loss of the net amount of the payments that it contractually is entitled to receive. Swap agreements entail the risk that a party will default on its payment obligations to the Portfolio. If the other party to a swap defaults, the Portfolio would risk the loss of the net amount of the payments that it contractually is entitled to receive. If the Portfolio utilizes a swap at the wrong time or judges market conditions incorrectly, the swap may result in a loss to the Portfolio and reduce the Portfolio's total return.

Swap agreements also bear the risk that the Portfolio will not be able to meet its obligation to the counterparty. Swap agreements are typically privately negotiated and entered into in the OTC market. However, certain swap agreements are required to be cleared through a clearinghouse and traded on an exchange or swap execution facility. Swaps that are required to be cleared are required to post initial and variation margins in accordance with the exchange requirements. Regulations enacted require the Portfolio to centrally clear certain interest rate and credit default index swaps through a clearinghouse or central counterparty ("CCP"). To clear a swap with a CCP, the Portfolio will submit the swap to, and post collateral with, a futures clearing merchant ("FCM") that is a clearinghouse member. Alternatively, the Portfolio may enter into a swap with a financial institution other than the FCM (the "Executing Dealer") and arrange for the swap to be transferred to the FCM for clearing. The Portfolio may also enter into a swap with the FCM itself. The CCP, the FCM, and the Executing Dealer are all subject to regulatory oversight by the U.S. Commodity Futures Trading Commission ("CFTC"). A default or failure by a CCP or an FCM, or the failure of a swap to be transferred from an Executing Dealer to the FCM for clearing, may expose the Portfolio to losses, increase its costs, or prevent the Portfolio from entering or exiting swap positions, accessing collateral, or fully implementing its investment strategies. The regulatory requirement to clear certain swaps could, either temporarily or permanently, reduce the liquidity of cleared swaps or increase the costs of entering into those swaps.

Index swaps, interest rate swaps, and credit default swaps are valued using an approved vendor supplied price. Basket swaps are valued using a broker supplied price. Equity swaps that consist of a single underlying equity are valued either at the closing price, the latest bid price, or the last sale price on the primary market or exchange it trades. The market value of swap contracts are aggregated by positive and negative values and are disclosed separately as an asset or liability on the Portfolio's Statement of Assets and Liabilities (if applicable). Realized gains and losses are reported on the Portfolio's Statement of Operations (if applicable). The change in unrealized net appreciation or depreciation during the year is included in the Statement of Operations (if applicable).

The Portfolio's maximum risk of loss from counterparty risk or credit risk is the discounted value of the payments to be received from/paid to the counterparty over the contract's remaining life, to the extent that the amount is positive. The risk is mitigated by having a netting arrangement between the Portfolio and the counterparty and by the posting of collateral by the counterparty to cover the Portfolio's exposure to the counterparty.

Total return swaps involve an exchange by two parties in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains over the payment period. A fixed-income total return swap may be written on many different kinds of underlying reference assets, and may include different indices for various kinds of debt securities (e.g., U.S. investment grade bonds, high-yield bonds, or emerging market bonds).

During the year, the Portfolio entered into total return swaps on equity indices to increase exposure to equity risk. These total return swaps require the Portfolio to pay a floating reference interest rate, and an amount equal to the negative price movement of securities or an index multiplied by the notional amount of the contract. The Portfolio will receive payments equal to the positive price movement of the same securities or index multiplied by the notional amount of the contract and, in some cases, dividends paid on the securities.

There were no swaps held at December 31, 2019.

3. Other Investments and Strategies

Additional Investment Risk

In the aftermath of the 2007-2008 financial crisis, the financial sector experienced reduced liquidity in credit and other fixed-income markets, and an unusually high degree of volatility, both domestically and internationally. In response to the crisis, the United States and certain foreign governments, along with the U.S. Federal Reserve and certain foreign central banks, took steps to support the financial markets. For example, the enactment of the Dodd-Frank Act in 2010 provided for widespread regulation of financial institutions, consumer financial products and services, broker-dealers, over-the-counter derivatives, investment advisers, credit rating agencies, and mortgage lending, which expanded federal oversight in the financial sector, including the investment management industry. The withdrawal of this support, a failure of measures put in place to respond to the crisis, 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.

A number of countries in the European Union ("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 experienced extreme volatility and declines in asset values and liquidity. 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. The risk of investing in securities in the European markets may also be heightened due to the referendum in which the United Kingdom voted to exit the EU (commonly known as "Brexit"). There is considerable uncertainty about how Brexit will be conducted, how negotiations of necessary treaties and trade agreements will conclude, or how financial markets will react.

Certain areas of the world have historically been prone to and economically sensitive to environmental events such as, but not limited to, hurricanes, earthquakes, typhoons, flooding, tidal waves, tsunamis, erupting volcanoes, wildfires or droughts, tornadoes, mudslides, or other weather-related phenomena. Such disasters, and the resulting physical or economic damage, could have a severe and negative impact on the Portfolio's investment portfolio and, in the longer term, could impair the ability of issuers in which the Portfolio invests to conduct their businesses as they would under normal conditions. Adverse weather conditions may also have a particularly significant negative effect on issuers in the agricultural sector and on insurance companies that insure against the impact of natural disasters.

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 Janus Capital believes to be creditworthy at the time of the transaction. There is always the risk that Janus Capital'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.

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. Effective December 16, 2019, JPMorgan Chase Bank, National Association replaced Deutsche Bank AG as securities lending agent for the Portfolio. 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 custodian 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, Janus Capital 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, Janus Capital 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. Janus Capital currently intends to primarily invest the cash collateral in a cash management vehicle for which Janus Capital serves as investment adviser, Janus Henderson Cash Collateral Fund LLC. 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, Janus Capital 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, Janus Capital 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.

The cash collateral invested by Janus Capital 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.

There were no securities on loan as of December 31, 2019.

4. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital Management LLC (“Janus Capital”) an investment advisory fee which is calculated daily and paid monthly. The Portfolio’s "base" fee rate prior to any performance adjustment (expressed as an annual rate) is 0.64%.

The investment advisory fee rate is determined by calculating a base fee and applying a performance adjustment. The base fee rate is the same as the contractual investment advisory fee rate. The performance adjustment either increases or decreases the base fee depending on how well the Portfolio has performed relative to its benchmark index. The Portfolio's benchmark index used in the calculation is the Russell 1000® Growth Index.

The calculation of the performance adjustment applies as follows:

Investment Advisory Fee = Base Fee Rate +/- Performance Adjustment

The investment advisory fee rate paid to Janus Capital 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 ("Base Fee Rate"), plus or minus (2) a performance-fee adjustment ("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 performance of a Portfolio's Service Shares for the performance measurement period is used to calculate the Performance Adjustment. 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 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 year ended December 31, 2019, the performance adjusted investment advisory fee rate before any waivers and/or reimbursements of expenses is 0.69%.

Janus Services LLC ("Janus Services"), a wholly-owned subsidiary of Janus Capital, is the Portfolio's transfer agent. Janus Services 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 recordkeeping, subaccounting, order processing, or other shareholder services provided on behalf of contract holders or plan participants investing in the Portfolio. Other shareholder services may include the provision of order confirmations, periodic account statements, forwarding prospectuses, shareholder reports, and other materials to existing investors, and answering inquiries regarding accounts. Janus Services 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. Any unused portion will be reimbursed to the applicable share class at least annually.

In addition, Janus Services provides or arranges for the provision of certain other internal administrative, recordkeeping, and shareholder relations services for the Portfolio. Janus Services is not compensated for these 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 Distributors LLC ("Janus Distributors"), a wholly-owned subsidiary of Janus Capital, 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 Janus Distributors 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. Payments under the Plan are not tied exclusively to actual 12b-1 distribution and servicing fees, and the payments may exceed 12b-1 distribution and servicing fees actually incurred. If any of the Portfolio's actual 12b-1 distribution and servicing fees incurred during a calendar year are less than the payments made during a calendar year, the Portfolio will be refunded the difference. Refunds, if any, are included in "12b-1 Distribution and shareholder servicing fees" in the Statement of Operations.

Janus Capital serves as administrator to the Portfolio pursuant to an administration agreement between Janus Capital and the Trust. Under the administration agreement, Janus Capital is obligated to provide or arrange for the provision of 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 Janus Capital seeks reimbursement and such costs are not otherwise waived). In addition, employees of Janus Capital 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 Janus Capital 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 Janus Capital, and these costs are separate and apart from advisory fees and other expenses paid in connection with the investment advisory services Janus Capital (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 Janus Capital and/or its affiliates, are shared with the Portfolio. Total compensation of $40,392 was paid to the Chief Compliance Officer and certain compliance staff by the Trust during the year ended December 31, 2019. The Portfolio's portion is reported as part of "Other expenses" 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 December 31, 2019 on the Statement of Assets and Liabilities in the asset, "Non-interested Trustees' deferred compensation," and liability, "Non-interested 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 year ended December 31, 2019 are included in "Non-interested 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 $468,050 were paid by the Trust to the Trustees under the Deferred Plan during the year ended December 31, 2019.

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"). As adviser, Janus Capital 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 year ended December 31, 2019 can be found in the "Schedules of Affiliated Investments" located in the Schedule of Investments.

The Portfolio is permitted to purchase or sell securities ("cross-trade") between itself and other funds or accounts managed by Janus Capital in accordance with Rule 17a-7 under the Investment Company Act of 1940 ("Rule 17a-7"), when the transaction is consistent with the investment objectives and policies of the Portfolio and in accordance with the Internal Cross Trade Procedures adopted by the Trust's Board of Trustees. These procedures have been designed to ensure that any cross-trade of securities by the Portfolio from or to another fund or account that is or could be considered an affiliate of the Portfolio under certain limited circumstances by virtue of having a common investment adviser, common Officer, or common Trustee complies with Rule 17a-7. Under these procedures, each cross-trade is effected at the current market price to save costs where allowed. During the year ended December 31, 2019, the Portfolio engaged in cross trades amounting to $2,096,751 in purchases.

5. Federal Income Tax

The tax components of capital shown in the table below represent: (1) distribution requirements the Portfolio must satisfy under the income tax regulations; (2) losses or deductions the Portfolio may be able to offset against income and gains realized in future years; and (3) unrealized appreciation or depreciation of investments for federal income tax purposes.

Other book to tax differences primarily consist of deferred compensation. 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.

			Loss Deferrals		Other Book	Net Tax
Undistributed Ordinary Income	*Undistributed Long-Term Gains*	*Accumulated Capital Losses*	*Late-Year Ordinary Loss*	*Post-October Capital Loss*	*to Tax Differences*	*Appreciation/ (Depreciation)*
$ 6,253,442	$ 65,584,890	$ -	$ -	$ -	$ (20,116)	$356,070,928

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of December 31, 2019 are noted below. The primary difference between book and tax appreciation or depreciation of investments are wash sale loss deferrals and investments in partnerships.

Federal Tax Cost	*Unrealized Appreciation*	*Unrealized (Depreciation)*	*Net Tax Appreciation/ (Depreciation)*
$ 532,071,104	$358,487,404	$ (2,416,476)	$ 356,070,928

Income and capital gains distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, and capital loss carryovers. Certain permanent differences such as tax returns of capital and net investment losses noted below have been reclassified to capital.

For the year ended December 31, 2019

Distributions			
From Ordinary Income	*From Long-Term Capital Gains*	*Tax Return of Capital*	*Net Investment Loss*
$ 618,837	$ 69,329,314	$ -	$ -

For the year ended December 31, 2018

Distributions			
From Ordinary Income	*From Long-Term Capital Gains*	*Tax Return of Capital*	*Net Investment Loss*
$ 9,774,498	$ 105,016,412	$ -	$ -

Permanent book to tax basis differences may result in reclassifications between the components of net assets. These differences have no impact on the results of operations or net assets. The following reclassifications have been made to the Portfolio:

Increase/(Decrease) to Capital	*Increase/(Decrease) to Undistributed Net Investment Income/Loss*	*Increase/(Decrease) to Undistributed Net Realized Gain/Loss*
$ -	$ 1,826,142	$ (1,826,142)

6. Capital Share Transactions

	Year ended December 31, 2019		Year ended December 31, 2018	
	Shares	Amount	Shares	Amount
Institutional Shares:				
Shares sold	1,174,768	$ 48,016,950	809,869	$33,052,337
Reinvested dividends and distributions	703,924	27,749,524	1,145,241	44,744,555
Shares repurchased	(2,021,587)	(81,985,824)	(1,434,162)	(57,961,060)
Net Increase/(Decrease)	(142,895)	$ (6,219,350)	520,948	$19,835,832
Service Shares:				
Shares sold	919,315	$ 34,835,599	1,082,691	$41,434,913
Reinvested dividends and distributions	1,143,734	42,198,627	1,900,851	70,046,355
Shares repurchased	(2,307,562)	(88,696,336)	(2,434,969)	(92,751,165)
Net Increase/(Decrease)	(244,513)	$(11,662,110)	548,573	$18,730,103

7. Purchases and Sales of Investment Securities

For the year ended December 31, 2019, 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:

Purchases of Securities	Proceeds from Sales of Securities	Purchases of Long-Term U.S. Government Obligations	Proceeds from Sales of Long-Term U.S. Government Obligations
$284,331,463	$ 361,487,663	$ -	$ -

8. Recent Accounting Pronouncements

The FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820),* in August 2018. The new guidance removes, modifies and enhances the disclosures to Topic 820. For public entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. An entity is permitted, and Management has decided, to early adopt the removed and modified disclosures in these financial statements.

9. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to December 31, 2019 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
Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Janus Aspen Series and Shareholders of Janus Henderson VIT Forty Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Janus Henderson VIT Forty Portfolio (one of the portfolios constituting Janus Aspen Series, referred to hereafter as the "Portfolio") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statements of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Portfolio’s management. Our responsibility is to express an opinion on the Portfolio’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian and transfer agent. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Denver, Colorado
February 14, 2020

We have served as the auditor of one or more investment companies in Janus Henderson Funds since 1990.

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; 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 and from the SEC's website at http://www.sec.gov.

Full Holdings

The Portfolio is required to disclose its complete holdings 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 Portfolio shareholders. Historically, the Portfolio filed its complete portfolio holdings (schedule of investments) with the SEC for the first and third quarters each fiscal year on Form N-Q. The Portfolio's Form N-PORT and Form N-Q filings: (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. Holdings are generally posted approximately two business days thereafter under Full Holdings for the Portfolio at 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 (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 agreements for the Janus Henderson Funds that utilize subadvisers.

In connection with their most recent consideration of those agreements for each Janus Henderson Fund, the Trustees received and reviewed information provided by Janus Capital and the respective subadvisers 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 a meeting held on December 5, 2019, based on the Trustees' evaluation of the information provided by Janus Capital, the subadvisers, and the independent fee consultant, as well as other information, the Trustees determined that the overall arrangements between each Janus Henderson Fund and Janus Capital and each subadviser, as applicable, were fair and reasonable in light of the nature, extent and quality of the services provided by Janus Capital, its affiliates and the subadvisers, the fees charged for those services, and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting, the Trustees 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, 2020 through February 1, 2021, 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 Janus Capital and the subadvisers 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 basis and their ongoing review of information related to the Janus Henderson Funds. In addition, the Trustees reviewed the resources and key personnel of Janus Capital and each 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 Janus Capital or the subadvisers, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions. The Trustees considered Janus Capital's role as administrator to the Janus Henderson Funds, noting that Janus Capital generally does not receive a fee for its services but is reimbursed for its out-of-pocket costs. The Trustees considered the role of Janus Capital 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 Janus Capital 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, Janus Capital is a capable provider of those services. The independent fee consultant also provided its belief that Janus Capital 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 Janus Capital or 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 Janus Capital and each subadviser had sufficient personnel, with the appropriate education and experience, to serve the Janus Henderson Funds effectively and 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, 2019, approximately 69% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar, and for the 12 months ended September 30, 2019, approximately 71% of the Janus Henderson Funds were in the top two quartiles of performance, as reported by Morningstar.

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, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Enterprise Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Flexible Bond Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital had taken or was taking to improve performance.

- For Janus Henderson Forty Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Global Research Portfolio, the Trustees noted that the Fund's performance was in the bottom Broadridge quartile for the 36 months ended May 31, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. 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 Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's performance was in the first Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019.
- For Janus Henderson Mid Cap Value Portfolio, the Trustees noted that the Fund's performance was in the second Broadridge quartile for the 36 months ended May 31, 2019 and the third Broadridge quartile for the 12 months ended May 31, 2019.
- 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, 2019 and the bottom Broadridge quartile for the 12 months ended May 31, 2019.
- 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, 2019 and the second Broadridge quartile for the 12 months ended May 31, 2019. 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 Janus Capital had taken or was taking to improve performance, and that the performance trend was improving
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's performance was in the third Broadridge quartile for the 36 months ended May 31, 2019 and the first Broadridge quartile for the 12 months ended May 31, 2019. The Trustees noted the reasons for the Fund's underperformance and the steps Janus Capital and Intech had taken or were taking to improve performance, and the performance trend was improving.

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 and any administration, 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 Janus Capital out of its management fees collected from such Janus Henderson Fund.

The independent fee consultant provided its belief that the management fees charged by Janus Capital to each of the Janus Henderson Funds under the current investment advisory and administration agreements are reasonable in relation to the services provided by Janus Capital. The independent fee consultant found: (1) the total expenses and management fees of the Janus Henderson Funds to be reasonable relative to other mutual funds; (2) the total expenses, on average, were 10% under the average total expenses of their respective Broadridge Expense Group peers; and (3) and the management fees for the Janus Henderson Funds, on average, were 7% under the average management fees for their Expense Groups. 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 peers 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 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 Janus Capital and each 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 Janus Capital and each subadviser to comparable separate account clients and to comparable non-affiliated funds subadvised by Janus Capital or by a subadviser (for which Janus Capital 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 Janus Capital noted that, under the terms of the management agreements with the Janus Henderson Funds, Janus Capital 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, Janus Capital assumes many legal risks and other costs that it does not assume in servicing its other clients. Moreover, they noted that the independent fee consultant found that: (1) the management fees Janus Capital charges to the Janus Henderson Funds are reasonable in relation to the management fees Janus Capital charges to funds subadvised by Janus Capital and to the fees Janus Capital charges to its institutional separate account clients; (2) these subadvised and institutional separate accounts have different service and infrastructure needs; and (3) Janus Henderson mutual fund investors enjoy reasonable fees relative to the fees charged to Janus Henderson subadvised fund and separate account investors; (4) 11 of 12 Janus Henderson Funds have lower management fees than similar funds subadvised by Janus Capital; and (5) six of nine Janus Henderson Funds have lower management fees than similar separate accounts managed by Janus Capital.

The Trustees considered the fees for each Janus Henderson Fund for its fiscal year ended in 2018, 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 average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital 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 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 the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Global Technology Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average 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 average for one share class, overall the Fund's total expenses were reasonable. The Trustees also noted that Janus Capital 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 the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson Research Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for both share classes.
- For Janus Henderson U.S. Low Volatility Portfolio, the Trustees noted that the Fund's total expenses were below the peer group average for its sole share class.

The Trustees reviewed information on the overall profitability to Janus Capital and its affiliates of their relationship 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 Janus Capital from the investment management services it provided to each Janus Henderson Fund. In their review, the Trustees considered whether Janus Capital and each 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 Janus Capital 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 Janus Capital were reasonable and (2) no clear correlation 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 Janus Capital'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 Janus Capital and its affiliates, as well as the fees paid by Janus Capital to the subadvisers 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 Janus Capital and the subadvisers 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 Janus Capital and any subadviser, the investment performance of the Janus Henderson Fund, and any expense limitations agreed to or provided by Janus Capital.

Economies of Scale

The Trustees considered information about the potential for Janus Capital 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 base fixed rate as a percentage of net assets, without any breakpoints or performance fees, their independent fee consultant concluded that 64% of these Janus Henderson Funds' share classes have contractual management fees (gross of waivers) below their Broadridge expense group averages. They also noted the following: (1) that for those Janus Henderson Funds whose expenses are being reduced by the contractual expense limitations of Janus Capital, Janus Capital is subsidizing certain of these Janus Henderson Funds because they have not reached adequate scale; (2) as the assets of some of the Janus Henderson Funds have declined in the past few years, certain Janus Henderson Funds have benefited from having advisory fee rates that have remained constant rather than increasing as assets declined; (3) performance fee structures have been implemented for various Janus Henderson Funds that have caused the effective rate of advisory fees payable by such a

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 (4) 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 lower charges of third-party service providers that are based in part on the combined scale of all of the Janus Henderson Funds.

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 Janus Capital, Janus Capital'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, Janus Capital appeared to be investing to increase the likelihood that these Janus Henderson Funds will grow to a level to achieve any scale economies 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 Janus Capital.

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 Janus Capital 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 Janus Capital

The Trustees also considered benefits that accrue to Janus Capital and its affiliates and subadvisers to the Janus Henderson Funds from their relationships with the Janus Henderson Funds. They recognized that two affiliates of Janus Capital 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 Janus Capital and its affiliates that results from their relationship with the Janus Henderson Funds. The Trustees also considered Janus Capital'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 Janus Capital and/or Janus Capital, and/or a subadviser to a Janus Henderson Fund. The Trustees concluded that Janus Capital's and the subadvisers' 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 Janus Capital and its affiliates and subadvisers pursuant to the agreements and the fees to be paid by each Janus Henderson Fund therefor, the Janus Henderson Funds and Janus Capital and the subadvisers may potentially benefit from their relationship with each other in other ways. They concluded that Janus Capital 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 Janus Capital and its affiliates. They also concluded that Janus Capital and/or the subadvisers 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 Janus Capital's and/or the subadvisers' receipt of those products and services as well as research products and services acquired through commissions paid by other clients of Janus Capital and/or other clients of the subadvisers. They further concluded that the success of any Janus Henderson Fund could attract other business to Janus Capital, the subadvisers or other Janus Henderson funds, and that the success of Janus Capital and the subadvisers could enhance Janus Capital's and the subadvisers' ability to serve the Janus Henderson Funds.

Useful Information About Your Portfolio Report (unaudited)

Management Commentary

The Management Commentary in this report includes valuable insight as well as statistical information to help you understand how your Portfolio's performance and characteristics stack up against those of comparable indices.

If the Portfolio invests in foreign securities, this report may include information about country exposure. Country exposure is based primarily on 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.

Please keep in mind that the opinions expressed in the Management Commentary are just that: opinions. They are a reflection based on best judgment at the time this report was compiled, which was December 31, 2019. As the investing environment changes, so could opinions. These views are unique and are not necessarily shared by fellow employees or by Janus Henderson in general.

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 Janus Capital 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. The Portfolio's Schedule of Investments relies upon the industry group and country classifications published by Barclays 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.

Janus Henderson VIT Forty Portfolio
Useful Information About Your Portfolio Report (unaudited)

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.

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. If you compare the Portfolio's "Net Decrease from Dividends and Distributions" to "Reinvested Dividends and Distributions," you will notice that dividends and distributions have little effect on the Portfolio's net assets. This is because the majority of the Portfolio's investors reinvest their dividends and/or distributions.

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.

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
Designation Requirements (unaudited)

For federal income tax purposes, the Portfolio designated the following for the year ended December 31, 2019:

Capital Gain Distributions	$69,329,314
Dividends Received Deduction Percentage	100%

Janus Henderson VIT Forty Portfolio
Trustees and Officers (unaudited)

The Portfolio's Statement of Additional Information includes additional information about the Trustees and officers and is available, without charge, by calling 1-877-335-2687.

The following are the Trustees and officers of the Trust, together with a brief description of their principal occupations during the last five years (principal occupations for certain Trustees may include periods over five years).

Each Trustee has served in that capacity since he or she was originally elected or appointed. The Trustees do not serve a specified term of office. Each Trustee will hold office until the termination of the Trust or his or her earlier death, resignation, retirement, incapacity, or removal. Under the Portfolio's Governance Procedures and Guidelines, the policy is for Trustees to retire no later than the end of the calendar year in which the Trustee turns 75. The Trustees review the Portfolio's Governance Procedures and Guidelines from time to time and may make changes they deem appropriate. The Portfolio's Nominating and Governance Committee will consider nominees for the position of Trustee recommended by shareholders. Shareholders may submit the name of a candidate for consideration by the Committee by submitting their recommendations to the Trust's Secretary. Each Trustee is currently a Trustee of one other registered investment company advised by Janus Capital: Janus Investment Fund. Collectively, these two registered investment companies consist of 58 series or funds referred to herein as the Fund Complex.

The Trust's officers are elected annually by the Trustees for a one-year term. Certain officers also serve as officers of Janus Investment Fund. Certain officers of the Portfolio may also be officers and/or directors of Janus Capital. Except as otherwise disclosed, Portfolio officers receive no compensation from the Portfolio, except for the Portfolio's Chief Compliance Officer, as authorized by the Trustees.

Janus Henderson VIT Forty Portfolio
Trustees and Officers (unaudited)

TRUSTEES

Name, Address, and Age	Positions Held with the Trust	Length of Time Served	Principal Occupations During the Past Five Years	Number of Portfolios/Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Independent Trustees					
William F. McCalpin 151 Detroit Street Denver, CO 80206 DOB: 1957	Chairman Trustee	1/08-Present 6/02-Present	Independent Consultant. Formerly, Managing Partner, Impact Investments, Athena Capital Advisors LLC (independent registered investment advisor) (2016-2019), Managing Director, Holos Consulting LLC (provides consulting services to foundations and other nonprofit organizations) (2009-2016), Chief Executive Officer, Imprint Capital Advisors (impact investment firm) (2013-2015), and Executive Vice President and Chief Operating Officer of The Rockefeller Brothers Fund (a private family foundation) (1998-2006).	58	Director of Mutual Fund Directors Forum (a non-profit organization serving independent directors of U.S. mutual funds) (since 2016), Chairman of the Board and Trustee of The Investment Fund for Foundations Investment Program (TIP) (consisting of 2 funds) (since 2008), and Director of the F.B. Heron Foundation (a private grantmaking foundation) (since 2006).

TRUSTEES

Name, Address, and Age	Positions Held with the Trust	Length of Time Served	Principal Occupations During the Past Five Years	Number of Portfolios/Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Independent Trustees					
Alan A. Brown 151 Detroit Street Denver, CO 80206 DOB: 1962	Trustee	1/13-Present	Principal, Curam Holdings LLC (since 2018). Formerly, Executive Vice President, Institutional Markets, of Black Creek Group (private equity real estate investment management firm) (2012-2018), Executive Vice President and Co-Head, Global Private Client Group (2007-2010), Executive Vice President, Mutual Funds (2005-2007), and Chief Marketing Officer (2001-2005) of Nuveen Investments, Inc. (asset management).	58	Director of WTTW (PBS affiliate) (since 2003). Formerly, Director of MotiveQuest LLC (strategic social market research company) (2003-2016), Director of Nuveen Global Investors LLC (2007-2011), Director of Communities in Schools (2004-2010), and Director of Mutual Fund Education Alliance (until 2010).

Janus Henderson VIT Forty Portfolio
Trustees and Officers (unaudited)

TRUSTEES

Name, Address, and Age	Positions Held with the Trust	Length of Time Served	Principal Occupations During the Past Five Years	Number of Portfolios/Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Independent Trustees					
William D. Cvengros 151 Detroit Street Denver, CO 80206 DOB: 1948	Trustee	1/11-Present	Chief Executive Officer of SJC Capital, LLC (a personal investment company and consulting firm) (since 2002). Formerly, Venture Partner for The Edgewater Funds (a middle market private equity firm) (2002-2004), Chief Executive Officer and President of PIMCO Advisors Holdings L.P. (a publicly traded investment management firm) (1994-2000), and Chief Investment Officer (1987-1994) and Vice Chairman and Director (1990-1994) of Pacific Life Insurance Company (a mutual life insurance and annuity company) (1987-1994).	58	Advisory Board Member, RevOZ Fund LP and related funds (real estate investments for opportunity zones) (since 2020), Advisory Board Member, Innovate Partners Emerging Growth and Equity Fund I (early stage venture capital fund) (since 2014). Formerly, Managing Trustee of National Retirement Partners Liquidating Trust (2013-2016), Chairman, National Retirement Partners, Inc. (formerly a network of advisors to 401(k) plans) (2005-2013), Director of Prospect Acquisition Corp. (a special purpose acquisition corporation) (2007-2009), Director of RemedyTemp, Inc. (temporary help services company) (1996-2006), and Trustee of PIMCO Funds Multi-Manager Series (1990-2000) and Pacific Life Variable Life & Annuity Trusts (1987-1994).

TRUSTEES

Name, Address, and Age	Positions Held with the Trust	Length of Time Served	Principal Occupations During the Past Five Years	Number of Portfolios/Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Independent Trustees					
Raudline Etienne 151 Detroit Street Denver, CO 80206 DOB: 1965	Trustee	6/16-Present	Founder, Daraja Capital (advisory and investment firm) (since 2016), and Senior Advisor, Albright Stonebridge Group LLC (global strategy firm) (since 2016). Formerly, Senior Vice President (2011-2015), Albright Stonebridge Group LLC, and Deputy Comptroller and Chief Investment Officer, New York State Common Retirement Fund (public pension fund) (2008-2011).	58	Board Member, Van Alen Institute (nonprofit architectural and design organization) (since 2019) and Director of Brightwood Capital Advisors, LLC (since 2014).
William M. Fitzgerald, Sr. 151 Detroit Street Denver, CO 80206 DOB: 1964	Trustee	9/19-Present	Founder, Fitzgerald Asset Management LLC (since 2012). Formerly, Founder and Chief Investment Officer, Global Infrastructure Asset Management LLC (2008-2017), Chief Investment Officer of Nuveen Asset Management (2000-2007), and Managing Director, Nuveen Investment LLC (1988-2007).	58	Board of Directors, Municipal Securities Rulemaking Board (since 2017). Formerly, Board of Directors of Syncora Holdings Ltd, Syncora Guarantee Inc., and Syncora Capital Assurance Inc. (2009-2016), and Trustee, Destra Investment Trust (2010-2014).

Janus Henderson VIT Forty Portfolio
Trustees and Officers (unaudited)

TRUSTEES

Name, Address, and Age	Positions Held with the Trust	Length of Time Served	Principal Occupations During the Past Five Years	Number of Portfolios/Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Independent Trustees					
Gary A. Poliner 151 Detroit Street Denver, CO 80206 DOB: 1953	Trustee	6/16-Present	Retired. Formerly, President (2010-2013) of Northwestern Mutual Life Insurance Company.	58	Director of MGIC Investment Corporation (private mortgage insurance) (since 2013) and West Bend Mutual Insurance Company (property/casualty insurance) (since 2013). Formerly, Trustee of Northwestern Mutual Life Insurance Company (2010-2013) and Director of Frank Russell Company (global asset management firm) (2008-2013).
William D. Stewart* 151 Detroit Street Denver, CO 80206 DOB: 1944	Trustee	6/84-Present	Retired. Formerly, President and founder of HPS Products and Corporate Vice President of MKS Instruments, Boulder, CO (a provider of advanced process control systems for the semiconductor industry) (1976-2012).	58	None

*William D. Stewart retired from his role as Independent Trustee, effective December 31, 2019.

Janus Henderson VIT Forty Portfolio
Trustees and Officers (unaudited)

TRUSTEES

Name, Address, and Age	Positions Held with the Trust	Length of Time Served	Principal Occupations During the Past Five Years	Number of Portfolios/Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Independent Trustees					
Diane L. Wallace 151 Detroit Street Denver, CO 80206 DOB: 1958	Trustee	6/17-Present	Retired.	58	Formerly, Independent Trustee, Henderson Global Funds (13 portfolios) (2015-2017), Independent Trustee, State Farm Associates' Funds Trust, State Farm Mutual Fund Trust, and State Farm Variable Product Trust (28 portfolios) (2013-2017), Chief Operating Officer, Senior Vice President-Operations, and Chief Financial Officer for Driehaus Capital Management, LLC (1988-2006), and Treasurer for Driehaus Mutual Funds (1996-2002).
Linda S. Wolf 151 Detroit Street Denver, CO 80206 DOB: 1947	Trustee	11/05-Present	Retired. Formerly, Chairman and Chief Executive Officer of Leo Burnett (Worldwide) (advertising agency) (2001-2005).	58	Director of Chicago Community Trust (Regional Community Foundation), Lurie Children's Hospital (Chicago, IL), Shirley Ryan Ability Lab and Wrapports, LLC (digital communications company). Formerly, Director of Chicago Council on Global Affairs (until 2019), InnerWorkings (until 2019), Director of Walmart (until 2017), Director of Chicago Convention & Tourism Bureau (until 2014), and The Field Museum of Natural History (Chicago, IL) (until 2014).

Janus Henderson VIT Forty Portfolio
Trustees and Officers (unaudited)

OFFICERS

Name, Address, and Age	Positions Held with the Trust	Term of Office* and Length of Time Served	Principal Occupations During the Past Five Years
A. Douglas Rao 151 Detroit Street Denver, CO 80206 DOB: 1974	Executive Vice President and Co-Portfolio Manager Janus Henderson Forty Portfolio	6/13-Present	Portfolio Manager for other Janus Henderson accounts.
Nick Schommer 151 Detroit Street Denver, CO 80206 DOB: 1978	Executive Vice President and Co-Portfolio Manager Janus Henderson Forty Portfolio	1/16-Present	Portfolio Manager for other Janus Henderson accounts.
Bruce L. Koepfgen 151 Detroit Street Denver, CO 80206 DOB: 1952	President and Chief Executive Officer	7/14-Present	Executive Vice President, Head of North America at Janus Henderson Investors and Janus Capital Management LLC (since 2017), Executive Vice President and Director of Janus International Holding LLC (since 2011), Executive Vice President of Janus Distributors LLC (since 2011), Vice President and Director of Intech Investment Management LLC (since 2011), Executive Vice President and Director of Perkins Investment Management LLC (since 2011), and President and Director of Janus Management Holdings Corporation (since 2011). Formerly, President of Janus Capital Group Inc. and Janus Capital Management LLC (2013-2017), Executive Vice President of Janus Services LLC (2011-2015), Janus Capital Group Inc. and Janus Capital Management LLC (2011-2013), and Chief Financial Officer of Janus Capital Group Inc., Janus Capital Management LLC, Janus Distributors LLC, Janus Management Holdings Corporation, and Janus Services LLC (2011-2013).

* Officers are elected at least annually by the Trustees for a one-year term and may also be elected from time to time by the Trustees for an interim period.

Janus Henderson VIT Forty Portfolio
Trustees and Officers (unaudited)

OFFICERS

Name, Address, and Age	Positions Held with the Trust	Term of Office* and Length of Time Served	Principal Occupations During the Past Five Years
Susan K. Wold 151 Detroit Street Denver, CO 80206 DOB: 1960	Vice President, Chief Compliance Officer, and Anti-Money Laundering Officer	9/17-Present	Head of Compliance, North America for Janus Henderson (since September 2017). Formerly, Vice President, Head of Global Corporate Compliance, and Chief Compliance Officer for Janus Capital Management LLC (May 2017-September 2017), Vice President, Compliance at Janus Capital Group Inc. and Janus Capital Management LLC (2005-2017).
Jesper Nergaard 151 Detroit Street Denver, CO 80206 DOB: 1962	Chief Financial Officer Vice President, Treasurer, and Principal Accounting Officer	3/05-Present 2/05-Present	Vice President of Janus Capital and Janus Services LLC.
Kathryn L. Santoro 151 Detroit Street Denver, CO 80206 DOB: 1974	Vice President, Chief Legal Counsel, and Secretary	12/16-Present	Assistant General Counsel of Janus Capital (since 2016). Formerly, Vice President and Associate Counsel of Curian Capital, LLC and Curian Clearing LLC (2013-2016), and General Counsel and Secretary (2011-2012) and Vice President (2009-2012) of Old Mutual Capital, Inc.

* Officers are elected at least annually by the Trustees for a one-year term and may also be elected from time to time by the Trustees for an interim period.

Notes

Janus Henderson VIT Forty Portfolio
Notes

Knowledge. Shared

At Janus Henderson, we believe in the sharing of expert insight for better investment and business decisions. We call this ethos Knowledge. Shared.

Learn more by visiting janushenderson.com.

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.

Janus Henderson Distributors

109-02-81115 02-20

PIMCO

PIMCO VARIABLE INSURANCE TRUST

Annual Report

December 31, 2019

PIMCO International Bond Portfolio (U.S. Dollar-Hedged)

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Portfolio's annual and semi-annual shareholder reports will no longer be sent by mail from the insurance company that offers your contract unless you specifically request paper copies of the reports from the insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a website, and the insurance company will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company electronically by following the instructions provided by the insurance company.

You may elect to receive all future reports in paper free of charge from the insurance company. You should contact the insurance company if you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all portfolio companies available under your contract at the insurance company.

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Table of Contents

Dear PIMCO Variable Insurance Trust Shareholder,

Following this letter is the PIMCO Variable Insurance Trust Annual Report, which covers the 12-month reporting period ended December 31, 2019. On the subsequent pages, you will find specific details regarding investment results and discussion of the factors that most affected performance during the reporting period.

For the 12-month reporting period ended December 31, 2019

The U.S. economy continued to expand during the reporting period. U.S. gross domestic product ("GDP") grew at an annual pace of 3.1% and 2.0% during the first and second quarters of 2019, respectively. For the third quarter of 2019, GDP growth rose to an annual pace of 2.1%. Finally, the Commerce Department's initial reading for fourth quarter 2019 GDP, released after the reporting period ended, showed that the U.S. economy grew at a 2.1% annual pace.

After raising rates four times in 2018, the Federal Reserve (the "Fed") reversed course and had a "dovish pivot." At the Fed's meeting in January 2019, the central bank tapered its expectations for the pace of rate hikes in 2019. Then, after the Fed's meeting in June 2019, Fed Chair Jerome Powell said, "The case for somewhat more accommodative policy has strengthened." Following the Fed's meeting that concluded on July 31, 2019, the Fed lowered the federal funds rate by 0.25% to a range between 2.00% and 2.25%. This represented the Fed's first rate cut since 2008. At the Fed's meeting that ended on September 18, 2019, the Fed again reduced the federal funds rate by 0.25% to a range between 1.75% and 2.00%. Finally, at the Fed's meeting that concluded on October 30, 2019, the Fed lowered the federal funds rate to a range between 1.50% and 1.75%.

Economic activity outside the U.S. continued to expand, but the pace of expansion generally moderated. According to the International Monetary Fund's ("IMF") January 2020 *World Economic Outlook Update*, released after the reporting period ended, global growth is projected to have been 2.9% in 2019, versus 3.6% in 2018. From a regional perspective, the IMF expects the U.S. economy to expand 2.3% in 2019, compared to 2.9% in the prior calendar year. Elsewhere, the IMF anticipates that 2019 GDP growth in the eurozone, U.K. and Japan will be 1.2%, 1.3% and 1.0%, respectively. For comparison purposes, these economies expanded 1.9%, 1.3% and 0.3%, respectively, in 2018.

Against this backdrop, in September 2019, the European Central Bank (the "ECB") cut its deposit rate from -0.4% to -0.5% — a record low — and restarted bond purchases of €20 billion a month in November 2019. Elsewhere, the Bank of Japan largely maintained its highly accommodative monetary policies. The Bank of England kept rates on hold, although there was speculation that it may reduce rates given uncertainties related to Brexit. However, in December 2019, Prime Minister Boris Johnson won the general election, likely paving the way for a faster Brexit resolution.

The U.S. Treasury yield curve steepened as two-year Treasury rates declined more than their 10-year counterparts. In our view, falling rates were partially due to signs of moderating global growth, the Fed's dovish pivot and periods of investor risk aversion. The yield on the benchmark 10-year U.S. Treasury note was 1.92% at the end of the reporting period, versus 2.69% on December 31, 2018. The Bloomberg Barclays Global Treasury Index (USD Hedged), which tracks fixed-rate, local-currency government debt of investment grade countries, including both developed and emerging markets, returned 7.25%. Meanwhile, the Bloomberg Barclays Global Aggregate Credit Index (USD Hedged), a widely used index of global investment grade bonds, returned 11.85%. Riskier fixed income asset classes, including high yield corporate bonds and emerging market debt, also generated positive results. The ICE BofAML Developed Markets High Yield Constrained Index (USD Hedged), a widely used index of below investment grade bonds, returned 14.53%, whereas emerging market external debt, as represented by the JPMorgan Emerging Markets Bond Index (EMBI) Global (USD Hedged), returned 14.42%. Emerging market local bonds, as represented by the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged), returned 13.47%.

Global equities produced positive results and, despite periods of volatility, U.S. equities rose sharply. We believe the increase in U.S. equities was driven by a number of factors, including corporate profits that often exceeded lowered expectations, a more accommodative Fed, and the "Phase 1" trade agreement between the U.S. and China. All told, U.S. equities, as represented by the S&P 500 Index, returned 31.49%. Emerging market equities, as measured by the MSCI Emerging Markets Index, returned 18.42%, whereas global equities, as represented by the MSCI World Index, returned 27.67%. Meanwhile, Japanese equities, as represented by the Nikkei 225 Index (in JPY), returned 20.69% and European equities, as represented by the MSCI Europe Index (in EUR), returned 26.05%.

Commodity prices fluctuated, but generally rose during the reporting period. When the reporting period began, Brent crude oil was approximately $54 a barrel. It rose to roughly $66 a barrel at the end of the period. Elsewhere, copper and gold prices moved higher.

Finally, there were periods of volatility in the foreign exchange markets, due in part, in our view, to signs of moderating global growth, trade conflicts, and changing central bank monetary policies, along with a number of geopolitical events. The U.S. dollar returned 2.22% versus the euro, but the U.S. dollar fell 0.99% and 3.94% versus the yen and the British pound, respectively.

Thank you for the assets you have placed with us. We deeply value your trust, and we will continue to work diligently to meet your broad investment needs.

Sincerely,

Peter G. Strelow
Chairman of the Board
PIMCO Variable Insurance Trust

Past performance is no guarantee of future results. Unless otherwise noted, index returns reflect the reinvestment of income distributions and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. It is not possible to invest directly in an unmanaged index.

PIMCO Variable Insurance Trust (the "Trust") is an open-end management investment company that includes the PIMCO International Bond Portfolio (U.S. Dollar-Hedged) (the "Portfolio"). The Portfolio is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies ("Variable Contracts"). Individuals may not purchase shares of the Portfolio directly. Shares of the Portfolio also may be sold to qualified pension and retirement plans outside of the separate account context.

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates may trend upward, rising rates would negatively impact the performance of most bond funds, and fixed income securities and other instruments held by the Portfolio are likely to decrease in value. A wide variety of factors can cause interest rates or yields of U.S. Treasury securities (or yields of other types of bonds) to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). In addition, changes in interest rates can be sudden and unpredictable, and there is no guarantee that management will anticipate such movement accurately. The Portfolio may lose money as a result of movements in interest rates.

As of the date of this report, interest rates in the United States and many parts of the world, including certain European countries, are at or near historically low levels. Thus, the Portfolio currently faces a heightened level of risk associated with rising interest rates and/or bond yields. This could be driven by a variety of factors, including but not limited to central bank monetary policies, changing inflation or real growth rates, general economic conditions, increasing bond issuances or reduced market demand for low yielding investments. Further, while bond markets have steadily grown over the past three decades, dealer inventories of corporate bonds are near historic lows in relation to market size. As a result, there has been a significant reduction in the ability of dealers to "make markets."

Bond funds and individual bonds with a longer duration (a measure used to determine the sensitivity of a security's price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets or negatively impact the Portfolio's performance or cause the Portfolio to incur losses. As a result, the Portfolio may experience increased shareholder redemptions which, among other things, could further reduce the net assets of the Portfolio.

The Portfolio may be subject to various risks as described in the Portfolio's prospectus and in the Principal Risks in the Notes to Financial Statements.

Classifications of the Portfolio's portfolio holdings in this report are made according to financial reporting standards. The classification of a particular portfolio holding as shown in the Allocation Breakdown and Schedule of Investments sections of this report may differ from the classification used for the Portfolio's compliance calculations, including those used in the Portfolio's prospectus, investment objectives, regulatory, and other investment limitations and policies, which may be based on different asset class, sector or geographical classifications. The Portfolio is separately monitored for compliance with respect to prospectus and regulatory requirements.

The geographical classification of foreign (non-U.S.) securities in this report, if any, are classified by the country of incorporation of a holding. In certain instances, a security's country of incorporation may be different from its country of economic exposure.

The United States presidential administration's enforcement of tariffs on goods from other countries, with a focus on China, has contributed to international trade tensions and may impact portfolio securities.

The Portfolio may have significant exposure to issuers in the United Kingdom. The United Kingdom's decision to leave the European Union may impact Portfolio returns. This decision may cause substantial volatility in foreign exchange markets, lead to weakness in the exchange rate of the British pound, result in a sustained period of market uncertainty, and destabilize some or all of the other European Union member countries and/or the Eurozone.

The Portfolio may invest in certain instruments that rely in some fashion upon the London Interbank Offered Rate ("LIBOR"). LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. The transition may result in a reduction in the value of certain instruments held by the Portfolio or a reduction in the effectiveness of related Portfolio transactions such as hedges. There remains uncertainty regarding future utilization of LIBOR and the nature of any replacement rate (e.g., the Secured Overnight Financing Rate, which is intended to replace U.S. dollar LIBOR and measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities), and any potential effects of the transition away from LIBOR on the Portfolio or on certain instruments in which the Portfolio invests are not known and could result in losses to the Portfolio.

Under the direction of the Federal Housing Finance Agency, the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") have entered into a joint initiative to develop a common securitization platform for the issuance of a uniform mortgage-backed security (the "Single Security Initiative") that aligns the characteristics of FNMA and FHLMC certificates. The Single Security Initiative was implemented on June 3, 2019, and the effects it may have on the market for mortgage-backed securities are uncertain.

On the Portfolio Summary page in this Shareholder Report, the Average Annual Total Return table and Cumulative Returns chart measure performance assuming that any dividend and capital gain distributions were reinvested. The Cumulative Returns chart reflects only Administrative Class performance. Performance may vary by share class based on each class's expense ratios. The Portfolio measures its performance against at least one broad-based securities market index ("benchmark index"). The benchmark index does not take into account fees, expenses, or taxes. The Portfolio's past performance, before and after taxes, is not necessarily an indication of how the Portfolio will perform in the future. There is no assurance that the Portfolio, even if the Portfolio has experienced high or unusual performance for one or more periods, will experience similar levels of performance in the future. High performance is defined as a significant increase in either 1) the Portfolio's total return in excess of that of the Portfolio's benchmark between reporting periods or 2) the Portfolio's total return in excess of the Portfolio's historical returns between reporting periods. Unusual performance is defined as a significant change in the Portfolio's performance as compared to one or more previous reporting periods. Historical performance for the Portfolio or a share class thereof may have been positively impacted by fee waivers or expense limitations in place during some or all of the periods shown, if applicable. Future performance (including total return or yield) and distributions may be negatively impacted by the expiration or reduction of any such fee waivers or expense limitations.

The following table discloses the inception dates of the Portfolio and its share classes along with the Portfolio's diversification status as of period end:

Portfolio Name	Portfolio Inception	Institutional Class	Administrative Class	Advisor Class	Diversification Status
PIMCO International Bond Portfolio (U.S. Dollar-Hedged)	02/16/99	04/10/00	02/16/99	04/30/14	Non-diversified

An investment in the Portfolio is not a bank deposit and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Portfolio.

The Trustees are responsible generally for overseeing the management of the Trust. The Trustees authorize the Trust to enter into service agreements with the Adviser, the Distributor, the Administrator and other service providers in order to provide, and in some cases authorize service providers to procure through other parties, necessary or desirable services on behalf of the Trust and the Portfolio. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither this Portfolio's prospectus nor summary prospectus, the Trust's Statement of Additional Information ("SAI"), any contracts filed as exhibits to the Trust's registration statement, nor any other communications, disclosure documents or regulatory filings (including this report) from or on behalf of the Trust or the Portfolio creates a contract between or among any shareholder of the Portfolio, on the one hand, and the Trust, the Portfolio, a service provider to the Trust or the Portfolio, and/or the Trustees or officers of the Trust, on the other hand. The Trustees (or the Trust and its officers, service providers or other delegates acting under authority of the Trustees) may amend the most recent prospectus or use a new prospectus, summary prospectus or SAI with respect to the Portfolio or the Trust, and/or amend, file and/or issue any other communications, disclosure documents or regulatory filings, and may amend or enter into any contracts to which the Trust or the Portfolio is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to the Portfolio, without shareholder input or approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement is specifically disclosed in the Trust's then-current prospectus or SAI.

PIMCO has adopted written proxy voting policies and procedures ("Proxy Policy") as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. The Proxy Policy has been adopted by the Trust as the policies and procedures that PIMCO will use when voting proxies on behalf of the Portfolio. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of the Portfolio, and information about how the Portfolio voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Trust at (888) 87-PIMCO, on the Portfolio's website at www.pimco.com/pvit, and on the Securities and Exchange Commission's ("SEC") website at www.sec.gov.

The Portfolio files portfolio holdings information with the SEC on Form N-PORT within 60 days of the end of each fiscal quarter. The Portfolio's complete schedule of securities holdings as of the end of each fiscal quarter will be made available to the public on the SEC's website at www.sec.gov and on PIMCO's website at www.pimco.com/pvit, and will be made available, upon request by calling PIMCO at (888) 87-PIMCO. Prior to its use of Form N-PORT, the Portfolio filed its complete schedule of its portfolio holdings with the SEC on Form N-Q, which is available online at www.sec.gov.

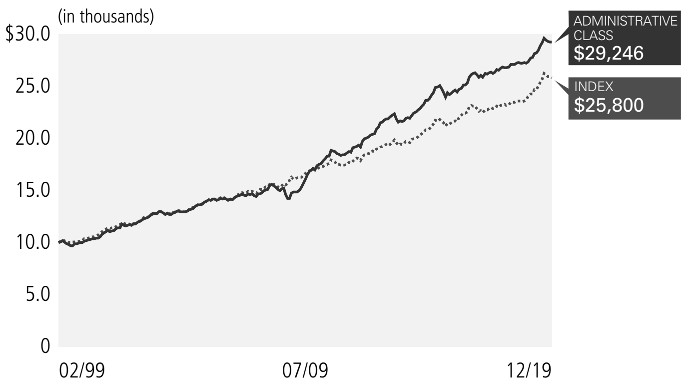
The SEC adopted a rule that, beginning in 2021, generally will allow shareholder reports to be delivered to investors by providing access to such reports online free of charge and by mailing a notice that the report is electronically available. Pursuant to the rule, investors may still elect to receive a complete shareholder report in the mail. Instructions for electing to receive paper copies of the Portfolio's shareholder reports going forward may be found on the front cover of this report.

The SEC adopted amendments to certain disclosure requirements relating to open-end investment companies' liquidity risk management programs. Effective December 1, 2019, large fund complexes are required to include in their shareholder reports, following the period in which a fund's Board of Trustees reviews the required written report from the liquidity risk management program's administrator regarding such program's operation and effectiveness, a discussion of such program's operations over the past year.

The SEC has issued a proposed rule relating to a registered investment company's use of derivatives and related instruments that, if adopted, could potentially require funds to reduce their use of leverage and/or observe more stringent asset coverage and related requirements than are currently imposed by the Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

PIMCO International Bond Portfolio (U.S. Dollar-Hedged)

Cumulative Returns Through December 31, 2019



$10,000 invested at the end of the month when the Portfolio's Administrative Class commenced operations.

Geographic Breakdown as of December 31, 2019†§

United States	41.6%
Japan	11.3%
United Kingdom	8.4%
Short-Term Instruments‡	5.7%
China	4.5%
Denmark	4.0%
Spain	3.9%
Italy	3.8%
Cayman Islands	2.3%
France	1.8%
South Korea	1.5%
Qatar	1.2%
Canada	1.2%
Saudi Arabia	1.1%
Netherlands	1.1%
Germany	1.0%
Other	5.6%

† % of Investments, at value.

§ Geographic Breakdown and % of investments exclude securities sold short and financial derivative instruments, if any.

‡ Includes Central Funds Used for Cash Management Purposes.

Average Annual Total Return for the period ended December 31, 2019

		1 Year	5 Years	10 Years	Inception≈
	PIMCO International Bond Portfolio (U.S. Dollar-Hedged) Institutional Class	7.17%	3.85%	5.73%	5.66%
—	PIMCO International Bond Portfolio (U.S. Dollar-Hedged) Administrative Class	7.01%	3.70%	5.57%	5.27%
	PIMCO International Bond Portfolio (U.S. Dollar-Hedged) Advisor Class	6.90%	3.60%	—	4.46%
·····	Bloomberg Barclays Global Aggregate ex-USD (USD Hedged) Index±	7.57%	3.87%	4.29%	4.65%◆

All Portfolio returns are net of fees and expenses and include applicable fee waivers and/or expense limitations. Absent any applicable fee waivers and/or expense limitations, performance would have been lower and there can be no assurance that any such waivers or limitations will continue in the future.

≈ For class inception dates please refer to the Important Information.

◆ Average annual total return since 02/28/1999.

± Bloomberg Barclays Global Aggregate ex-USD (USD Hedged) Index provides a broad-based measure of the global investment-grade fixed income markets. The major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian Government securities.

It is not possible to invest directly in an unmanaged index.

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. The Portfolio's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in Variable Contracts, which will reduce returns. Differences in the Portfolio's performance versus the index and related attribution information with respect to particular categories of securities or individual positions may be attributable, in part, to differences in the prices of individual positions (which may be sourced from different pricing vendors or other sources) used by the Portfolio and the index. For performance current to the most recent month-end, visit www.pimco.com/pvit or via (888) 87-PIMCO.

The Portfolio's total annual operating expense ratio in effect as of period end were 0.81% for Institutional Class shares, 0.96% for Administrative Class shares, and 1.06% for Advisor Class shares. Details regarding any changes to the Portfolio's operating expenses, subsequent to period end, can be found in the Portfolio's current prospectus, as supplemented.

Investment Objective and Strategy Overview

PIMCO International Bond Portfolio (U.S. Dollar-Hedged) seeks maximum total return, consistent with preservation of capital and prudent investment management, by investing under normal circumstances at least 80% of its assets in Fixed Income Instruments that are economically tied to at least three non-U.S. countries. The Portfolio's investments in Fixed Income Instruments may be represented by forwards or derivatives such as options, futures contracts or swap agreements. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The Portfolio will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets. Portfolio strategies may change from time to time. Please refer to the Portfolio's current prospectus for more information regarding the Portfolio's strategy.

Portfolio Insights

The following affected performance (on a gross basis) during the reporting period:

» Overweight exposure to duration in core eurozone countries in the second and third quarters of 2019 contributed to relative performance as core eurozone yields — as shown by the euro swaps curve — decreased.

» Holdings of emerging markets external debt contributed to relative performance as spreads tightened. The JP Morgan Emerging Market Bond Index (EMBI), which generally tracks the spread of emerging market external debt, decreased.

» Positions in high-yield corporates contributed to relative performance as spreads tightened.

» Underweight exposure to duration in periphery Eurozone countries in the first half of the reporting period, specifically Italy, detracted from relative performance as yields decreased.

» Curve positioning in the U.S. — particularly underweight exposure to the long-end of the yield curve (notably the 30 year) — detracted from relative performance as the yield curve flattened in the third quarter of 2019.

» Long exposure to the Japanese yen detracted from relative performance as the Japanese yen depreciated relative to the U.S. dollar during the fourth quarter of 2019.

Example

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including investment advisory fees, supervisory and administrative fees, distribution and/or service (12b-1) fees (if applicable), and other Portfolio expenses. The 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 Expense Example does not reflect any fees or other expenses imposed by the Variable Contracts. If it did, the expenses reflected in the Expense Example would be higher. The Example is based on an investment of $1,000 invested at the beginning of the period and held from July 1, 2019 to December 31, 2019 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 this information, 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 = 8.60), then multiply the result by the number in the appropriate row for your share class, in the column titled "Expenses Paid During Period" to estimate the expenses you paid on your account during this 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 on 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 portfolios. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other portfolios.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the information under the heading "Hypothetical (5% return before expenses)" is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different portfolios. In addition, if these transactional costs were included, your costs would have been higher.

Expense ratios may vary period to period because of various factors, such as an increase in expenses that are not covered by the investment advisory fees and supervisory and administrative fees, such as fees and expenses of the independent trustees and their counsel, extraordinary expenses and interest expense.

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (07/01/19)	Ending Account Value (12/31/19)	Expenses Paid During Period*	Beginning Account Value (07/01/19)	Ending Account Value (12/31/19)	Expenses Paid During Period*	Net Annualized Expense Ratio**
Institutional Class	$ 1,000.00	$ 1,013.70	$ 4.59	$ 1,000.00	$ 1,020.78	$ 4.61	0.90%
Administrative Class	1,000.00	1,012.90	5.36	1,000.00	1,020.02	5.38	1.05
Advisor Class	1,000.00	1,012.40	5.86	1,000.00	1,019.51	5.89	1.15

* Expenses Paid During Period are equal to the net annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 185/365 (to reflect the one-half year period). Overall fees and expenses of investing in the Portfolio will be higher because the example does not reflect variable contract fees and expenses.

** Net Annualized Expense Ratio is reflective of any applicable contractual fee waivers and/or expense reimbursements or voluntary fee waivers. Details regarding fee waivers, if any, can be found in Note 9, Fees and Expenses, in the Notes to Financial Statements.

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Financial Highlights PIMCO International Bond Portfolio (U.S. Dollar-Hedged)

Selected Per Share Data for the Year Ended^:	Net Asset Value Beginning of Year[(a)]	Investment Operations: Net Investment Income (Loss)[(b)]	Investment Operations: Net Realized/ Unrealized Gain (Loss)	Investment Operations: Total	Less Distributions[(c)]: From Net Investment Income	Less Distributions[(c)]: From Net Realized Capital Gain	Less Distributions[(c)]: Total	Net Asset Value End of Year[(a)]
Institutional Class								
12/31/2019	$ 10.84	$ 0.22	$ 0.55	$ 0.77	$ (0.21)	$ (0.08)	$ (0.29)	$ 11.32
12/31/2018	10.79	0.20	0.05	0.25	(0.16)	(0.04)	(0.20)	10.84
12/31/2017	11.02	0.15	0.17	0.32	(0.55)	0.00	(0.55)	10.79
12/31/2016	10.54	0.16	0.54	0.70	(0.18)	(0.04)	(0.22)	11.02
12/31/2015	10.90	0.13	(0.09)	0.04	(0.35)	(0.05)	(0.40)	10.54
Administrative Class								
12/31/2019	10.84	0.21	0.55	0.76	(0.20)	(0.08)	(0.28)	11.32
12/31/2018	10.79	0.18	0.05	0.23	(0.14)	(0.04)	(0.18)	10.84
12/31/2017	11.02	0.13	0.17	0.30	(0.53)	0.00	(0.53)	10.79
12/31/2016	10.54	0.14	0.54	0.68	(0.16)	(0.04)	(0.20)	11.02
12/31/2015	10.90	0.10	(0.07)	0.03	(0.34)	(0.05)	(0.39)	10.54
Advisor Class								
12/31/2019	10.84	0.19	0.56	0.75	(0.19)	(0.08)	(0.27)	11.32
12/31/2018	10.79	0.17	0.05	0.22	(0.13)	(0.04)	(0.17)	10.84
12/31/2017	11.02	0.12	0.17	0.29	(0.52)	0.00	(0.52)	10.79
12/31/2016	10.54	0.13	0.54	0.67	(0.15)	(0.04)	(0.19)	11.02
12/31/2015	10.90	0.10	(0.08)	0.02	(0.33)	(0.05)	(0.38)	10.54

^ A zero balance may reflect actual amounts rounding to less than $0.01 or 0.01%.

(a) Includes adjustments required by U.S. GAAP and may differ from net asset values and performance reported elsewhere by the Portfolio.

(b) Per share amounts based on average number of shares outstanding during the year.

(c) The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

	Ratios/Supplemental Data						
		Ratios to Average Net Assets					
Total Return[(a)]	Net Assets End of Year (000s)	Expenses	Expenses Excluding Waivers	Expenses Excluding Interest Expense	Expenses Excluding Interest Expense and Waivers	Net Investment Income (Loss)	Portfolio Turnover Rate
7.17%	$ 9,105	0.86%	0.86%	0.75%	0.75%	1.98%	272%
2.27	7,483	0.81	0.81	0.75	0.75	1.85	185
2.92	6,705	0.78	0.78	0.75	0.75	1.37	158
6.63	5,045	0.78	0.78	0.75	0.75	1.46	330
0.44	3,001	0.75	0.75	0.75	0.75	1.15	302
7.01	79,540	1.01	1.01	0.90	0.90	1.83	272
2.12	78,640	0.96	0.96	0.90	0.90	1.70	185
2.76	76,989	0.93	0.93	0.90	0.90	1.21	158
6.48	64,537	0.93	0.93	0.90	0.90	1.31	330
0.29	73,278	0.90	0.90	0.90	0.90	0.90	302
6.90	477,388	1.11	1.11	1.00	1.00	1.73	272
2.02	444,881	1.06	1.06	1.00	1.00	1.59	185
2.66	431,545	1.03	1.03	1.00	1.00	1.11	158
6.37	341,567	1.03	1.03	1.00	1.00	1.21	330
0.19	221,379	1.00	1.00	1.00	1.00	0.90	302

Statement of Assets and Liabilities PIMCO International Bond Portfolio (U.S. Dollar-Hedged) December 31, 2019

(Amounts in thousands†, except per share amounts)

Assets:	
Investments, at value	
Investments in securities*	$ 757,451
Investments in Affiliates	34,685
Financial Derivative Instruments	
Exchange-traded or centrally cleared	955
Over the counter	4,143
Cash	1
Deposits with counterparty	3,411
Foreign currency, at value	3,973
Receivable for investments sold	22,890
Receivable for TBA investments sold	92,918
Receivable for Portfolio shares sold	8
Interest and/or dividends receivable	3,819
Dividends receivable from Affiliates	66
Other assets	2
Total Assets	924,322
Liabilities:	
Borrowings & Other Financing Transactions	
Payable for reverse repurchase agreements	$ 70,582
Payable for sale-buyback transactions	10,247
Payable for short sales	9,955
Financial Derivative Instruments	
Exchange-traded or centrally cleared	1,317
Over the counter	6,152
Payable for investments purchased	13,260
Payable for investments in Affiliates purchased	62
Payable for TBA investments purchased	244,211
Deposits from counterparty	1,352
Payable for Portfolio shares redeemed	677
Accrued investment advisory fees	119
Accrued supervisory and administrative fees	238
Accrued distribution fees	101
Accrued servicing fees	10
Other liabilities	6
Total Liabilities	358,289
Net Assets	$ 566,033
Net Assets Consist of:	
Paid in capital	$ 539,179
Distributable earnings (accumulated loss)	26,854
Net Assets	$ 566,033
Net Assets:	
Institutional Class	$ 9,105
Administrative Class	79,540
Advisor Class	477,388
Shares Issued and Outstanding:	
Institutional Class	805
Administrative Class	7,028
Advisor Class	42,182
Net Asset Value Per Share Outstanding[(a)]:	
Institutional Class	$ 11.32
Administrative Class	11.32
Advisor Class	11.32
Cost of investments in securities	$ 740,282
Cost of investments in Affiliates	$ 34,753
Cost of foreign currency held	$ 3,977
Proceeds received on short sales	$ 9,832
Cost or premiums of financial derivative instruments, net	$ 777
* Includes repurchase agreements of:	$ 2,462

† A zero balance may reflect actual amounts rounding to less than one thousand.

(a) Includes adjustments required by U.S. GAAP and may differ from net asset values and performance reported elsewhere by the Portfolio.

Statement of Operations PIMCO International Bond Portfolio (U.S. Dollar-Hedged)

(Amounts in thousands†)	Year Ended December 31, 2019
Investment Income:	
Interest, net of foreign taxes*	$ 14,858
Dividends	13
Dividends from Investments in Affiliates	870
Total Income	15,741
Expenses:	
Investment advisory fees	1,386
Supervisory and administrative fees	2,772
Servicing fees - Administrative Class	123
Distribution and/or servicing fees - Advisor Class	1,159
Trustee fees	13
Interest expense	589
Miscellaneous expense	2
Total Expenses	6,044
Net Investment Income (Loss)	9,697
Net Realized Gain (Loss):	
Investments in securities	2,025
Investments in Affiliates	(3)
Exchange-traded or centrally cleared financial derivative instruments	3,834
Over the counter financial derivative instruments	10,834
Short sales	(951)
Foreign currency	(4,311)
Net Realized Gain (Loss)	11,428
Net Change in Unrealized Appreciation (Depreciation):	
Investments in securities	19,646
Investments in Affiliates	39
Exchange-traded or centrally cleared financial derivative instruments	(4,897)
Over the counter financial derivative instruments	1,505
Short sales	(170)
Foreign currency assets and liabilities	(532)
Net Change in Unrealized Appreciation (Depreciation)	15,591
Net Increase (Decrease) in Net Assets Resulting from Operations	$ 36,716
* Foreign tax withholdings	$ 23

† A zero balance may reflect actual amounts rounding to less than one thousand.

Statements of Changes in Net Assets PIMCO International Bond Portfolio (U.S. Dollar-Hedged)

(Amounts in thousands†)	Year Ended December 31, 2019	Year Ended December 31, 2018
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income (loss)	$ 9,697	$ 8,604
Net realized gain (loss)	11,428	19,859
Net change in unrealized appreciation (depreciation)	15,591	(17,696)
Net Increase (Decrease) in Net Assets Resulting from Operations	36,716	10,767
Distributions to Shareholders:		
From net investment income and/or net realized capital gains		
Institutional Class	(216)	(130)
Administrative Class	(2,042)	(1,265)
Advisor Class	(10,887)	(6,925)
Total Distributions[(a)]	(13,145)	(8,320)
Portfolio Share Transactions:		
Net increase (decrease) resulting from Portfolio share transactions*	11,458	13,318
Total Increase (Decrease) in Net Assets	35,029	15,765
Net Assets:		
Beginning of year	531,004	515,239
End of year	$ 566,033	$ 531,004

† A zero balance may reflect actual amounts rounding to less than one thousand.

* See Note 13, Shares of Beneficial Interest, in the Notes to Financial Statements.

(a) The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

(Amounts in thousands*, except number of shares, contracts and units, if any)

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 133.8%			
ARGENTINA 0.1%			
SOVEREIGN ISSUES 0.1%			
Argentina Government International Bond			
3.375% due 01/15/2023	EUR	200	$ 102
42.836% (BADLARPP + 2.000%) due 04/03/2022 ~	ARS	8,070	72
56.589% (ARLLMONP) due 06/21/2020 ~(a)		15,430	139
Autonomous City of Buenos Aires Argentina			
51.313% (BADLARPP + 5.000%) due 01/23/2022 ~(a)		70	1
Total Argentina (Cost $1,212)			**314**
AUSTRALIA 0.6%			
ASSET-BACKED SECURITIES 0.1%			
Driver Australia Trust			
1.788% due 07/21/2026	AUD	422	296
CORPORATE BONDS & NOTES 0.1%			
Sydney Airport Finance Co. Pty. Ltd.			
3.900% due 03/22/2023	$	300	315
NON-AGENCY MORTGAGE-BACKED SECURITIES 0.4%			
Pepper Residential Securities Trust			
2.666% due 03/12/2061 •		1,016	1,016
RESIMAC Bastille Trust			
2.634% due 09/05/2057 •		1,213	1,213
			2,229
SOVEREIGN ISSUES 0.0%			
New South Wales Treasury Corp.			
2.750% due 11/20/2025 (f)	AUD	132	107
Total Australia (Cost $2,996)			**2,947**
BRAZIL 0.4%			
CORPORATE BONDS & NOTES 0.4%			
Petrobras Global Finance BV			
5.093% due 01/15/2030	$	1,878	2,015
6.125% due 01/17/2022		102	109
Total Brazil (Cost $2,058)			**2,124**
CANADA 1.6%			
CORPORATE BONDS & NOTES 0.7%			
Air Canada Pass-Through Trust			
3.300% due 07/15/2031	$	95	97
Canadian Imperial Bank of Commerce			
3.150% due 06/27/2021		500	509
Enbridge, Inc.			
2.410% (US0003M + 0.400%) due 01/10/2020 ~		1,200	1,200
2.594% (US0003M + 0.700%) due 06/15/2020 ~		400	401
Fairfax Financial Holdings Ltd.			
2.750% due 03/29/2028	EUR	500	607
HSBC Bank Canada			
3.300% due 11/28/2021	$	1,200	1,231
			4,045
NON-AGENCY MORTGAGE-BACKED SECURITIES 0.2%			
Canadian Mortgage Pools			
2.065% (CDOR01 + 0.100%) due 06/01/2020 ~		132	102
2.265% (CDOR01 + 0.300%) due 07/01/2020 - 08/01/2020 ~		518	399
Real Estate Asset Liquidity Trust			
3.072% due 08/12/2053	CAD	488	$ 381
			882
SOVEREIGN ISSUES 0.7%			
Canada Government Real Return Bond			
1.500% due 12/01/2044 (f)		473	458
Province of Ontario			
2.600% due 06/02/2027		3,500	2,762
6.200% due 06/02/2031		100	106
Province of Quebec			
3.000% due 09/01/2023		1,100	879
			4,205
Total Canada (Cost $9,005)			**9,132**
CAYMAN ISLANDS 3.3%			
ASSET-BACKED SECURITIES 2.2%			
Avery Point CLO Ltd.			
3.123% due 01/18/2025 •	$	310	310
Cent CLO Ltd.			
3.071% due 10/15/2026 •		1,400	1,398
Dryden Senior Loan Fund			
2.886% due 10/15/2027 •		1,200	1,198
Evans Grove CLO Ltd.			
2.834% due 05/28/2028 •		300	298
LCM LP			
3.006% due 10/20/2027 •		1,400	1,393
Marathon CLO Ltd.			
2.765% due 11/21/2027 •		1,300	1,297
Mountain View CLO Ltd.			
2.801% due 10/15/2026 •		231	231
Octagon Investment Partners Ltd.			
3.101% due 04/15/2026 •		282	283
Staniford Street CLO Ltd.			
3.074% due 06/15/2025 •		164	164
Symphony CLO Ltd.			
2.951% due 07/14/2026 •		1,400	1,401
THL Credit Wind River CLO Ltd.			
2.881% due 01/15/2026 •		1,005	1,005
Tralee CLO Ltd.			
3.076% due 10/20/2028 •		1,300	1,294
Venture CDO Ltd.			
2.881% due 04/15/2027 •		300	299
WhiteHorse Ltd.			
2.932% due 04/17/2027 •		231	231
Zais CLO Ltd.			
3.151% due 04/15/2028 •		1,400	1,401
			12,203
CORPORATE BONDS & NOTES 1.1%			
KSA Sukuk Ltd.			
2.894% due 04/20/2022		500	509
QNB Finance Ltd.			
3.264% (US0003M + 1.350%) due 05/31/2021 ~		4,500	4,532
Sands China Ltd.			
4.600% due 08/08/2023		300	317
5.125% due 08/08/2025		200	220
5.400% due 08/08/2028		500	565
Tencent Holdings Ltd.			
3.595% due 01/19/2028		200	209
			6,352
Total Cayman Islands (Cost $18,455)			**18,555**
CHINA 6.3%			
SOVEREIGN ISSUES 6.3%			
China Development Bank			
3.050% due 08/25/2026	CNY	10,200	$ 1,425
3.180% due 04/05/2026		16,800	2,370
3.500% due 08/13/2026		4,700	674
3.680% due 02/26/2026		80,400	11,683
3.740% due 09/10/2025		10,200	1,488
3.800% due 01/25/2036		5,000	708
4.040% due 04/10/2027		25,300	3,736
4.040% due 07/06/2028		3,300	486
4.150% due 10/26/2025		2,600	387
4.240% due 08/24/2027		46,700	6,978
4.880% due 02/09/2028		24,300	3,782
China Government Bond			
2.740% due 08/04/2026		800	113
2.950% due 06/16/2023		2,200	319
3.220% due 12/06/2025		2,200	320
3.290% due 10/18/2023		6,500	950
4.400% due 12/12/2046		500	82
Total China (Cost $35,499)			**35,501**
DENMARK 5.6%			
CORPORATE BONDS & NOTES 5.6%			
Jyske Realkredit A/S			
1.000% due 10/01/2050	DKK	43,699	6,438
1.500% due 10/01/2037		5,281	821
1.500% due 10/01/2050		3,631	557
2.000% due 10/01/2047		5,774	902
2.500% due 10/01/2047		35	6
Nordea Kredit Realkreditaktieselskab			
1.000% due 10/01/2050		47,673	7,015
1.500% due 10/01/2037		728	113
1.500% due 10/01/2050		6,549	999
2.000% due 10/01/2050		2,316	360
Nykredit Realkredit A/S			
0.112% due 10/01/2022 •	EUR	1,400	1,588
1.000% due 10/01/2050	DKK	35,400	5,178
1.500% due 10/01/2037		1,726	268
1.500% due 10/01/2050		45,402	6,941
2.000% due 10/01/2050		2,301	359
2.500% due 10/01/2036		159	25
2.500% due 10/01/2047		15	2
Realkredit Danmark A/S			
2.500% due 04/01/2036		108	17
2.500% due 07/01/2047		33	5
Total Denmark (Cost $31,389)			**31,594**
FRANCE 2.5%			
CORPORATE BONDS & NOTES 0.2%			
Credit Agricole S.A.			
2.375% due 01/22/2025	$	1,400	1,398
SOVEREIGN ISSUES 2.3%			
France Government International Bond			
1.500% due 05/25/2050	EUR	800	1,035
2.000% due 05/25/2048 (j)		7,400	10,678
3.250% due 05/25/2045 (j)		800	1,407
			13,120
Total France (Cost $11,925)			**14,518**
GERMANY 1.4%			
CORPORATE BONDS & NOTES 1.4%			
Deutsche Bank AG			
2.700% due 07/13/2020	$	600	600
2.768% (US0003M + 0.815%) due 01/22/2021 ~		1,300	1,295
3.150% due 01/22/2021		500	502
3.961% due 11/26/2025 •		1,400	1,431
4.250% due 10/14/2021		1,800	1,851

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Deutsche Pfandbriefbank AG		
3.375% due 11/22/2021	$ 600	$ 615
IHO Verwaltungs GmbH (3.875% Cash or 4.625% PIK)		
3.875% due 05/15/2027 (b)	EUR 200	238
IHO Verwaltungs GmbH (6.000% Cash or 6.750% PIK)		
6.000% due 05/15/2027 (b)	$ 900	957
Volkswagen Bank GmbH		
1.250% due 08/01/2022	EUR 400	461
Total Germany (Cost $7,772)		**7,950**
GUERNSEY, CHANNEL ISLANDS 0.1%		
CORPORATE BONDS & NOTES 0.1%		
Credit Suisse Group Funding Guernsey Ltd.		
3.800% due 06/09/2023	$ 800	838
Total Guernsey, Channel Islands (Cost $799)		**838**
HONG KONG 0.1%		
CORPORATE BONDS & NOTES 0.1%		
AIA Group Ltd.		
3.900% due 04/06/2028	$ 400	429
Total Hong Kong (Cost $399)		**429**
INDIA 0.2%		
CORPORATE BONDS & NOTES 0.2%		
ICICI Bank Ltd.		
3.500% due 03/18/2020	$ 200	200
Shriram Transport Finance Co. Ltd.		
5.950% due 10/24/2022	500	514
State Bank of India		
4.000% due 01/24/2022	200	206
Total India (Cost $907)		**920**
INDONESIA 0.1%		
CORPORATE BONDS & NOTES 0.1%		
Indonesia Asahan Aluminium Persero PT		
5.230% due 11/15/2021	$ 300	315
Total Indonesia (Cost $299)		**315**
IRELAND 1.4%		
ASSET-BACKED SECURITIES 0.9%		
Arbour CLO DAC		
0.870% due 01/15/2030 •	EUR 1,200	1,347
Aurium CLO DAC		
0.670% due 04/16/2030 •	500	562
Black Diamond CLO Designated Activity Co.		
0.650% due 10/03/2029 •	650	727
CVC Cordatus Loan Fund Ltd.		
0.970% due 04/22/2030 •	800	897
Toro European CLO DAC		
0.900% due 10/15/2030 •	1,300	1,460
		4,993
CORPORATE BONDS & NOTES 0.3%		
AerCap Ireland Capital DAC		
4.625% due 10/30/2020	$ 800	816
AIB Group PLC		
4.750% due 10/12/2023	200	215
SumitG Guaranteed Secured Obligation Issuer DAC		
2.251% due 11/02/2020	400	401
		1,432

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
SOVEREIGN ISSUES 0.2%		
Ireland Government International Bond		
5.400% due 03/13/2025	EUR 700	$ 1,015
Total Ireland (Cost $7,385)		**7,440**
ISRAEL 0.2%		
SOVEREIGN ISSUES 0.2%		
Israel Government International Bond		
3.250% due 01/17/2028	$ 500	538
4.125% due 01/17/2048	300	348
Total Israel (Cost $794)		**886**
ITALY 5.3%		
CORPORATE BONDS & NOTES 0.9%		
Banca Carige SpA		
1.092% (EUR003M + 1.500%) due 05/25/2060 ~	EUR 1,600	1,801
1.298% (EUR003M + 1.700%) due 10/25/2021 ~	1,600	1,819
UniCredit SpA		
7.500% due 06/03/2026 •(g)(h)	200	263
7.830% due 12/04/2023	$ 1,200	1,400
		5,283
SOVEREIGN ISSUES 4.4%		
Italy Buoni Poliennali Del Tesoro		
0.350% due 11/01/2021	EUR 2,600	2,939
1.350% due 04/01/2030	3,900	4,352
1.450% due 11/15/2024	400	467
1.750% due 07/01/2024 (j)	3,000	3,544
2.450% due 09/01/2033	400	489
2.500% due 11/15/2025	1,900	2,337
2.950% due 09/01/2038 (j)	1,200	1,528
3.000% due 08/01/2029 (j)	5,600	7,245
3.450% due 03/01/2048	150	205
3.850% due 09/01/2049	900	1,310
Italy Government International Bond		
6.000% due 08/04/2028	GBP 400	664
		25,080
Total Italy (Cost $29,320)		**30,363**
JAPAN 15.9%		
CORPORATE BONDS & NOTES 1.5%		
Central Nippon Expressway Co. Ltd.		
2.091% due 09/14/2021	$ 700	699
2.431% (US0003M + 0.540%) due 08/04/2020 ~	2,600	2,603
Chugoku Electric Power Co., Inc.		
2.701% due 03/16/2020	600	600
Meiji Yasuda Life Insurance Co.		
5.100% due 04/26/2048 •	200	227
Mitsubishi UFJ Financial Group, Inc.		
2.950% due 03/01/2021	230	233
3.455% due 03/02/2023	600	622
Mizuho Financial Group, Inc.		
2.768% (US0003M + 0.880%) due 09/11/2022 ~	700	706
2.888% (US0003M + 1.000%) due 09/11/2024 ~	900	910
3.922% due 09/11/2024 •	500	526
ORIX Corp.		
3.250% due 12/04/2024	200	208
Sumitomo Mitsui Financial Group, Inc.		
3.565% (US0003M + 1.680%) due 03/09/2021 ~	600	610
Takeda Pharmaceutical Co. Ltd.		
1.125% due 11/21/2022	EUR 500	578
		8,522

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
SOVEREIGN ISSUES 14.4%		
Japan Bank for International Cooperation		
1.750% due 10/17/2024	$ 500	$ 493
3.250% due 07/20/2023	700	731
3.375% due 10/31/2023	300	316
Japan Finance Organization for Municipalities		
2.125% due 04/13/2021	2,100	2,105
2.625% due 04/20/2022	1,600	1,622
Japan Government International Bond		
0.100% due 03/10/2028 (f)	JPY 455,292	4,312
0.100% due 03/20/2029	2,530,000	23,597
0.100% due 06/20/2029	610,000	5,686
0.300% due 06/20/2046	620,000	5,610
0.500% due 09/20/2046	402,000	3,821
0.500% due 03/20/2049	568,000	5,364
0.700% due 12/20/2048	772,000	7,688
1.200% due 09/20/2035	1,410,000	15,067
1.300% due 06/20/2035	340,000	3,675
Tokyo Metropolitan Government		
2.000% due 05/17/2021	$ 700	700
2.500% due 06/08/2022	600	607
		81,394
Total Japan (Cost $88,960)		**89,916**
KUWAIT 0.6%		
SOVEREIGN ISSUES 0.6%		
Kuwait International Government Bond		
2.750% due 03/20/2022	$ 200	204
3.500% due 03/20/2027	2,800	3,014
Total Kuwait (Cost $2,979)		**3,218**
LITHUANIA 0.3%		
SOVEREIGN ISSUES 0.3%		
Lithuania Government International Bond		
1.100% due 04/26/2027	EUR 600	714
6.125% due 03/09/2021	$ 1,000	1,049
Total Lithuania (Cost $1,743)		**1,763**
LUXEMBOURG 0.3%		
CORPORATE BONDS & NOTES 0.3%		
Aroundtown S.A.		
1.625% due 01/31/2028	EUR 700	813
Blackstone Property Partners Europe Holdings SARL		
1.400% due 07/06/2022	400	460
Emerald Bay S.A.		
0.000% due 10/08/2020 (d)	289	317
Total Luxembourg (Cost $1,566)		**1,590**
MULTINATIONAL 0.1%		
CORPORATE BONDS & NOTES 0.1%		
Preferred Term Securities Ltd.		
2.294% (US0003M + 0.400%) due 06/23/2035 ~	$ 809	745
Total Multinational (Cost $612)		**745**
NETHERLANDS 1.4%		
ASSET-BACKED SECURITIES 0.3%		
Chapel BV		
0.000% due 07/17/2066 •	EUR 23	25
Dryden Euro CLO BV		
0.880% due 01/15/2030 •	1,200	1,347
Penta CLO BV		
0.790% due 08/04/2028 •	552	620
		1,992

CORPORATE BONDS & NOTES 1.1%

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Cooperatieve Rabobank UA			
3.125% due 04/26/2021	$	400	$ 406
5.500% due 06/29/2020 •(g)(h)	EUR	200	230
6.875% due 03/19/2020 (h)		700	797
Enel Finance International NV			
2.650% due 09/10/2024	$	1,300	1,305
2.875% due 05/25/2022		1,100	1,114
Mondelez International Holdings Netherlands BV			
2.000% due 10/28/2021		500	500
NXP BV			
4.125% due 06/01/2021		800	820
Syngenta Finance NV			
3.698% due 04/24/2020		700	702
Teva Pharmaceutical Finance Netherlands BV			
3.250% due 04/15/2022	EUR	300	341
Vonovia Finance BV			
5.000% due 10/02/2023	$	100	108
			6,323

PREFERRED SECURITIES 0.0%

		SHARES	
Stichting AK Rabobank Certificaten			
6.500% due 12/29/2049 (g)		150,000	215
Total Netherlands (Cost $8,441)			**8,530**

NORWAY 0.3%

CORPORATE BONDS & NOTES 0.3%

		PRINCIPAL AMOUNT (000S)	
DNB Boligkreditt A/S			
2.500% due 03/28/2022	$	1,100	1,115
3.250% due 06/28/2023		500	520
			1,635

SOVEREIGN ISSUES 0.0%

Norway Government International Bond			
3.750% due 05/25/2021	NOK	1,800	212
Total Norway (Cost $1,846)			**1,847**

PERU 0.8%

CORPORATE BONDS & NOTES 0.1%

Banco de Credito del Peru			
4.650% due 09/17/2024	PEN	1,900	579

SOVEREIGN ISSUES 0.7%

Peru Government International Bond			
5.350% due 08/12/2040		1,100	335
5.940% due 02/12/2029		800	272
6.350% due 08/12/2028		9,400	3,294
			3,901
Total Peru (Cost $4,161)			**4,480**

POLAND 0.3%

CORPORATE BONDS & NOTES 0.0%

PKO Bank Hipoteczny S.A.			
0.250% due 11/23/2021	EUR	200	226

SOVEREIGN ISSUES 0.3%

Poland Government International Bond			
2.250% due 04/25/2022	PLN	6,600	1,766
Total Poland (Cost $1,889)			**1,992**

QATAR 1.6%

SOVEREIGN ISSUES 1.6%

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Qatar Government International Bond			
3.375% due 03/14/2024	$	400	$ 419
3.875% due 04/23/2023		3,800	4,017
4.000% due 03/14/2029		2,200	2,460
4.500% due 04/23/2028		1,800	2,066
4.817% due 03/14/2049		200	248
Total Qatar (Cost $8,392)			**9,210**

SAUDI ARABIA 1.5%

CORPORATE BONDS & NOTES 0.1%

Saudi Arabian Oil Co.			
2.750% due 04/16/2022	$	400	404

SOVEREIGN ISSUES 1.4%

Saudi Government International Bond			
2.375% due 10/26/2021		3,700	3,717
2.875% due 03/04/2023		1,000	1,019
3.250% due 10/26/2026		400	415
3.625% due 03/04/2028		500	529
4.000% due 04/17/2025		1,900	2,052
4.375% due 04/16/2029		400	450
			8,182
Total Saudi Arabia (Cost $8,258)			**8,586**

SINGAPORE 0.6%

CORPORATE BONDS & NOTES 0.6%

BOC Aviation Ltd.			
2.375% due 09/15/2021	$	1,000	998
3.500% due 09/18/2027		300	308
Clifford Capital Pte. Ltd.			
3.380% due 03/07/2028		600	640
DBS Bank Ltd.			
3.300% due 11/27/2021		400	411
Oversea-Chinese Banking Corp. Ltd.			
2.354% (US0003M + 0.450%) due 05/17/2021 ~		700	701
PSA Treasury Pte. Ltd.			
2.500% due 04/12/2026		400	403
Total Singapore (Cost $3,358)			**3,461**

SLOVENIA 0.3%

SOVEREIGN ISSUES 0.3%

Slovenia Government International Bond			
5.250% due 02/18/2024	$	1,419	1,605
Total Slovenia (Cost $1,477)			**1,605**

SOUTH AFRICA 0.1%

SOVEREIGN ISSUES 0.1%

South Africa Government International Bond			
4.850% due 09/30/2029	$	500	501
Total South Africa (Cost $500)			**501**

SOUTH KOREA 2.2%

CORPORATE BONDS & NOTES 0.1%

Kookmin Bank			
2.125% due 10/21/2020	$	400	400

SOVEREIGN ISSUES 2.1%

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Korea Government International Bond			
2.125% due 06/10/2027	KRW	1,225,000	1,096
2.375% due 12/10/2027		1,350,000	1,230
2.375% due 12/10/2028		5,820,000	5,322
2.625% due 06/10/2028	KRW	2,450,000	$ 2,279
5.500% due 03/10/2028		1,350,000	1,513
Korea Hydro & Nuclear Power Co. Ltd.			
3.750% due 07/25/2023	$	200	210
			11,650
Total South Korea (Cost $12,080)			**12,050**

SPAIN 5.5%

ASSET-BACKED SECURITIES 0.0%

Driver Espana Five FDT			
0.000% due 12/21/2028 •	EUR	82	92

CORPORATE BONDS & NOTES 0.3%

Banco Bilbao Vizcaya Argentaria S.A.			
5.875% due 09/24/2023 •(g)(h)		200	245
Banco Santander S.A.			
3.848% due 04/12/2023	$	200	209
Merlin Properties Socimi S.A.			
2.225% due 04/25/2023	EUR	200	238
Telefonica Emisiones S.A.			
5.134% due 04/27/2020	$	800	807
			1,499

PREFERRED SECURITIES 0.2%

		SHARES	
Banco Bilbao Vizcaya Argentaria S.A.			
6.750% due 02/18/2020 •(g)(h)		400,000	452
Banco Santander S.A.			
5.250% due 09/29/2023 •(g)(h)		200,000	240
6.250% due 09/11/2021 •(g)(h)		400,000	479
			1,171

SOVEREIGN ISSUES 5.0%

		PRINCIPAL AMOUNT (000S)	
Autonomous Community of Catalonia			
4.220% due 04/26/2035	EUR	200	278
4.900% due 09/15/2021		1,000	1,206
4.950% due 02/11/2020		1,370	1,545
Autonomous Community of Valencia			
4.900% due 03/17/2020		600	680
Spain Government International Bond			
0.250% due 07/30/2024		2,200	2,506
0.600% due 10/31/2029 (j)		6,600	7,503
1.400% due 07/30/2028 (j)		6,400	7,813
1.450% due 04/30/2029 (j)		3,100	3,802
2.700% due 10/31/2048		400	597
2.900% due 10/31/2046 (j)		1,600	2,454
			28,384
Total Spain (Cost $29,965)			**31,146**

SUPRANATIONAL 0.1%

CORPORATE BONDS & NOTES 0.1%

European Investment Bank			
0.500% due 06/21/2023	AUD	500	340
0.500% due 08/10/2023		400	272
Total Supranational (Cost $685)			**612**

SWEDEN 0.3%

CORPORATE BONDS & NOTES 0.3%

Lansforsakringar Hypotek AB			
1.500% due 03/18/2021	EUR	700	803
Stadshypotek AB			
2.500% due 04/05/2022	$	300	304
Sveriges Sakerstallda Obligationer AB			
2.000% due 06/17/2026	SEK	6,000	692
Total Sweden (Cost $1,816)			**1,799**

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
SWITZERLAND 0.4%			
CORPORATE BONDS & NOTES 0.3%			
Credit Suisse AG			
0.750% due 09/17/2021	EUR	200	$ 228
6.500% due 08/08/2023 (h)	$	200	224
Credit Suisse Group AG			
3.094% (US0003M + 1.200%) due 12/14/2023 ~		800	809
3.869% due 01/12/2029 •		250	266
4.282% due 01/09/2028		250	272
			1,799
SOVEREIGN ISSUES 0.1%			
Switzerland Government International Bond			
3.500% due 04/08/2033	CHF	300	471
Total Switzerland (Cost $2,182)			**2,270**
UNITED ARAB EMIRATES 0.4%			
CORPORATE BONDS & NOTES 0.1%			
First Abu Dhabi Bank PJSC			
2.250% due 02/11/2020	$	500	500
3.000% due 03/30/2022		200	203
			703
SOVEREIGN ISSUES 0.3%			
Emirate of Abu Dhabi Government International Bond			
2.500% due 10/11/2022		500	507
3.125% due 10/11/2027		900	944
			1,451
Total United Arab Emirates (Cost $2,092)			**2,154**
UNITED KINGDOM 11.7%			
CORPORATE BONDS & NOTES 7.1%			
Barclays Bank PLC			
7.625% due 11/21/2022 (h)	$	3,300	3,711
Barclays PLC			
3.340% (US0003M + 1.430%) due 02/15/2023 ~		700	706
3.650% due 03/16/2025		600	626
4.011% (US0003M + 2.110%) due 08/10/2021 ~		600	614
4.610% due 02/15/2023 •		1,300	1,358
4.836% due 05/09/2028		200	216
7.125% due 06/15/2025 •(g)(h)	GBP	500	750
7.750% due 09/15/2023 •(g)(h)	$	300	328
8.000% due 12/15/2020 •(g)(h)	EUR	200	240
8.000% due 06/15/2024 •(g)(h)	$	400	448
Clydesdale Bank PLC			
2.250% due 04/21/2020	GBP	700	930
Co-operative Group Holdings Ltd.			
6.875% due 07/08/2020 þ		400	545
FCE Bank PLC			
1.660% due 02/11/2021	EUR	200	228
Frontier Finance PLC			
8.000% due 03/23/2022	GBP	1,500	2,043
HSBC Holdings PLC			
2.504% (US0003M + 0.600%) due 05/18/2021 ~	$	600	601
2.904% (US0003M + 1.000%) due 05/18/2024 ~		300	303
4.041% due 03/13/2028 •		400	428
4.583% due 06/19/2029 •		800	894
4.750% due 07/04/2029 •(g)(h)	EUR	200	253
5.875% due 09/28/2026 •(g)(h)	GBP	300	438
6.500% due 03/23/2028 •(g)(h)	$	700	771
Imperial Brands Finance PLC			
2.950% due 07/21/2020		800	802
Lloyds Bank PLC			
4.875% due 03/30/2027	GBP	500	820
5.125% due 03/07/2025		700	1,104

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Lloyds Banking Group PLC			
3.900% due 03/12/2024	$	700	$ 739
4.050% due 08/16/2023		1,300	1,378
4.582% due 12/10/2025		500	541
5.125% due 12/27/2024 •(g)(h)	GBP	500	688
Nationwide Building Society			
3.766% due 03/08/2024 •	$	1,200	1,242
3.960% due 07/18/2030 •		1,000	1,074
4.302% due 03/08/2029 •		400	436
Natwest Markets PLC			
0.625% due 03/02/2022	EUR	300	340
NatWest Markets PLC			
1.000% due 05/28/2024		800	915
RAC Bond Co. PLC			
4.870% due 05/06/2046	GBP	300	395
Reckitt Benckiser Treasury Services PLC			
2.375% due 06/24/2022	$	600	604
Royal Bank of Scotland Group PLC			
3.497% (US0003M + 1.550%) due 06/25/2024 ~		800	813
3.875% due 09/12/2023		300	314
4.269% due 03/22/2025 •		1,300	1,381
4.445% due 05/08/2030 •		500	552
4.519% due 06/25/2024 •		1,200	1,275
7.500% due 08/10/2020 •(g)(h)		200	205
8.000% due 08/10/2025 •(g)(h)		500	577
8.625% due 08/15/2021 •(g)(h)		500	542
Santander UK Group Holdings PLC			
2.875% due 10/16/2020		1,700	1,710
2.875% due 08/05/2021		400	404
4.796% due 11/15/2024 •		2,400	2,591
7.375% due 06/24/2022 •(g)(h)	GBP	200	289
Santander UK PLC			
4.250% due 04/12/2021	EUR	300	356
Tesco PLC			
6.125% due 02/24/2022	GBP	50	73
Tesco Property Finance PLC			
5.411% due 07/13/2044		191	322
5.661% due 10/13/2041		98	169
Virgin Media Secured Finance PLC			
5.000% due 04/15/2027		500	703
Vodafone Group PLC			
2.991% (US0003M + 0.990%) due 01/16/2024 ~	$	500	507
			40,292
NON-AGENCY MORTGAGE-BACKED SECURITIES 3.9%			
Brunel Residential Mortgage Securitisation PLC			
1.005% due 01/13/2039 •	GBP	998	1,303
Business Mortgage Finance PLC			
2.787% due 02/15/2041 •		193	254
Dukinfield PLC			
1.787% due 08/15/2045 •		511	679
Eurohome UK Mortgages PLC			
0.948% due 06/15/2044 •		334	430
Eurosail PLC			
0.945% due 06/10/2044 •		8	10
1.729% due 06/13/2045 •		477	628
Finsbury Square PLC			
1.729% due 09/12/2068 •		921	1,224
Harben Finance PLC			
1.602% due 08/20/2056 •		1,024	1,358
Hawksmoor Mortgages			
1.761% due 05/25/2053 •		1,917	2,545
Lanark Master Issuer PLC			
1.607% due 12/22/2069 •		867	1,153
Mansard Mortgages PLC			
1.448% due 12/15/2049 •		134	175
Newgate Funding PLC			
0.947% due 12/01/2050 •		275	346
1.798% due 12/15/2050 •		239	303
Paragon Mortgages PLC			
1.007% due 01/15/2039 •		683	860

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Residential Mortgage Securities PLC			
1.748% due 12/20/2046 •	GBP	848	$ 1,126
1.998% due 09/20/2065 •		849	1,133
Ripon Mortgages PLC			
1.602% due 08/20/2056 •		2,262	3,000
RMAC Securities PLC			
0.929% due 06/12/2044 •		426	539
Towd Point Mortgage Funding			
0.000% due 07/20/2045 •		2,300	3,046
Towd Point Mortgage Funding PLC			
1.820% due 10/20/2051 •		1,511	2,013
			22,125
		SHARES	
PREFERRED SECURITIES 0.0%			
Nationwide Building Society			
10.250% ~		960	211
		PRINCIPAL AMOUNT (000S)	
SOVEREIGN ISSUES 0.7%			
United Kingdom Gilt			
3.250% due 01/22/2044 (j)	GBP	900	1,663
4.250% due 12/07/2040		1,200	2,457
			4,120
Total United Kingdom (Cost $64,330)			**66,748**
UNITED STATES 58.1%			
ASSET-BACKED SECURITIES 5.8%			
ACE Securities Corp. Home Equity Loan Trust			
1.932% due 07/25/2036 •	$	1,338	1,062
Amortizing Residential Collateral Trust			
2.492% due 10/25/2031 •		1	1
AMRESCO Residential Securities Corp. Mortgage Loan Trust			
2.732% due 06/25/2029 •		1	1
Argent Mortgage Loan Trust			
2.272% due 05/25/2035 •		1,696	1,631
Argent Securities, Inc. Asset-Backed Pass-Through Certificates			
2.172% due 02/25/2036 •		562	469
Bayview Opportunity Master Fund Trust			
4.090% due 02/28/2034 þ		465	465
Citigroup Mortgage Loan Trust			
1.952% due 12/25/2036 •		552	384
2.052% due 03/25/2036 •		571	548
Citigroup Mortgage Loan Trust, Inc.			
2.052% due 06/25/2037 •		2,700	2,629
2.452% due 07/25/2035 •		1,200	1,187
Countrywide Asset-Backed Certificates			
1.922% due 12/25/2036 ^•		393	371
1.932% due 06/25/2035 •		368	335
1.932% due 03/25/2037 •		1,694	1,554
1.932% due 06/25/2037 •		482	453
1.932% due 07/25/2037 •		334	303
1.932% due 06/25/2047 ^•		365	335
1.932% due 06/25/2047 •		1,179	1,113
1.942% due 04/25/2047 ^•		313	302
2.082% due 07/25/2036 •		320	317
4.738% due 08/25/2035 ^~		408	383
Countrywide Asset-Backed Certificates Trust			
3.142% due 04/25/2035 •		1,000	1,006
Credit Suisse First Boston Mortgage Securities Corp.			
2.412% due 01/25/2032 •		1	1
First Franklin Mortgage Loan Trust			
1.907% due 07/25/2036 •		1,185	1,126
GSAMP Trust			
2.437% due 11/25/2035 ^•		1,329	1,083
Home Equity Mortgage Loan Asset-Backed Trust			
2.032% due 04/25/2037 •		562	416

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
HSI Asset Securitization Corp. Trust		
2.052% due 04/25/2037 •	$ 776	$ 523
Long Beach Mortgage Loan Trust		
2.352% due 10/25/2034 •	12	12
Merrill Lynch Mortgage Investors Trust		
1.942% due 08/25/2037 •	1,384	891
Morgan Stanley ABS Capital, Inc. Trust		
1.922% due 10/25/2036 •	144	139
Morgan Stanley Home Equity Loan Trust		
1.892% due 12/25/2036 •	994	565
2.022% due 04/25/2037 •	828	551
Morgan Stanley Mortgage Loan Trust		
5.919% due 09/25/2046 ^þ	163	70
Nomura Home Equity Loan, Inc. Home Equity Loan Trust		
2.082% due 03/25/2036 •	700	690
NovaStar Mortgage Funding Trust		
1.922% due 03/25/2037 •	720	530
Option One Mortgage Loan Trust		
1.932% due 01/25/2037 •	428	318
Renaissance Home Equity Loan Trust		
4.342% due 12/25/2032 •	331	328
5.294% due 01/25/2037 þ	641	328
5.675% due 06/25/2037 ^þ	1,053	441
5.731% due 11/25/2036 þ	1,004	538
Residential Asset Mortgage Products Trust		
2.232% due 12/25/2035 •	365	342
2.252% due 12/25/2035 •	938	828
Residential Asset Securities Corp. Trust		
2.042% due 11/25/2036 ^•	2,023	1,942
Saxon Asset Securities Trust		
3.542% due 12/25/2037 •	381	360
SLM Student Loan Trust		
1.348% due 03/15/2038 •	GBP 562	715
Soundview Home Loan Trust		
1.942% due 06/25/2037 •	$ 83	64
2.042% due 11/25/2036 •	1,400	1,325
Structured Asset Investment Loan Trust		
1.922% due 07/25/2036 •	479	376
2.102% due 01/25/2036 •	1,254	1,202
Terwin Mortgage Trust		
2.732% due 11/25/2033 •	24	23
Towd Point Mortgage Trust		
2.792% due 05/25/2058 •	1,080	1,086
Toyota Auto Loan Extended Note Trust		
2.560% due 11/25/2031	1,400	1,422
		33,084
CORPORATE BONDS & NOTES 11.0%		
AIG Global Funding		
2.300% due 07/01/2022	900	905
Allergan Sales LLC		
5.000% due 12/15/2021	600	628
American Airlines Pass-Through Trust		
3.000% due 04/15/2030	262	267
American Honda Finance Corp.		
2.241% (US0003M + 0.350%) due 11/05/2021 ~	100	100
American Tower Corp.		
2.950% due 01/15/2025	800	818
3.450% due 09/15/2021	500	511
AT&T, Inc.		
1.800% due 09/05/2026	EUR 1,000	1,201
2.657% (US0003M + 0.750%) due 06/01/2021 ~	$ 2,700	2,717
2.951% (US0003M + 0.950%) due 07/15/2021 ~	1,400	1,414
3.067% (US0003M + 1.180%) due 06/12/2024 ~	1,600	1,629
AXA Equitable Holdings, Inc.		
3.900% due 04/20/2023	100	105
4.350% due 04/20/2028	200	217
Bayer U.S. Finance LLC		
2.577% (US0003M + 0.630%) due 06/25/2021 ~	$ 300	$ 301
2.904% (US0003M + 1.010%) due 12/15/2023 ~	500	503
3.875% due 12/15/2023	300	315
4.250% due 12/15/2025	300	324
4.375% due 12/15/2028	700	764
Brandywine Operating Partnership LP		
3.950% due 11/15/2027	500	523
Campbell Soup Co.		
3.300% due 03/15/2021	200	203
3.650% due 03/15/2023	800	833
CenterPoint Energy Resources Corp.		
3.550% due 04/01/2023	200	207
Charter Communications Operating LLC		
3.750% due 02/15/2028	100	104
4.464% due 07/23/2022	1,300	1,366
5.125% due 07/01/2049	700	761
Citibank N.A.		
2.499% (US0003M + 0.600%) due 05/20/2022 ~	1,900	1,908
2.844% due 05/20/2022 •	900	911
Conagra Brands, Inc.		
2.512% (US0003M + 0.500%) due 10/09/2020 ~	900	901
Continental Resources, Inc.		
4.375% due 01/15/2028	200	213
CVS Health Corp.		
3.350% due 03/09/2021	107	109
3.700% due 03/09/2023	400	417
D.R. Horton, Inc.		
4.000% due 02/15/2020	1,200	1,203
5.750% due 08/15/2023	1,300	1,437
Daimler Finance North America LLC		
2.250% due 03/02/2020	400	400
Delta Air Lines, Inc.		
2.875% due 03/13/2020	1,400	1,400
DISH DBS Corp.		
5.125% due 05/01/2020	600	604
Dominion Energy Gas Holdings LLC		
2.494% (US0003M + 0.600%) due 06/15/2021 ~	800	803
Duke Energy Corp.		
2.538% (US0003M + 0.650%) due 03/11/2022 ~	1,300	1,309
EQT Corp.		
2.500% due 10/01/2020	500	500
3.000% due 10/01/2022	400	393
ERAC USA Finance LLC		
2.600% due 12/01/2021	1,200	1,209
Fidelity National Information Services, Inc.		
0.400% due 01/15/2021	EUR 200	226
0.750% due 05/21/2023	300	344
1.700% due 06/30/2022	GBP 200	269
Ford Motor Credit Co. LLC		
0.025% due 12/07/2022 •	EUR 100	108
2.425% due 06/12/2020	$ 200	200
2.853% (US0003M + 0.810%) due 04/05/2021 ~	600	597
3.012% (US0003M + 1.000%) due 01/09/2020 ~	700	700
GATX Corp.		
2.611% (US0003M + 0.720%) due 11/05/2021 ~	1,200	1,205
General Electric Co.		
0.000% due 05/28/2020 •	EUR 400	448
General Mills, Inc.		
3.200% due 04/16/2021	$ 100	102
3.700% due 10/17/2023	100	105
General Motors Financial Co., Inc.		
3.550% due 07/08/2022	700	721
Georgia-Pacific LLC		
3.163% due 11/15/2021	400	408
Goldman Sachs Group, Inc.		
3.094% (US0003M + 1.160%) due 04/23/2020 ~	$ 400	$ 401
4.223% due 05/01/2029 •	100	110
Goodman U.S. Finance Three LLC		
3.700% due 03/15/2028	600	616
Harley-Davidson Financial Services, Inc.		
2.847% (US0003M + 0.940%) due 03/02/2021 ~	400	402
Hyundai Capital America		
2.850% due 11/01/2022	300	303
International Lease Finance Corp.		
8.250% due 12/15/2020	500	529
Jackson National Life Global Funding		
2.375% due 09/15/2022	1,400	1,413
Kilroy Realty LP		
3.450% due 12/15/2024	100	104
Kinder Morgan, Inc.		
5.000% due 02/15/2021	400	412
KLA Corp.		
4.125% due 11/01/2021	400	414
Kraft Heinz Foods Co.		
2.471% (US0003M + 0.570%) due 02/10/2021 ~	900	901
L3Harris Technologies, Inc.		
2.416% (US0003M + 0.480%) due 04/30/2020 ~	600	600
MassMutual Global Funding		
2.250% due 07/01/2022	1,400	1,411
McDonald's Corp.		
2.366% (US0003M + 0.430%) due 10/28/2021 ~	700	702
Metropolitan Life Global Funding		
2.400% due 06/17/2022	600	606
Mid-America Apartments LP		
4.200% due 06/15/2028	600	662
MUFG Americas Holdings Corp.		
3.000% due 02/10/2025	560	571
Navient Corp.		
8.000% due 03/25/2020	100	101
NextEra Energy Capital Holdings, Inc.		
2.630% (US0003M + 0.720%) due 02/25/2022 ~	800	807
Nissan Motor Acceptance Corp.		
2.651% due 09/28/2022 •	1,000	998
Northwell Healthcare, Inc.		
4.260% due 11/01/2047	400	430
Penske Truck Leasing Co. LP		
3.950% due 03/10/2025	1,400	1,487
Public Service Co. of Oklahoma		
4.400% due 02/01/2021	200	205
Public Service Enterprise Group, Inc.		
2.000% due 11/15/2021	400	400
Rockwell Collins, Inc.		
2.800% due 03/15/2022	900	916
Sempra Energy		
2.344% (US0003M + 0.450%) due 03/15/2021 ~	800	800
SL Green Operating Partnership LP		
3.250% due 10/15/2022	500	512
Southern Co.		
2.350% due 07/01/2021	500	503
Southern Power Co.		
2.458% (US0003M + 0.550%) due 12/20/2020 ~	600	600
Spectra Energy Partners LP		
2.592% (US0003M + 0.700%) due 06/05/2020 ~	100	100
Spirit AeroSystems, Inc.		
3.950% due 06/15/2023	600	619
Sprint Communications, Inc.		
7.000% due 03/01/2020	200	201

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Sprint Spectrum Co. LLC		
3.360% due 03/20/2023	$ 263	$ 265
4.738% due 09/20/2029	300	319
Textron, Inc.		
2.451% (US0003M + 0.550%) due 11/10/2020 ~	700	700
Time Warner Cable LLC		
5.000% due 02/01/2020	300	301
United Technologies Corp.		
2.554% (US0003M + 0.650%) due 08/16/2021 ~	200	200
Verizon Communications, Inc.		
3.010% (US0003M + 1.100%) due 05/15/2025 ~	700	717
4.329% due 09/21/2028	1,012	1,148
Volkswagen Group of America Finance LLC		
2.675% (US0003M + 0.770%) due 11/13/2020 ~	300	301
2.841% (US0003M + 0.940%) due 11/12/2021 ~	300	303
3.875% due 11/13/2020	200	203
4.000% due 11/12/2021	300	310
WRKCo, Inc.		
3.750% due 03/15/2025	300	317
Zimmer Biomet Holdings, Inc.		
2.700% due 04/01/2020	300	300
3.150% due 04/01/2022	2,100	2,144
		62,230
LOAN PARTICIPATIONS AND ASSIGNMENTS 0.2%		
CenturyLink, Inc.		
4.549% (LIBOR03M + 2.750%) due 01/31/2025 ~	490	492
Charter Communications Operating LLC		
3.550% (LIBOR03M + 1.750%) due 02/01/2027 ~	579	584
		1,076
NON-AGENCY MORTGAGE-BACKED SECURITIES 2.6%		
American Home Mortgage Investment Trust		
3.407% due 09/25/2045 •	15	15
Banc of America Alternative Loan Trust		
6.500% due 04/25/2036 ^	389	382
Banc of America Mortgage Trust		
4.333% due 02/25/2036 ^~	41	38
Bear Stearns Adjustable Rate Mortgage Trust		
3.971% due 08/25/2033 ~	1	1
Bear Stearns ALT-A Trust		
1.952% due 02/25/2034 •	33	32
3.874% due 11/25/2035 ^~	22	20
3.952% due 03/25/2036 ^~	100	85
3.962% due 08/25/2036 ^~	35	25
4.103% due 09/25/2035 ^~	21	17
Bear Stearns Structured Products, Inc. Trust		
3.649% due 12/26/2046 ^~	22	19
Chase Mortgage Finance Trust		
3.797% due 07/25/2037 ~	42	39
Citigroup Mortgage Loan Trust, Inc.		
2.142% due 10/25/2035 •	1,759	1,317
3.840% due 09/25/2035 •	3	3
Citigroup Mortgage Loan Trust, Inc. Mortgage Pass-Through Certificates		
3.859% due 09/25/2035 ^~	208	195
Countrywide Alternative Loan Trust		
1.975% due 03/20/2046 •	55	52
2.072% due 02/25/2037 •	42	39
3.239% due 12/25/2035 •	45	41
5.250% due 06/25/2035 ^	7	6
5.704% due 11/25/2035 •	9	9
Countrywide Home Loan Mortgage Pass-Through Trust		
2.252% due 05/25/2035 •	21	19
2.432% due 03/25/2035 •	38	35
2.452% due 02/25/2035 •	5	5

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
3.841% due 11/25/2034 ~	$ 5	$ 5
3.878% due 08/25/2034 ^~	7	7
5.500% due 01/25/2035	337	347
Credit Suisse Mortgage Capital Mortgage-Backed Trust		
5.500% due 08/25/2036 ^	1,366	1,283
5.863% due 02/25/2037 ^~	180	80
DBUBS Mortgage Trust		
0.308% due 11/10/2046 ~(a)	400	1
0.700% due 11/10/2046 ~(a)	175	1
Deutsche ALT-A Securities, Inc. Mortgage Loan Trust		
2.542% due 10/25/2047 •	778	747
GSR Mortgage Loan Trust		
2.122% due 12/25/2034 •	34	33
3.956% due 01/25/2036 ^~	34	35
4.686% due 04/25/2035 ~	151	154
IndyMac Mortgage Loan Trust		
2.002% due 05/25/2046 •	426	420
2.272% due 07/25/2035 •	17	17
JPMorgan Mortgage Trust		
3.717% due 07/27/2037 ~	70	71
4.007% due 02/25/2036 ^~	19	16
Mellon Residential Funding Corp. Mortgage Pass-Through Trust		
2.180% due 12/15/2030 •	4	4
Morgan Stanley Bank of America Merrill Lynch Trust		
0.980% due 12/15/2048 ~(a)	912	22
Morgan Stanley Mortgage Loan Trust		
3.985% due 06/25/2036 ~	23	24
New Residential Mortgage Loan Trust		
2.750% due 07/25/2059 ~	1,657	1,658
Residential Accredit Loans, Inc. Trust		
1.942% due 02/25/2047 •	29	16
1.972% due 06/25/2046 •	273	106
2.002% due 04/25/2046 •	442	186
3.255% due 10/25/2037 ~	275	260
Structured Adjustable Rate Mortgage Loan Trust		
4.373% due 04/25/2034 ~	3	3
Structured Asset Mortgage Investments Trust		
2.002% due 05/25/2036 •	10	10
2.012% due 05/25/2036 •	72	70
2.012% due 09/25/2047 •	102	101
2.252% due 05/25/2045 •	15	15
2.344% due 07/19/2034 •	1	1
2.424% due 09/19/2032 •	1	1
2.464% due 03/19/2034 •	3	3
3.739% due 08/25/2047 ^•	31	30
Structured Asset Securities Corp.		
2.072% due 01/25/2036 •	229	214
Structured Asset Securities Corp. Mortgage Loan Trust		
2.082% due 10/25/2036 •	479	427
TBW Mortgage-Backed Trust		
5.970% due 09/25/2036 ^þ	189	14
Thornburg Mortgage Securities Trust		
3.252% due 06/25/2047 ^•	26	24
3.252% due 06/25/2047 •	3	3
Towd Point Mortgage Trust		
2.900% due 10/25/2059 ~	5,365	5,399
Wachovia Mortgage Loan Trust LLC		
4.229% due 10/20/2035 ^~	61	61
WaMu Mortgage Pass-Through Certificates Trust		
2.102% due 01/25/2045 •	72	71
2.350% due 02/27/2034 •	3	3
3.219% due 06/25/2046 •	30	31
3.239% due 02/25/2046 •	73	74
3.342% due 12/25/2036 ^~	155	146
4.216% due 04/25/2035 ~	25	25
4.419% due 03/25/2035 ~	33	33
4.493% due 03/25/2033 ~	7	7
Washington Mutual Mortgage Pass-Through Certificates Trust		
3.179% due 07/25/2046 ^•	22	16
		14,669

	SHARES	MARKET VALUE (000S)
PREFERRED SECURITIES 0.1%		
Bank of America Corp.		
5.875% due 03/15/2028 •(g)	700,000	$ 777
	PRINCIPAL AMOUNT (000S)	
U.S. GOVERNMENT AGENCIES 30.2%		
Fannie Mae		
1.912% due 03/25/2034 •	$ 2	2
1.942% due 08/25/2034 •	1	1
2.058% due 09/25/2042 •	12	12
2.192% due 06/25/2036 •	22	22
3.500% due 11/01/2021 - 01/01/2059	2,123	2,230
3.517% due 12/01/2034 •	2	2
3.527% due 10/01/2044 •	10	10
4.234% due 05/25/2035 ~	6	6
4.537% due 11/01/2034 •	16	17
6.000% due 07/25/2044	7	8
Freddie Mac		
2.131% due 01/15/2038 •	301	299
2.240% due 12/15/2032 •	4	4
2.340% due 12/15/2037 •	6	6
2.500% due 01/15/2038 ~(a)	301	20
3.439% due 10/25/2044 •	31	31
4.629% due 04/01/2035 •	40	42
4.750% due 03/01/2035 •	5	5
4.764% due 02/01/2029 •	1	1
Ginnie Mae		
2.574% due 05/20/2066 - 06/20/2066 •	3,763	3,787
2.624% due 11/20/2066 •	641	647
3.875% due 04/20/2028 - 06/20/2030 •	2	2
NCUA Guaranteed Notes		
2.183% due 11/05/2020 •	519	519
2.273% due 12/08/2020 •	166	167
Uniform Mortgage-Backed Security		
3.000% due 10/01/2049	1,391	1,426
3.500% due 10/01/2034 - 05/01/2049	9,023	9,376
4.000% due 03/01/2049	442	460
Uniform Mortgage-Backed Security, TBA		
3.000% due 02/01/2050	11,200	11,345
3.500% due 01/01/2050 - 02/01/2050	61,100	62,819
4.000% due 01/01/2050 - 02/01/2050	74,833	77,840
		171,106
U.S. TREASURY OBLIGATIONS 8.2%		
U.S. Treasury Inflation Protected Securities (f)		
0.125% due 01/15/2022 (n)	114	114
0.125% due 04/15/2022 (j)(l)(n)	2,328	2,325
0.375% due 07/15/2025 (j)(l)	9,061	9,248
0.500% due 01/15/2028 (j)	9,285	9,528
0.625% due 04/15/2023 (l)	622	631
0.625% due 01/15/2026 (n)	217	223
1.000% due 02/15/2048 (j)	2,505	2,774
1.375% due 02/15/2044 (j)(n)	883	1,043
2.000% due 01/15/2026 (j)(n)	130	144
2.500% due 01/15/2029 (j)	1,259	1,517
3.875% due 04/15/2029 (j)(n)	783	1,045
U.S. Treasury Notes		
1.625% due 08/15/2029 (j)	3,300	3,213
1.750% due 11/15/2029	3,300	3,248
2.250% due 11/15/2025 (n)	100	103
2.875% due 04/30/2025 (j)(n)	10,600	11,216
		46,372
Total United States (Cost $322,774)		**329,314**

 See Accompanying Notes

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
SHORT-TERM INSTRUMENTS 1.8%			
REPURCHASE AGREEMENTS (i) 0.4%			
			$ 2,462
ARGENTINA TREASURY BILLS 0.0%			
47.840% due 05/13/2020 (d)(e)	ARS	1,540	21
CZECH REPUBLIC TREASURY BILLS 0.1%			
(0.101)% due 01/10/2020 (d)(e)	CZK	12,000	529
JAPAN TREASURY BILLS 0.5%			
(0.150)% due 03/23/2020 (d)(e)	JPY	290,000	2,670
MEXICO TREASURY BILLS 0.4%			
7.359% due 01/09/2020 - 01/30/2020 (c)(d)	MXN	43,890	$ 2,312
SOUTH AFRICA TREASURY BILLS 0.2%			
7.309% due 02/26/2020 - 03/11/2020 (c)(d)	ZAR	14,500	1,025
U.S. TREASURY BILLS 0.2%			
1.586% due 01/02/2020 - 02/27/2020 (c)(d)(n)		$ 1,070	1,069
Total Short-Term Instruments (Cost $9,962)			**10,088**
Total Investments in Securities (Cost $740,282)			**757,451**

	SHARES	MARKET VALUE (000S)
INVESTMENTS IN AFFILIATES 6.1%		
SHORT-TERM INSTRUMENTS 6.1%		
CENTRAL FUNDS USED FOR CASH MANAGEMENT PURPOSES 6.1%		
PIMCO Short Asset Portfolio	2,901,620	$ 28,888
PIMCO Short-Term Floating NAV Portfolio III	585,955	5,797
Total Short-Term Instruments (Cost $34,753)		**34,685**
Total Investments in Affiliates (Cost $34,753)		**34,685**
Total Investments 139.9% (Cost $775,035)		**$ 792,136**
Financial Derivative Instruments (k)(m) (0.4)% (Cost or Premiums, net $777)		**(2,371)**
Other Assets and Liabilities, net (39.5)%		**(223,732)**
Net Assets 100.0%		**$ 566,033**

NOTES TO SCHEDULE OF INVESTMENTS:

- * A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- ~ Variable or Floating rate security. Rate shown is the rate in effect as of period end. Certain variable rate securities are not based on a published reference rate and spread, rather are determined by the issuer or agent and are based on current market conditions. Reference rate is as of reset date, which may vary by security. These securities may not indicate a reference rate and/or spread in their description.
- • Rate shown is the rate in effect as of period end. The rate may be based on a fixed rate, a capped rate or a floor rate and may convert to a variable or floating rate in the future. These securities do not indicate a reference rate and spread in their description.
- þ Coupon represents a rate which changes periodically based on a predetermined schedule or event. Rate shown is the rate in effect as of period end.
- (a) Interest only security.
- (b) Payment in-kind security.
- (c) Coupon represents a weighted average yield to maturity.
- (d) Zero coupon security.
- (e) Coupon represents a yield to maturity.
- (f) Principal amount of security is adjusted for inflation.
- (g) Perpetual maturity; date shown, if applicable, represents next contractual call date.
- (h) Contingent convertible security.

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(i) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received[1]
FICC	1.250%	12/31/2019	01/02/2020	$ 2,462	U.S. Treasury Inflation Protected Securities 0.125% due 04/15/2020	$ (2,514)	$ 2,462	$ 2,462
Total Repurchase Agreements						**$ (2,514)**	**$ 2,462**	**$ 2,462**

REVERSE REPURCHASE AGREEMENTS:

Counterparty	Borrowing Rate[2]	Settlement Date	Maturity Date	Amount Borrowed[2]	Payable for Reverse Repurchase Agreements
CIB	1.880%	11/06/2019	01/06/2020	$ (6,657)	$ (6,677)
GRE	1.890	11/08/2019	02/07/2020	(2,415)	(2,422)
	1.990	11/20/2019	02/20/2020	(1,281)	(1,284)
	2.040	11/22/2019	02/21/2020	(8,047)	(8,066)

Counterparty	Borrowing Rate[(2)]	Settlement Date	Maturity Date	Amount Borrowed[(2)]	Payable for Reverse Repurchase Agreements
IND	(0.420)%	10/17/2019	02/27/2020	EUR (10,172)	$ (11,400)
	(0.400)	10/22/2019	02/27/2020	(1,880)	(2,108)
	(0.360)	10/31/2019	02/27/2020	(1,336)	(1,497)
	(0.330)	10/17/2019	02/27/2020	(5,135)	(5,756)
	(0.330)	10/18/2019	02/27/2020	(2,806)	(3,145)
	(0.310)	10/30/2019	02/27/2020	(1,080)	(1,211)
	(0.280)	11/13/2019	02/27/2020	(3,183)	(3,569)
	0.980	10/25/2019	02/12/2020	GBP (726)	(964)
	1.950	12/10/2019	01/16/2020	$ (1,064)	(1,065)
JPS	1.830	11/19/2019	01/21/2020	(3,259)	(3,266)
MBC	(0.360)	10/17/2019	02/27/2020	EUR (3,208)	(3,595)
RCY	1.910	11/07/2019	01/16/2020	$ (1,747)	(1,753)
RYL	(0.450)	10/17/2019	02/27/2020	EUR (836)	(937)
	(0.250)	11/08/2019	02/27/2020	(5,504)	(6,171)
	(0.200)	11/14/2019	02/27/2020	(672)	(753)
UBS	(0.400)	10/17/2019	02/27/2020	(3,215)	(3,604)
	(0.330)	10/30/2019	02/27/2020	(1,195)	(1,339)
Total Reverse Repurchase Agreements					**$ (70,582)**

SALE-BUYBACK TRANSACTIONS:

Counterparty	Borrowing Rate[(2)]	Borrowing Date	Maturity Date	Amount Borrowed[(2)]	Payable for Sale-Buyback Transactions[(3)]
BPG	2.020%	12/10/2019	03/06/2020	$ (965)	$ (966)
UBS	1.830	12/06/2019	01/03/2020	(1,747)	(1,749)
	1.850	12/06/2019	01/14/2020	(6,243)	(6,252)
	1.920	12/06/2019	01/13/2020	(1,278)	(1,280)
Total Sale-Buyback Transactions					**$ (10,247)**

SHORT SALES:

Description	Coupon	Maturity Date	Principal Amount	Proceeds	Payable for Short Sales[(4)]
Canada (1.7)%					
Sovereign Issues (1.7)%					
Canada Government Bond	2.750%	12/01/2048	CAD 10,100	$ (9,418)	$ (9,540)
United States (0.1)%					
U.S. Government Agencies (0.1)%					
Uniform Mortgage-Backed Security, TBA	3.500	01/01/2035	$ 400	(414)	(415)
Total Short Sales (1.8)%				**$ (9,832)**	**$ (9,955)**

BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of December 31, 2019:

Counterparty	Repurchase Agreement Proceeds to be Received[(1)]	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions[(3)]	Payable for Short Sales[(4)]	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure[(5)]
Global/Master Repurchase Agreement							
CIB	$ 0	$ (6,677)	$ 0	$ 0	$ (6,677)	$ 6,707	$ 30
FICC	2,462	0	0	0	2,462	(2,514)	(52)
GRE	0	(11,772)	0	0	(11,772)	11,767	(5)
IND	0	(30,715)	0	0	(30,715)	30,171	(544)
JPS	0	(3,266)	0	0	(3,266)	3,213	(53)
MBC	0	(3,595)	0	0	(3,595)	3,638	43
RCY	0	(1,753)	0	0	(1,753)	1,734	(19)
RYL	0	(7,861)	0	0	(7,861)	7,719	(142)
UBS	0	(4,943)	0	0	(4,943)	4,818	(125)
Master Securities Forward Transaction Agreement							
BPG	0	0	(966)	0	(966)	963	(3)
TDM	0	0	0	(9,540)	(9,540)	0	(9,540)
UBS	0	0	(9,281)	0	(9,281)	9,206	(75)
Total Borrowings and Other Financing Transactions	**$ 2,462**	**$ (70,582)**	**$ (10,247)**	**$ (9,540)**			

 See Accompanying Notes

CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS

Remaining Contractual Maturity of the Agreements

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
Reverse Repurchase Agreements					
Sovereign Issues	$ 0	$ 0	$ (46,050)	$ 0	$ (46,050)
U.S. Treasury Obligations	0	(12,760)	(11,772)	0	(24,532)
Total	**$ 0**	**$ (12,760)**	**$ (57,822)**	**$ 0**	**$ (70,582)**
Sale-Buyback Transactions					
U.S. Treasury Obligations	0	(9,281)	(966)	0	(10,247)
Total	**$ 0**	**$ (9,281)**	**$ (966)**	**$ 0**	**$ (10,247)**
Total Borrowings	**$ 0**	**$ (22,041)**	**$ (58,788)**	**$ 0**	**$ (80,829)**
Payable for reverse repurchase agreements and sale-buyback financing transactions					**$ (80,829)**

(j) Securities with an aggregate market value of $79,936 have been pledged as collateral under the terms of the above master agreements as of December 31, 2019.

(1) Includes accrued interest.

(2) The average amount of borrowings outstanding during the period ended December 31, 2019 was $(32,877) at a weighted average interest rate of 1.202%. Average borrowings may include reverse repurchase agreements and sale-buyback transactions, if held during the period.

(3) Payable for sale-buyback transactions includes $(8) of deferred price drop.

(4) Payable for short sales includes $27 of accrued interest.

(5) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

(k) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED

PURCHASED OPTIONS:

OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

Description	Strike Price	Expiration Date	# of Contracts	Notional Amount	Cost	Market Value
Put - CBOT U.S. Treasury 5-Year Note March 2020 Futures	$ 110.750	02/21/2020	22	$ 22	$ 0	$ 0
Put - CBOT U.S. Treasury 5-Year Note March 2020 Futures	111.000	02/21/2020	47	47	0	0
Put - CBOT U.S. Treasury 10-Year Note March 2020 Futures	114.500	02/21/2020	3	3	0	0
Put - CBOT U.S. Treasury 10-Year Note March 2020 Futures	117.000	02/21/2020	7	7	0	0
Put - CBOT U.S. Treasury 10-Year Note March 2020 Futures	117.500	02/21/2020	43	43	0	0
Call - CBOT U.S. Treasury 10-Year Note March 2020 Futures	144.500	02/21/2020	2	2	0	0
Call - CBOT U.S. Treasury 10-Year Note March 2020 Futures	145.000	02/21/2020	75	75	1	0
Call - CME 90-Day Eurodollar June 2022 Futures	99.750	06/13/2022	38	95	9	5
Call - CME 90-Day Eurodollar March 2022 Futures	99.750	03/14/2022	21	53	5	2
Total Purchased Options					**$ 15**	**$ 7**

WRITTEN OPTIONS:

OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

Description	Strike Price	Expiration Date	# of Contracts	Notional Amount	Premiums (Received)	Market Value
Put - CBOT U.S. Treasury 10-Year Note February 2020 Futures	$ 127.000	01/24/2020	32	$ 32	$ (6)	$ (3)
Put - CBOT U.S. Treasury 10-Year Note February 2020 Futures	127.500	01/24/2020	17	17	(5)	(3)
Call - CBOT U.S. Treasury 10-Year Note February 2020 Futures	130.000	01/24/2020	32	32	(14)	(3)
Call - CBOT U.S. Treasury 10-Year Note February 2020 Futures	130.500	01/24/2020	17	17	(4)	(1)
Total Written Options					**$ (29)**	**$ (10)**

FUTURES CONTRACTS:

LONG FUTURES CONTRACTS

Description	Expiration Month	# of Contracts	Notional Amount	Unrealized Appreciation/ (Depreciation)	Variation Margin Asset	Variation Margin Liability
Australia Government 3-Year Note March Futures	03/2020	242	$ 19,532	$ (132)	$ 6	$ (22)
Australia Government 10-Year Bond March Futures	03/2020	130	13,042	(247)	0	(68)
Call Options Strike @ EUR 114.000 on Euro-Schatz Bond March 2020 Futures[1]	02/2020	353	2	0	0	0
Call Options Strike @ EUR 187.000 on Euro-Schatz Bond March 2020 Futures[1]	02/2020	25	0	0	0	0
Call Options Strike @ EUR 188.500 on Euro-Schatz Bond March 2020 Futures[1]	02/2020	100	1	0	0	0
Euro-Bobl March Futures	03/2020	182	27,280	(79)	0	(74)
Euro-BTP Italy Government Bond March Futures	03/2020	450	64,397	(377)	0	(119)
Euro-Buxl 30-Year Bond March Futures	03/2020	20	4,450	(116)	0	(69)
Put Options Strike @ EUR 99.000 on Euro-Schatz Bond March 2020 Futures[1]	02/2020	71	1	0	0	0
U.S. Treasury 5-Year Note March Futures	03/2020	277	32,855	(124)	0	(6)
United Kingdom Long Gilt March Futures	03/2020	20	3,481	(15)	15	(34)
				$ (1,090)	$ 21	$ (392)

SHORT FUTURES CONTRACTS

Description	Expiration Month	# of Contracts	Notional Amount	Unrealized Appreciation/ (Depreciation)	Variation Margin Asset	Variation Margin Liability
Canada Government 10-Year Bond March Futures	03/2020	15	$ (1,588)	$ 9	$ 13	$ 0
Euro-Bund 10-Year Bond March Futures	03/2020	264	(50,487)	768	331	0
Euro-OAT France Government 10-Year Bond March Futures	03/2020	1	(183)	3	1	0
Euro-Schatz March Futures	03/2020	466	(58,494)	53	29	0
Japan Government 10-Year Bond March Futures	03/2020	1	(1,401)	0	1	(1)
U.S. Treasury 10-Year Note March Futures	03/2020	227	(29,152)	(12)	25	0
U.S. Treasury Ultra Long-Term Bond March Futures	03/2020	27	(4,905)	165	31	0
				$ 986	$ 431	$ (1)
Total Futures Contracts				**$ (104)**	**$ 452**	**$ (393)**

SWAP AGREEMENTS:

CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - BUY PROTECTION[2]

Reference Entity	Fixed (Pay) Rate	Payment Frequency	Maturity Date	Implied Credit Spread at December 31, 2019[4]	Notional Amount[5]	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value[6]	Variation Margin Asset	Variation Margin Liability
BASF SE	(1.000)%	Quarterly	12/20/2020	0.053%	EUR 200	$ (6)	$ 4	$ (2)	$ 0	$ 0
Reynolds American, Inc.	(1.000)	Quarterly	12/20/2020	0.055	$ 700	(15)	8	(7)	0	0
United Utilities PLC	(1.000)	Quarterly	12/20/2020	0.082	EUR 200	(5)	3	(2)	0	0
						$ (26)	$ 15	$ (11)	$ 0	$ 0

CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION[3]

Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at December 31, 2019[4]	Notional Amount[5]	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value[6]	Variation Margin Asset	Variation Margin Liability
Berkshire Hathaway, Inc.	1.000%	Quarterly	12/20/2022	0.181%	$ 700	$ 13	$ 4	$ 17	$ 0	$ 0
Daimler AG	1.000	Quarterly	12/20/2020	0.132	EUR 200	5	(3)	2	0	0
Shell International Finance BV	1.000	Quarterly	12/20/2026	0.345	500	18	8	26	1	0
Tesco PLC	1.000	Quarterly	06/20/2022	0.338	800	0	15	15	0	(1)
Tesco PLC	1.000	Quarterly	06/20/2025	0.962	400	(13)	14	1	0	(1)
						$ 23	$ 38	$ 61	$ 1	$ (2)

CREDIT DEFAULT SWAPS ON CREDIT INDICES - BUY PROTECTION(2)

Index/Tranches	Fixed (Pay) Rate	Payment Frequency	Maturity Date	Notional Amount(5)	Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)	Market Value(6)	Variation Margin Asset	Variation Margin Liability
CDX.IG-32 10-Year Index	(1.000)%	Quarterly	06/20/2029	$ 8,400	$ 1	$ (99)	$ (98)	$ 3	$ 0
CDX.IG-33 5-Year Index	(1.000)	Quarterly	12/20/2024	2,000	(47)	(6)	(53)	0	0
CDX.IG-33 10-Year Index	(1.000)	Quarterly	12/20/2029	46,300	151	(570)	(419)	18	0
iTraxx Europe Main 31 5-Year Index	(1.000)	Quarterly	06/20/2024	EUR 1,000	(31)	(1)	(32)	0	0
iTraxx Europe Main 31 10-Year Index	(1.000)	Quarterly	06/20/2029	15,600	(116)	(190)	(306)	10	0
iTraxx Europe Main 32 5-Year Index	(1.000)	Quarterly	12/20/2024	800	(24)	(1)	(25)	0	0
					$ (66)	$ (867)	$ (933)	$ 31	$ 0

CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION(3)

Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount(5)	Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)	Market Value(6)	Variation Margin Asset	Variation Margin Liability
iTraxx Crossover 32 5-Year Index	5.000%	Quarterly	12/20/2024	EUR 1,000	$ 148	$ 7	$ 155	$ 0	$ (1)

INTEREST RATE SWAPS - BASIS SWAPS

Pay Floating Rate Index	Receive Floating Rate Index	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)	Market Value	Variation Margin Asset	Variation Margin Liability
3-Month USD-LIBOR	01-Month USD-LIBOR + 0.117%	Quarterly	03/02/2020	$ 33,900	$ 0	$ 5	$ 5	$ 0	$ 0
3-Month USD-LIBOR(7)	01-Month USD-LIBOR + 0.091%	Quarterly	03/18/2022	132,700	(1)	14	13	5	0
3-Month USD-LIBOR(7)	01-Month USD-LIBOR + 0.084%	Quarterly	04/26/2022	30,400	0	5	5	1	0
3-Month USD-LIBOR	01-Month USD-LIBOR + 0.084%	Quarterly	06/12/2022	5,100	0	4	4	0	0
3-Month USD-LIBOR	01-Month USD-LIBOR + 0.070%	Quarterly	06/12/2022	3,900	0	4	4	0	0
3-Month USD-LIBOR	01-Month USD-LIBOR + 0.085%	Quarterly	06/19/2022	19,800	(2)	15	13	0	0
3-Month USD-LIBOR(7)	01-Month USD-LIBOR + 0.086%	Quarterly	04/12/2023	12,500	0	3	3	0	0
3-Month USD-LIBOR(7)	01-Month USD-LIBOR + 0.073%	Quarterly	04/27/2023	17,000	0	4	4	0	0
3-Month USD-LIBOR(7)	01-Month USD-LIBOR + 0.105%	Quarterly	09/27/2024	12,700	0	(4)	(4)	0	(1)
3-Month USD-LIBOR(7)	01-Month USD-LIBOR + 0.102%	Quarterly	10/04/2024	10,100	0	(2)	(2)	0	(1)
3-Month USD-LIBOR(7)	01-Month USD-LIBOR + 0.088%	Quarterly	05/23/2029	4,800	0	1	1	0	0
					$ (3)	$ 49	$ 46	$ 6	$ (2)

INTEREST RATE SWAPS

Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value	Variation Margin Asset	Variation Margin Liability
Receive(7)	1-Day GBP-SONIO Compounded-OIS	0.905%	Quarterly	12/03/2039	GBP 1,300	$ 0	$ 8	$ 8	$ 9	$ 0
Receive	1-Day USD-Federal Funds Rate Compounded-OIS	2.684	Annual	04/30/2025	$ 1,200	0	(78)	(78)	2	0
Receive	1-Day USD-Federal Funds Rate Compounded-OIS	2.696	Annual	04/30/2025	1,100	0	(72)	(72)	2	0
Receive	1-Day USD-Federal Funds Rate Compounded-OIS	2.710	Annual	04/30/2025	1,200	0	(80)	(80)	2	0
Receive	1-Day USD-Federal Funds Rate Compounded-OIS	2.714	Annual	04/30/2025	2,300	0	(153)	(153)	3	0
Pay	1-Year BRL-CDI	8.880	Maturity	01/04/2021	BRL 800	1	14	15	0	0
Pay	3-Month CAD-Bank Bill	2.500	Semi-Annual	06/19/2029	CAD 16,200	333	46	379	0	(102)
Pay	3-Month CAD-Bank Bill	1.713	Semi-Annual	10/02/2029	3,100	1	(98)	(97)	0	(21)
Pay	3-Month CAD-Bank Bill	1.900	Semi-Annual	12/18/2029	10,300	173	(365)	(192)	0	(73)
Pay	3-Month CAD-Bank Bill	1.750	Semi-Annual	12/16/2046	600	(86)	34	(52)	0	(9)
Pay	3-Month CAD-Bank Bill	2.750	Semi-Annual	12/18/2048	11,000	7	894	901	0	(205)
Pay	3-Month CHF-LIBOR	0.050	Annual	03/16/2026	CHF 1,400	(24)	65	41	0	(3)
Pay	3-Month NZD-BBR	2.500	Semi-Annual	02/14/2020	NZD 7,520	9	39	48	0	0
Pay	3-Month SEK-STIBOR	1.000	Annual	06/19/2029	SEK 13,200	51	1	52	0	(9)
Receive	3-Month USD-LIBOR	1.750	Semi-Annual	06/20/2020	$ 63,700	1,091	(1,054)	37	5	0
Receive	3-Month USD-LIBOR	2.750	Semi-Annual	12/19/2020	46,900	319	(771)	(452)	6	0
Receive	3-Month USD-LIBOR	1.500	Semi-Annual	12/18/2021	10,500	38	4	42	4	0
Receive	3-Month USD-LIBOR	2.500	Semi-Annual	12/18/2021	23,800	(332)	(42)	(374)	8	0
Receive(7)	3-Month USD-LIBOR	1.305	Semi-Annual	08/21/2023	6,950	0	73	73	5	0
Receive(7)	3-Month USD-LIBOR	1.298	Semi-Annual	08/25/2024	5,950	0	72	72	3	0
Receive(7)	3-Month USD-LIBOR	1.249	Semi-Annual	08/31/2024	7,050	0	94	94	4	0
Receive(7)	3-Month USD-LIBOR	1.360	Semi-Annual	09/17/2024	4,450	0	48	48	3	0
Receive	3-Month USD-LIBOR	1.500	Semi-Annual	12/18/2024	5,800	31	35	66	6	0

Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value	Variation Margin Asset	Variation Margin Liability
Receive	3-Month USD-LIBOR	2.500%	Semi-Annual	12/18/2024	$ 18,400	$ (1,001)	$ 325	$ (676)	$ 20	$ 0
Receive	3-Month USD-LIBOR	2.250	Semi-Annual	06/20/2028	28,700	1,539	(2,457)	(918)	80	0
Receive	3-Month USD-LIBOR	1.500	Semi-Annual	12/18/2029	6,900	117	137	254	21	0
Receive[7]	3-Month USD-LIBOR	1.625	Semi-Annual	01/06/2030	9,500	(185)	436	251	30	0
Receive[7]	3-Month USD-LIBOR	2.000	Semi-Annual	01/15/2030	9,400	(44)	(46)	(90)	27	0
Receive[7]	3-Month USD-LIBOR	1.250	Semi-Annual	06/17/2030	5,000	301	9	310	9	0
Receive[7]	3-Month USD-LIBOR	2.250	Semi-Annual	03/12/2050	1,100	(1)	(33)	(34)	13	0
Receive[7]	3-Month USD-LIBOR	2.000	Semi-Annual	03/20/2050	900	(4)	28	24	10	0
Pay	3-Month ZAR-JIBAR	7.250	Quarterly	06/20/2023	ZAR 7,600	4	5	9	0	(1)
Pay	6-Month CZK-PRIBOR	1.913	Annual	01/30/2029	CZK 13,900	0	13	13	0	(3)
Receive[7]	6-Month EUR-EURIBOR	0.500	Annual	03/18/2022	EUR 12,500	17	46	63	4	0
Receive[7]	6-Month EUR-EURIBOR	0.300	Annual	06/17/2022	11,800	1	11	12	5	0
Pay[7]	6-Month EUR-EURIBOR	0.500	Annual	03/18/2025	47,300	(444)	(651)	(1,095)	0	(109)
Pay[7]	6-Month EUR-EURIBOR	0.150	Annual	06/17/2025	8,800	0	(43)	(43)	0	(22)
Pay[7]	6-Month EUR-EURIBOR	1.310	Annual	06/19/2029	3,600	119	56	175	0	(12)
Pay[7]	6-Month EUR-EURIBOR	0.150	Annual	03/18/2030	38,100	(1,168)	(445)	(1,613)	0	(205)
Pay[7]	6-Month EUR-EURIBOR	0.250	Annual	03/18/2050	3,950	349	129	478	61	0
Receive[7]	6-Month EUR-EURIBOR	0.150	Annual	06/17/2030	$ 1,400	1	(17)	(16)	0	(8)
Pay[7]	6-Month GBP-LIBOR	0.750	Semi-Annual	03/18/2022	GBP 17,400	(20)	3	(17)	7	0
Pay[7]	6-Month GBP-LIBOR	1.000	Semi-Annual	06/17/2025	19,300	159	(32)	127	0	(35)
Receive[7]	6-Month GBP-LIBOR	0.750	Semi-Annual	03/18/2030	7,800	50	224	274	60	0
Receive[7]	6-Month GBP-LIBOR	1.000	Semi-Annual	06/17/2030	3,700	(14)	31	17	30	0
Pay[7]	6-Month GBP-LIBOR	1.080	Quarterly	12/03/2039	1,300	0	(8)	(8)	0	(10)
Pay[7]	6-Month GBP-LIBOR	0.750	Semi-Annual	03/18/2050	3,200	(70)	(334)	(404)	0	(68)
Pay[7]	6-Month GBP-LIBOR	1.000	Semi-Annual	06/17/2050	600	(11)	(13)	(24)	0	(13)
Pay	6-Month JPY-LIBOR	0.380	Semi-Annual	06/18/2028	JPY 164,000	47	(9)	38	1	0
Pay	6-Month JPY-LIBOR	0.200	Semi-Annual	06/19/2029	1,050,000	164	(81)	83	9	0
Pay	6-Month JPY-LIBOR	0.035	Semi-Annual	11/29/2029	810,000	(19)	(44)	(63)	7	0
Pay	6-Month JPY-LIBOR	0.400	Semi-Annual	06/19/2039	130,881	(2)	18	16	2	0
Pay	6-Month JPY-LIBOR	0.500	Semi-Annual	06/19/2049	20,000	(1)	4	3	0	0
Pay	6-Month PLN-WIBOR	2.405	Annual	01/30/2029	PLN 1,700	0	28	28	0	(1)
Pay	28-Day MXN-TIIE	7.278	Lunar	03/22/2022	MXN 21,800	(5)	20	15	0	0
Pay	28-Day MXN-TIIE	7.317	Lunar	03/23/2022	18,100	(3)	16	13	0	0
Pay	28-Day MXN-TIIE	5.825	Lunar	01/12/2023	27,400	(95)	63	(32)	0	0
						$ 1,393	$ (3,897)	$ (2,504)	$ 458	$ (909)
Total Swap Agreements						**$ 1,469**	**$ (4,655)**	**$ (3,186)**	**$ 496**	**$ (914)**

FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of December 31, 2019:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Market Value	Variation Margin Asset			Market Value	Variation Margin Liability		
	Purchased Options	Futures	Swap Agreements	Total	Written Options	Futures	Swap Agreements	Total
Total Exchange-Traded or Centrally Cleared	**$ 7**	**$ 452**	**$ 496**	**$ 955**	**$ (10)**	**$ (393)**	**$ (914)**	**$ (1,317)**

(l) Securities with an aggregate market value of $5,011 and cash of $3,411 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of December 31, 2019. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

(1) Future styled option.

(2) If the Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

(3) If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

(4) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on sovereign issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(5) The maximum potential amount the Portfolio could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

[(6)] The prices and resulting values for credit default swap agreements serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the underlying referenced instrument's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

[(7)] This instrument has a forward starting effective date. See Note 2, Securities Transactions and Investment Income, in the Notes to Financial Statements for further information.

(m) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER

FORWARD FOREIGN CURRENCY CONTRACTS:

Counterparty	Settlement Month	Currency to be Delivered		Currency to be Received		Unrealized Appreciation/ (Depreciation) Asset	Unrealized Appreciation/ (Depreciation) Liability
BOA	01/2020	CAD	7	$	5	$ 0	$ 0
	01/2020	CLP	580,315		792	20	0
	01/2020	CZK	6,000		262	0	(2)
	01/2020	DKK	144,062		21,366	0	(259)
	01/2020	SEK	52		6	0	0
	01/2020	$	3,110	AUD	4,580	105	0
	01/2020		566	CAD	740	4	0
	01/2020		564	EUR	507	5	0
	01/2020		494	GBP	380	10	0
	01/2020		693	KRW	823,711	20	0
	02/2020	PLN	519	$	135	0	(2)
	03/2020	RON	1,843	EUR	372	0	(12)
	03/2020	ZAR	6,304	$	417	0	(29)
BPS	01/2020	DKK	13,045		1,942	0	(16)
	01/2020	EUR	4,471		4,986	0	(32)
	01/2020	GBP	19,804		25,672	5	(571)
	01/2020	JPY	350,951		3,216	0	(15)
	01/2020	NOK	12,037		1,315	0	(56)
	01/2020	SEK	7,397		773	0	(17)
	01/2020	$	13	CHF	13	0	0
	01/2020		5,573	EUR	4,994	31	0
	01/2020		5,634	GBP	4,280	36	0
	01/2020		315	KRW	374,850	9	0
	01/2020		552	NZD	844	17	0
	02/2020	PEN	2,794	$	824	0	(19)
	02/2020	PLN	5,585		1,454	0	(18)
	02/2020	$	1,428	TWD	42,620	0	0
	03/2020	HKD	3,683	$	470	0	(2)
	03/2020	RON	1,606	EUR	323	0	(11)
	03/2020	$	4,266	IDR	60,831,611	104	0
	05/2020		4,740	INR	348,248	84	0
	09/2020	HKD	2,687	$	342	0	(2)
BRC	01/2020	CLP	286,321		380	0	(1)
	01/2020	EUR	706		784	0	(9)
	01/2020	JPY	306,856		2,805	0	(20)
	01/2020	$	380	CLP	286,321	1	0
	03/2020		587	KRW	695,947	16	0
	04/2020	INR	349,802	$	4,822	0	(28)
	09/2020	$	3,765	HKD	29,527	19	0
BSH	01/2020	MXN	35,090	$	1,804	0	(46)
CBK	01/2020	BRL	32,906		8,056	0	(124)
	01/2020	CLP	205,434		275	2	0
	01/2020	COP	525,793		157	0	(3)
	01/2020	DKK	8,520		1,266	0	(13)
	01/2020	ILS	989		286	0	(1)
	01/2020	JPY	7,661,941		70,570	43	(1)
	01/2020	MXN	4,300		223	0	(4)
	01/2020	NOK	20,238		2,247	0	(58)
	01/2020	$	8,164	BRL	32,906	16	0
	01/2020		1,844	CLP	1,399,142	27	(10)
	01/2020		490	EUR	441	5	0
	01/2020		564	GBP	433	10	0
	01/2020		148	KRW	175,980	4	0
	01/2020		736	MXN	14,405	24	0
	02/2020	COP	3,604,606	$	1,062	0	(33)
	02/2020	PEN	10,205		3,028	0	(47)
	02/2020	$	7,106	BRL	28,924	78	0
	02/2020		2,118	COP	7,339,981	112	0

Counterparty	Settlement Month	Currency to be Delivered		Currency to be Received		Unrealized Appreciation/ (Depreciation) Asset	Unrealized Appreciation/ (Depreciation) Liability
	03/2020	CNH	28,932	$	4,100	$ 0	$ (49)
	03/2020	KRW	13,330,808		11,362	0	(194)
	03/2020	RON	1,618	EUR	326	0	(11)
	03/2020	$	909	PEN	3,090	21	0
	04/2020		1,336	MXN	26,289	33	0
DUB	03/2020	CNH	5,353	$	743	0	(25)
	03/2020	$	2,793	CNH	19,952	69	0
FBF	01/2020		66	KRW	78,276	2	0
	03/2020	CNH	65	$	9	0	0
GLM	01/2020	BRL	9,094		2,256	0	(4)
	01/2020	CHF	635		639	0	(18)
	01/2020	CLP	99,779		133	0	0
	01/2020	COP	2,260,206		676	0	(11)
	01/2020	MXN	4,500		233	0	(5)
	01/2020	$	2,156	BRL	9,094	105	0
	01/2020		958	CLP	719,808	5	(5)
	01/2020		30,682	DKK	206,463	310	0
	02/2020	COP	943,949	$	278	0	(9)
	03/2020	CNH	4,728		670	0	(8)
	03/2020	EUR	242	RON	1,178	2	0
	04/2020	DKK	200,153	$	29,939	0	(292)
HUS	01/2020	BRL	1,515		370	0	(7)
	01/2020	CAD	2,350		1,776	0	(34)
	01/2020	CHF	3,895		3,939	0	(87)
	01/2020	CLP	1,210,602		1,673	62	0
	01/2020	CZK	6,000		262	0	(2)
	01/2020	DKK	25,675		3,822	0	(32)
	01/2020	EUR	506		565	0	(3)
	01/2020	GBP	2,565		3,344	0	(54)
	01/2020	KRW	800,037		690	0	(2)
	01/2020	NZD	829		548	0	(11)
	01/2020	$	1,118	AUD	1,622	20	0
	01/2020		376	BRL	1,515	1	0
	01/2020		1,125	GBP	843	0	(8)
	01/2020		357	KRW	425,187	11	0
	01/2020		1,300	RUB	85,944	82	0
	02/2020	KRW	2,730,442	$	2,300	0	(65)
	03/2020	CNH	32,931		4,626	0	(97)
	03/2020	$	2,272	CNH	16,021	26	0
	03/2020		691	KRW	800,037	3	0
	04/2020		4,767	INR	349,802	82	0
JPM	01/2020	DKK	16,820	$	2,490	0	(35)
	01/2020	$	408	EUR	367	4	0
	01/2020		2,134	MXN	42,893	128	0
	02/2020	PLN	4,319	$	1,127	0	(12)
	05/2020	INR	173,974		2,414	4	0
MYI	01/2020	AUD	825		567	0	(12)
	01/2020	EUR	55,343		61,194	0	(912)
	01/2020	NZD	2,207		1,462	0	(24)
	01/2020	SEK	66		7	0	0
	01/2020	$	2,236	CAD	2,972	53	0
	01/2020		8,263	JPY	896,403	2	(12)
	01/2020		2,654	NOK	23,907	70	0
	03/2020	RON	1,620	EUR	326	0	(11)
	03/2020	$	3,019	RUB	196,175	116	0
	06/2021		38	EUR	30	0	(4)
RYL	01/2020	CLP	466,943	$	613	0	(8)
	01/2020	MXN	57,298		2,966	0	(56)
	01/2020	$	613	CLP	466,943	8	0
	01/2020		158	DKK	1,050	0	0
	02/2020	COP	3,391	$	1	0	0
	05/2020	$	2,921	MXN	57,298	55	0
SCX	01/2020	AUD	299	$	208	0	(2)
	01/2020	EUR	1,011		1,124	0	(11)
	01/2020	$	1,690	AUD	2,475	48	0
	01/2020		574	CHF	566	11	0
	01/2020		1,131	NZD	1,737	39	0
	01/2020		568	SEK	5,402	9	0

Counterparty	Settlement Month	Currency to be Delivered		Currency to be Received		Unrealized Appreciation/ (Depreciation) Asset	Liability
	02/2020	$	902	PLN	3,534	$ 30	$ 0
	02/2020	ZAR	4,534	$	291	0	(30)
	03/2020	TWD	42,578		1,404	0	(27)
	09/2020	HKD	27,161		3,456	0	(25)
SOG	03/2020	ZAR	3,152		209	0	(14)
SSB	01/2020	$	5,992	BRL	25,328	305	0
	03/2020	CNY	235,326	$	33,371	0	(357)
	03/2020	$	1,726	CNY	12,386	49	0
	05/2020	INR	174,274	$	2,424	10	0
TOR	01/2020	CLP	5,976		8	0	0
	01/2020	$	577	CLP	458,937	33	0
UAG	01/2020	CAD	11,388	$	8,556	0	(214)
	01/2020	JPY	1,222,100		11,191	0	(59)
	03/2020	EUR	1,132	RON	5,509	11	0
Total Forward Foreign Currency Contracts						**$ 2,626**	**$ (4,319)**

PURCHASED OPTIONS:

FOREIGN CURRENCY OPTIONS

Counterparty	Description	Strike Price	Expiration Date	Notional Amount[1]	Cost	Market Value
HUS	Put - OTC EUR versus NOK	NOK 9.900	01/20/2020	2,530	$ 5	$ 23
	Put - OTC USD versus CNH	CNH 6.900	03/06/2020	16,690	51	56
					$ 56	$ 79

INTEREST RATE SWAPTIONS

Counterparty	Description	Floating Rate Index	Pay/Receive Floating Rate	Exercise Rate	Expiration Date	Notional Amount[1]	Cost	Market Value
BOA	Put - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	2.175%	09/15/2021	1,900	$ 79	$ 123
DUB	Put - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	1.779	08/19/2020	2,100	110	194
FBF	Put - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	1.733	08/26/2021	2,000	148	242
MYC	Put - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	2.005	06/08/2020	1,700	68	83
	Put - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	1.984	06/09/2020	1,000	38	52
	Put - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	1.752	08/23/2021	1,700	126	201
							$ 569	$ 895

OPTIONS ON SECURITIES

Counterparty	Description	Strike Price	Expiration Date	Notional Amount[1]	Cost	Market Value
FAR	Put - OTC Uniform Mortgage-Backed Security, TBA 3.500% due 01/01/2050	$ 73.000	01/07/2020	9,500	$ 0	$ 0
Total Purchased Options					**$ 625**	**$ 974**

WRITTEN OPTIONS:

CREDIT DEFAULT SWAPTIONS ON CREDIT INDICES

Counterparty	Description	Buy/Sell Protection	Exercise Rate	Expiration Date	Notional Amount[1]	Premiums (Received)	Market Value
BOA	Call - OTC CDX.IG-33 5-Year Index	Buy	0.475%	02/19/2020	1,300	$ (1)	$ (2)
	Put - OTC CDX.IG-33 5-Year Index	Sell	0.725	02/19/2020	1,300	(1)	0
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.425	03/18/2020	2,000	(1)	(2)
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.450	03/18/2020	700	(1)	(1)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.700	03/18/2020	2,000	(2)	(1)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	03/18/2020	700	(1)	0
BPS	Put - OTC CDX.IG-33 5-Year Index	Sell	0.900	01/15/2020	1,200	(2)	0
	Call - OTC CDX.IG-33 5-Year Index	Buy	0.475	02/19/2020	1,000	(1)	(2)
	Put - OTC CDX.IG-33 5-Year Index	Sell	0.800	02/19/2020	1,000	(1)	0
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.450	02/19/2020	900	0	(1)
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.475	02/19/2020	900	0	(2)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	02/19/2020	1,800	(3)	0

Counterparty	Description	Buy/Sell Protection	Exercise Rate	Expiration Date	Notional Amount(1)	Premiums (Received)	Market Value
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.900%	02/19/2020	1,100	$ (2)	$ 0
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.450	03/18/2020	1,300	(1)	(2)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	03/18/2020	1,400	(2)	0
BRC	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.475	02/19/2020	600	0	(2)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	02/19/2020	600	(1)	0
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.425	03/18/2020	2,700	(1)	(2)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.700	03/18/2020	2,700	(3)	(1)
CBK	Put - OTC CDX.IG-33 5-Year Index	Sell	0.900	01/15/2020	1,100	(1)	0
	Put - OTC CDX.IG-33 5-Year Index	Sell	1.000	01/15/2020	1,700	(1)	0
CKL	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.475	02/19/2020	1,000	(1)	(2)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.850	02/19/2020	1,000	(1)	0
DBL	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.475	01/15/2020	1,300	(1)	(3)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	01/15/2020	1,300	(2)	0
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.425	02/19/2020	700	0	(1)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.700	02/19/2020	700	(1)	0
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.450	03/18/2020	700	(1)	(1)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	03/18/2020	600	(1)	0
FBF	Put - OTC CDX.IG-33 5-Year Index	Sell	0.900	01/15/2020	1,200	(1)	0
GST	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.450	03/18/2020	1,400	(1)	(2)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	03/18/2020	1,400	(1)	0
JLN	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.425	03/18/2020	700	0	(1)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.700	03/18/2020	700	(1)	0
JPM	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.450	03/18/2020	700	(1)	(1)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	03/18/2020	700	(1)	0
MEI	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.475	02/19/2020	600	0	(1)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.900	02/19/2020	600	(1)	0
	Call - OTC iTraxx Europe 32 5-Year Index	Buy	0.450	03/18/2020	500	0	(1)
	Put - OTC iTraxx Europe 32 5-Year Index	Sell	0.800	03/18/2020	500	(1)	0
						$ (42)	$ (31)

FOREIGN CURRENCY OPTIONS

Counterparty	Description	Strike Price	Expiration Date	Notional Amount(1)	Premiums (Received)	Market Value
GLM	Put - OTC GBP versus USD	$ 1.285	01/17/2020	2,120	$ (17)	$ (2)
	Put - OTC GBP versus USD	1.283	01/24/2020	2,131	(17)	(2)
HUS	Call - OTC USD versus CNH	CNH 7.140	03/06/2020	8,345	(51)	(17)
SCX	Put - OTC USD versus CNH	6.950	01/15/2020	2,649	(7)	(7)
	Call - OTC USD versus CNH	7.080	01/15/2020	2,649	(8)	(1)
					$ (100)	$ (29)

INTEREST RATE SWAPTIONS

Counterparty	Description	Floating Rate Index	Pay/Receive Floating Rate	Exercise Rate	Expiration Date	Notional Amount(1)	Premiums (Received)	Market Value
BOA	Call - OTC 2-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	1.570%	02/25/2020	15,400	$ (35)	$ (9)
	Put - OTC 2-Year Interest Rate Swap	3-Month USD-LIBOR	Pay	1.570	02/25/2020	15,400	(35)	(40)
	Put - OTC 3-Year Interest Rate Swap	3-Month USD-LIBOR	Pay	1.880	09/15/2021	15,800	(78)	(116)
DUB	Put - OTC 3-Year Interest Rate Swap	3-Month USD-LIBOR	Pay	1.456	08/19/2020	17,500	(110)	(162)
FBF	Put - OTC 3-Year Interest Rate Swap	3-Month USD-LIBOR	Pay	1.399	08/26/2021	16,600	(147)	(244)
GLM	Call - OTC 2-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	1.540	02/24/2020	12,500	(29)	(6)
	Put - OTC 2-Year Interest Rate Swap	3-Month USD-LIBOR	Pay	1.540	02/24/2020	12,500	(29)	(38)
MYC	Put - OTC 1-Year Interest Rate Swap(2)	3-Month USD-LIBOR	Pay	1.600	06/08/2020	40,800	(68)	(76)
	Put - OTC 1-Year Interest Rate Swap(2)	3-Month USD-LIBOR	Pay	1.600	06/09/2020	24,000	(38)	(44)
	Put - OTC 2-Year Interest Rate Swap	3-Month JPY-LIBOR	Pay	0.047	06/29/2020	918,000	(3)	(12)
	Put - OTC 3-Year Interest Rate Swap	3-Month USD-LIBOR	Pay	1.448	08/23/2021	14,100	(126)	(195)
							$ (698)	$ (942)

INTEREST RATE-CAPPED OPTIONS

Counterparty	Description	Exercise Rate	Floating Rate Index	Expiration Date	Notional Amount[1]	Premiums (Received)	Market Value
MYC	Call - OTC 1-Year Interest Rate Floor[2]	0.000%	3-Month USD-LIBOR	10/07/2022	9,500	$ (10)	$ (4)
	Call - OTC 1-Year Interest Rate Floor[2]	0.000	3-Month USD-LIBOR	10/11/2022	5,250	(5)	(3)
						$ (15)	$ (7)
Total Written Options						**$ (855)**	**$ (1,009)**

SWAP AGREEMENTS:

CREDIT DEFAULT SWAPS ON SOVEREIGN ISSUES - BUY PROTECTION[3]

Counterparty	Reference Entity	Fixed (Pay) Rate	Payment Frequency	Maturity Date	Implied Credit Spread at December 31, 2019[5]	Notional Amount[6]	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value[7]	
									Asset	Liability
BOA	Japan Government International Bond	(1.000)%	Quarterly	06/20/2022	0.085%	$ 200	$ (7)	$ 3	$ 0	$ (4)
BPS	Japan Government International Bond	(1.000)	Quarterly	06/20/2022	0.085	1,700	(61)	22	0	(39)
	South Korea Government International Bond	(1.000)	Quarterly	06/20/2023	0.141	3,000	(73)	(16)	0	(89)
BRC	China Government International Bond	(1.000)	Quarterly	06/20/2023	0.189	800	(15)	(7)	0	(22)
	Japan Government International Bond	(1.000)	Quarterly	06/20/2022	0.085	1,200	(41)	14	0	(27)
	South Korea Government International Bond	(1.000)	Quarterly	06/20/2023	0.141	2,000	(51)	(8)	0	(59)
CBK	Japan Government International Bond	(1.000)	Quarterly	06/20/2022	0.085	1,000	(35)	12	0	(23)
GST	China Government International Bond	(1.000)	Quarterly	06/20/2023	0.189	1,600	(31)	(14)	0	(45)
	Japan Government International Bond	(1.000)	Quarterly	06/20/2022	0.085	1,700	(60)	22	0	(38)
HUS	South Korea Government International Bond	(1.000)	Quarterly	06/20/2023	0.141	800	(20)	(4)	0	(24)
JPM	South Korea Government International Bond	(1.000)	Quarterly	06/20/2023	0.141	200	(5)	(1)	0	(6)
							$ (399)	$ 23	$ 0	$ (376)

CREDIT DEFAULT SWAPS ON SOVEREIGN ISSUES - SELL PROTECTION[4]

Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at December 31, 2019[5]	Notional Amount[6]	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value[7]	
									Asset	Liability
GST	South Africa Government International Bond	1.000%	Quarterly	06/20/2024	1.501%	$ 900	$ (40)	$ 21	$ 0	$ (19)
JPM	South Africa Government International Bond	1.000	Quarterly	06/20/2023	1.229	400	(21)	18	0	(3)
							$ (61)	$ 39	$ 0	$ (22)

CROSS-CURRENCY SWAPS

Counterparty	Receive	Pay	Payment Frequency	Maturity Date[8]	Notional Amount of Currency Received	Notional Amount of Currency Delivered	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value	
									Asset	Liability
CBK	Floating rate equal to 3-Month AUD-LIBOR plus 0.420% based on the notional amount of currency received	Floating rate equal to 3-Month USD-LIBOR based on the notional amount of currency delivered	Maturity	07/31/2029	AUD 4,200	$ 2,898	$ 1	$ 55	$ 56	$ 0
	Floating rate equal to 3-Month EUR-EURIBOR less 0.172% based on the notional amount of currency received	Floating rate equal to 3-Month USD-LIBOR based on the notional amount of currency delivered	Maturity	01/23/2030	EUR 3,300	3,696	(16)	18	2	0
GLM	Floating rate equal to 3-Month AUD-LIBOR plus 0.423% based on the notional amount of currency received	Floating rate equal to 3-Month USD-LIBOR based on the notional amount of currency delivered	Maturity	08/01/2029	AUD 4,100	2,829	(15)	70	55	0
	Floating rate equal to 3-Month EUR-EURIBOR less 0.181% based on the notional amount of currency received	Floating rate equal to 3-Month USD-LIBOR based on the notional amount of currency delivered	Maturity	02/18/2030	EUR 1,600	1,760	1	30	31	0

Counterparty	Receive	Pay	Payment Frequency	Maturity Date(8)	Notional Amount of Currency Received	Notional Amount of Currency Delivered	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
MYI	Floating rate equal to 3-Month EUR-EURIBOR less 0.162% based on the notional amount of currency received	Floating rate equal to 3-Month USD-LIBOR based on the notional amount of currency delivered	Maturity	03/18/2030	EUR 1,700	$ 1,901	$ (11)	$ 18	$ 7	$ 0
							$ (40)	$ 191	$ 151	$ 0

INTEREST RATE SWAPS

Counterparty	Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
BPS	Pay	1-Year ILS-TELBOR	1.180%	Annual	01/30/2024	ILS 8,500	$ 0	$ 113	$ 113	$ 0
	Pay	1-Year ILS-TELBOR	1.786	Annual	05/01/2029	1,400	0	39	39	0
CBK	Pay	1-Year ILS-TELBOR	1.755	Annual	04/29/2029	2,100	0	57	57	0
GLM	Pay	1-Year ILS-TELBOR	1.780	Annual	04/22/2029	1,800	0	51	51	0
	Pay	1-Year ILS-TELBOR	1.779	Annual	04/30/2029	1,800	0	50	50	0
HUS	Pay	1-Year ILS-TELBOR	1.785	Annual	04/25/2029	800	0	23	23	0
JPM	Pay	1-Year ILS-TELBOR	1.775	Annual	04/25/2029	2,100	1	58	59	0
							$ 1	$ 391	$ 392	$ 0

TOTAL RETURN SWAPS ON INTEREST RATE INDICES

Counterparty	Pay/Receive(9)	Underlying Reference	# of Units	Financing Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
BRC	Receive	iBoxx USD Liquid Investment Grade Index	N/A	1.908% (3-Month USD-LIBOR)	Maturity	03/20/2020	$ 2,600	$ 16	$ (223)	$ 0	$ (207)
FBF	Receive	iBoxx USD Liquid Investment Grade Index	N/A	1.908% (3-Month USD-LIBOR)	Maturity	03/20/2020	3,300	10	(83)	0	(73)
GST	Receive	iBoxx USD Liquid Investment Grade Index	N/A	1.908% (3-Month USD-LIBOR plus a specified spread)	Maturity	03/20/2020	1,000	5	(8)	0	(3)
	Receive	iBoxx USD Liquid Investment Grade Index	N/A	1.908% (3-Month USD-LIBOR)	Maturity	03/20/2020	5,500	10	(88)	0	(78)
MYC	Receive	iBoxx USD Liquid Investment Grade Index	N/A	1.908% (3-Month USD-LIBOR)	Maturity	03/20/2020	3,300	10	(75)	0	(65)
								$ 51	$ (477)	$ 0	$ (426)
Total Swap Agreements								**$ (448)**	**$ 167**	**$ 543**	**$ (824)**

FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of December 31, 2019:

	Financial Derivative Assets				Financial Derivative Liabilities						
Counterparty	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter	Net Market Value of OTC Derivatives	Collateral Pledged/ (Received)	Net Exposure(10)
BOA	$ 164	$ 123	$ 0	$ 287	$ (304)	$ (171)	$ (4)	$ (479)	$ (192)	$ 0	$ (192)
BPS	286	0	152	438	(759)	(7)	(128)	(894)	(456)	297	(159)
BRC	36	0	0	36	(58)	(5)	(315)	(378)	(342)	283	(59)
BSH	0	0	0	0	(46)	0	0	(46)	(46)	0	(46)
CBK	375	0	115	490	(548)	0	(23)	(571)	(81)	(300)	(381)
CKL	0	0	0	0	0	(2)	0	(2)	(2)	0	(2)
DBL	0	0	0	0	0	(5)	0	(5)	(5)	0	(5)
DUB	69	194	0	263	(25)	(162)	0	(187)	76	(60)	16
FBF	2	242	0	244	0	(244)	(73)	(317)	(73)	0	(73)
GLM	422	0	187	609	(352)	(48)	0	(400)	209	0	209
GST	0	0	0	0	0	(2)	(183)	(185)	(185)	296	111
HUS	287	79	23	389	(402)	(17)	(24)	(443)	(54)	0	(54)
JLN	0	0	0	0	0	(1)	0	(1)	(1)	0	(1)
JPM	136	0	59	195	(47)	(1)	(9)	(57)	138	(260)	(122)

	Financial Derivative Assets				Financial Derivative Liabilities						
Counterparty	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter	Net Market Value of OTC Derivatives	Collateral Pledged/ (Received)	Net Exposure[10]
MEI	$ 0	$ 0	$ 0	$ 0	$ 0	$ (2)	$ 0	$ (2)	$ (2)	$ 0	$ (2)
MYC	0	336	0	336	0	(334)	(65)	(399)	(63)	(397)	(460)
MYI	241	0	7	248	(975)	0	0	(975)	(727)	536	(191)
RYL	63	0	0	63	(64)	0	0	(64)	(1)	(10)	(11)
SCX	137	0	0	137	(95)	(8)	0	(103)	34	0	34
SOG	0	0	0	0	(14)	0	0	(14)	(14)	0	(14)
SSB	364	0	0	364	(357)	0	0	(357)	7	(90)	(83)
TOR	33	0	0	33	0	0	0	0	33	0	33
UAG	11	0	0	11	(273)	0	0	(273)	(262)	0	(262)
Total Over the Counter	**$ 2,626**	**$ 974**	**$ 543**	**$ 4,143**	**$ (4,319)**	**$ (1,009)**	**$ (824)**	**$ (6,152)**			

(n) Securities with an aggregate market value of $1,445 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of December 31, 2019.

(1) Notional Amount represents the number of contracts.

(2) The underlying instrument has a forward starting effective date. See Note 2, Securities Transactions and Investment Income, in the Notes to Financial Statements for further information.

(3) If the Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

(4) If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

(5) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on sovereign issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(6) The maximum potential amount the Portfolio could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

(7) The prices and resulting values for credit default swap agreements serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the underlying referenced instrument's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(8) At the maturity date, the notional amount of the currency received will be exchanged back for the notional amount of the currency delivered.

(9) Receive represents that the Portfolio receives payments for any positive net return on the underlying reference. The Portfolio makes payments for any negative net return on such underlying reference. Pay represents that the Portfolio receives payments for any negative net return on the underlying reference. The Portfolio makes payments for any positive net return on such underlying reference.

(10) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Portfolio's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Portfolio.

Fair Values of Financial Derivative Instruments on the Statement of Assets and Liabilities as of December 31, 2019:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Financial Derivative Instruments - Assets						
Exchange-traded or centrally cleared						
Purchased Options	$ 0	$ 0	$ 0	$ 0	$ 7	$ 7
Futures	0	0	0	0	452	452
Swap Agreements	0	32	0	0	464	496
	$ 0	$ 32	$ 0	$ 0	$ 923	$ 955
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 2,626	$ 0	$ 2,626
Purchased Options	0	0	0	79	895	974
Swap Agreements	0	0	0	151	392	543
	$ 0	$ 0	$ 0	$ 2,856	$ 1,287	$ 4,143
	$ 0	$ 32	$ 0	$ 2,856	$ 2,210	$ 5,098

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Financial Derivative Instruments - Liabilities						
Exchange-traded or centrally cleared						
Written Options	$ 0	$ 0	$ 0	$ 0	$ 10	$ 10
Futures	0	0	0	0	393	393
Swap Agreements	0	3	0	0	911	914
	$ 0	$ 3	$ 0	$ 0	$ 1,314	$ 1,317
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 4,319	$ 0	$ 4,319
Written Options	0	31	0	29	949	1,009
Swap Agreements	0	398	0	0	426	824
	$ 0	$ 429	$ 0	$ 4,348	$ 1,375	$ 6,152
	$ 0	$ 432	$ 0	$ 4,348	$ 2,689	$ 7,469

The effect of Financial Derivative Instruments on the Statement of Operations for the period ended December 31, 2019:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Net Realized Gain (Loss) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Purchased Options	$ 0	$ 0	$ 0	$ 0	$ (10)	$ (10)
Written Options	0	0	0	0	162	162
Futures	0	0	0	0	3,614	3,614
Swap Agreements	0	(592)	0	0	660	68
	$ 0	$ (592)	$ 0	$ 0	$ 4,426	$ 3,834
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 15,207	$ 0	$ 15,207
Purchased Options	0	0	0	(118)	601	483
Written Options	0	67	0	350	(354)	63
Swap Agreements	0	(197)	0	(4,537)	(185)	(4,919)
	$ 0	$ (130)	$ 0	$ 10,902	$ 62	$ 10,834
	$ 0	$ (722)	$ 0	$ 10,902	$ 4,488	$ 14,668
Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Purchased Options	$ 0	$ 0	$ 0	$ 0	$ (6)	$ (6)
Written Options	0	0	0	0	20	20
Futures	0	0	0	0	456	456
Swap Agreements	0	(2,405)	0	0	(2,962)	(5,367)
	$ 0	$ (2,405)	$ 0	$ 0	$ (2,492)	$ (4,897)
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 247	$ 0	$ 247
Purchased Options	0	0	0	35	327	362
Written Options	0	19	0	102	(236)	(115)
Swap Agreements	0	74	0	928	9	1,011
	$ 0	$ 93	$ 0	$ 1,312	$ 100	$ 1,505
	$ 0	$ (2,312)	$ 0	$ 1,312	$ (2,392)	$ (3,392)

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2019 in valuing the Portfolio's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2019
Investments in Securities, at Value				
Argentina				
Sovereign Issues	$ 0	$ 314	$ 0	$ 314
Australia				
Asset-Backed Securities	0	296	0	296
Corporate Bonds & Notes	0	315	0	315
Non-Agency Mortgage-Backed Securities	0	2,229	0	2,229
Sovereign Issues	0	107	0	107
Brazil				
Corporate Bonds & Notes	0	2,124	0	2,124
Canada				
Corporate Bonds & Notes	0	4,045	0	4,045
Non-Agency Mortgage-Backed Securities	0	882	0	882
Sovereign Issues	0	4,205	0	4,205
Cayman Islands				
Asset-Backed Securities	0	12,203	0	12,203
Corporate Bonds & Notes	0	6,352	0	6,352
China				
Sovereign Issues	0	35,501	0	35,501
Denmark				
Corporate Bonds & Notes	0	31,594	0	31,594
France				
Corporate Bonds & Notes	0	1,398	0	1,398
Sovereign Issues	0	13,120	0	13,120
Germany				
Corporate Bonds & Notes	0	7,950	0	7,950
Guernsey, Channel Islands				
Corporate Bonds & Notes	0	838	0	838
Hong Kong				
Corporate Bonds & Notes	0	429	0	429
India				
Corporate Bonds & Notes	0	920	0	920
Indonesia				
Corporate Bonds & Notes	0	315	0	315
Ireland				
Asset-Backed Securities	0	4,993	0	4,993
Corporate Bonds & Notes	0	1,432	0	1,432
Sovereign Issues	0	1,015	0	1,015
Israel				
Sovereign Issues	0	886	0	886
Italy				
Corporate Bonds & Notes	0	5,283	0	5,283
Sovereign Issues	0	25,080	0	25,080
Japan				
Corporate Bonds & Notes	0	8,522	0	8,522
Sovereign Issues	0	81,394	0	81,394
Kuwait				
Sovereign Issues	0	3,218	0	3,218
Lithuania				
Sovereign Issues	0	1,763	0	1,763
Luxembourg				
Corporate Bonds & Notes	0	1,590	0	1,590
Multinational				
Corporate Bonds & Notes	0	745	0	745
Netherlands				
Asset-Backed Securities	0	1,992	0	1,992
Corporate Bonds & Notes	0	6,323	0	6,323
Preferred Securities	0	215	0	215
Norway				
Corporate Bonds & Notes	0	1,635	0	1,635
Sovereign Issues	0	212	0	212
Peru				
Corporate Bonds & Notes	0	579	0	579
Sovereign Issues	0	3,901	0	3,901
Poland				
Corporate Bonds & Notes	$ 0	$ 226	$ 0	$ 226
Sovereign Issues	0	1,766	0	1,766
Qatar				
Sovereign Issues	0	9,210	0	9,210
Saudi Arabia				
Corporate Bonds & Notes	0	404	0	404
Sovereign Issues	0	8,182	0	8,182
Singapore				
Corporate Bonds & Notes	0	3,461	0	3,461
Slovenia				
Sovereign Issues	0	1,605	0	1,605
South Africa				
Sovereign Issues	0	501	0	501
South Korea				
Corporate Bonds & Notes	0	400	0	400
Sovereign Issues	0	11,650	0	11,650
Spain				
Asset-Backed Securities	0	92	0	92
Corporate Bonds & Notes	0	1,499	0	1,499
Preferred Securities	0	1,171	0	1,171
Sovereign Issues	0	28,384	0	28,384
Supranational				
Corporate Bonds & Notes	0	612	0	612
Sweden				
Corporate Bonds & Notes	0	1,799	0	1,799
Switzerland				
Corporate Bonds & Notes	0	1,799	0	1,799
Sovereign Issues	0	471	0	471
United Arab Emirates				
Corporate Bonds & Notes	0	703	0	703
Sovereign Issues	0	1,451	0	1,451
United Kingdom				
Corporate Bonds & Notes	0	40,292	0	40,292
Non-Agency Mortgage-Backed Securities	0	22,125	0	22,125
Preferred Securities	0	211	0	211
Sovereign Issues	0	4,120	0	4,120
United States				
Asset-Backed Securities	0	33,084	0	33,084
Corporate Bonds & Notes	0	62,230	0	62,230
Loan Participations and Assignments	0	1,076	0	1,076
Non-Agency Mortgage-Backed Securities	0	14,669	0	14,669
Preferred Securities	0	777	0	777
U.S. Government Agencies	0	171,106	0	171,106
U.S. Treasury Obligations	0	46,372	0	46,372
Short-Term Instruments				
Repurchase Agreements	0	2,462	0	2,462
Argentina Treasury Bills	0	21	0	21
Czech Republic Treasury Bills	0	529	0	529
Japan Treasury Bills	0	2,670	0	2,670
Mexico Treasury Bills	0	2,312	0	2,312
South Africa Treasury Bills	0	1,025	0	1,025
U.S. Treasury Bills	0	1,069	0	1,069
	$ 0	$ 757,451	$ 0	$ 757,451
Investments in Affiliates, at Value				
Short-Term Instruments				
Central Funds Used for Cash Management Purposes	$ 34,685	$ 0	$ 0	$ 34,685
Total Investments	$ 34,685	$ 757,451	$ 0	$ 792,136

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2019
Short Sales, at Value - Liabilities				
Canada				
Sovereign Issues	$ 0	$ (9,540)	$ 0	$ (9,540)
United States				
U.S. Government Agencies	0	(415)	0	(415)
	$ 0	$ (9,955)	$ 0	$ (9,955)
Financial Derivative Instruments - Assets				
Exchange-traded or centrally cleared	459	496	0	955
Over the counter	0	4,143	0	4,143
	$ 459	$ 4,639	$ 0	$ 5,098

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2019
Financial Derivative Instruments - Liabilities				
Exchange-traded or centrally cleared	$ (396)	$ (921)	$ 0	$ (1,317)
Over the counter	0	(6,152)	0	(6,152)
	$ (396)	$ (7,073)	$ 0	$ (7,469)
Total Financial Derivative Instruments	$ 63	$ (2,434)	$ 0	$ (2,371)
Totals	$ 34,748	$ 745,062	$ 0	$ 779,810

There were no significant transfers into or out of Level 3 during the period ended December 31, 2019.

1. ORGANIZATION

PIMCO Variable Insurance Trust (the "Trust") is a Delaware statutory trust established under a trust instrument dated October 3, 1997. The Trust is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust is designed to be used as an investment vehicle by separate accounts of insurance companies that fund variable annuity contracts and variable life insurance policies and by qualified pension and retirement plans. Information presented in these financial statements pertains to the Institutional Class, Administrative Class and Advisor Class shares of the PIMCO International Bond Portfolio (U.S. Dollar-Hedged) (the "Portfolio") offered by the Trust. Pacific Investment Management Company LLC ("PIMCO") serves as the investment adviser (the "Adviser") for the Portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Portfolio in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Portfolio is treated as an investment company under the reporting requirements of U.S. GAAP. The functional and reporting currency for the Portfolio is the U.S. dollar. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

(a) Securities Transactions and Investment Income Securities transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled beyond a standard settlement period for the security after the trade date. Realized gains (losses) from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Portfolio is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis from settlement date, with the exception of securities with a forward starting effective date, where interest income is recorded on the accrual basis from effective date. For convertible securities, premiums attributable to the conversion feature are not amortized. Estimated tax liabilities on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized appreciation (depreciation) on investments on the Statement of Operations, as appropriate. Tax liabilities realized as a result of such security sales are reflected as a component of net realized gain (loss) on investments on the Statement of Operations. Paydown gains (losses) on mortgage-related and other asset-backed securities, if any, are recorded as components of interest income on the Statement of Operations. Income or short-term capital gain distributions received from registered investment companies, if any, are recorded as dividend income. Long-term capital gain distributions received from registered investment companies, if any, are recorded as realized gains.

Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is probable.

(b) Foreign Currency Translation The market values of foreign securities, currency holdings and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the current exchange rates each business day. Purchases and sales of securities and income and expense items denominated in foreign currencies, if any, are translated into U.S. dollars at the exchange rate in effect on the transaction date. The Portfolio does not separately report the effects of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized gain (loss) and net change in unrealized appreciation (depreciation) from investments on the Statement of Operations. The Portfolio may invest in foreign currency-denominated securities and may engage in foreign currency transactions either on a spot (cash) basis at the rate prevailing in the currency exchange market at the time or through a forward foreign currency contract. Realized foreign exchange gains (losses) arising from sales of spot foreign currencies, currency gains (losses) realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid are included in net realized gain (loss) on foreign currency transactions on the Statement of Operations. Net unrealized foreign exchange gains (losses) arising from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period are included in net change in unrealized appreciation (depreciation) on foreign currency assets and liabilities on the Statement of Operations.

(c) Multi-Class Operations Each class offered by the Trust has equal rights as to assets and voting privileges (except that shareholders of a class have exclusive voting rights regarding any matter relating solely to that class of shares). Income and non-class specific expenses are allocated daily to each class on the basis of the relative net assets. Realized and unrealized capital gains (losses) are allocated daily based on the relative net assets of each class of the Portfolio. Class specific expenses, where applicable, currently include supervisory and administrative and distribution and servicing fees. Under certain circumstances, the per share net asset value ("NAV") of a class of the Portfolio's shares may be different from the per share NAV of another class of shares as a result of the different daily expense accruals applicable to each class of shares.

(d) Distributions to Shareholders Distributions from net investment income, if any, are declared daily and distributed to shareholders monthly. In addition, the Portfolio distributes any net capital gains it earns from the sale of portfolio securities to shareholders no less frequently than annually.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP. Differences between tax regulations and U.S. GAAP may cause timing differences between income and capital gain recognition. Further, the character of investment income and capital gains may be different for certain transactions under the two methods of accounting. As a result, income distributions and capital gain distributions declared during a fiscal period may differ significantly from the net investment income (loss) and realized gains (losses) reported on the Portfolio's annual financial statements presented under U.S. GAAP.

If the Portfolio estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income in accordance with its policies and accounting practices, the Portfolio will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. For these purposes, the Portfolio estimates the source or sources from which a distribution is paid, to the close of the period as of which it is paid, in reference to its internal accounting records and related accounting practices. If, based on such accounting records and practices, it is estimated that a particular distribution does not include capital gains or paid-in surplus or other capital sources, a Section 19 Notice generally would not be issued. It is important to note that differences exist between the Portfolio's daily internal accounting records and practices, the Portfolio's financial statements presented in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. For instance, the Portfolio's internal accounting records and practices may take into account, among other factors, tax-related characteristics of certain sources of distributions that differ from treatment under U.S. GAAP. Examples of such differences may include, among others, the treatment of paydowns on mortgage-backed securities purchased at a discount and periodic payments under interest rate swap contracts. Accordingly, among other consequences, it is possible that the Portfolio may not issue a Section 19 Notice in situations where the Portfolio's financial statements prepared later and in accordance with U.S. GAAP and/or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Final determination of a distribution's tax character will be provided to shareholders when such information is available.

Distributions classified as a tax basis return of capital at the Portfolio's fiscal year end, if any, are reflected on the Statements of Changes in Net Assets and have been recorded to paid in capital on the Statement of Assets and Liabilities. In addition, other amounts have been reclassified between distributable earnings (accumulated loss) and paid in capital on the Statement of Assets and Liabilities to more appropriately conform U.S. GAAP to tax characterizations of distributions.

(e) New Accounting Pronouncements In August 2018, the Financial Accounting Standards Board issued an Accounting Standards Update ("ASU"), ASU 2018-13, which modifies certain disclosure requirements for fair value measurements in Accounting Standards Codification 820. The ASU is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. At this time, management has elected to early adopt the ASU and the changes are incorporated in the financial statements.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

(a) Investment Valuation Policies The price of the Portfolio's shares is based on the Portfolio's NAV. The NAV of the Portfolio, or each of its share classes, as applicable, is determined by dividing the total value of portfolio investments and other assets, less any liabilities attributable to the Portfolio or class, by the total number of shares outstanding of the Portfolio or class.

On each day that the New York Stock Exchange ("NYSE") is open, Portfolio shares are ordinarily valued as of the close of regular trading (normally 4:00 p.m., Eastern time) ("NYSE Close"). Information that becomes known to the Portfolio or its agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. The Portfolio reserves the right to change the time as of which its NAV is calculated if the Portfolio closes earlier, or as permitted by the U.S. Securities and Exchange Commission ("SEC").

For purposes of calculating a NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Portfolio's approved pricing services, quotation reporting systems and other third-party sources (together, "Pricing Services"). The Portfolio will normally use pricing data for domestic equity securities received shortly after the NYSE Close and does not normally take into account trading, clearances or settlements that take place after the NYSE Close. If market value pricing is used, a foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by the Adviser to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services. The Portfolio's investments in open-end management investment companies, other than exchange-traded funds ("ETFs"), are valued at the NAVs of such investments. Open-end management investment companies may include affiliated funds.

If a foreign (non-U.S.) equity security's value has materially changed after the close of the security's primary exchange or principal market but before the NYSE Close, the security may be valued at fair value based on procedures established and approved by the Board of Trustees of the Trust (the "Board"). Foreign (non-U.S.) equity securities that do not trade when the NYSE is open are also valued at fair value. With respect to foreign (non-U.S.) equity securities, the Portfolio may determine the fair value of investments based on information provided by Pricing Services and other third-party vendors, which may recommend fair value or adjustments with reference to other securities, indices or assets. In considering whether fair valuation is required and in determining fair values, the Portfolio may, among other things, consider significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and before the NYSE Close. The Portfolio may utilize modeling tools provided by third-party vendors to determine fair values of foreign (non-U.S.) securities. For these purposes, any movement in the applicable reference index or instrument ("zero trigger") between the earlier close of the applicable foreign market and the NYSE Close may be deemed to be a significant event, prompting the application of the pricing model (effectively resulting in daily fair valuations). Foreign exchanges may permit trading in foreign (non-U.S.) equity securities on days when the Trust is not open for business, which may result in the Portfolio's portfolio investments being affected when shareholders are unable to buy or sell shares.

Senior secured floating rate loans for which an active secondary market exists to a reliable degree are valued at the mean of the last available bid/ask prices in the market for such loans, as provided by a Pricing Service. Senior secured floating rate loans for which an active secondary market does not exist to a reliable degree are valued at fair value, which is intended to approximate market value. In valuing a senior secured floating rate loan at fair value, the factors considered may include, but are not limited to, the following: (a) the creditworthiness of the borrower and any intermediate participants, (b) the terms of the loan, (c) recent prices in the market for similar loans, if any, and (d) recent prices in the market for instruments of similar quality, rate, period until next interest rate reset and maturity.

Investments valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from Pricing Services. As a result, the value of such investments and, in turn, the NAV of the Portfolio's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of investments traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the Trust is not open for business. As a result, to the extent that the Portfolio holds foreign (non-U.S.) investments, the value of those investments may change at times when shareholders are unable to buy or sell shares and the value of such investments will be reflected in the Portfolio's next calculated NAV.

Investments for which market quotes or market based valuations are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction. The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated to the Adviser the responsibility for applying the fair valuation methods. In the event that market quotes or market based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Board. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, indicative market quotations ("Broker Quotes"), Pricing Services' prices), including where events occur after the close of the relevant market, but prior to the NYSE Close, that materially affect the values of the Portfolio's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated, to the Adviser, the responsibility for monitoring significant events that may materially affect the values of the Portfolio's securities or assets and for determining whether the value of the applicable securities or assets should be reevaluated in light of such significant events.

When the Portfolio uses fair valuation to determine the value of a portfolio security or other asset for purposes of calculating its NAV, such investments will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board or persons acting at their direction believe reflects fair value. Fair valuation may require subjective determinations about the value of a security. While the Trust's policy is intended to result in a calculation of the Portfolio's NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the Portfolio could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Portfolio may differ from the value that would be realized if the securities were sold. The Portfolio's use of fair valuation may also help to deter "stale price arbitrage" as discussed under the "Frequent or Excessive Purchases, Exchanges and Redemptions" section in the Portfolio's prospectus.

(b) Fair Value Hierarchy U.S. GAAP describes fair value as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

- Level 1 — Quoted prices in active markets or exchanges for identical assets and liabilities.
- Level 2 — Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.
- Level 3 — Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

In accordance with the requirements of U.S. GAAP, the amounts of transfers into and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments for the Portfolio.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers into and out of the Level 3 category during the period. The end of period value is used for the transfers between Levels of the Portfolio's assets and liabilities. Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Schedule of Investments for the Portfolio.

(c) Valuation Techniques and the Fair Value Hierarchy

Level 1 and Level 2 trading assets and trading liabilities, at fair value The valuation methods (or "techniques") and significant inputs used in determining the fair values of portfolio securities or other assets and liabilities categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The Pricing Services' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Fixed income securities purchased on a delayed-delivery basis or as a repurchase commitment in a sale-buyback transaction are marked to market daily until settlement at the forward settlement date and are categorized as Level 2 of the fair value hierarchy.

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Common stocks, ETFs, exchange-traded notes and financial derivative instruments, such as futures contracts, rights and warrants, or options on futures that are traded on a national securities exchange, are stated at the last reported sale or settlement price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy.

Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the NYSE Close. These securities are valued using Pricing Services that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are also categorized as Level 2 of the fair value hierarchy.

Investments in registered open-end investment companies (other than ETFs) will be valued based upon the NAVs of such investments and are categorized as Level 1 of the fair value hierarchy. Investments in unregistered open-end investment companies will be calculated based upon the NAVs of such investments and are considered Level 1 provided that the NAVs are observable, calculated daily and are the value at which both purchases and sales will be conducted.

Equity exchange-traded options and over the counter financial derivative instruments, such as forward foreign currency contracts and options contracts derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued on the basis of quotes obtained from a quotation reporting system, established market makers or Pricing Services (normally determined as of the NYSE Close). Depending on the product and the terms of the transaction, financial derivative instruments can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as quoted prices, issuer details, indices, bid/ask spreads, interest rates, implied volatilities, yield curves, dividends and exchange rates. Financial derivative instruments that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Centrally cleared swaps and over the counter swaps derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. They are valued using a broker-dealer bid quotation or on market-based prices provided by Pricing Services (normally determined as of the NYSE Close). Centrally cleared swaps and over the counter swaps can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models may use inputs that are observed from actively quoted markets such as the overnight index swap rate, London Interbank Offered Rate forward rate, interest rates, yield curves and credit spreads. These securities are categorized as Level 2 of the fair value hierarchy.

Level 3 trading assets and trading liabilities, at fair value When a fair valuation method is applied by the Adviser that uses significant unobservable inputs, investments will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost, so long as the amortized cost value of such short-term debt instruments is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. These securities are categorized as Level 2 or Level 3 of the fair value hierarchy depending on the source of the base price.

4. SECURITIES AND OTHER INVESTMENTS

(a) Investments in Affiliates

The Portfolio may invest in the PIMCO Short Asset Portfolio and the PIMCO Short-Term Floating NAV Portfolio III (“Central Funds”) to the extent permitted by the Act and rules thereunder. The Central Funds are registered investment companies created for use solely by the series of the Trust and other series of registered investment companies advised by the Adviser, in connection with their cash management activities. The main investments of the Central Funds are money market and short maturity fixed income instruments. The Central Funds may incur expenses related to their investment activities, but do not pay Investment Advisory Fees or Supervisory and Administrative Fees to the Adviser. The Central Funds are considered to be affiliated with the Portfolio. A complete schedule of portfolio holdings for each affiliate fund is filed with the SEC for the first and third quarters of each fiscal year on Form N-PORT and is available at the SEC’s website at www.sec.gov. A copy of each affiliate fund's shareholder report is also available at the SEC's website at www.sec.gov, on the Funds' website at www.pimco.com, or upon request, as applicable. The tables below show the Portfolio's transactions in and earnings from investments in the affiliated Funds for the period ended December 31, 2019 (amounts in thousands†):

Investment in PIMCO Short Asset Portfolio

Market Value 12/31/2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Market Value 12/31/2019	Dividend Income(1)	Realized Net Capital Gain Distributions(1)
$ 10,988	$ 19,876	$ (2,000)	$ (16)	$ 40	$ 28,888	$ 676	$ 0

Investment in PIMCO Short-Term Floating NAV Portfolio III

Market Value 12/31/2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Market Value 12/31/2019	Dividend Income(1)	Realized Net Capital Gain Distributions(1)
$ 7,191	$ 152,494	$ (153,900)	$ 13	$ (1)	$ 5,797	$ 194	$ 0

† A zero balance may reflect actual amounts rounding to less than one thousand.

(1) The tax characterization of distributions is determined in accordance with Federal income tax regulations and may contain a return of capital. The actual tax characterization of distributions received is determined at the end of the fiscal year of the affiliated fund. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

(b) Investments in Securities

The Portfolio may utilize the investments and strategies described below to the extent permitted by the Portfolio's investment policies.

Inflation-Indexed Bonds are fixed income securities whose principal value is periodically adjusted by the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value which is adjusted for inflation. Any increase or decrease in the principal amount of an inflation-indexed bond will be included as interest income on the Statement of Operations, even though investors do not receive their principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury Inflation-Protected Securities. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

Loans and Other Indebtedness, Loan Participations and Assignments are direct debt instruments which are interests in amounts owed to lenders or lending syndicates by corporate, governmental, or other borrowers. The Portfolio's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties or investments in or originations of loans by the Portfolio. A loan is often administered by a bank or other financial institution (the "agent") that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. The Portfolio may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. When the Portfolio purchases assignments from agents it acquires direct rights against the borrowers of the loans. These loans may include participations in bridge loans, which are loans taken out by borrowers for a short period (typically less than one year) pending arrangement of more permanent financing through, for example, the issuance of bonds, frequently high yield bonds issued for the purpose of acquisitions.

The types of loans and related investments in which the Portfolio may invest include, among others, senior loans, subordinated loans (including second lien loans, B-Notes and mezzanine loans), whole loans, commercial real estate and other commercial loans and structured loans. The Portfolio may originate loans or acquire direct interests in loans through primary loan distributions and/or in private transactions. In the case of subordinated loans, there may be significant indebtedness ranking ahead of the borrower's obligation to the holder of such a loan, including in the event of the borrower's insolvency. Mezzanine loans are typically secured by a pledge of an equity interest in the mortgage borrower that owns the real estate rather than an interest in a mortgage.

Investments in loans may include unfunded loan commitments, which are contractual obligations for funding. Unfunded loan commitments may include revolving credit facilities, which may obligate the Portfolio to supply additional cash to the borrower on demand. Unfunded loan commitments represent a future obligation in full, even though a percentage of the committed amount may not be utilized by the borrower. When investing in a loan participation, the Portfolio has the right to receive payments of principal, interest and any fees to which it is entitled only from the agent selling the loan agreement and only upon receipt of payments by the agent from the borrower. The Portfolio may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan. In certain circumstances, the

Portfolio may receive a penalty fee upon the prepayment of a loan by a borrower. Fees earned or paid are recorded as a component of interest income or interest expense, respectively, on the Statement of Operations. Unfunded loan commitments are reflected as a liability on the Statement of Assets and Liabilities.

Mortgage-Related and Other Asset-Backed Securities directly or indirectly represent a participation in, or are secured by and payable from, loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. These securities provide a monthly payment which consists of both interest and principal. Interest may be determined by fixed or adjustable rates. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may have the effect of shortening or extending the effective duration of the security relative to what was anticipated at the time of purchase. The timely payment of principal and interest of certain mortgage-related securities is guaranteed with the full faith and credit of the U.S. Government. Pools created and guaranteed by non-governmental issuers, including government-sponsored corporations, may be supported by various forms of insurance or guarantees, but there can be no assurance that private insurers or guarantors can meet their obligations under the insurance policies or guarantee arrangements. Many of the risks of investing in mortgage-related securities secured by commercial mortgage loans reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make lease payments, and the ability of a property to attract and retain tenants. These securities may be less liquid and may exhibit greater price volatility than other types of mortgage-related or other asset-backed securities. Other asset-backed securities are created from many types of assets, including, but not limited to, auto loans, accounts receivable, such as credit card receivables and hospital account receivables, home equity loans, student loans, boat loans, mobile home loans, recreational vehicle loans, manufactured housing loans, aircraft leases, computer leases and syndicated bank loans.

Collateralized Debt Obligations ("CDOs") include Collateralized Bond Obligations ("CBOs"), Collateralized Loan Obligations ("CLOs") and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust which is backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. The risks of an investment in a CDO depend largely on the type of the collateral securities and the class of the CDO in which the Portfolio invests. In addition to the normal risks associated with fixed income securities discussed elsewhere in this report and the Portfolio's prospectus and statement of additional information (e.g., prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured financing changes based on multiples of changes in interest rates or inversely to changes in interest rates)), CBOs, CLOs and other CDOs carry additional risks including, but not limited to, (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments, (ii) the quality of the collateral may decline in value or default, (iii) the risk that the Portfolio may invest in CBOs, CLOs, or other CDOs that are subordinate to other classes, and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Collateralized Mortgage Obligations ("CMOs") are debt obligations of a legal entity that are collateralized by whole mortgage loans or private mortgage bonds and divided into classes. CMOs are structured into multiple classes, often referred to as "tranches", with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including prepayments. CMOs may be less liquid and may exhibit greater price volatility than other types of mortgage-related or asset-backed securities.

Stripped Mortgage-Backed Securities ("SMBS") are derivative multi-class mortgage securities. SMBS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. An SMBS will have one class that will receive all of the interest (the interest-only or "IO" class), while the other class will receive the entire principal (the principal-only or "PO" class). Payments received for IOs are included in interest income on the Statement of Operations. Because no principal will be received at the maturity of an IO, adjustments are made to the cost of the security on a monthly basis until maturity. These adjustments are included in interest income on the Statement of Operations. Payments received for POs are treated as reductions to the cost and par value of the securities.

Payment In-Kind Securities may give the issuer the option at each interest payment date of making interest payments in either cash and/or additional debt securities. Those additional debt securities usually have the same terms, including maturity dates and interest rates, and associated risks as the original bonds. The daily market quotations of the original bonds may include the accrued interest (referred to as a dirty price) and require a pro rata adjustment from the unrealized appreciation (depreciation) on investments to interest receivable on the Statement of Assets and Liabilities.

Perpetual Bonds are fixed income securities with no maturity date but pay a coupon in perpetuity (with no specified ending or maturity date). Unlike typical fixed income securities, there is no obligation for perpetual bonds to repay principal. The coupon payments, however, are mandatory. While perpetual bonds have no maturity date, they may have a callable date in which the perpetuity is eliminated and the issuer may return the principal received on the specified call date. Additionally, a perpetual bond may have additional features, such as interest rate increases at periodic dates or an increase as of a predetermined point in the future.

Securities Issued by U.S. Government Agencies or Government-Sponsored Enterprises are obligations of and, in certain cases, guaranteed by, the U.S. Government, its agencies or instrumentalities. Some U.S. Government securities, such as Treasury bills, notes and bonds, and securities guaranteed by the Government National Mortgage Association, are supported by the full faith and credit of the U.S. Government; others, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Department of the Treasury (the "U.S. Treasury"); and others, such as those of the Federal National Mortgage Association ("FNMA" or "Fannie Mae"), are supported by the discretionary authority of the U.S. Government to purchase the agency's obligations. U.S. Government securities may include zero coupon securities which do not distribute interest on a current basis and tend to be subject to a greater risk than interest-paying securities of similar maturities.

Government-related guarantors (i.e., not backed by the full faith and credit of the U.S. Government) include FNMA and the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"). FNMA is a government-sponsored corporation. FNMA purchases conventional (i.e., not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicers which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA, but are not backed by the full faith and credit of the U.S. Government. FHLMC issues Participation Certificates ("PCs"), which are pass-through securities, each representing an undivided interest in a pool of residential mortgages. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the U.S. Government.

In June 2019, under the Single Security Initiative, FNMA and FHLMC started issuing Uniform Mortgage Backed Securities in place of their current offerings of TBA-eligible securities. The Single Security Initiative seeks to support the overall liquidity of the TBA market and aligns the characteristics of FNMA and FHLMC certificates. The effects that the Single Security Initiative may have on the market for TBA and other mortgage-backed securities are uncertain.

Roll-timing strategies can be used where the Portfolio seeks to extend the expiration or maturity of a position, such as a TBA security on an underlying asset, by closing out the position before expiration and opening a new position with respect to substantially the same underlying asset with a later expiration date. TBA securities purchased or sold are reflected on the Statement of Assets and Liabilities as an asset or liability, respectively.

When-Issued Transactions are purchases or sales made on a when-issued basis. These transactions are made conditionally because a security, although authorized, has not yet been issued in the market. Transactions to purchase or sell securities on a when-issued basis involve a commitment by the Portfolio to purchase or sell these securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. The Portfolio may sell when-issued securities before they are delivered, which may result in a realized gain (loss).

5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

The Portfolio may enter into the borrowings and other financing transactions described below to the extent permitted by the Portfolio's investment policies.

The following disclosures contain information on the Portfolio's ability to lend or borrow cash or securities to the extent permitted under the Act, which may be viewed as borrowing or financing transactions by the Portfolio. The location of these instruments in the Portfolio's financial statements is described below.

(a) Repurchase Agreements Under the terms of a typical repurchase agreement, the Portfolio purchases an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Portfolio to resell, the obligation at an agreed-upon price and time. In an open maturity repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Portfolio or counterparty at any time. The underlying securities for all repurchase agreements are held by the Portfolio's custodian or designated subcustodians under tri-party repurchase agreements and in certain instances will remain in custody with the counterparty. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Repurchase agreements, if any, including accrued interest, are included on the Statement of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Statement of Operations. In periods of increased demand for collateral, the Portfolio may pay a fee for the receipt of collateral, which may result in interest expense to the Portfolio.

(b) Reverse Repurchase Agreements In a reverse repurchase agreement, the Portfolio delivers a security in exchange for cash to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed upon price and date. In an open maturity reverse repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Portfolio or counterparty at any time. The Portfolio is entitled to receive principal and interest payments, if any, made on the security delivered to the counterparty during the term of the agreement. Cash received in exchange for securities delivered plus accrued interest payments to be made by the Portfolio to counterparties are reflected as a liability on the Statement of Assets and Liabilities. Interest payments made by the Portfolio to counterparties are recorded as a component of interest expense on the Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under reverse repurchase agreements.

(c) Sale-Buybacks A sale-buyback financing transaction consists of a sale of a security by the Portfolio to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-upon price and date. The Portfolio is not entitled to receive principal and interest payments, if any, made on the security sold to the counterparty during the term of the agreement. The agreed-upon proceeds for securities to be repurchased by the Portfolio are reflected as a liability on the Statement of Assets and Liabilities. The Portfolio will recognize net income represented by the price differential between the price received for the transferred security and the agreed-upon repurchase price. This is commonly referred to as the ‘price drop’. A price drop consists of (i) the foregone interest and inflationary income adjustments, if any, the Portfolio would have otherwise received had the security not been sold and (ii) the negotiated financing terms between the Portfolio and counterparty. Foregone interest and inflationary income adjustments, if any, are recorded as components of interest income on the Statement of Operations. Interest payments based upon negotiated financing terms made by the Portfolio to counterparties are recorded as a component of interest expense on the Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under sale-buyback transactions.

(d) Short Sales Short sales are transactions in which the Portfolio sells a security that it may not own. The Portfolio may make short sales of securities to (i) offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Portfolio, (iii) for investment return, (iv) as part of a risk arbitrage strategy, and (v) as part of its overall portfolio management strategies involving the use of derivative instruments. When the Portfolio engages in a short sale, it may borrow the security sold short and deliver it to the counterparty. The Portfolio will ordinarily have to pay a fee or premium to borrow a security and be obligated to repay the lender of the security any dividend or interest that accrues on the security during the period of the loan. Securities sold in short sale transactions and the dividend or interest payable on such securities, if any, are reflected as payable for short sales on the Statement of Assets and Liabilities. Short sales expose the Portfolio to the risk that it will be required to cover its short position at a time when the security or other asset has appreciated in value, thus resulting in losses to the Portfolio. A short sale is “against the box” if the Portfolio holds in its portfolio or has the right to acquire the security sold short, or securities identical to the security sold short, at no additional cost. The Portfolio will be subject to additional risks to the extent that it engages in short sales that are not “against the box.” The Portfolio’s loss on a short sale could theoretically be unlimited in cases where the Portfolio is unable, for whatever reason, to close out its short position.

(e) Interfund Lending In accordance with an exemptive order (the “Order”) from the SEC, each Portfolio of the Trust may participate in a joint lending and borrowing facility for temporary purposes (the “Interfund Lending Program”), subject to compliance with the terms and conditions of the Order, and to the extent permitted by each Portfolio’s investment policies and restrictions. Each Portfolio is currently permitted to borrow under the Interfund Lending Program. A lending portfolio may lend in aggregate up to 15% of its current net assets at the time of the loan, but may not lend more than 5% of its net assets to any one borrowing portfolio through the Interfund Lending Program. A borrowing portfolio may not borrow through the Interfund Lending Program or from any other source if its total outstanding borrowings immediately after the borrowing would be more than 33 1/3% of its total assets (or any lower threshold provided for by the portfolio’s investment restrictions). If a borrowing portfolio’s total outstanding borrowings exceed 10% of its total assets, each of its outstanding interfund loans will be subject to collateralization of at least 102% of the outstanding principal value of the loan. All interfund loans are for temporary or emergency purposes and the interfund loan rate to be charged will be the average of the highest current overnight repurchase agreement rate available to a lending portfolio and the bank loan rate, as calculated according to a formula established by the Board. During the period ended December 31, 2019, the Portfolio did not participate in the Interfund Lending Program.

6. FINANCIAL DERIVATIVE INSTRUMENTS

The Portfolio may enter into the financial derivative instruments described below to the extent permitted by the Portfolio’s investment policies.

The following disclosures contain information on how and why the Portfolio uses financial derivative instruments, and how financial derivative instruments affect the Portfolio’s financial position, results of operations and cash flows. The location and fair value amounts of these instruments on the Statement of Assets and Liabilities and the net realized gain (loss) and net change in unrealized appreciation (depreciation) on the Statement of Operations, each categorized by type of financial derivative contract and related risk exposure, are included in a table in the Notes to Schedule of Investments. The financial derivative instruments outstanding as of period end and the amounts of net realized gain (loss) and net change in unrealized appreciation (depreciation) on financial derivative instruments during the period, as disclosed in the Notes to Schedule of Investments, serve as indicators of the volume of financial derivative activity for the Portfolio.

(a) Forward Foreign Currency Contracts may be engaged, in connection with settling planned purchases or sales of securities, to hedge the currency exposure associated with some or all of the Portfolio's securities or as part of an investment strategy. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked to market daily, and the change in value is recorded by the Portfolio as an unrealized gain (loss). Realized gains (losses) are equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed and are recorded upon delivery or receipt of the currency. These contracts may involve market risk in excess of the unrealized gain (loss) reflected on the Statement of Assets and Liabilities. In addition, the Portfolio could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably to the U.S. dollar. To mitigate such risk, cash or securities may be exchanged as collateral pursuant to the terms of the underlying contracts.

(b) Futures Contracts are agreements to buy or sell a security or other asset for a set price on a future date and are traded on an exchange. The Portfolio may use futures contracts to manage its exposure to the securities markets or to movements in interest rates and currency values. The primary risks associated with the use of futures contracts are the imperfect correlation between the change in market value of the securities held by the Portfolio and the prices of futures contracts and the possibility of an illiquid market. Futures contracts are valued based upon their quoted daily settlement prices. Upon entering into a futures contract, the Portfolio is required to deposit with its futures broker an amount of cash, U.S. Government and Agency Obligations, or select sovereign debt, in accordance with the initial margin requirements of the broker or exchange. Futures contracts are marked to market daily and based on such movements in the price of the contracts, an appropriate payable or receivable for the change in value may be posted or collected by the Portfolio ("Futures Variation Margin"). Futures Variation Margins, if any, are disclosed within centrally cleared financial derivative instruments on the Statement of Assets and Liabilities. Gains (losses) are recognized but not considered realized until the contracts expire or close. Futures contracts involve, to varying degrees, risk of loss in excess of the Futures Variation Margin included within exchange traded or centrally cleared financial derivative instruments on the Statement of Assets and Liabilities.

(c) Options Contracts may be written or purchased to enhance returns or to hedge an existing position or future investment. The Portfolio may write call and put options on securities and financial derivative instruments it owns or in which it may invest. Writing put options tends to increase the Portfolio's exposure to the underlying instrument. Writing call options tends to decrease the Portfolio's exposure to the underlying instrument. When the Portfolio writes a call or put, an amount equal to the premium received is recorded and subsequently marked to market to reflect the current value of the option written. These amounts are included on the Statement of Assets and Liabilities. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying futures, swap, security or currency transaction to determine the realized gain (loss). Certain options may be written with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The Portfolio as a writer of an option has no control over whether the underlying instrument may be sold ("call") or purchased ("put") and as a result bears the market risk of an unfavorable change in the price of the instrument underlying the written option. There is the risk the Portfolio may not be able to enter into a closing transaction because of an illiquid market.

Purchasing call options tends to increase the Portfolio's exposure to the underlying instrument. Purchasing put options tends to decrease the Portfolio's exposure to the underlying instrument. The Portfolio pays a premium which is included as an asset on the Statement of Assets and Liabilities and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. Certain options may be purchased with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain (loss) when the underlying transaction is executed.

Credit Default Swaptions may be written or purchased to hedge exposure to the credit risk of an investment without making a commitment to the underlying instrument. A credit default swaption is an option to sell or buy credit protection on a specific reference by entering into a pre-defined swap agreement by some specified date in the future.

Foreign Currency Options may be written or purchased to be used as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies.

Interest Rate-Capped Options may be written or purchased to enhance returns or for hedging opportunities. The purpose of purchasing interest rate-capped options is to protect the Portfolio from floating rate risk above a certain rate on a given notional exposure. A floor can be used to give downside protection to investments in interest rate linked products.

Interest Rate Swaptions may be written or purchased to enter into a pre-defined swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, by some specified date in the future. The writer of the swaption becomes the counterparty to the swap if the buyer exercises. The interest rate swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed-rate payer upon exercise.

Options on Exchange-Traded Futures Contracts ("Futures Option") may be written or purchased to hedge an existing position or future investment, for speculative purposes or to manage exposure to market movements. A Futures Option is an option contract in which the underlying instrument is a single futures contract.

Options on Securities may be written or purchased to enhance returns or to hedge an existing position or future investment. An option on a security uses a specified security as the underlying instrument for the option contract.

(d) Swap Agreements are bilaterally negotiated agreements between the Portfolio and a counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. Swap agreements may be privately negotiated in the over the counter market ("OTC swaps") or may be cleared through a third party, known as a central counterparty or derivatives clearing organization ("Centrally Cleared Swaps"). The Portfolio may enter into asset, credit default, cross-currency, interest rate, total return, variance and other forms of swap agreements to manage its exposure to credit, currency, interest rate, commodity, equity and inflation risk. In connection with these agreements, securities or cash may be identified as collateral or margin in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default or bankruptcy/insolvency.

Centrally Cleared Swaps are marked to market daily based upon valuations as determined from the underlying contract or in accordance with the requirements of the central counterparty or derivatives clearing organization. Changes in market value, if any, are reflected as a component of net change in unrealized appreciation (depreciation) on the Statement of Operations. Daily changes in valuation of centrally cleared swaps ("Swap Variation Margin"), if any, are disclosed within centrally cleared financial derivative instruments on the Statement of Assets and Liabilities. Centrally Cleared and OTC swap payments received or paid at the beginning of the measurement period are included on the Statement of Assets and Liabilities and represent premiums paid or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). Upfront premiums received (paid) are initially recorded as liabilities (assets) and subsequently marked to market to reflect the current value of the swap. These upfront premiums are recorded as realized gain (loss) on the Statement of Operations upon termination or maturity of the swap. A liquidation payment received or made at the termination of the swap is recorded as realized gain (loss) on the Statement of Operations. Net periodic payments received or paid by the Portfolio are included as part of realized gain (loss) on the Statement of Operations.

For purposes of applying certain of the Portfolio's investment policies and restrictions, swap agreements, like other derivative instruments, may be valued by the Portfolio at market value, notional value or full exposure value. In the case of a credit default swap, in applying certain of the Portfolio's investment policies and restrictions, the Portfolio will value the credit default swap at its notional value or its full exposure value (*i.e.*, the sum of the notional amount for the contract plus the market value), but may value the credit default swap at market value for purposes of applying certain of the Portfolio's other investment policies and restrictions. For example, the Portfolio may value credit default swaps at full exposure value for purposes of the Portfolio's credit quality guidelines (if any) because such value in general better reflects the Portfolio's actual economic exposure during the term of the credit default swap agreement. As a result, the Portfolio may, at times, have notional exposure to an asset class (before netting) that is greater or lesser than the stated limit or restriction noted in the Portfolio's prospectus. In this context, both the notional amount and the market value may be positive or negative depending on whether the Portfolio is selling or buying protection through the credit default swap. The manner in which certain securities or other instruments are valued by the Portfolio for purposes of applying investment policies and restrictions may differ from the manner in which those investments are valued by other types of investors.

Entering into swap agreements involves, to varying degrees, elements of interest, credit, market and documentation risk in excess of the amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of contractual terms in the agreements and that there may be unfavorable changes in interest rates or the values of the asset upon which the swap is based.

The Portfolio's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that amount is positive. The risk may be mitigated by having a master netting arrangement between the Portfolio and the counterparty and by the posting of collateral to the Portfolio to cover the Portfolio's exposure to the counterparty.

To the extent the Portfolio has a policy to limit the net amount owed to or to be received from a single counterparty under existing swap agreements, such limitation only applies to counterparties to OTC swaps and does not apply to centrally cleared swaps where the counterparty is a central counterparty or derivatives clearing organization.

Credit Default Swap Agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues are entered into to provide a measure of protection against defaults of the issuers (*i.e.*, to reduce risk where the Portfolio owns or has exposure to the referenced obligation) or to take an active long or short position with respect to the likelihood of a particular issuer's default. Credit default swap agreements involve one party making a stream of payments (referred to as the buyer of protection) to another party (the seller of protection) in exchange for the right to receive a specified return in the event that the referenced entity, obligation or index, as specified in the swap agreement, undergoes a certain credit event. As a seller of protection on credit default swap agreements, the Portfolio will generally receive from the buyer of protection a fixed rate of income throughout the term of the swap provided that there is no credit event. As the seller, the Portfolio would effectively add leverage to its portfolio because, in addition to its total net assets, the Portfolio would be subject to investment exposure on the notional amount of the swap.

If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. If the Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. Recovery values are estimated by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified valuation method, are used to calculate the settlement value. The ability to deliver other obligations may result in a cheapest-to-deliver option (the buyer of protection's right to choose the deliverable obligation with the lowest value following a credit event).

Credit default swap agreements on credit indices involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising the credit index. A credit index is a basket of credit instruments or exposures designed to be representative of some part of the credit market as a whole. These indices are made up of reference credits that are judged by a poll of dealers to be the most liquid entities in the credit default swap market based on the sector of the index. Components of the indices may include, but are not limited to, investment grade securities, high yield securities, asset-backed securities, emerging markets, and/or various credit ratings within each sector. Credit indices are traded using credit default swaps with standardized terms including a fixed spread and standard maturity dates. An index credit default swap references all the names in the index, and if there is a default, the credit event is settled based on that name's weight in the index. The composition of the indices changes periodically, usually every six months, and for most indices, each name has an equal weight in the index. The Portfolio may use credit default swaps on credit indices to hedge a portfolio of credit default swaps or bonds, which is less expensive than it would be to buy many credit default swaps to achieve a similar effect. Credit default swaps on indices are instruments for protecting investors owning bonds against default, and traders use them to speculate on changes in credit quality.

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues as of period end, if any, are disclosed in the Notes to Schedule of Investments. They serve as an indicator of the current status of payment/performance risk and represent the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values serve as the indicator of the current status of the payment/performance risk. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

The maximum potential amount of future payments (undiscounted) that the Portfolio as a seller of protection could be required to make under a credit default swap agreement equals the notional amount of the agreement. Notional amounts of each individual credit default swap agreement outstanding as of period end for which the Portfolio is the seller of protection are disclosed in the Notes to Schedule of Investments. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Portfolio for the same referenced entity or entities.

Cross-Currency Swap Agreements are entered into to gain or mitigate exposure to currency risk. Cross-currency swap agreements involve two parties exchanging two different currencies with an agreement to reverse the exchange at a later date at specified exchange rates. The exchange of currencies at the inception date of the contract takes place at the current spot rate. The re-exchange at maturity may take place at the same exchange rate, a specified rate, or the then current spot rate. Interest payments, if applicable, are made between the parties based on interest rates available in the two currencies at the inception of the contract. The terms of cross-currency swap contracts may extend for many years. Cross-currency swaps are usually negotiated with commercial and investment banks. Some cross-currency swaps may not provide for exchanging principal cash flows, but only for exchanging interest cash flows.

Interest Rate Swap Agreements may be entered into to help hedge against interest rate risk exposure and to maintain the Portfolio's ability to generate income at prevailing market rates. The value of the fixed rate bonds that the Portfolio holds may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, the Portfolio may enter into interest rate swap agreements. Interest rate swap agreements involve the exchange by the Portfolio with another party for their respective commitment to pay or receive interest on the notional amount of principal. Certain forms of interest rate swap agreements may include: (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap", (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor", (iii) interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels, (iv) callable interest rate swaps, under which the buyer pays an upfront fee in consideration for the right to early terminate the swap transaction in whole, at zero cost and at a predetermined date and time prior to the maturity date, (v) spreadlocks, which allow the interest rate swap users to lock in the forward differential (or spread) between the interest rate swap rate and a specified benchmark, or (vi) basis swaps, under which two parties can exchange variable interest rates based on different segments of money markets.

Total Return Swap Agreements are entered into to gain or mitigate exposure to the underlying reference asset. Total return swap agreements involve commitments where single or multiple cash flows are exchanged based on the price of an underlying reference asset and on a fixed or variable interest rate. Total return swap agreements may involve commitments to pay interest in exchange for a market-linked return. One counterparty pays out the total return of a specific underlying reference asset, which may include a single security, a basket of securities, or an index, and in return receives a fixed or variable rate. At the maturity date, a net cash flow is exchanged where the total return is equivalent to the return of the underlying reference asset less a financing rate, if any. As a receiver, the Portfolio would receive payments based on any net positive total return and would owe payments in the event of a net negative total return. As the payer, the Portfolio would owe payments on any net positive total return, and would receive payments in the event of a net negative total return.

7. PRINCIPAL RISKS

The principal risks of investing in the Portfolio, which could adversely affect its net asset value, yield and total return, are listed below. Please see "Description of Principal Risks" in the Portfolio's prospectus for a more detailed description of the risks of investing in the Portfolio.

Interest Rate Risk is the risk that fixed income securities will decline in value because of an increase in interest rates; a portfolio with a longer average portfolio duration will be more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration.

Call Risk is the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (*e.g.,* declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Portfolio has invested in, the Portfolio may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

Credit Risk is the risk that the Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to meet its financial obligations.

High Yield Risk is the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity.

Market Risk is the risk that the value of securities owned by the Portfolio may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

Issuer Risk is the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Liquidity Risk is the risk that a particular investment may be difficult to purchase or sell and that the Portfolio may be unable to sell illiquid investments at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.

Derivatives Risk is the risk of investing in derivative instruments (such as futures, swaps and structured securities), including leverage, liquidity, interest rate, market, credit and management risks, mispricing or valuation complexity. Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Portfolio could lose more than the initial amount invested. The Portfolio's use of derivatives may result in losses to the Portfolio, a reduction in the Portfolio's returns and/or increased volatility. Over-the-counter ("OTC") derivatives are also subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally-cleared derivative transactions might not be available for OTC derivatives. For derivatives traded on an exchange or through a central counterparty, credit risk resides with the Portfolio's clearing broker, or the clearinghouse itself, rather than with a counterparty in an OTC derivative transaction. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact the Portfolio's ability to invest in derivatives, limit the Portfolio's ability to employ certain strategies that use derivatives and/or adversely affect the value of derivatives and the Portfolio's performance.

Equity Risk is the risk that the value of equity securities, such as common stocks and preferred securities, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

Mortgage-Related and Other Asset-Backed Securities Risk is the risk of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk and credit risk.

Foreign (Non-U.S.) Investment Risk is the risk that investing in foreign (non-U.S.) securities may result in the Portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.

Emerging Markets Risk is the risk of investing in emerging market securities, primarily increased foreign (non-U.S.) investment risk.

Sovereign Debt Risk is the risk that investments in fixed income instruments issued by sovereign entities may decline in value as a result of default or other adverse credit event resulting from an issuer's inability or unwillingness to make principal or interest payments in a timely fashion.

Currency Risk is the risk that foreign (non-U.S.) currencies will change in value relative to the U.S. dollar and affect the Portfolio's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies.

Issuer Non-Diversification Risk is the risk of focusing investments in a small number of issuers, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be. Portfolios that are "non-diversified" may invest a greater percentage of their assets in the securities of a single issuer (such as bonds issued by a particular state) than portfolios that are "diversified".

Leveraging Risk is the risk that certain transactions of the Portfolio, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Portfolio to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.

Management Risk is the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to PIMCO and the individual portfolio manager in connection with managing the Portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved.

Short Exposure Risk is the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale will not fulfill its contractual obligations, causing a loss to the Portfolio.

8. MASTER NETTING ARRANGEMENTS

The Portfolio may be subject to various netting arrangements ("Master Agreements") with select counterparties. Master Agreements govern the terms of certain transactions, and are intended to reduce the counterparty risk associated with relevant transactions by specifying credit protection mechanisms and providing standardization that is intended to improve legal certainty. Each type of Master Agreement governs certain types of transactions. Different types of transactions may be traded out of different legal entities or affiliates of a particular organization, resulting in the need for multiple agreements with a single counterparty. As the Master Agreements are specific to unique operations of different asset types, they allow the Portfolio to close out and net its total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single Master Agreement with a counterparty. For financial reporting purposes the Statement of Assets and Liabilities generally presents derivative assets and liabilities on a gross basis, which reflects the full risks and exposures prior to netting.

Master Agreements can also help limit counterparty risk by specifying collateral posting arrangements at pre-arranged exposure levels. Under most Master Agreements, collateral is routinely transferred if the total net exposure to certain transactions (net of existing collateral already in place) governed under the relevant Master Agreement with a counterparty in a given account exceeds a specified threshold, which typically ranges from zero to $250,000 depending on the counterparty and the type of Master Agreement. United States Treasury Bills and U.S. dollar cash are generally the preferred forms of collateral, although other securities may be used depending on the terms outlined in the applicable Master Agreement. Securities and cash pledged as collateral are reflected as assets on the Statement of Assets and Liabilities as either a component of Investments at value (securities) or Deposits with counterparty. Cash collateral received is not typically held in a segregated account and as such is reflected as a liability on the Statement of Assets and Liabilities as Deposits from counterparty. The market value of any securities received as collateral is not reflected as a component of NAV. The Portfolio's overall exposure to counterparty risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

Master Repurchase Agreements and Global Master Repurchase Agreements (individually and collectively "Master Repo Agreements") govern repurchase, reverse repurchase, and certain sale-buyback transactions between the Portfolio and select counterparties. Master Repo Agreements maintain provisions for, among other things, initiation, income payments, events of default, and maintenance of collateral. The market value of transactions under the Master Repo Agreement, collateral pledged or received, and the net exposure by counterparty as of period end are disclosed in the Notes to Schedule of Investments.

Master Securities Forward Transaction Agreements ("Master Forward Agreements") govern certain forward settling transactions, such as TBA securities, delayed-delivery or certain sale-buyback transactions by and between the Portfolio and select counterparties. The Master Forward Agreements maintain provisions for, among other things, transaction initiation and confirmation, payment and transfer, events of default, termination, and maintenance of collateral. The market value of forward settling transactions, collateral pledged or received, and the net exposure by counterparty as of period end is disclosed in the Notes to Schedule of Investments.

Customer Account Agreements and related addenda govern cleared derivatives transactions such as futures, options on futures, and cleared OTC derivatives. Such transactions require posting of initial margin as determined by each relevant clearing agency which is segregated in an account at a futures commission merchant ("FCM") registered with the Commodity Futures Trading Commission. In the United States, counterparty risk may be reduced as creditors of an FCM cannot have a claim to Portfolio assets in the segregated account. Portability of exposure reduces risk to the Portfolio. Variation margin, or changes in market value, are generally exchanged daily, but may not be netted between futures and cleared OTC derivatives unless the parties have agreed to a separate arrangement in respect of portfolio margining. The market value or accumulated unrealized appreciation (depreciation), initial margin posted, and any unsettled variation margin as of period end are disclosed in the Notes to Schedule of Investments.

International Swaps and Derivatives Association, Inc. Master Agreements and Credit Support Annexes ("ISDA Master Agreements") govern bilateral OTC derivative transactions entered into by the Portfolio with select counterparties. ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral posting and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to terminate early could be material to the financial statements. In limited circumstances, the ISDA Master Agreement may contain additional provisions that add counterparty protection beyond coverage of existing daily exposure if the counterparty has a decline in credit quality below a predefined level. These amounts, if any, may be segregated with a third-party custodian. The market value of OTC financial derivative instruments, collateral received or pledged, and net exposure by counterparty as of period end are disclosed in the Notes to Schedule of Investments.

9. FEES AND EXPENSES

(a) Investment Advisory Fee PIMCO is a majority-owned subsidiary of Allianz Asset Management of America L.P. ("Allianz Asset Management") and serves as the Adviser to the Trust, pursuant to an investment advisory contract. The Adviser receives a monthly fee from the Portfolio at an annual rate based on average daily net assets (the "Investment Advisory Fee"). The Investment Advisory Fee for all classes is charged at an annual rate as noted in the table in note (b) below.

(b) Supervisory and Administrative Fee PIMCO serves as administrator (the "Administrator") and provides supervisory and administrative services to the Trust for which it receives a monthly supervisory and administrative fee based on each share class's average daily net assets (the "Supervisory and Administrative Fee"). As the Administrator, PIMCO bears the costs of various third-party services, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs.

The Investment Advisory Fee and Supervisory and Administrative Fees for all classes, as applicable, are charged at the annual rate as noted in the following table (calculated as a percentage of the Portfolio's average daily net assets attributable to each class):

Investment Advisory Fee	Supervisory and Administrative Fee		
All Classes	Institutional Class	Administrative Class	Advisor Class
0.25%	0.50%	0.50%	0.50%

(c) Distribution and Servicing Fees PIMCO Investments LLC, a wholly-owned subsidiary of PIMCO, serves as the distributor ("Distributor") of the Trust's shares.

The Trust has adopted an Administrative Services Plan with respect to the Administrative Class shares of the Portfolio pursuant to Rule 12b-1 under the Act (the "Administrative Plan"). Under the terms of the Administrative Plan, the Trust is permitted to compensate the Distributor, out of the Administrative Class assets of the Portfolio, in an amount up to 0.15% on an annual basis of the average daily net assets of that class, for providing or procuring through financial intermediaries administrative, recordkeeping and investor services for Administrative Class shareholders of the Portfolio.

The Trust has adopted a separate Distribution and Servicing Plan for the Advisor Class shares of the Portfolio (the "Distribution and Servicing Plan"). The Distribution and Servicing Plan has been adopted pursuant to Rule 12b-1 under the Act. The Distribution and Servicing Plan permits the Portfolio to compensate the Distributor for providing or procuring through financial intermediaries, distribution, administrative, recordkeeping, shareholder and/or related services with respect to Advisor Class shares. The Distribution and Servicing Plan permits the Portfolio to make total payments at an annual rate of up to 0.25% of its average daily net assets attributable to its Advisor Class shares.

	Distribution Fee	Servicing Fee
Administrative Class	—	0.15%
Advisor Class	0.25%	—

(d) Portfolio Expenses PIMCO provides or procures supervisory and administrative services for shareholders and also bears the costs of various third-party services required by the Portfolio, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Trust is responsible for the following expenses: (i) taxes and governmental fees; (ii) brokerage fees and commissions and other portfolio transaction expenses; (iii) the costs of borrowing money, including interest expense; (iv) fees and expenses of the Trustees who are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit, except for PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio; (v) extraordinary expense, including costs of litigation and indemnification expenses; (vi) organizational expenses; and (vii) any expenses allocated or allocable to a specific class of shares, which include service fees payable with respect to the Administrative Class Shares, and may include certain other expenses as permitted by the Trust's Multi-Class Plan adopted pursuant to Rule 18f-3 under the Act and subject to review and approval by the Trustees. The ratio of expenses to average net assets per share class, as disclosed on the Financial Highlights, may differ from the annual portfolio operating expenses per share class.

The Trust pays no compensation directly to any Trustee or any other officer who is affiliated with the Administrator, all of whom receive remuneration for their services to the Trust from the Administrator or its affiliates.

(e) Expense Limitation Pursuant to the Expense Limitation Agreement, PIMCO has agreed to waive a portion of the Portfolio's Supervisory and Administrative Fee, or reimburse the Portfolio, to the extent that the Portfolio's organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata share of Trustee Fees exceed 0.0049%, the "Expense Limit" (calculated as a percentage of the Portfolio's average daily net assets attributable to each class). The Expense Limitation Agreement will automatically renew for one-year terms unless PIMCO provides written notice to the Trust at least 30 days prior to the end of the then current term.

In any month in which the investment advisory contract or supervision and administration agreement is in effect, PIMCO is entitled to reimbursement by the Portfolio of any portion of the supervisory and administrative fee waived or reimbursed as set forth above (the "Reimbursement Amount") during the previous thirty-six months from the time of the waiver, provided that such amount paid to PIMCO will not: i) together with any organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata Trustee fees, exceed, for such month, the Expense Limit (or the amount of the expense limit in place at the time the amount being recouped was originally waived if lower than the Expense Limit); ii) exceed the total Reimbursement Amount; or iii) include any amounts previously reimbursed to PIMCO. At December 31, 2019, there were no recoverable amounts.

10. RELATED PARTY TRANSACTIONS

The Adviser, Administrator, and Distributor are related parties. Fees paid to these parties are disclosed in Note 9, Fees and Expenses, and the accrued related party fee amounts are disclosed on the Statement of Assets and Liabilities.

The Portfolio is permitted to purchase or sell securities from or to certain related affiliated portfolios under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Portfolio from or to another fund or portfolio that are, or could be, considered an affiliate, or an affiliate of an affiliate, by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 under the Act. Further, as defined under the procedures, each transaction is effected at the current market price. Purchases and sales of securities pursuant to Rule 17a-7 under the Act for the period ended December 31, 2019, were as follows (amounts in thousands†):

Purchases	Sales
$ 9,900	$ 2,273

† A zero balance may reflect actual amounts rounding to less than one thousand.

11. GUARANTEES AND INDEMNIFICATIONS

Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust (including the Trust's investment manager) is indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Portfolio. Additionally, in the normal course of business, the Portfolio enters into contracts that contain a variety of indemnification clauses. The Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolio that have not yet occurred. However, the Portfolio has not had prior claims or losses pursuant to these contracts.

12. PURCHASES AND SALES OF SECURITIES

The length of time the Portfolio has held a particular security is not generally a consideration in investment decisions. A change in the securities held by the Portfolio is known as "portfolio turnover." The Portfolio may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover may involve correspondingly greater transaction costs, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities, which are borne by the Portfolio. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are generally taxed at ordinary income tax rates when distributed to shareholders). The transaction costs associated with portfolio turnover may adversely affect the Portfolio's performance. The portfolio turnover rates are reported in the Financial Highlights.

Purchases and sales of securities (excluding short-term investments) for the period ended December 31, 2019, were as follows (amounts in thousands†):

U.S. Government/Agency		All Other	
Purchases	Sales	Purchases	Sales
$ 1,640,544	$ 1,562,133	$ 314,735	$ 192,790

† A zero balance may reflect actual amounts rounding to less than one thousand.

13. SHARES OF BENEFICIAL INTEREST

The Trust may issue an unlimited number of shares of beneficial interest with a $0.001 par value. Changes in shares of beneficial interest were as follows (shares and amounts in thousands[†]):

	Year Ended 12/31/2019		Year Ended 12/31/2018	
	Shares	**Amount**	**Shares**	**Amount**
Receipts for shares sold				
Institutional Class	136	$ 1,528	124	$ 1,359
Administrative Class	2,408	26,931	3,018	32,763
Advisor Class	2,150	24,104	2,955	32,037
Issued as reinvestment of distributions				
Institutional Class	20	216	12	130
Administrative Class	182	2,042	116	1,264
Advisor Class	969	10,887	638	6,925
Cost of shares redeemed				
Institutional Class	(41)	(464)	(68)	(743)
Administrative Class	(2,817)	(31,592)	(3,016)	(32,728)
Advisor Class	(1,983)	(22,194)	(2,552)	(27,689)
Net increase (decrease) resulting from Portfolio share transactions	1,024	$ 11,458	1,227	$ 13,318

† A zero balance may reflect actual amounts rounding to less than one thousand.

As of December 31, 2019, one shareholder owned 10% or more of the Portfolio's total outstanding shares comprising 85% of the Portfolio.

14. REGULATORY AND LITIGATION MATTERS

The Portfolio is not named as a defendant in any material litigation or arbitration proceedings and is not aware of any material litigation or claim pending or threatened against it.

The foregoing speaks only as of the date of this report.

15. FEDERAL INCOME TAX MATTERS

The Portfolio intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the "Code") and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

The Portfolio may be subject to local withholding taxes, including those imposed on realized capital gains. Any applicable foreign capital gains tax is accrued daily based upon net unrealized gains, and may be payable following the sale of any applicable investments.

In accordance with U.S. GAAP, the Adviser has reviewed the Portfolio's tax positions for all open tax years. As of December 31, 2019, the Portfolio has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

The Portfolio files U.S. federal, state, and local tax returns as required. The Portfolio's tax returns are subject to examination by relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Shares of the Portfolio currently are sold to segregated asset accounts ("Separate Accounts") of insurance companies that fund variable annuity contracts and variable life insurance policies ("Variable Contracts"). Please refer to the prospectus for the Separate Account and Variable Contract for information regarding Federal income tax treatment of distributions to the Separate Account.

As of December 31, 2019, the components of distributable taxable earnings are as follows (amounts in thousands†):

	Undistributed Ordinary Income(1)	Undistributed Long-Term Capital Gains	Net Tax Basis Unrealized Appreciation/ (Depreciation)(2)	Other Book-to-Tax Accounting Differences(3)	Accumulated Capital Losses(4)	Qualified Late-Year Loss Deferral - Capital(5)	Qualified Late-Year Loss Deferral - Ordinary(6)
PIMCO International Bond Portfolio (U.S. Dollar-Hedged)	$ 29,568	$ 0	$ 1,098	$ 0	$ (3,812)	$ 0	$ 0

† A zero balance may reflect actual amounts rounding to less than one thousand.
(1) Includes undistributed short-term capital gains, if any.
(2) Adjusted for open wash sale loss deferrals and the accelerated recognition of unrealized gain or loss on certain futures, options and forward contracts for federal income tax, purposes. Also adjusted for differences between book and tax realized and unrealized gain (loss) on swap contracts, treasury inflation-protected securities (TIPS), sale/buyback transactions, convertible preferred securities, straddle loss deferrals, and Lehman securities.
(3) Represents differences in income tax regulations and financial accounting principles generally accepted in the United States of America.
(4) Capital losses available to offset future net capital gains expire in varying amounts as shown below.
(5) Capital losses realized during the period November 1, 2019 through December 31, 2019 which the Portfolio elected to defer to the following taxable year pursuant to income tax regulations.
(6) Specified losses realized during the period November 1, 2019 through December 31, 2019 which the Portfolio elected to defer to the following taxable year pursuant to income tax regulations.

Under the Regulated Investment Company Modernization Act of 2010, a portfolio is permitted to carry forward any new capital losses for an unlimited period. Additionally, such capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term under previous law.

As of December 31, 2019, the Portfolio had the following post-effective capital losses with no expiration (amounts in thousands†):

	Short-Term	Long-Term
PIMCO International Bond Portfolio (U.S. Dollar-Hedged)	$ 0	$ 3,812

† A zero balance may reflect actual amounts rounding to less than one thousand.

As of December 31, 2019, the aggregate cost and the net unrealized appreciation/(depreciation) of investments for federal income tax purposes are as follows (amounts in thousands†):

	Federal Tax Cost	Unrealized Appreciation	Unrealized (Depreciation)	Net Unrealized Appreciation/ (Depreciation)(7)
PIMCO International Bond Portfolio (U.S. Dollar-Hedged)	$ 775,131	$ 19,868	$ (18,120)	$ 1,748

† A zero balance may reflect actual amounts rounding to less than one thousand.
(7) Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) on investments are attributable to open wash sale loss deferrals, unrealized gain or loss on certain futures, options and forward contracts, treasury inflation protected securities (TIPS), sale/buyback transactions, realized and unrealized gain (loss) swap contracts, convertible preferred securities, straddle loss deferrals, and Lehman securities.

For the fiscal year ended December 31, 2019 and December 31, 2018, respectively, the Portfolio made the following tax basis distributions (amounts in thousands†):

	December 31, 2019			December 31, 2018		
	Ordinary Income Distributions(8)	Long-Term Capital Gain Distributions	Return of Capital(9)	Ordinary Income Distributions(8)	Long-Term Capital Gain Distributions	Return of Capital(9)
PIMCO International Bond Portfolio (U.S. Dollar-Hedged)	$ 13,145	$ 0	$ 0	$ 6,590	$ 1,730	$ 0

† A zero balance may reflect actual amounts rounding to less than one thousand.
(8) Includes short-term capital gains distributed, if any.
(9) A portion of the distributions made represents a tax return of capital. Return of capital distributions have been reclassified from undistributed net investment income to paid-in capital to more appropriately conform financial accounting to tax accounting.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of PIMCO Variable Insurance Trust and Shareholders of PIMCO International Bond Portfolio (U.S. Dollar-Hedged)

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of PIMCO International Bond Portfolio (U.S. Dollar-Hedged) (one of the portfolios constituting PIMCO Variable Insurance Trust, hereafter referred to as the "Portfolio") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on the Portfolio's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Kansas City, Missouri

February 20, 2020

We have served as the auditor of one or more investment companies in PIMCO Variable Insurance Trust since 1998.

Counterparty Abbreviations:

BOA	Bank of America N.A.	**FICC**	Fixed Income Clearing Corporation	**MYC**	Morgan Stanley Capital Services LLC
BPG	BNP Paribas Securities Corp.	**GLM**	Goldman Sachs Bank USA	**MYI**	Morgan Stanley & Co. International PLC
BPS	BNP Paribas S.A.	**GRE**	NatWest Markets Securities Inc.	**RCY**	Royal Bank of Canada
BRC	Barclays Bank PLC	**GST**	Goldman Sachs International	**RYL**	NatWest Markets Plc
BSH	Banco Santander S.A. - New York Branch	**HUS**	HSBC Bank USA N.A.	**SCX**	Standard Chartered Bank, London
CBK	Citibank N.A.	**IND**	Crédit Agricole Corporate and Investment Bank S.A.	**SOG**	Societe Generale Paris
CIB	Canadian Imperial Bank of Commerce	**JLN**	JP Morgan Chase Bank N.A. London	**SSB**	State Street Bank and Trust Co.
CKL	Citibank N.A. London	**JPM**	JP Morgan Chase Bank N.A.	**TDM**	TD Securities (USA) LLC
DBL	Deutsche Bank AG London	**JPS**	J.P. Morgan Securities LLC	**TOR**	The Toronto-Dominion Bank
DUB	Deutsche Bank AG	**MBC**	HSBC Bank Plc	**UAG**	UBS AG Stamford
FAR	Wells Fargo Bank National Association	**MEI**	Merrill Lynch International	**UBS**	UBS Securities LLC
FBF	Credit Suisse International	**MSC**	Morgan Stanley & Co. LLC.		

Currency Abbreviations:

ARS	Argentine Peso	**DKK**	Danish Krone	**NOK**	Norwegian Krone
AUD	Australian Dollar	**EUR**	Euro	**NZD**	New Zealand Dollar
BRL	Brazilian Real	**GBP**	British Pound	**PEN**	Peruvian New Sol
CAD	Canadian Dollar	**HKD**	Hong Kong Dollar	**PLN**	Polish Zloty
CHF	Swiss Franc	**IDR**	Indonesian Rupiah	**RON**	Romanian New Leu
CLP	Chilean Peso	**ILS**	Israeli Shekel	**RUB**	Russian Ruble
CNH	Chinese Renminbi (Offshore)	**INR**	Indian Rupee	**SEK**	Swedish Krona
CNY	Chinese Renminbi (Mainland)	**JPY**	Japanese Yen	**TWD**	Taiwanese Dollar
COP	Colombian Peso	**KRW**	South Korean Won	**USD (or $)**	United States Dollar
CZK	Czech Koruna	**MXN**	Mexican Peso	**ZAR**	South African Rand

Exchange Abbreviations:

CBOT	Chicago Board of Trade	**CME**	Chicago Mercantile Exchange	**OTC**	Over the Counter

Index/Spread Abbreviations:

ARLLMONP	Argentina Blended Policy Rate	**CDX.IG**	Credit Derivatives Index - Investment Grade	**LIBOR03M**	3 Month USD-LIBOR
BADLARPP	Argentina Badlar Floating Rate Notes	**EUR003M**	3 Month EUR Swap Rate	**US0003M**	3 Month USD Swap Rate
CDOR01	1 Month CDN Swap Rate				

Other Abbreviations:

ABS	Asset-Backed Security	**EURIBOR**	Euro Interbank Offered Rate	**PRIBOR**	Prague Interbank Offered Rate
ALT	Alternate Loan Trust	**JIBAR**	Johannesburg Interbank Agreed Rate	**SONIO**	Sterling Overnight Interbank Average Rate
BBR	Bank Bill Rate	**LIBOR**	London Interbank Offered Rate	**STIBOR**	Stockholm Interbank Offered Rate
BTP	Buoni del Tesoro Poliennali	**Lunar**	Monthly payment based on 28-day periods. One year consists of 13 periods.	**TBA**	To-Be-Announced
CDI	Brazil Interbank Deposit Rate	**NCUA**	National Credit Union Administration	**TELBOR**	Tel Aviv Inter-Bank Offered Rate
CDO	Collateralized Debt Obligation	**OAT**	Obligations Assimilables du Trésor	**TIIE**	Tasa de Interés Interbancaria de Equilibrio "Equilibrium Interbank Interest Rate"
CLO	Collateralized Loan Obligation	**OIS**	Overnight Index Swap	**WIBOR**	Warsaw Interbank Offered Rate
DAC	Designated Activity Company	**PIK**	Payment-in-Kind		

Federal Income Tax Information

As required by the Internal Revenue Code (the "Code") and Treasury Regulations, if applicable, shareholders must be notified regarding the status of qualified dividend income and the dividend received deduction.

Dividend Received Deduction. Corporate shareholders are generally entitled to take the dividend received deduction on the portion of a Portfolio's dividend distribution that qualifies under tax law. The percentage of the following Portfolio's fiscal 2019 ordinary income dividend that qualifies for the corporate dividend received deduction is set forth in the table below.

Qualified Dividend Income. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), the percentage of ordinary dividends paid during the calendar year designated as "qualified dividend income", as defined in the Act, subject to reduced tax rates in 2019 is set forth for the Fund in the table below.

Qualified Interest Income and Qualified Short-Term Capital Gain (for non-U.S. resident shareholders only). Under the American Jobs Creation Act of 2004, the amounts of ordinary dividends paid during the fiscal year ended December 31, 2019 considered to be derived from "qualified interest income," as defined in Section 871(k)(1)(E) of the Code, and therefore designated as interest-related dividends, as defined in Section 871(k)(1)(C) of the Code are set forth in the table below. Further, the amounts of ordinary dividends paid during the fiscal year ended December 31, 2019 considered to be derived from "qualified short-term capital gain," as defined in Section 871(k)(2)(D) of the Code, and therefore designated as qualified short-term gain dividends, as defined by Section 871(k)(2)(C) of the Code are also set forth in the table below.

	Dividend Received Deduction %	Qualified Dividend Income %	Qualified Interest Income (000s†)	Qualified Short-Term Capital Gain (000s†)
PIMCO International Bond Portfolio (U.S. Dollar-Hedged)	0.00%	0.00%	$ 6,626	$ 0

† A zero balance may reflect actual amounts rounding to less than one thousand.

Shareholders are advised to consult their own tax advisor with respect to the tax consequences of their investment in the Trust. In January 2020, you will be advised on IRS Form 1099-DIV as to the federal tax status of the dividends and distributions received by you in calendar year 2019.

The charts below identify the Trustees and executive officers of the Trust. Unless otherwise indicated, the address of all persons below is 650 Newport Center Drive, Newport Beach, CA 92660.

The Portfolio's Statement of Additional Information includes more information about the Trustees and Officers. To request a free copy, call PIMCO at (888) 87-PIMCO or visit the Portfolio's website at www.pimco.com/pvit.

Name, Year of Birth and Position Held with Trust*	Term of Office and Length of Time Served†	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Public Company and Investment Company Directorships Held by Trustee During the Past 5 Years
Interested Trustees[1]				
Peter G. Strelow (1970) *Chairman of the Board and Trustee*	05/2017 to present Chairman of the Board - 02/2019 to present	Managing Director and Co-Chief Operating Officer, PIMCO. President of the Trust, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Chief Administrative Officer, PIMCO.	149	Chairman and Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT.
Brent R. Harris (1959) *Trustee*	08/1997 to present	Managing Director, PIMCO. Senior Vice President of the Trust, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, member of Executive Committee, PIMCO.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT; Director, StocksPLUS® Management, Inc; and member of Board of Governors, Investment Company Institute. Formerly, Chairman, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT.
Independent Trustees				
George E. Borst (1948) *Trustee*	04/2015 to present	Executive Advisor, McKinsey & Company (since 10/14); Formerly, Executive Advisor, Toyota Financial Services (10/13-12/14); and CEO, Toyota Financial Services (1/01-9/13).	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, MarineMax Inc.
Jennifer Holden Dunbar (1963) *Trustee*	04/2015 to present	Managing Director, Dunbar Partners, LLC (business consulting and investments). Formerly, Partner, Leonard Green & Partners, L.P.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, PS Business Parks; Director, Big 5 Sporting Goods Corporation.
Kym M. Hubbard (1957) *Trustee*	02/2017 to present	Formerly, Global Head of Investments, Chief Investment Officer and Treasurer, Ernst & Young.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, State Auto Financial Corporation.
Gary F. Kennedy (1955) *Trustee*	04/2015 to present	Formerly, Senior Vice President, General Counsel and Chief Compliance Officer, American Airlines and AMR Corporation (now American Airlines Group) (1/03-1/14).	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Peter B. McCarthy (1950) *Trustee*	04/2015 to present	Formerly, Assistant Secretary and Chief Financial Officer, United States Department of Treasury; Deputy Managing Director, Institute of International Finance.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Ronald C. Parker (1951) *Lead Independent Trustee*	07/2009 to present Lead Independent Trustee - 02/2017 to present	Director of Roseburg Forest Products Company. Formerly, Chairman of the Board, The Ford Family Foundation; and President, Chief Executive Officer, Hampton Affiliates (forestry products).	149	Lead Independent Trustee, PIMCO Funds and PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.

* Unless otherwise noted, the information for the individuals listed is as of December 31, 2019.

[1] Mr. Harris and Mr. Strelow are "interested persons" of the Trust (as that term is defined in the 1940 Act) because of their affiliations with PIMCO.

† Trustees serve until their successors are duly elected and qualified.

Executive Officers

Name, Year of Birth and Position Held with Trust*	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years†
Eric D. Johnson (1970) *President*	06/2019 to present	Executive Vice President, PIMCO. President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
David C. Flattum (1964) *Chief Legal Officer*	05/2019 to present	Managing Director and General Counsel, PIMCO. Chief Legal Officer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Managing Director, Chief Operating Officer and General Counsel, Allianz Asset Management of America L.P.
Keisha Audain-Pressley (1975)** *Chief Compliance Officer*	01/2020 to present	Executive Vice President and Deputy Chief Compliance Officer, PIMCO. Chief Compliance Officer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brent R. Harris (1959) *Senior Vice President*	03/2010 to present	Managing Director, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, member of Executive Committee, PIMCO.
Joshua D. Ratner (1976)** *Senior Vice President*	05/2019 to present	Executive Vice President and Head of U.S. Operations, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Peter G. Strelow (1970) *Senior Vice President*	06/2019 to present	Managing Director and Co-Chief Operating Officer, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Chief Administrative Officer, PIMCO.
Ryan G. Leshaw (1980) *Vice President, Senior Counsel and Secretary*	11/2018 to present	Senior Vice President and Senior Counsel, PIMCO. Vice President, Senior Counsel and Secretary, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Chief Legal Officer, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Associate, Willkie Farr & Gallagher LLP.
Wu-Kwan Kit (1981) *Assistant Secretary*	08/2017 to present	Senior Vice President and Senior Counsel, PIMCO. Assistant Secretary, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Vice President, Senior Counsel and Secretary, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Assistant General Counsel, VanEck Associates Corp.
Stacie D. Anctil (1969) *Vice President*	05/2015 to present	Executive Vice President, PIMCO. Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brian J. Pittluck (1977) *Vice President*	01/2020 to present	Senior Vice President, PIMCO. Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Bradley A. Todd (1960) *Treasurer*	06/2019 to present	Senior Vice President, PIMCO. Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Consultant, EY.
Bijal Y. Parikh (1978) *Deputy Treasurer*	01/2020 to present	Senior Vice President, PIMCO. Deputy Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Assistant Treasurer, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Erik C. Brown (1967)** *Assistant Treasurer*	02/2001 to present	Executive Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brandon T. Evans (1982) *Assistant Treasurer*	05/2019 to present	Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Colleen D. Miller (1980)** *Assistant Treasurer*	02/2017 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Christopher M. Morin (1980) *Assistant Treasurer*	08/2016 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Jason J. Nagler (1982)** *Assistant Treasurer*	05/2015 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
H. Jessica Zhang (1973)** *Assistant Treasurer*	01/2020 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.

* Unless otherwise noted, the information for the individuals listed is as of January 1, 2020.

† The term "PIMCO-Sponsored Closed-End Funds" as used herein includes: PIMCO California Municipal Income Fund, PIMCO California Municipal Income Fund II, PIMCO California Municipal Income Fund III, PIMCO Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO New York Municipal Income Fund, PIMCO New York Municipal Income Fund II, PIMCO New York Municipal Income Fund III, PCM Fund Inc., PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO Dynamic Credit and Mortgage Income Fund, PIMCO Dynamic Income Fund, PIMCO Energy and Tactical Credit Opportunities Fund, PIMCO Global StocksPLUS® & Income Fund, PIMCO High Income Fund, PIMCO Income Opportunity Fund, PIMCO Income Strategy Fund, PIMCO Income Strategy Fund II and PIMCO Strategic Income Fund, Inc.; the term "PIMCO-Sponsored Interval Funds" as used herein includes: PIMCO Flexible Credit Income Fund and PIMCO Flexible Municipal Income Fund.

** The address of these officers is Pacific Investment Management Company LLC, 1633 Broadway, New York, New York 10019.

Privacy Policy[1]

The Trust[2,3] considers customer privacy to be a fundamental aspect of its relationships with shareholders and is committed to maintaining the confidentiality, integrity and security of its current, prospective and former shareholders' non-public personal information. The Trust has developed policies that are designed to protect this confidentiality, while allowing shareholder needs to be served.

OBTAINING PERSONAL INFORMATION

In the course of providing shareholders with products and services, the Trust and certain service providers to the Trust, such as the Trust's investment advisers or sub-advisers ("Advisers"), may obtain non-public personal information about shareholders, which may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from shareholder transactions, from a shareholder's brokerage or financial advisory firm, financial advisor or consultant, and/or from information captured on applicable websites.

RESPECTING YOUR PRIVACY

As a matter of policy, the Trust does not disclose any non-public personal information provided by shareholders or gathered by the Trust to non-affiliated third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the Trust. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on shareholder satisfaction and gathering shareholder proxies. The Trust or its affiliates may also retain non-affiliated companies to market the Trust's shares or products which use the Trust's shares and enter into joint marketing arrangements with them and other companies. These companies may have access to a shareholder's personal and account information, but are permitted to use this information solely to provide the specific service or as otherwise permitted by law. In most cases, the shareholders will be clients of a third party, but the Trust may also provide a shareholder's personal and account information to the shareholder's respective brokerage or financial advisory firm and/or financial advisor or consultant.

SHARING INFORMATION WITH THIRD PARTIES

The Trust reserves the right to disclose or report personal or account information to non-affiliated third parties in limited circumstances where the Trust believes in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect its rights or property, or upon reasonable request by any fund advised by PIMCO in which a shareholder has invested. In addition, the Trust may disclose information about a shareholder or a shareholder's accounts to a non-affiliated third party at the shareholder's request or with the consent of the shareholder.

SHARING INFORMATION WITH AFFILIATES

The Trust may share shareholder information with its affiliates in connection with servicing shareholders' accounts, and subject to applicable law may provide shareholders with information about products and services that the Trust or its Advisers, distributors or their affiliates ("Service Affiliates") believe may be of interest to such shareholders. The information that the Trust may share may include, for example, a shareholder's participation in the Trust or in other investment programs sponsored by a Service Affiliate, a shareholder's ownership of certain types of accounts (such as IRAs), information about the Trust's experiences or transactions with a shareholder, information captured on applicable websites, or other data about a shareholder's accounts, subject to applicable law. The Trust's Service Affiliates, in turn, are not permitted to share shareholder information with non-affiliated entities, except as required or permitted by law.

PROCEDURES TO SAFEGUARD PRIVATE INFORMATION

The Trust takes seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Trust has implemented procedures that are designed to restrict access to a shareholder's non-public personal information to internal personnel who need to know that information to perform their jobs, such as servicing shareholder accounts or notifying shareholders of new products or services. Physical, electronic and procedural safeguards are in place to guard a shareholder's non-public personal information.

INFORMATION COLLECTED FROM WEBSITES

Websites maintained by the Trust or its service providers may use a variety of technologies to collect information that help the Trust and its service providers understand how the website is used. Information collected from your web browser (including small files stored on your device that are commonly referred to as "cookies") allow the websites to recognize your web browser and help to personalize and improve your user experience and enhance navigation of the website. In addition, the Trust or its Service Affiliates may use third parties to place advertisements for the Trust on other websites, including banner advertisements. Such third parties may collect anonymous information through the use of cookies or action tags (such as web beacons). The information these third parties collect is generally limited to technical and web navigation information, such as your IP address, web pages visited and browser type, and does not include personally identifiable information such as name, address, phone number or email address. If you are a registered user of the Trust's website, the Trust or their service providers or third party firms engaged by the Trust or their service providers may collect or share information submitted by you, which may include personally identifiable information. This information can be useful to the Trust when assessing and offering services and website features. You can change your cookie preferences by changing the setting on your web browser to delete or reject cookies. If you delete or reject cookies, some website pages may not function properly. The Trust does not look for web browser "do not track" requests.

CHANGES TO THE PRIVACY POLICY

From time to time, the Trust may update or revise this privacy policy. If there are changes to the terms of this privacy policy, documents containing the revised policy on the relevant website will be updated.

[1] Amended as of February 15, 2017.
[2] PIMCO Investments LLC ("PI") serves as the Trust's distributor. This Privacy Policy applies to the activities of PI to the extent that PI regularly effects or engages in transactions with or for a Trust shareholder who is the record owner of such shares. For purposes of this Privacy Policy, references to "the Trust" shall include PI when acting in this capacity.
[3] When distributing this Policy, the Trust may combine the distribution with any similar distribution of its investment adviser's privacy policy. The distributed, combined policy may be written in the first person (i.e., by using "we" instead of "the Trust").

Approval of Renewal of the Amended and Restated Investment Advisory Contract, Supervision and Administration Agreement and Amended and Restated Asset Allocation Sub-Advisory Agreement

At a meeting held on August 20-21, 2019, the Board of Trustees (the "Board") of PIMCO Variable Insurance Trust (the "Trust"), including the Trustees who are not "interested persons" of the Trust under the Investment Company Act of 1940, as amended (the "Independent Trustees"), considered and unanimously approved the renewal of the Amended and Restated Investment Advisory Contract (the "Investment Advisory Contract") between the Trust, on behalf of each of the Trust's series (each, a "Portfolio," and collectively, the "Portfolios"), and Pacific Investment Management Company LLC ("PIMCO") for an additional one-year term through August 31, 2020. The Board also considered and unanimously approved the renewal of the Supervision and Administration Agreement (together with the Investment Advisory Contract, the "Agreements") between the Trust, on behalf of the Portfolios, and PIMCO for an additional one-year term through August 31, 2020. In addition, the Board considered and unanimously approved the renewal of the Amended and Restated Asset Allocation Sub-Advisory Agreement (the "Asset Allocation Agreement") between PIMCO, on behalf of PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio, each a series of the Trust, and Research Affiliates, LLC ("Research Affiliates") for an additional one-year term through August 31, 2020.

The information, material factors and conclusions that formed the basis for the Board's approvals are summarized below.

1. INFORMATION RECEIVED

(a) Materials Reviewed: During the course of the past year, the Trustees received a wide variety of materials relating to the services provided by PIMCO and Research Affiliates to the Trust. At each of its quarterly meetings, the Board reviewed the Portfolios' investment performance and a significant amount of information relating to Portfolio operations, including shareholder services, valuation and custody, the Portfolios' compliance program and other information relating to the nature, extent and quality of services provided by PIMCO and Research Affiliates to the Trust and each of the Portfolios, as applicable. In considering whether to approve the renewal of the Agreements and the Asset Allocation Agreement, the Board reviewed additional information, including, but not limited to, comparative industry data with regard to investment performance, advisory and supervisory and administrative fees and expenses, financial information for PIMCO and, where relevant, Research Affiliates, information regarding the profitability to PIMCO of its relationship with the Portfolios, information about the personnel providing investment management services, other advisory services and supervisory and administrative services to the Portfolios, and information about the fees charged and services provided to other clients with similar investment mandates as the Portfolios, where applicable. In addition, the Board reviewed materials provided by counsel to the Trust and the Independent Trustees, which included, among other things, a memorandum outlining legal duties of the Board in considering the renewal of the Agreements and the Asset Allocation Agreement.

(b) Review Process: In connection with considering the renewal of the Agreements and the Asset Allocation Agreement, the Board reviewed written materials prepared by PIMCO and, where applicable, Research Affiliates in response to requests from counsel to the Trust and the Independent Trustees encompassing a wide variety of topics. The Board requested and received assistance and advice regarding, among other things, applicable legal standards from counsel to the Trust and the Independent Trustees, and reviewed comparative fee and performance data prepared at the Board's request by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company performance information and fee and expense data. The Board received presentations from PIMCO and, where applicable, Research Affiliates, on matters related to the Agreements and the Asset Allocation Agreement and met both as a full Board and in a separate session of the Independent Trustees, without management present, at the August 20-21, 2019 meeting. The Independent Trustees also met in-person and telephonically with counsel to the Trust and the Independent Trustees, including an in-person meeting on July 17, 2019, and conducted a telephonic meeting with management and counsel to the Trust and Independent Trustees, to discuss the materials presented and other matters deemed relevant to their consideration of the renewal of the Agreements and the Asset Allocation Agreement. In connection with its review of the Agreements and the Asset Allocation Agreement, the Board received comparative information on the performance, the risk-adjusted performance and the fees and expenses of other peer group funds and share classes. The Independent Trustees also requested and received supplemental information, including information regarding Portfolio performance and profitability.

The approval determinations were made on the basis of each Trustee's business judgment after consideration and evaluation of all the information presented. Individual Trustees may have given different weight to certain factors and assigned various degrees of materiality to information received in connection with the approval process. In deciding to approve the renewal of the Agreements and the Asset Allocation Agreement, the Board did not identify any single factor or particular information that, in isolation, was controlling. The discussion below is intended to summarize the broad factors and information that figured prominently in the Board's consideration of the renewal of the Agreements and the Asset Allocation Agreement, but is not intended to summarize all of the factors considered by the Board.

2. NATURE, EXTENT AND QUALITY OF SERVICES

(a) PIMCO, Research Affiliates, their Personnel, and Resources: The Board considered the depth and quality of PIMCO's investment management process, including, but not limited to: the experience, capability and integrity of its senior management and other personnel; the overall financial strength and stability of its organization; and the ability of its organizational structure to address changes in the Portfolios' asset levels. The Board also considered the various services in addition to portfolio management that PIMCO provides under the Investment Advisory Contract. The Board noted that PIMCO makes available to its investment professionals a variety of resources and systems relating to investment management, compliance, trading, performance and portfolio accounting. The Board also noted PIMCO's commitment to enhancing and investing in its global infrastructure, technology capabilities, risk management processes and the specialized talent needed to provide the array of services required of a mutual fund sponsor, to stay at the forefront of the competitive investment management industry and to strengthen its ability to deliver services under the Agreements. The Board considered PIMCO's policies, procedures and systems reasonably designed to assure compliance with applicable laws and regulations and its commitment to further developing and strengthening these programs, its oversight of matters that may involve conflicts of interest between the Portfolios' investments and those of other accounts managed by PIMCO, and its efforts to keep the Trustees informed about matters relevant to the Portfolios and their shareholders. The Board also considered PIMCO's continuous investment in new disciplines and talented personnel, which has enhanced PIMCO's services to the Portfolios and has allowed PIMCO to introduce innovative new portfolios over time. In addition, the Board considered the nature, extent and quality of services provided by PIMCO to the wholly-owned subsidiaries of certain applicable Portfolios.

In addition, the Trustees considered new services and service enhancements that PIMCO has implemented, including, but not limited to: upgrading the global network and infrastructure to support trading and risk management systems; enhancing and continuing to expand capabilities within the pre-trade compliance platform; enhancing flexible client reporting capabilities to support increased differentiation within local markets; developing new application and database frameworks to support new trading strategies; making portfolio data, performance and portfolio analysis available on the cloud to improve system performance for internal users and develop a new self-service client portal; enhancing the enterprise risk management function, including PIMCO's Global Risk Committee, cybersecurity program and global business continuity functions; continuing oversight by the Americas Fund Oversight Committee, which provides senior-level oversight and supervision focused on new and ongoing fund-related business opportunities; expanding engagement with a third party service provider to provide certain additional fund administration services subject to PIMCO's oversight; expanding the Fund Treasurer's Office; enhancing a proprietary application to provide portfolio managers with more timely and high quality income reporting; developing a global tax management application that will enable investment professionals to access foreign market and security tax information on a real-time basis; upgrading a proprietary application to allow shareholder subscription and redemption data to pass to portfolio managers more quickly and efficiently; completing work on structured data filings for Form N-PORT and Form N-CEN to ensure operational readiness and successfully meet applicable filing dates; implementing a contingent NAV process; continuing to advocate in the public policy arena; and continuing to expand the pricing portal and the proprietary performance reconciliation tool. Similarly, the Board considered the asset allocation services provided by Research Affiliates to the PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio. The Board further considered PIMCO's oversight of Research Affiliates in connection with Research Affiliates providing asset allocation services to the All Asset Portfolio and All Asset All Authority Portfolio. The Board also considered the depth and quality of Research Affiliates' investment management and research capabilities, the experience and capabilities of its portfolio management personnel and the overall financial strength of the organization.

Ultimately, the Board concluded that the nature, extent and quality of services provided or procured by PIMCO under the Agreements and provided by Research Affiliates under the Asset Allocation Agreement are likely to continue to benefit the Portfolios and their respective shareholders, as applicable.

(b) Other Services: The Board also considered the nature, extent and quality of supervisory and administrative services provided by PIMCO to the Portfolios under the Supervision and Administration Agreement.

The Board considered the terms of the Supervision and Administration Agreement, under which the Trust pays for the supervisory and administrative services provided pursuant to that agreement under what is essentially an all-in fee structure (the "unified fee"). In return, PIMCO provides or procures certain supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including, but not limited to, audit, custodial, portfolio accounting, ordinary legal, transfer agency, sub-accounting and printing costs. The Board noted that the scope and complexity, as well as the costs, of the supervisory and administrative services provided by PIMCO under the Supervision and Administration Agreement continue to increase. The Board considered PIMCO's provision of supervisory and administrative services and its supervision of the Trust's third party service providers to assure that these service providers continue to provide a high level of service relative to alternatives available in the market.

Ultimately, the Board concluded that the nature, extent and quality of the services provided by PIMCO has benefited, and will likely continue to benefit, the Portfolios and their shareholders.

3. INVESTMENT PERFORMANCE

The Board reviewed information from PIMCO concerning the Portfolios' performance, as available, over short- and long-term periods ended March 31, 2019 and other performance data, as available, over short- and long-term periods ended June 30, 2019 (the "PIMCO Report") and from Broadridge concerning the Portfolios' performance, as available, over short- and long-term periods ended March 31, 2019 (the "Lipper Report").

The Board considered information regarding both the short- and long-term investment performance of each Portfolio relative to its peer group and relevant benchmark index as provided to the Board in advance of each of its quarterly meetings throughout the year, including the PIMCO Report and Lipper Report, which were provided in advance of the August 20-21, 2019 meeting. The Trustees reviewed information indicating that classes of each Portfolio would have substantially similar performance to that of the Administrative Class of the relevant Portfolio on a relative basis because all of the classes are invested in the same portfolio of investments and that differences in performance among classes could principally be attributed to differences in the supervisory and administrative fees and distribution and servicing expenses of each class. The Board noted that, due to differences (such as specific investment strategies or fee structures) between certain of the Portfolios and their so-called peers in the Lipper categories, performance comparisons may not be particularly relevant to the consideration of Portfolio performance but found the comparative information supported its overall evaluation.

The Board noted that performance for a majority of the Portfolios has been mixed compared to their respective benchmark indexes over the five-year period ended March 31, 2019. The Board noted that, as of March 31, 2019, 91%, 25% and 91% of the Trust's assets (based on Administrative Class performance) outperformed their respective benchmarks on a net-of-fees basis over the three-, five- and ten-year periods, respectively. The Board also discussed actions that have been taken by PIMCO to attempt to improve performance and took note of PIMCO's plans to monitor performance going forward.

The Board ultimately concluded, within the context of all of its considerations in connection with the Agreements, that PIMCO's performance record and process in managing the Portfolios indicates that its continued management is likely to benefit the Portfolios and their shareholders, and merits the approval of the renewal of the Agreements.

4. ADVISORY FEES, SUPERVISORY AND ADMINISTRATIVE FEES AND TOTAL EXPENSES

The Board considered that PIMCO seeks to price new funds and classes to scale at the outset with reference to the total expense ratios of the respective Lipper median, if available, while providing a premium for innovative investment offerings. PIMCO reported to the Board that, in proposing fees for any Portfolio or class of shares, it considers a number of factors, including, but not limited to, the type and complexity of the services provided, the cost of providing services, the risk assumed by PIMCO in the development of products and the provision of services and the competitive marketplace for financial products.

In addition, PIMCO reported to the Board that it periodically reviews the fees charged to the Portfolios and that PIMCO may propose advisory fee or supervisory and administrative fee changes where (i) a Portfolio's long-term performance warrants additional consideration; (ii) there is a notable aid to market position; (iii) a Portfolio's fee does not reflect the current level of supervision or administrative fees provided to the Portfolio; or (iv) PIMCO would like to change a Portfolio's overall strategic positioning.

The Board reviewed the advisory fees, supervisory and administrative fees and total expenses of the Portfolios (each as a percentage of average net assets) and compared such amounts with the average and median fee and expense levels of other similar funds. The Board also reviewed information relating to the sub-advisory fees paid to Research Affiliates with respect to applicable Portfolios, taking into account that PIMCO compensates Research Affiliates from the advisory fees paid by such Portfolios to PIMCO. With respect to advisory fees, the Board reviewed data from the Lipper Report that compared the average and median advisory fees of other funds in a "Peer Group" of comparable funds, as well as the universe of other similar funds. The Board reviewed materials indicating that a number of Portfolios have total expense ratios that fall below the average and median expense ratios in their Peer Group and Lipper universe. In addition, the Board considered fee waivers in place for certain of the Portfolios and also noted the fee waivers in place with respect to the advisory fee and supervisory and administrative fee that might result from investments by applicable Portfolios in their respective wholly-owned subsidiaries. The Board also considered that PIMCO reviews the Portfolios' fee levels and carefully considers changes where appropriate.

The Board also reviewed data comparing the Portfolios' advisory fees to the fee rates PIMCO charges to separate accounts, private funds, collective investment trusts and sub-advised clients with similar investment strategies. In cases where the fees for other clients were lower than those charged to the Portfolios, the Trustees noted that the differences in fees were attributable to various factors, including, but not limited to, differences in the advisory and other services provided by PIMCO to the Portfolios, differences in the number or extent of the services provided by PIMCO to the Portfolios, the manner in which similar portfolios may be managed, different requirements with respect to liquidity management and the implementation of other regulatory requirements, and the fact that separate accounts may have other contractual arrangements or arrangements across PIMCO strategies that justify different levels of fees. The Board considered that, with respect to collective investment trusts, PIMCO performs fewer or less extensive services because collective investment trusts are generally exempt from SEC regulation; investors in a collective investment trust may receive shareholder services from a trustee bank, rather than PIMCO; collective investment trusts have less regulatory disclosure; and the management structure of collective investment trusts differs from that of funds. The Trustees also considered that PIMCO faces increased entrepreneurial, legal and regulatory risk in sponsoring and managing mutual funds and ETFs as compared to separate accounts, external sub-advised funds or other investment products.

Regarding advisory fees charged by PIMCO in its capacity as sub-adviser to third party/unaffiliated funds, the Trustees took into account that such fees may be lower than the fees charged by PIMCO to serve as adviser to the Portfolios. The Trustees also took into account that there are various reasons for any such differences in fees, including, but not limited to, the fact that PIMCO may be subject to varying levels of entrepreneurial risk and regulatory requirements, differing legal liabilities on a contract-by-contract basis and different servicing requirements when PIMCO does not serve as the sponsor of a fund and is not principally responsible for all aspects of a fund's investment program and operations as compared to when PIMCO serves as investment adviser and sponsor.

The Board considered the Portfolios' supervisory and administrative fees, comparing them to similar funds managed by other investment advisers in the Lipper Report. The Board also considered that as the Portfolios' business has become increasingly complex and the number of Portfolios has grown over time, PIMCO has provided an increasingly broad array of fund supervisory and administrative functions. In addition, the Board considered the Trust's unified fee structure, under which the Trust pays for the supervisory and administrative services it requires for one set fee. In return for this unified fee, PIMCO provides or procures supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including audit, custodial, portfolio accounting, ordinary legal, transfer agency, sub-accounting and printing costs. The Board further considered that many other funds pay for comparable services separately, and thus it is difficult to directly compare the Trust's unified supervisory and administrative fees with the fees paid by other funds for administrative services alone. The Board also considered that the unified supervisory and administrative fee leads to Portfolio fees that are fixed over the contract period, rather than variable. The Board noted that, although the unified fee structure does not have breakpoints, it implicitly reflects economies of scale by fixing the absolute level of Portfolio fees at competitive levels over the contract period even if the Portfolios' operating costs rise when assets remain flat or decrease. Other factors the Board considered in assessing the unified fee include PIMCO's approach of pricing Portfolios to scale at inception and reinvesting in other important areas of the business that support the Portfolios. The Board considered that the Portfolios' unified fee structure meant that fees were not impacted by recent outflows in certain Portfolios, unlike funds without a unified fee structure, which may see increased expense ratios when fixed costs, such as service provider costs, are passed through to a smaller asset base. The Board considered historical advisory and supervisory and administrative fee reductions implemented for different Portfolios and classes, noting that the unified fee can be increased or decreased in subsequent contractual periods and is subject to the periodic reviews discussed above. The Board noted that, with few exceptions, PIMCO has generally maintained Portfolio fees at the same level as implemented when the unified fee was adopted, and has reduced fees for a number of Portfolios in prior years. The Board concluded that the Portfolios' supervisory and administrative fees were reasonable in relation to the value of the services provided, including the services provided to different classes of shareholders, and that the expenses assumed contractually by PIMCO under the Supervision and Administration Agreement represent, in effect, a cap on overall Portfolio fees during the contractual period, which is beneficial to the Portfolios and their shareholders.

The Board considered the Portfolios' total expenses and discussed with PIMCO those Portfolios and/or classes of Portfolios that had above median total expenses. Upon comparing the Portfolios' total expenses to other funds in the "Peer Groups" provided by the Lipper Report, the Board found total expenses of each Portfolio to be reasonable.

The Trustees also considered the advisory fees charged to the Portfolios that operate as funds of funds (the "Funds of Funds") and the advisory services provided in exchange for such fees. The Trustees determined that such services were in addition to the advisory services provided to the underlying funds in which the Funds of Funds may invest and, therefore, such services were not duplicative of the advisory services provided to the underlying funds. The Board also considered the various fee waiver agreements in place for the Funds of Funds. The Board noted that PIMCO is continuing waivers for these Funds of Funds, as well as for certain other Portfolios of the Trust.

Based on the information presented by PIMCO and Research Affiliates, members of the Board determined, in the exercise of their business judgment, that the level of the advisory fees and supervisory and administrative fees charged by PIMCO under the Agreements, that the fees charged by to PIMCO Research Affiliates under the Asset Allocation Agreement, and that the total expenses of each Portfolio, are reasonable.

5. ADVISER COSTS, LEVEL OF PROFITS AND ECONOMIES OF SCALE

The Board reviewed information regarding PIMCO's costs of providing services to, as well as the resulting level of profits attributable to the Portfolios. To the extent applicable, the Board also reviewed information regarding the portion of a Portfolio's advisory fee retained by PIMCO, following the payment of sub-advisory fees to Research Affiliates, with respect to the Portfolio. Additionally, the Board discussed PIMCO's pre-distribution profit margin ranges with respect to the Portfolios, as compared to the prior year. The Board further noted PIMCO's engagement of a third party to review and to make recommendations regarding PIMCO's processes supporting its profitability estimation materials. The Board also noted that it had received information regarding the structure and manner in which PIMCO's investment professionals were compensated, and PIMCO's view of the relationship of such compensation to the attraction and retention of quality personnel. The Board considered PIMCO's investment in global infrastructure, technology capabilities, risk management processes and qualified personnel to reinforce and offer new services and to accommodate changing regulatory requirements.

With respect to potential economies of scale, the Board noted that PIMCO shares the benefits of economies of scale with the Portfolios and their shareholders in a number of ways, including investing in portfolio and trade operations management, firm technology, middle and back office support, legal and compliance, and fund administration logistics, senior management supervision, governance and oversight of those services, and through fee reductions or waivers, the pricing of Portfolios to scale from inception, and the enhancement of services provided to the Portfolios in return for fees paid. The Board reviewed the history of the Portfolios' fee structure. The Board considered that the Portfolios' unified fee rates had been set competitively and/or priced to scale from inception, had been held steady during the contractual period at that scaled competitive rate for most Portfolios as assets grew, or as assets declined in the case of some Portfolios, and continued to be competitive compared with peers. The Board also considered that the unified fee is a transparent means of informing a Portfolio's shareholders of the fees associated with the Portfolio, and that the Portfolio bears certain expenses that are not covered by the advisory fee or the unified fee. The Board further considered the challenges that arise when managing large funds, which can result in certain "diseconomies" of scale and noted that PIMCO has continued to reinvest in many areas of the business to support the Portfolios.

The Trustees considered that the unified fee has provided inherent economies of scale because a Portfolio maintains competitive fixed fees over the annual contract period even if the particular Portfolio's assets decline and/or operating costs rise. The Trustees further considered that, in contrast, breakpoints may be a proxy for charging higher fees on lower asset levels and that when a fund's assets decline, breakpoints may reverse, which causes expense ratios to increase. The Trustees also considered that, unlike the Portfolios' unified fee structure, funds with "pass through" administrative fee structures may experience increased expense ratios when fixed dollar fees are charged against declining fund assets. The Trustees also considered that the unified fee protects shareholders from a rise in operating costs that may result from, among other things, PIMCO's investments in various business enhancements and infrastructure, including those referenced above. The Trustees noted that PIMCO's investments in these areas are extensive.

The Board concluded that the Portfolios' cost structures were reasonable and that PIMCO is appropriately sharing economies of scale, if any, through the Portfolios' unified fee structure, generally pricing Portfolios to scale at inception and reinvesting in its business to provide enhanced and expanded services to the Portfolios and their shareholders.

6. ANCILLARY BENEFITS

The Board considered other benefits realized by PIMCO and its affiliates as a result of PIMCO's relationship with the Trust. Such benefits may include possible ancillary benefits to PIMCO's institutional investment management business due to the reputation and market penetration of the Trust or third party service providers' relationship-level fee concessions, which decrease fees paid by PIMCO. The Board also considered that affiliates of PIMCO provide distribution and/or shareholder services to the Portfolios and their shareholders, for which they may be compensated through distribution and servicing fees paid pursuant to the Portfolios' Rule 12b-1 plans or otherwise. The Board reviewed PIMCO's soft dollar policies and procedures, noting that while PIMCO has the authority to receive the benefit of research provided by broker-dealers executing portfolio transactions on behalf of the Portfolios, it has adopted a policy not to enter into contractual soft dollar arrangements.

7. CONCLUSIONS

Based on their review, including their comprehensive consideration and evaluation of each of the broad factors and information summarized above, the Independent Trustees and the Board as a whole concluded that the nature, extent and quality of the services rendered to the Portfolios by PIMCO and Research Affiliates supported the renewal of the Agreements and the Asset Allocation Agreement. The Independent

Trustees and the Board as a whole concluded that the Agreements and the Asset Allocation Agreement continued to be fair and reasonable to the Portfolios and their shareholders, that the Portfolios' shareholders received reasonable value in return for the fees paid to PIMCO by the Portfolios under the Agreements and the fees paid to Research Affiliates by PIMCO under the Asset Allocation Agreement, and that the renewal of the Agreements and the Asset Allocation Agreement was in the best interests of the Portfolios and their shareholders.

General Information

Investment Adviser and Administrator
Pacific Investment Management Company LLC
650 Newport Center Drive
Newport Beach, CA 92660

Distributor
PIMCO Investments LLC
1633 Broadway
New York, NY 10019

Custodian
State Street Bank and Trust Company
801 Pennsylvania Avenue
Kansas City, MO 64105

Transfer Agent
DST Asset Manager Solutions, Inc.
430 W 7th Street STE 219024
Kansas City, MO 64105-1407

Legal Counsel
Dechert LLP
1900 K Street, N.W.
Washington, D.C. 20006

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
1100 Walnut Street, Suite 1300
Kansas City, MO 64106

This report is submitted for the general information of the shareholders of the PIMCO Variable Insurance Trust.

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PIMCO

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PIMCO

PIMCO VARIABLE INSURANCE TRUST

Annual Report

December 31, 2019

PIMCO Low Duration Portfolio

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Portfolio's annual and semi-annual shareholder reports will no longer be sent by mail from the insurance company that offers your contract unless you specifically request paper copies of the reports from the insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a website, and the insurance company will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company electronically by following the instructions provided by the insurance company.

You may elect to receive all future reports in paper free of charge from the insurance company. You should contact the insurance company if you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all portfolio companies available under your contract at the insurance company.

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This material is authorized for use only when preceded or accompanied by the current PIMCO Variable Insurance Trust (the “Trust”) prospectus for the Portfolio. (The variable product prospectus may be obtained by contacting your Investment Consultant.)

Dear PIMCO Variable Insurance Trust Shareholder,

Following this letter is the PIMCO Variable Insurance Trust Annual Report, which covers the 12-month reporting period ended December 31, 2019. On the subsequent pages, you will find specific details regarding investment results and discussion of the factors that most affected performance during the reporting period.

For the 12-month reporting period ended December 31, 2019

The U.S. economy continued to expand during the reporting period. U.S. gross domestic product ("GDP") grew at an annual pace of 3.1% and 2.0% during the first and second quarters of 2019, respectively. For the third quarter of 2019, GDP growth rose to an annual pace of 2.1%. Finally, the Commerce Department's initial reading for fourth quarter 2019 GDP, released after the reporting period ended, showed that the U.S. economy grew at a 2.1% annual pace.

After raising rates four times in 2018, the Federal Reserve (the "Fed") reversed course and had a "dovish pivot." At the Fed's meeting in January 2019, the central bank tapered its expectations for the pace of rate hikes in 2019. Then, after the Fed's meeting in June 2019, Fed Chair Jerome Powell said, "The case for somewhat more accommodative policy has strengthened." Following the Fed's meeting that concluded on July 31, 2019, the Fed lowered the federal funds rate by 0.25% to a range between 2.00% and 2.25%. This represented the Fed's first rate cut since 2008. At the Fed's meeting that ended on September 18, 2019, the Fed again reduced the federal funds rate by 0.25% to a range between 1.75% and 2.00%. Finally, at the Fed's meeting that concluded on October 30, 2019, the Fed lowered the federal funds rate to a range between 1.50% and 1.75%.

Economic activity outside the U.S. continued to expand, but the pace of expansion generally moderated. According to the International Monetary Fund's ("IMF") January 2020 *World Economic Outlook Update*, released after the reporting period ended, global growth is projected to have been 2.9% in 2019, versus 3.6% in 2018. From a regional perspective, the IMF expects the U.S. economy to expand 2.3% in 2019, compared to 2.9% in the prior calendar year. Elsewhere, the IMF anticipates that 2019 GDP growth in the eurozone, U.K. and Japan will be 1.2%, 1.3% and 1.0%, respectively. For comparison purposes, these economies expanded 1.9%, 1.3% and 0.3%, respectively, in 2018.

Against this backdrop, in September 2019, the European Central Bank (the "ECB") cut its deposit rate from -0.4% to -0.5% — a record low — and restarted bond purchases of €20 billion a month in November 2019. Elsewhere, the Bank of Japan largely maintained its highly accommodative monetary policies. The Bank of England kept rates on hold, although there was speculation that it may reduce rates given uncertainties related to Brexit. However, in December 2019, Prime Minister Boris Johnson won the general election, likely paving the way for a faster Brexit resolution.

The U.S. Treasury yield curve steepened as two-year Treasury rates declined more than their 10-year counterparts. In our view, falling rates were partially due to signs of moderating global growth, the Fed's dovish pivot and periods of investor risk aversion. The yield on the benchmark 10-year U.S. Treasury note was 1.92% at the end of the reporting period, versus 2.69% on December 31, 2018. The Bloomberg Barclays Global Treasury Index (USD Hedged), which tracks fixed-rate, local-currency government debt of investment grade countries, including both developed and emerging markets, returned 7.25%. Meanwhile, the Bloomberg Barclays Global Aggregate Credit Index (USD Hedged), a widely used index of global investment grade bonds, returned 11.85%. Riskier fixed income asset classes, including high yield corporate bonds and emerging market debt, also generated positive results. The ICE BofAML Developed Markets High Yield Constrained Index (USD Hedged), a widely used index of below investment grade bonds, returned 14.53%, whereas emerging market external debt, as represented by the JPMorgan Emerging Markets Bond Index (EMBI) Global (USD Hedged), returned 14.42%. Emerging market local bonds, as represented by the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged), returned 13.47%.

Global equities produced positive results and, despite periods of volatility, U.S. equities rose sharply. We believe the increase in U.S. equities was driven by a number of factors, including corporate profits that often exceeded lowered expectations, a more accommodative Fed, and the "Phase 1" trade agreement between the U.S. and China. All told, U.S. equities, as represented by the S&P 500 Index, returned 31.49%. Emerging market equities, as measured by the MSCI Emerging Markets Index, returned 18.42%, whereas global equities, as represented by the MSCI World Index, returned 27.67%. Meanwhile, Japanese equities, as represented by the Nikkei 225 Index (in JPY), returned 20.69% and European equities, as represented by the MSCI Europe Index (in EUR), returned 26.05%.

Commodity prices fluctuated, but generally rose during the reporting period. When the reporting period began, Brent crude oil was approximately $54 a barrel. It rose to roughly $66 a barrel at the end of the period. Elsewhere, copper and gold prices moved higher.

Finally, there were periods of volatility in the foreign exchange markets, due in part, in our view, to signs of moderating global growth, trade conflicts, and changing central bank monetary policies, along with a number of geopolitical events. The U.S. dollar returned 2.22% versus the euro, but the U.S. dollar fell 0.99% and 3.94% versus the yen and the British pound, respectively.

Thank you for the assets you have placed with us. We deeply value your trust, and we will continue to work diligently to meet your broad investment needs.

Sincerely,

Peter G. Strelow
Chairman of the Board
PIMCO Variable Insurance Trust

Past performance is no guarantee of future results. Unless otherwise noted, index returns reflect the reinvestment of income distributions and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. It is not possible to invest directly in an unmanaged index.

Important Information About the PIMCO Low Duration Portfolio

PIMCO Variable Insurance Trust (the "Trust") is an open-end management investment company that includes the PIMCO Low Duration Portfolio (the "Portfolio"). The Portfolio is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies ("Variable Contracts"). Individuals may not purchase shares of the Portfolio directly. Shares of the Portfolio also may be sold to qualified pension and retirement plans outside of the separate account context.

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates may trend upward, rising rates would negatively impact the performance of most bond funds, and fixed income securities and other instruments held by the Portfolio are likely to decrease in value. A wide variety of factors can cause interest rates or yields of U.S. Treasury securities (or yields of other types of bonds) to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). In addition, changes in interest rates can be sudden and unpredictable, and there is no guarantee that management will anticipate such movement accurately. The Portfolio may lose money as a result of movements in interest rates.

As of the date of this report, interest rates in the United States and many parts of the world, including certain European countries, are at or near historically low levels. Thus, the Portfolio currently faces a heightened level of risk associated with rising interest rates and/or bond yields. This could be driven by a variety of factors, including but not limited to central bank monetary policies, changing inflation or real growth rates, general economic conditions, increasing bond issuances or reduced market demand for low yielding investments. Further, while bond markets have steadily grown over the past three decades, dealer inventories of corporate bonds are near historic lows in relation to market size. As a result, there has been a significant reduction in the ability of dealers to "make markets."

Bond funds and individual bonds with a longer duration (a measure used to determine the sensitivity of a security's price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets or negatively impact the Portfolio's performance or cause the Portfolio to incur losses. As a result, the Portfolio may experience increased shareholder redemptions, which, among other things, could further reduce the net assets of the Portfolio.

The Portfolio may be subject to various risks as described in the Portfolio's prospectus and in the Principal Risks in the Notes to Financial Statements.

Classifications of the Portfolio's portfolio holdings in this report are made according to financial reporting standards. The classification of a particular portfolio holding as shown in the Allocation Breakdown and Schedule of Investments sections of this report may differ from the classification used for the Portfolio's compliance calculations, including those used in the Portfolio's prospectus, investment objectives, regulatory, and other investment limitations and policies, which may be based on different asset class, sector or geographical classifications. The Portfolio is separately monitored for compliance with respect to prospectus and regulatory requirements.

The geographical classification of foreign (non-U.S.) securities in this report, if any, are classified by the country of incorporation of a holding. In certain instances, a security's country of incorporation may be different from its country of economic exposure.

The United States presidential administration's enforcement of tariffs on goods from other countries, with a focus on China, has contributed to international trade tensions and may impact portfolio securities.

The United Kingdom's decision to leave the European Union may impact Portfolio returns. This decision may cause substantial volatility in foreign exchange markets, lead to weakness in the exchange rate of the British pound, result in a sustained period of market uncertainty, and destabilize some or all of the other European Union member countries and/or the Eurozone.

The Portfolio may invest in certain instruments that rely in some fashion upon the London Interbank Offered Rate ("LIBOR"). LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. The transition may result in a reduction in the value of certain instruments held by the Portfolio or a reduction in the effectiveness of related Portfolio transactions such as hedges. There remains uncertainty regarding future utilization of LIBOR and the nature of any replacement rate (e.g., the Secured Overnight Financing Rate, which is intended to replace U.S. dollar LIBOR and measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities), and any potential effects of the transition away from LIBOR on the Portfolio or on certain instruments in which the Portfolio invests are not known and could result in losses to the Portfolio.

Under the direction of the Federal Housing Finance Agency, the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") have entered into a joint initiative to develop a common securitization platform for the issuance of a uniform mortgage-backed security (the "Single Security Initiative") that aligns the characteristics of FNMA and FHLMC certificates. The Single Security Initiative was implemented on June 3, 2019, and the effects it may have on the market for mortgage-backed securities are uncertain.

On the Portfolio Summary page in this Shareholder Report, the Average Annual Total Return table and Cumulative Returns chart measure performance assuming that any dividend and capital gain distributions were reinvested. The Cumulative Returns chart reflects only Administrative Class performance. Performance may vary by share class based on each class's expense ratios. The Portfolio measures its performance against at least one broad-based securities market index ("benchmark index"). The benchmark index does not take into account fees, expenses, or taxes. The Portfolio's past performance, before and after taxes, is not necessarily an indication of how the Portfolio will perform in the future. There is no assurance that the Portfolio, even if the Portfolio has experienced high or unusual performance for one or more periods, will experience similar levels of performance in the future. High performance is defined as a significant increase in either 1) the Portfolio's total return in excess of that of the Portfolio's benchmark between reporting periods or 2) the Portfolio's total return in excess of the Portfolio's historical returns between reporting periods. Unusual performance is defined as a significant change in the Portfolio's performance as compared to one or more previous reporting periods. Historical performance for the Portfolio or a share class thereof may have been positively impacted by fee waivers or expense limitations in place during some or all of the periods shown, if applicable. Future performance (including total return or yield) and distributions may be negatively impacted by the expiration or reduction of any such fee waivers or expense limitations.

The following table discloses the inception dates of the Portfolio and its share classes along with the Portfolio's diversification status as of period end:

Portfolio Name	Portfolio Inception	Institutional Class	Administrative Class	Advisor Class	Diversification Status
PIMCO Low Duration Portfolio	02/16/99	04/10/00	02/16/99	03/31/06	Diversified

An investment in the Portfolio is not a bank deposit and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Portfolio.

The Trustees are responsible generally for overseeing the management of the Trust. The Trustees authorize the Trust to enter into service agreements with the Adviser, the Distributor, the Administrator and other service providers in order to provide, and in some cases authorize service providers to procure through other parties, necessary or desirable services on behalf of the Trust and the Portfolio. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither this Portfolio's prospectus nor summary prospectus, the Trust's Statement of Additional Information ("SAI"), any contracts filed as exhibits to the Trust's registration statement, nor any other communications, disclosure documents or regulatory filings (including this report) from or on behalf of the Trust or the Portfolio creates a contract between or among any shareholder of the Portfolio, on the one hand, and the Trust, the Portfolio, a service provider to the Trust or the Portfolio, and/or the Trustees or officers of the Trust, on the other hand. The Trustees (or the Trust and its officers, service providers or other delegates acting under authority of the Trustees) may amend the most recent prospectus or use a new prospectus, summary prospectus or SAI with respect to the Portfolio or the Trust, and/or amend, file and/or issue any other communications, disclosure documents or regulatory filings, and may amend or enter into any contracts to which the Trust or the Portfolio is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to the Portfolio, without shareholder input or approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement is specifically disclosed in the Trust's then-current prospectus or SAI.

PIMCO has adopted written proxy voting policies and procedures ("Proxy Policy") as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. The Proxy Policy has been adopted by the Trust as the policies and procedures that PIMCO will use when voting proxies on behalf of the Portfolio. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of the Portfolio, and information about how the Portfolio voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Trust at (888) 87-PIMCO, on the Portfolio's website at www.pimco.com/pvit, and on the Securities and Exchange Commission's ("SEC") website at www.sec.gov.

The Portfolio files portfolio holdings information with the SEC on Form N-PORT within 60 days of the end of each fiscal quarter. The Portfolio's complete schedule of securities holdings as of the end of each fiscal quarter will be made available to the public on the SEC's website at www.sec.gov and on PIMCO's website at www.pimco.com/pvit, and will be made available, upon request by calling PIMCO at (888) 87-PIMCO.

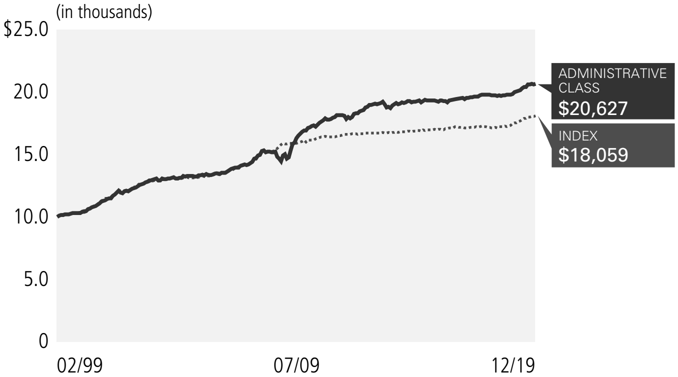
Prior to its use of Form N-PORT, the Portfolio filed its complete schedule of its portfolio holdings with the SEC on Form N-Q, which is available online at www.sec.gov.

The SEC adopted a rule that, beginning in 2021, generally will allow shareholder reports to be delivered to investors by providing access to such reports online free of charge and by mailing a notice that the report is electronically available. Pursuant to the rule, investors may still elect to receive a complete shareholder report in the mail. Instructions for electing to receive paper copies of the Portfolio's shareholder reports going forward may be found on the front cover of this report.

The SEC adopted amendments to certain disclosure requirements relating to open-end investment companies' liquidity risk management programs. Effective December 1, 2019, large fund complexes are required to include in their shareholder reports, following the period in which a fund's Board of Trustees reviews the required written report from the liquidity risk management program's administrator regarding such program's operation and effectiveness, a discussion of such program's operations over the past year.

The SEC has issued a proposed rule relating to a registered investment company's use of derivatives and related instruments that, if adopted, could potentially require funds to reduce their use of leverage and/or observe more stringent asset coverage and related requirements than are currently imposed by the Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

Cumulative Returns Through December 31, 2019



$10,000 invested at the end of the month when the Portfolio's Administrative Class commenced operations.

Allocation Breakdown as of December 31, 2019†§

U.S. Government Agencies	30.1%
Corporate Bonds & Notes	26.3%
U.S. Treasury Obligations	14.2%
Short-Term Instruments‡	12.1%
Asset-Backed Securities	7.0%
Sovereign Issues	6.1%
Non-Agency Mortgage-Backed Securities	3.7%
Loan Participations and Assignments	0.5%

† % of Investments, at value.

§ Allocation Breakdown and % of investments exclude securities sold short and financial derivative instruments, if any.

‡ Includes Central Funds Used for Cash Management Purposes.

Average Annual Total Return for the period ended December 31, 2019

		1 Year	5 Years	10 Years	Inception≈
	PIMCO Low Duration Portfolio Institutional Class	4.18%	1.63%	2.17%	3.67%
—	PIMCO Low Duration Portfolio Administrative Class	4.03%	1.48%	2.02%	3.51%
	PIMCO Low Duration Portfolio Advisor Class	3.92%	1.38%	1.92%	3.07%
·····	ICE BofAML 1-3 Year U.S. Treasury Index±	3.55%	1.39%	1.22%	2.86%♦

All Portfolio returns are net of fees and expenses and include applicable fee waivers and/or expense limitations. Absent any applicable fee waivers and/or expense limitations, performance would have been lower and there can be no assurance that any such waivers or limitations will continue in the future.

≈ For class inception dates please refer to the Important Information.

♦ Average annual total return since 02/16/1999.

± The ICE BofAML 1-3 Year U.S. Treasury Index is an unmanaged index comprised of U.S. Treasury securities, other than inflation-protection securities and STRIPS, with at least $1 billion in outstanding face value and a remaining term to final maturity of at least one year and less than three years.

It is not possible to invest directly in an unmanaged index.

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. The Portfolio's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in Variable Contracts, which will reduce returns. Differences in the Portfolio's performance versus the index and related attribution information with respect to particular categories of securities or individual positions may be attributable, in part, to differences in the prices of individual positions (which may be sourced from different pricing vendors or other sources) used by the Portfolio and the index. For performance current to the most recent month-end, visit www.pimco.com/pvit or via (888) 87-PIMCO.

The Portfolio's total annual operating expense ratio in effect as of period end were 0.59% for Institutional Class shares, 0.74% for Administrative Class shares, and 0.84% for Advisor Class shares. Details regarding any changes to the Portfolio's operating expenses, subsequent to period end, can be found in the Portfolio's current prospectus, as supplemented.

Investment Objective and Strategy Overview

PIMCO Low Duration Portfolio seeks maximum total return, consistent with preservation of capital and prudent investment management, by investing under normal circumstances at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives, such as options, futures contracts or swap agreements. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. Portfolio strategies may change from time to time. Please refer to the Portfolio's current prospectus for more information regarding the Portfolio's strategy.

Portfolio Insights

The following affected performance (on a gross basis) during the reporting period:

» Holdings of investment grade corporate credit contributed to performance as investment grade spreads tightened over the year.

» Holdings of Agency mortgage-backed securities contributed to performance as Agency spreads narrowed over the year.

» Holdings of select securitized credits contributed to performance as securitized spreads tightened over the year.

» Short exposure to duration in select developed markets including the U.K., Australia and Japan detracted from relative performance as rates fell.

» Short exposure to the Chinese yuan — particularly towards the end of the reporting period — detracted from relative performance, as the currency appreciated relative to the U.S. dollar.

Example

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including investment advisory fees, supervisory and administrative fees, distribution and/or service (12b-1) fees (if applicable), and other Portfolio expenses. The 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 Expense Example does not reflect any fees or other expenses imposed by the Variable Contracts. If it did, the expenses reflected in the Expense Example would be higher. The Example is based on an investment of $1,000 invested at the beginning of the period and held from July 1, 2019 to December 31, 2019 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 this information, 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 = 8.60), then multiply the result by the number in the appropriate row for your share class, in the column titled "Expenses Paid During Period" to estimate the expenses you paid on your account during this 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 on 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 portfolios. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other portfolios.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the information under the heading "Hypothetical (5% return before expenses)" is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different portfolios. In addition, if these transactional costs were included, your costs would have been higher.

Expense ratios may vary period to period because of various factors, such as an increase in expenses that are not covered by the investment advisory fees and supervisory and administrative fees, such as fees and expenses of the independent trustees and their counsel, extraordinary expenses and interest expense.

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (07/01/19)	Ending Account Value (12/31/19)	Expenses Paid During Period*	Beginning Account Value (07/01/19)	Ending Account Value (12/31/19)	Expenses Paid During Period*	Net Annualized Expense Ratio**
Institutional Class	$ 1,000.00	$ 1,012.30	$ 4.44	$ 1,000.00	$ 1,020.93	$ 4.46	0.87%
Administrative Class	1,000.00	1,011.50	5.20	1,000.00	1,020.17	5.22	1.02
Advisor Class	1,000.00	1,011.00	5.71	1,000.00	1,019.67	5.73	1.12

* Expenses Paid During Period are equal to the net annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 185/365 (to reflect the one-half year period). Overall fees and expenses of investing in the Portfolio will be higher because the example does not reflect variable contract fees and expenses.

** Net Annualized Expense Ratio is reflective of any applicable contractual fee waivers and/or expense reimbursements or voluntary fee waivers. Details regarding fee waivers, if any, can be found in Note 9, Fees and Expenses, in the Notes to Financial Statements.

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Financial Highlights PIMCO Low Duration Portfolio

		Investment Operations			Less Distributions[c]			
Selected Per Share Data for the Year Ended^:	Net Asset Value Beginning of Year[a]	Net Investment Income (Loss)[b]	Net Realized/ Unrealized Gain (Loss)	Total	From Net Investment Income	From Net Realized Capital Gain	Tax Basis Return of Capital	Total
Institutional Class								
12/31/2019	$ 10.08	$ 0.29	$ 0.13	$ 0.42	$ (0.24)	$ 0.00	$ (0.06)	$ (0.30)
12/31/2018	10.24	0.20	(0.15)	0.05	(0.21)	0.00	0.00	(0.21)
12/31/2017	10.24	0.15	0.00	0.15	(0.13)	0.00	(0.02)	(0.15)
12/31/2016	10.25	0.16	0.00	0.16	(0.09)	0.00	(0.08)	(0.17)
12/31/2015	10.58	0.15	(0.10)	0.05	(0.38)	0.00	0.00	(0.38)
Administrative Class								
12/31/2019	10.08	0.28	0.12	0.40	(0.22)	0.00	(0.06)	(0.28)
12/31/2018	10.24	0.20	(0.17)	0.03	(0.19)	0.00	0.00	(0.19)
12/31/2017	10.24	0.13	0.01	0.14	(0.12)	0.00	(0.02)	(0.14)
12/31/2016	10.25	0.14	0.00	0.14	(0.07)	0.00	(0.08)	(0.15)
12/31/2015	10.58	0.14	(0.11)	0.03	(0.36)	0.00	0.00	(0.36)
Advisor Class								
12/31/2019	10.08	0.27	0.12	0.39	(0.21)	0.00	(0.06)	(0.27)
12/31/2018	10.24	0.19	(0.17)	0.02	(0.18)	0.00	0.00	(0.18)
12/31/2017	10.24	0.12	0.01	0.13	(0.11)	0.00	(0.02)	(0.13)
12/31/2016	10.25	0.13	0.00	0.13	(0.06)	0.00	(0.08)	(0.14)
12/31/2015	10.58	0.13	(0.11)	0.02	(0.35)	0.00	0.00	(0.35)

^ A zero balance may reflect actual amounts rounding to less than $0.01 or 0.01%.

[a] Includes adjustments required by U.S. GAAP and may differ from net asset values and performance reported elsewhere by the Portfolio.

[b] Per share amounts based on average number of shares outstanding during the year.

[c] The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

Net Asset Value End of Year[(a)]	Total Return[(a)]	Net Assets End of Year (000s)	Expenses	Expenses Excluding Waivers	Expenses Excluding Interest Expense	Expenses Excluding Interest Expense and Waivers	Net Investment Income (Loss)	Portfolio Turnover Rate
		Ratios/Supplemental Data	Ratios to Average Net Assets					
$ 10.20	4.18%	$ 11,474	0.89%	0.89%	0.50%	0.50%	2.86%	308%
10.08	0.49	8,588	0.59	0.59	0.50	0.50	2.02	624
10.24	1.50	15,368	0.50	0.50	0.50	0.50	1.44	544
10.24	1.56	8,710	0.50	0.50	0.50	0.50	1.59	391
10.25	0.47	8,291	0.51	0.51	0.50	0.50	1.39	181
10.20	4.03	1,007,149	1.04	1.04	0.65	0.65	2.76	308
10.08	0.34	1,197,654	0.74	0.74	0.65	0.65	1.94	624
10.24	1.35	1,272,418	0.65	0.65	0.65	0.65	1.31	544
10.24	1.41	1,248,263	0.65	0.65	0.65	0.65	1.40	391
10.25	0.31	1,323,009	0.66	0.66	0.65	0.65	1.32	181
10.20	3.92	754,355	1.14	1.14	0.75	0.75	2.65	308
10.08	0.24	757,166	0.84	0.84	0.75	0.75	1.85	624
10.24	1.25	761,611	0.75	0.75	0.75	0.75	1.21	544
10.24	1.30	717,542	0.75	0.75	0.75	0.75	1.31	391
10.25	0.21	677,728	0.76	0.76	0.75	0.75	1.25	181

(Amounts in thousands†, except per share amounts)

Assets:	
Investments, at value	
Investments in securities*	$ 1,944,757
Investments in Affiliates	235,453
Financial Derivative Instruments	
Exchange-traded or centrally cleared	1,349
Over the counter	3,053
Cash	1
Deposits with counterparty	9,347
Foreign currency, at value	4,858
Receivable for investments sold	4,362
Receivable for TBA investments sold	438,429
Receivable for Portfolio shares sold	1,394
Interest and/or dividends receivable	6,392
Dividends receivable from Affiliates	486
Total Assets	2,649,881
Liabilities:	
Borrowings & Other Financing Transactions	
Payable for reverse repurchase agreements	$ 230,613
Payable for short sales	274,305
Financial Derivative Instruments	
Exchange-traded or centrally cleared	1,449
Over the counter	10,358
Payable for investments in Affiliates purchased	448
Payable for TBA investments purchased	356,012
Deposits from counterparty	2,314
Payable for Portfolio shares redeemed	358
Accrued investment advisory fees	377
Accrued supervisory and administrative fees	377
Accrued distribution fees	160
Accrued servicing fees	129
Other liabilities	3
Total Liabilities	876,903
Net Assets	$ 1,772,978
Net Assets Consist of:	
Paid in capital	$ 1,813,751
Distributable earnings (accumulated loss)	(40,773)
Net Assets	$ 1,772,978
Net Assets:	
Institutional Class	$ 11,474
Administrative Class	1,007,149
Advisor Class	754,355
Shares Issued and Outstanding:	
Institutional Class	1,125
Administrative Class	98,724
Advisor Class	73,945
Net Asset Value Per Share Outstanding[(a)]:	
Institutional Class	$ 10.20
Administrative Class	10.20
Advisor Class	10.20
Cost of investments in securities	$ 1,916,198
Cost of investments in Affiliates	$ 236,477
Cost of foreign currency held	$ 4,836
Proceeds received on short sales	$ 273,835
Cost or premiums of financial derivative instruments, net	$ 734
* Includes repurchase agreements of:	$ 2,931

† A zero balance may reflect actual amounts rounding to less than one thousand.
(a) Includes adjustments required by U.S. GAAP and may differ from net asset values and performance reported elsewhere by the Portfolio.

Statement of Operations PIMCO Low Duration Portfolio

(Amounts in thousands†)	Year Ended December 31, 2019
Investment Income:	
Interest	$ 61,921
Dividends from Investments in Affiliates	6,907
Total Income	68,828
Expenses:	
Investment advisory fees	4,533
Supervisory and administrative fees	4,533
Servicing fees - Administrative Class	1,573
Distribution and/or servicing fees - Advisor Class	1,885
Trustee fees	43
Interest expense	7,026
Miscellaneous expense	5
Total Expenses	19,598
Net Investment Income (Loss)	49,230
Net Realized Gain (Loss):	
Investments in securities	8,111
Investments in Affiliates	46
Exchange-traded or centrally cleared financial derivative instruments	(15,497)
Over the counter financial derivative instruments	4,865
Foreign currency	1,511
Net Realized Gain (Loss)	(964)
Net Change in Unrealized Appreciation (Depreciation):	
Investments in securities	25,868
Investments in Affiliates	697
Exchange-traded or centrally cleared financial derivative instruments	6,405
Over the counter financial derivative instruments	(9,488)
Foreign currency assets and liabilities	6
Net Change in Unrealized Appreciation (Depreciation)	23,488
Net Increase (Decrease) in Net Assets Resulting from Operations	$ 71,754

† A zero balance may reflect actual amounts rounding to less than one thousand.

Statements of Changes in Net Assets PIMCO Low Duration Portfolio

(Amounts in thousands†)	Year Ended December 31, 2019	Year Ended December 31, 2018
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income (loss)	$ 49,230	$ 38,242
Net realized gain (loss)	(964)	(20,945)
Net change in unrealized appreciation (depreciation)	23,488	(12,956)
Net Increase (Decrease) in Net Assets Resulting from Operations	71,754	4,341
Distributions to Shareholders:		
From net investment income and/or net realized capital gains		
Institutional Class	(235)	(269)
Administrative Class	(23,111)	(23,503)
Advisor Class	(15,834)	(13,801)
Tax basis return of capital		
Institutional Class	(58)	0
Administrative Class	(5,967)	0
Advisor Class	(4,291)	0
Total Distributions[(a)]	(49,496)	(37,573)
Portfolio Share Transactions:		
Net increase (decrease) resulting from Portfolio share transactions*	(212,688)	(52,757)
Total Increase (Decrease) in Net Assets	(190,430)	(85,989)
Net Assets:		
Beginning of year	1,963,408	2,049,397
End of year	$ 1,772,978	$ 1,963,408

† A zero balance may reflect actual amounts rounding to less than one thousand.
* See Note 13, Shares of Beneficial Interest, in the Notes to Financial Statements.
(a) The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

(Amounts in thousands*, except number of shares, contracts and units, if any)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 109.7%		
LOAN PARTICIPATIONS AND ASSIGNMENTS 0.7%		
State of Qatar		
2.996% (LIBOR03M + 0.800%) due 12/21/2020 «~	$ 6,000	$ 6,000
Toyota Motor Credit Corp.		
2.525% (LIBOR03M + 0.580%) due 09/28/2020 «~	6,000	5,998
Total Loan Participations and Assignments (Cost $11,958)		**11,998**
CORPORATE BONDS & NOTES 32.3%		
BANKING & FINANCE 20.2%		
ABN AMRO Bank NV		
2.489% (US0003M + 0.570%) due 08/27/2021 ~	5,100	5,122
AIG Global Funding		
2.407% (US0003M + 0.460%) due 06/25/2021 ~	3,000	3,012
Ally Financial, Inc.		
7.500% due 09/15/2020	100	104
8.000% due 03/15/2020	200	202
American Express Co.		
2.491% (US0003M + 0.600%) due 11/05/2021 ~	5,000	5,023
3.375% due 05/17/2021	3,000	3,057
3.700% due 11/05/2021	5,000	5,152
American Honda Finance Corp.		
2.360% (US0003M + 0.450%) due 02/15/2022 ~	5,400	5,419
American Tower Corp.		
2.800% due 06/01/2020	9,900	9,929
Australia & New Zealand Banking Group Ltd.		
2.364% (US0003M + 0.460%) due 05/17/2021 ~	4,650	4,669
Aviation Capital Group LLC		
2.606% (US0003M + 0.670%) due 07/30/2021 ~	3,100	3,101
2.857% (US0003M + 0.950%) due 06/01/2021 ~	4,900	4,922
Banco Santander S.A.		
3.121% (US0003M + 1.120%) due 04/12/2023 ~	2,400	2,417
Bank of America Corp.		
2.559% (US0003M + 0.650%) due 10/01/2021 ~	900	903
2.894% (US0003M + 0.960%) due 07/23/2024 ~	1,200	1,213
3.126% (US0003M + 1.160%) due 01/20/2023 ~	200	203
3.499% due 05/17/2022 •	4,000	4,080
Bank of Nova Scotia		
1.875% due 04/26/2021	3,900	3,902
Barclays PLC		
4.011% (US0003M + 2.110%) due 08/10/2021 ~	4,900	5,017
BBVA USA		
2.618% (US0003M + 0.730%) due 06/11/2021 ~	5,000	5,013
BOC Aviation Ltd.		
2.375% due 09/15/2021	400	399
Brixmor Operating Partnership LP		
2.959% (US0003M + 1.050%) due 02/01/2022 ~	5,000	4,999
Citibank N.A.		
2.499% (US0003M + 0.600%) due 05/20/2022 ~	3,600	3,615
2.504% (US0003M + 0.570%) due 07/23/2021 ~	4,900	4,922
Citigroup, Inc.		
2.626% (US0003M + 0.690%) due 10/27/2022 ~	5,000	5,041
2.700% due 10/27/2022	1,000	1,016
2.750% due 04/25/2022	1,100	1,117
Credit Suisse Group Funding Guernsey Ltd.		
4.293% (US0003M + 2.290%) due 04/16/2021 ~	$ 5,800	$ 5,947
Danske Bank A/S		
5.000% due 01/12/2022	4,800	5,040
DBS Bank Ltd.		
3.300% due 11/27/2021	5,900	6,059
Deutsche Bank AG		
0.105% (EUR003M + 0.500%) due 12/07/2020 ~	EUR 5,000	5,597
3.192% (US0003M + 1.290%) due 02/04/2021 ~	$ 5,000	5,009
4.250% due 10/14/2021	2,500	2,571
Ford Motor Credit Co. LLC		
2.853% (US0003M + 0.810%) due 04/05/2021 ~	3,900	3,883
2.865% (US0003M + 0.930%) due 09/24/2020 ~	5,000	5,008
4.593% (US0003M + 2.550%) due 01/07/2021 ~	5,900	5,986
5.085% due 01/07/2021	2,600	2,662
5.750% due 02/01/2021	600	619
8.125% due 01/15/2020	300	301
GE Capital European Funding Unlimited Co.		
4.350% due 11/03/2021	EUR 1,300	1,574
General Motors Financial Co., Inc.		
2.916% (US0003M + 0.930%) due 04/13/2020 ~	$ 3,860	3,866
3.200% due 07/13/2020	7,000	7,033
3.561% (US0003M + 1.560%) due 01/15/2020 ~	3,900	3,902
Goldman Sachs Group, Inc.		
2.660% (US0003M + 0.750%) due 02/23/2023 ~	2,400	2,415
3.094% (US0003M + 1.160%) due 04/23/2020 ~	5,684	5,697
3.094% (US0003M + 1.200%) due 09/15/2020 ~	4,500	4,529
3.300% (US0003M + 1.360%) due 04/23/2021 ~	1,300	1,317
Harley-Davidson Financial Services, Inc.		
2.395% (US0003M + 0.500%) due 05/21/2020 ~	5,100	5,106
2.847% (US0003M + 0.940%) due 03/02/2021 ~	4,900	4,930
HSBC Holdings PLC		
2.504% (US0003M + 0.600%) due 05/18/2021 ~	4,800	4,805
JPMorgan Chase & Co.		
2.509% (US0003M + 0.610%) due 06/18/2022 ~	3,000	3,013
3.133% (US0003M + 1.205%) due 10/29/2020 ~	5,800	5,846
Lloyds Bank PLC		
2.384% (US0003M + 0.490%) due 05/07/2021 ~	5,000	5,018
Lloyds Banking Group PLC		
2.728% (US0003M + 0.800%) due 06/21/2021 ~	4,000	4,023
Logicor Financing SARL		
1.500% due 11/14/2022	EUR 5,200	6,020
Marsh & McLennan Cos., Inc.		
3.161% (US0003M + 1.200%) due 12/29/2021 ~	$ 2,400	2,402
3.500% due 12/29/2020	4,600	4,668
Metropolitan Life Global Funding		
1.950% due 09/15/2021	2,500	2,502
Mitsubishi UFJ Financial Group, Inc.		
2.647% (US0003M + 0.740%) due 03/02/2023 ~	10,200	10,232
3.787% (US0003M + 1.880%) due 03/01/2021 ~	535	545
Mitsubishi UFJ Lease & Finance Co. Ltd.		
3.406% due 02/28/2022	500	511
Mizuho Financial Group, Inc.		
2.295% (BBSW3M + 1.400%) due 07/19/2023 ~	AUD 6,700	4,740
Natwest Markets PLC		
0.003% (EUR003M + 0.400%) due 03/02/2020 ~	EUR 4,400	$ 4,937
Navient Corp.		
8.000% due 03/25/2020	$ 100	101
NTT Finance Corp.		
1.900% due 07/21/2021	2,800	2,793
Oversea-Chinese Banking Corp. Ltd.		
2.354% (US0003M + 0.450%) due 05/17/2021 ~	3,300	3,306
PNC Bank N.A.		
2.403% (US0003M + 0.450%) due 07/22/2022 ~	4,500	4,509
Regions Bank		
2.405% (US0003M + 0.500%) due 08/13/2021 ~	5,600	5,606
Royal Bank of Canada		
3.350% due 10/22/2021	10,000	10,259
Santander UK PLC		
2.527% (US0003M + 0.620%) due 06/01/2021 ~	5,000	5,019
2.570% (US0003M + 0.660%) due 11/15/2021 ~	5,900	5,931
SBA Tower Trust		
2.877% due 07/15/2046	1,400	1,406
Skandinaviska Enskilda Banken AB		
2.334% (US0003M + 0.430%) due 05/17/2021 ~	5,000	5,013
SL Green Operating Partnership LP		
2.884% (US0003M + 0.980%) due 08/16/2021 ~	6,000	6,001
Standard Chartered PLC		
2.744% due 09/10/2022 •	4,500	4,531
Synchrony Bank		
3.650% due 05/24/2021	5,200	5,310
Synchrony Financial		
3.132% (US0003M + 1.230%) due 02/03/2020 ~	5,600	5,605
Toronto-Dominion Bank		
3.350% due 10/22/2021	6,000	6,159
U.S. Bank N.A.		
3.150% due 04/26/2021	6,100	6,198
UBS AG		
2.450% due 12/01/2020	3,850	3,864
UBS Group AG		
3.766% due 04/14/2021 •	4,700	4,789
UniCredit SpA		
5.901% (US0003M + 3.900%) due 01/14/2022 ~	5,100	5,348
7.830% due 12/04/2023	10,700	12,485
Volkswagen Bank GmbH		
0.025% due 06/15/2021 •	EUR 1,400	1,571
Wells Fargo & Co.		
3.240% (US0003M + 1.340%) due 03/04/2021 ~	$ 4,000	4,050
Wells Fargo Bank N.A.		
2.434% (US0003M + 0.500%) due 07/23/2021 ~	5,000	5,008
2.463% (US0003M + 0.510%) due 10/22/2021 ~	2,000	2,009
		358,753
INDUSTRIALS 11.0%		
AbbVie, Inc.		
2.150% due 11/19/2021	5,800	5,813
2.300% due 05/14/2021	3,200	3,214
2.300% due 11/21/2022	5,200	5,228
3.375% due 11/14/2021	3,100	3,181
BAT Capital Corp.		
2.499% due 08/14/2020 •	6,200	6,211
Bayer U.S. Finance LLC		
2.577% (US0003M + 0.630%) due 06/25/2021 ~	6,100	6,121

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
BMW Finance NV		
2.250% due 08/12/2022	$ 4,000	$ 4,018
BMW U.S. Capital LLC		
2.000% due 04/11/2021	2,100	2,103
Broadcom Corp.		
2.375% due 01/15/2020	4,000	4,000
Broadcom, Inc.		
3.125% due 04/15/2021	4,800	4,858
Caesars Resort Collection LLC		
5.250% due 10/15/2025	750	777
Campbell Soup Co.		
2.394% (US0003M + 0.500%) due 03/16/2020 ~	9,000	9,003
2.524% (US0003M + 0.630%) due 03/15/2021 ~	4,100	4,110
Charter Communications Operating LLC		
3.579% due 07/23/2020	4,900	4,932
4.464% due 07/23/2022	2,100	2,207
Comcast Corp.		
2.349% (US0003M + 0.440%) due 10/01/2021 ~	500	503
Conagra Brands, Inc.		
2.512% (US0003M + 0.500%) due 10/09/2020 ~	2,500	2,504
Constellation Brands, Inc.		
2.250% due 11/06/2020	2,310	2,315
CVS Health Corp.		
2.515% (US0003M + 0.630%) due 03/09/2020 ~	610	611
Daimler Finance North America LLC		
2.452% (US0003M + 0.550%) due 05/04/2021 ~	5,000	5,008
2.561% (US0003M + 0.670%) due 11/05/2021 ~	900	904
2.810% (US0003M + 0.900%) due 02/15/2022 ~	5,400	5,443
3.400% due 02/22/2022	4,800	4,918
Energy Transfer Partners LP		
5.750% due 09/01/2020	1,630	1,653
General Electric Co.		
0.000% due 05/28/2020 •	EUR 700	785
0.375% due 05/17/2022	400	449
General Mills, Inc.		
2.541% (US0003M + 0.540%) due 04/16/2021 ~	$ 2,100	2,107
Georgia-Pacific LLC		
5.400% due 11/01/2020	6,800	6,989
Hewlett Packard Enterprise Co.		
2.763% (US0003M + 0.720%) due 10/05/2021 ~	3,900	3,901
Hyundai Capital America		
2.699% due 09/18/2020 •	6,700	6,715
Keurig Dr Pepper, Inc.		
3.551% due 05/25/2021	7,100	7,252
Kinder Morgan Energy Partners LP		
4.150% due 03/01/2022	500	519
Kinder Morgan, Inc.		
5.000% due 02/15/2021	300	309
Kraft Heinz Foods Co.		
2.800% due 07/02/2020	440	441
3.375% due 06/15/2021	3,200	3,257
L3Harris Technologies, Inc.		
2.416% (US0003M + 0.480%) due 04/30/2020 ~	4,400	4,403
Local Initiatives Support Corp.		
3.005% due 03/01/2022	1,300	1,317
Marriott International, Inc.		
2.507% (US0003M + 0.600%) due 12/01/2020 ~	4,900	4,917
Masco Corp.		
3.500% due 04/01/2021	2,887	2,929
McDonald's Corp.		
2.366% (US0003M + 0.430%) due 10/28/2021 ~	4,100	4,114
Mylan NV		
3.750% due 12/15/2020	$ 460	$ 469
Oracle Corp.		
1.900% due 09/15/2021	9,900	9,921
Pacific National Finance Pty. Ltd.		
4.625% due 09/23/2020	1,800	1,827
PayPal Holdings, Inc.		
2.200% due 09/26/2022	4,400	4,426
Penske Truck Leasing Co. LP		
3.300% due 04/01/2021	2,900	2,944
Reckitt Benckiser Treasury Services PLC		
2.495% (US0003M + 0.560%) due 06/24/2022 ~	400	401
Sabine Pass Liquefaction LLC		
5.625% due 02/01/2021	1,000	1,028
Sprint Spectrum Co. LLC		
3.360% due 03/20/2023	905	914
Time Warner Cable LLC		
4.125% due 02/15/2021	2,900	2,947
United Technologies Corp.		
2.554% (US0003M + 0.650%) due 08/16/2021 ~	3,100	3,100
Volkswagen Group of America Finance LLC		
2.500% due 09/24/2021	1,000	1,009
2.700% due 09/26/2022	500	506
2.795% (US0003M + 0.860%) due 09/24/2021 ~	1,600	1,612
2.841% (US0003M + 0.940%) due 11/12/2021 ~	5,900	5,953
3.875% due 11/13/2020	5,900	5,997
4.000% due 11/12/2021	5,900	6,102
Volkswagen International Finance NV		
1.151% (EUR003M + 1.550%) due 11/16/2024 ~	EUR 700	807
Zimmer Biomet Holdings, Inc.		
2.653% (US0003M + 0.750%) due 03/19/2021 ~	$ 2,300	2,300
2.700% due 04/01/2020	2,300	2,302
		194,604

UTILITIES 1.1%

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
AT&T, Inc.		
2.951% (US0003M + 0.950%) due 07/15/2021 ~	1,600	1,616
Chugoku Electric Power Co., Inc.		
2.701% due 03/16/2020	1,200	1,201
LG&E & KU Energy LLC		
3.750% due 11/15/2020	900	909
NextEra Energy Capital Holdings, Inc.		
2.403% due 09/01/2021	2,900	2,921
2.630% (US0003M + 0.720%) due 02/25/2022 ~	4,800	4,842
Sempra Energy		
2.344% (US0003M + 0.450%) due 03/15/2021 ~	5,000	5,003
Verizon Communications, Inc.		
2.894% (US0003M + 1.000%) due 03/16/2022 ~	3,500	3,559
		20,051
Total Corporate Bonds & Notes (Cost $566,732)		**573,408**

U.S. GOVERNMENT AGENCIES 37.0%

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Fannie Mae		
1.000% due 01/25/2043	130	124
1.711% due 07/25/2037 •	143	141
1.768% due 12/25/2036 •	34	34
2.058% due 09/25/2042 •	349	346
2.142% due 03/25/2044 •	32	32
2.592% due 04/25/2023 •	13	13
2.637% due 06/17/2027 •	16	16
3.500% due 08/01/2058	8,711	9,162
3.527% due 07/01/2042 - 06/01/2043 •	140	140
3.577% due 09/01/2041 •	$ 104	$ 104
3.921% due 09/01/2035 •	100	104
4.022% due 07/01/2035 •	5	6
4.087% due 11/01/2035 •	21	22
4.186% due 12/01/2036 •	4	5
4.402% due 05/01/2038 •	1,659	1,740
5.000% due 04/25/2033	6	7
5.094% due 09/01/2034 •	2	2
5.292% due 12/25/2042 ~	5	5
Freddie Mac		
1.922% due 08/25/2031 •	70	70
2.000% due 11/15/2026	3,026	3,037
2.181% due 12/15/2042 •	4,498	4,471
3.378% due 02/25/2045 •	136	138
4.000% due 12/01/2047 - 09/01/2048	74,117	77,373
4.021% due 09/01/2035 •	114	120
4.489% due 07/01/2035 •	34	35
6.500% due 07/25/2043	36	42
6.896% due 08/15/2044 •	2,805	3,228
Ginnie Mae		
2.294% due 10/20/2065 •	8,083	8,077
2.314% due 07/20/2063 •	2,901	2,902
2.457% due 06/20/2065 •	2,856	2,850
2.574% due 05/20/2066 •	989	996
2.624% due 04/20/2066 •	6,695	6,750
3.310% due 07/20/2067 •	7,428	7,542
4.000% due 06/20/2049	1,657	1,717
4.500% due 06/20/2048 - 05/20/2049	30,677	32,082
5.000% due 02/20/2041 (a)	8	0
5.000% due 04/20/2049 - 06/20/2049	32,814	34,565
Ginnie Mae, TBA		
4.500% due 02/01/2050	16,600	17,389
5.000% due 01/01/2050	64,000	67,463
Uniform Mortgage-Backed Security		
3.500% due 04/01/2045 - 12/01/2047	72,746	76,700
4.000% due 08/01/2044 - 03/01/2049	136,863	142,682
4.000% due 12/01/2048 (g)	36,888	38,385
4.500% due 03/01/2023 - 08/01/2046	6,018	6,432
5.000% due 05/01/2027 - 06/01/2028	93	99
5.500% due 12/01/2028 - 02/01/2049	513	553
6.000% due 02/01/2033 - 01/01/2039	1,103	1,241
6.500% due 04/01/2036	70	78
Uniform Mortgage-Backed Security, TBA		
3.000% due 02/01/2050	19,600	19,854
3.500% due 01/01/2050	900	925
4.000% due 01/01/2050	73,935	76,887
4.500% due 01/01/2035 - 02/01/2050	8,500	8,949
Total U.S. Government Agencies (Cost $642,952)		**655,635**

U.S. TREASURY OBLIGATIONS 17.5%

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
U.S. Treasury Inflation Protected Securities (e)		
0.125% due 04/15/2022 (g)	79,893	79,782
0.125% due 01/15/2023 (g)(k)	38,910	38,911
0.250% due 01/15/2025 (i)	10,322	10,416
0.375% due 07/15/2023 (g)(i)(k)	69,778	70,751
0.500% due 04/15/2024 (k)	3,061	3,111
0.625% due 04/15/2023 (g)(i)	68,483	69,551
0.875% due 01/15/2029 (g)	28,945	30,746
1.000% due 02/15/2049 (k)	6,136	6,825
Total U.S. Treasury Obligations (Cost $304,674)		**310,093**

NON-AGENCY MORTGAGE-BACKED SECURITIES 4.5%

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Adjustable Rate Mortgage Trust		
6.049% due 09/25/2035 ^~	303	295
American Home Mortgage Investment Trust		
3.480% due 10/25/2034 •	6	6
3.907% due 02/25/2045 •	45	46
Banc of America Funding Trust		
4.321% due 01/20/2047 ^~	184	179
Banc of America Mortgage Trust		
4.624% due 08/25/2034 ~	551	570
4.700% due 07/25/2034 ~	270	282
5.212% due 05/25/2033 ~	84	86
6.500% due 10/25/2031	3	3

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
BCAP LLC Trust		
2.158% due 01/26/2036 •	$ 838	$ 835
Bear Stearns Adjustable Rate Mortgage Trust		
3.920% due 01/25/2035 ~	1,488	1,498
4.153% due 01/25/2034 ~	8	9
4.342% due 01/25/2035 ~	71	72
4.344% due 07/25/2034 ~	89	87
4.880% due 04/25/2033 ~	1	1
Bear Stearns ALT-A Trust		
1.952% due 02/25/2034 •	211	204
Bear Stearns Structured Products, Inc. Trust		
3.649% due 12/26/2046 ^~	287	248
4.001% due 01/26/2036 ^~	428	383
Chevy Chase Funding LLC Mortgage-Backed Certificates		
2.072% due 01/25/2035 •	24	24
Citigroup Global Markets Mortgage Securities, Inc.		
7.000% due 06/25/2033 þ	1	1
Citigroup Mortgage Loan Trust		
4.521% due 08/25/2035 ^~	173	155
4.810% due 05/25/2035 •	43	44
Countrywide Alternative Loan Trust		
6.000% due 10/25/2033	7	7
Countrywide Home Loan Mortgage Pass-Through Trust		
3.793% due 02/20/2036 ^•	262	258
3.832% due 02/20/2035 ~	164	166
3.841% due 11/25/2034 ~	249	251
3.939% due 11/20/2034 ~	444	456
Credit Suisse First Boston Mortgage Securities Corp.		
2.668% due 03/25/2032 ~	1	1
Eurosail PLC		
0.000% due 12/10/2044 •	EUR 56	62
1.729% (BP0003M + 0.950%) due 06/13/2045 ~	GBP 7,090	9,378
First Horizon Alternative Mortgage Securities Trust		
4.061% due 09/25/2034 ~	$ 282	283
First Horizon Mortgage Pass-Through Trust		
4.664% due 08/25/2035 ~	97	82
FirstMac Mortgage Funding Trust		
1.885% due 03/08/2049 •	AUD 2,857	2,000
2.135% due 03/08/2049 •	6,100	4,294
GMAC Mortgage Corp. Loan Trust		
4.306% due 11/19/2035 ~	$ 64	64
Great Hall Mortgages PLC		
2.029% due 06/18/2039 •	1,147	1,119
GS Mortgage Securities Corp. Trust		
3.980% due 02/10/2029	5,000	5,051
GS Mortgage Securities Trust		
1.948% due 11/10/2045 ~(a)	2,110	95
GSR Mortgage Loan Trust		
4.269% due 09/25/2035 ~	178	184
4.635% due 09/25/2034 ~	56	59
HarborView Mortgage Loan Trust		
2.204% due 05/19/2035 •	60	58
4.343% due 07/19/2035 ^~	268	253
Hawksmoor Mortgages		
1.761% due 05/25/2053 •	GBP 16,483	21,888
Holmes Master Issuer PLC		
2.361% due 10/15/2054 •	$ 2,694	2,693
Impac CMB Trust		
2.792% due 07/25/2033 •	60	59
JPMorgan Chase Commercial Mortgage Securities Trust		
1.757% due 10/15/2045 ~(a)	13,190	507
JPMorgan Mortgage Trust		
5.750% due 01/25/2036 ^	15	12
Juno Eclipse Ltd.		
0.000% due 11/20/2022 •	EUR 471	502
Merrill Lynch Mortgage Investors Trust		
2.042% due 11/25/2035 •	$ 68	65
2.452% due 09/25/2029 •	379	374
Opteum Mortgage Acceptance Corp. Asset-Backed Pass-Through Certificates		
2.072% due 12/25/2035 •	335	318

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
PHHMC Trust		
5.464% due 07/18/2035 ~	$ 175	$ 179
Prime Mortgage Trust		
2.192% due 02/25/2034 •	4	3
Residential Funding Mortgage Securities, Inc. Trust		
4.337% due 09/25/2035 ^~	536	444
Silverstone Master Issuer PLC		
2.536% due 01/21/2070 •	3,294	3,296
Structured Adjustable Rate Mortgage Loan Trust		
3.639% due 01/25/2035 ^•	145	142
4.241% due 08/25/2035 ~	122	124
4.389% due 02/25/2034 ~	121	123
Structured Asset Mortgage Investments Trust		
2.072% due 02/25/2036 ^•	98	95
2.424% due 09/19/2032 •	1	1
Towd Point Mortgage Funding		
0.000% due 07/20/2045 •	GBP 4,600	6,093
Towd Point Mortgage Funding PLC		
1.820% due 10/20/2051 •	10,223	13,620
WaMu Mortgage Pass-Through Certificates Trust		
2.062% due 12/25/2045 •	$ 67	67
2.472% due 01/25/2045 •	437	435
3.639% due 06/25/2042 •	12	12
Wells Fargo Commercial Mortgage Trust		
1.757% due 10/15/2045 ~(a)	3,477	136
Total Non-Agency Mortgage-Backed Securities (Cost $80,651)		**80,337**
ASSET-BACKED SECURITIES 8.6%		
ACE Securities Corp. Home Equity Loan Trust		
1.852% due 10/25/2036 •	60	31
2.692% due 12/25/2034 •	1,189	1,171
Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates		
2.292% due 09/25/2035 •	5,642	5,666
Asset-Backed Funding Certificates Trust		
2.467% due 06/25/2035 •	2,269	2,281
Asset-Backed Securities Corp. Home Equity Loan Trust		
3.390% due 03/15/2032 •	66	67
Bear Stearns Asset-Backed Securities Trust		
2.792% due 10/25/2037 •	1,026	1,032
Black Diamond CLO Ltd.		
3.052% due 02/06/2026 •	1,013	1,014
CARDS Trust		
2.090% due 04/17/2023 •	10,000	10,004
3.047% due 04/17/2023	10,000	10,024
Chesapeake Funding LLC		
2.110% due 08/15/2030 •	5,797	5,793
3.230% due 08/15/2030	4,348	4,410
Citigroup Mortgage Loan Trust, Inc.		
2.512% due 09/25/2035 ^•	386	388
Countrywide Asset-Backed Certificates		
2.492% due 12/25/2033 •	942	936
Credit Suisse First Boston Mortgage Securities Corp.		
2.412% due 01/25/2032 •	5	5
Crown Point CLO Ltd.		
2.942% due 07/17/2028 •	3,000	2,986
Discover Card Execution Note Trust		
1.900% due 10/17/2022	5,100	5,101
Edsouth Indenture LLC		
2.942% due 09/25/2040 •	590	588
Enterprise Fleet Financing LLC		
3.380% due 05/20/2024	4,320	4,383
Evans Grove CLO Ltd.		
2.834% due 05/28/2028 •	5,000	4,969
Exeter Automobile Receivables Trust		
2.900% due 01/18/2022	100	100
Figueroa CLO Ltd.		
2.901% due 01/15/2027 •	3,099	3,098
Ford Credit Auto Owner Trust		
2.440% due 01/15/2027	4,000	4,009

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Ford Credit Floorplan Master Owner Trust		
2.020% due 05/15/2023 •	$ 5,100	$ 5,098
2.840% due 03/15/2024	4,700	4,769
Gallatin CLO Ltd.		
3.016% due 01/21/2028 •	5,000	5,000
GE-WMC Mortgage Securities Trust		
1.832% due 08/25/2036 •	9	5
GMF Floorplan Owner Revolving Trust		
2.120% due 03/15/2023 •	3,900	3,903
Gracechurch Card Funding PLC		
2.140% due 07/15/2022 •	5,000	5,003
GSAMP Trust		
2.182% due 01/25/2036 •	1,018	1,014
Hertz Fleet Lease Funding LP		
3.230% due 05/10/2032	4,104	4,132
Massachusetts Educational Financing Authority		
2.890% due 04/25/2038 •	212	212
MMAF Equipment Finance LLC		
2.920% due 07/12/2021	1,673	1,676
NovaStar Mortgage Funding Trust		
2.112% due 05/25/2036 •	3,511	3,467
Octagon Investment Partners Ltd.		
3.101% due 04/15/2026 •	1,027	1,027
OSCAR U.S. Funding Trust LLC		
3.150% due 08/10/2021	1,624	1,629
Palmer Square CLO Ltd.		
2.760% due 08/15/2026 •	3,423	3,426
Palmer Square Loan Funding Ltd.		
2.651% due 07/15/2026 •	3,350	3,347
Panhandle-Plains Higher Education Authority, Inc.		
3.229% due 10/01/2035 •	657	656
Penarth Master Issuer PLC		
2.125% due 03/18/2022 •	5,100	5,102
RAAC Trust		
2.272% due 03/25/2037 •	120	121
Residential Asset Securities Corp. Trust		
2.677% due 01/25/2034 •	2,095	2,096
SLC Student Loan Trust		
1.994% due 09/15/2026 •	1,144	1,141
2.004% due 03/15/2027 •	2,971	2,949
SLM Student Loan Trust		
2.030% due 10/25/2024 •	390	390
2.090% due 10/25/2029 •	3,512	3,456
2.440% due 04/25/2024 •	171	171
SoFi Consumer Loan Program LLC		
3.050% due 12/26/2025	644	645
Sound Point CLO Ltd.		
2.856% due 01/20/2028 •	5,000	4,993
Structured Asset Investment Loan Trust		
2.497% due 03/25/2034 •	418	413
2.767% due 10/25/2033 •	173	174
TICP CLO Ltd.		
2.806% due 04/20/2028 •	6,100	6,068
TPG Real Estate Finance		
2.890% due 10/15/2034 •	3,600	3,603
Westlake Automobile Receivables Trust		
2.840% due 09/15/2021	647	647
WhiteHorse Ltd.		
2.932% due 04/17/2027 •	3,845	3,843
Zais CLO Ltd.		
3.151% due 04/15/2028 •	5,000	5,002
Total Asset-Backed Securities (Cost $151,132)		**153,234**
SOVEREIGN ISSUES 7.5%		
Brazil Letras do Tesouro Nacional		
0.000% due 04/01/2020 (c)	BRL 128,700	31,660
0.000% due 07/01/2020 (c)	136,300	33,192
Italy Buoni Poliennali Del Tesoro		
1.750% due 07/01/2024	EUR 46,000	54,344
Provincia de Buenos Aires		
52.270% (BADLARPP + 3.750%) due 04/12/2025 ~(a)	ARS 3,463	26

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Spain Government International Bond		
4.000% due 04/30/2020	EUR 11,600	$ 13,203
Total Sovereign Issues (Cost $130,560)		**132,425**
	SHARES	
CONVERTIBLE PREFERRED SECURITIES 0.0%		
INDUSTRIALS 0.0%		
Motors Liquidation Co.		
5.250% due 03/06/2032 «(b)	4,000	0
Total Convertible Preferred Securities (Cost $0)		**0**
	PRINCIPAL AMOUNT (000S)	
SHORT-TERM INSTRUMENTS 1.6%		
CERTIFICATES OF DEPOSIT 1.2%		
Barclays Bank PLC		
2.373% (US0003M + 0.450%) due 10/15/2020 ~	$ 10,000	10,001
Lloyds Bank Corporate Markets PLC		
2.435% (US0003M + 0.500%) due 09/24/2020 ~	$ 6,000	$ 6,014
2.512% (US0003M + 0.500%) due 10/26/2020 ~	5,000	5,011
		21,026
REPURCHASE AGREEMENTS (f) 0.2%		
		2,931
ARGENTINA TREASURY BILLS 0.0%		
306.288% due 02/26/2020 (c)(d)	ARS 810	9
MEXICO TREASURY BILLS 0.2%		
7.138% due 01/09/2020 (c)(d)	MXN 69,300	3,661
Total Short-Term Instruments (Cost $27,539)		**27,627**
Total Investments in Securities (Cost $1,916,198)		**1,944,757**

	SHARES	MARKET VALUE (000S)
INVESTMENTS IN AFFILIATES 13.3%		
SHORT-TERM INSTRUMENTS 13.3%		
CENTRAL FUNDS USED FOR CASH MANAGEMENT PURPOSES 13.3%		
PIMCO Short Asset Portfolio	21,345,326	$ 212,514
PIMCO Short-Term Floating NAV Portfolio III	2,318,750	22,939
Total Short-Term Instruments (Cost $236,477)		**235,453**
Total Investments in Affiliates (Cost $236,477)		**235,453**
Total Investments 123.0% (Cost $2,152,675)		$ **2,180,210**
Financial Derivative Instruments (h)(j) (0.4%) (Cost or Premiums, net $734)		**(7,405)**
Other Assets and Liabilities, net (22.6)%		**(399,827)**
Net Assets 100.0%		$ **1,772,978**

NOTES TO SCHEDULE OF INVESTMENTS:

* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

« Security valued using significant unobservable inputs (Level 3).

~ Variable or Floating rate security. Rate shown is the rate in effect as of period end. Certain variable rate securities are not based on a published reference rate and spread, rather are determined by the issuer or agent and are based on current market conditions. Reference rate is as of reset date, which may vary by security. These securities may not indicate a reference rate and/or spread in their description.

• Rate shown is the rate in effect as of period end. The rate may be based on a fixed rate, a capped rate or a floor rate and may convert to a variable or floating rate in the future. These securities do not indicate a reference rate and spread in their description.

þ Coupon represents a rate which changes periodically based on a predetermined schedule or event. Rate shown is the rate in effect as of period end.

(a) Interest only security.

(b) Security did not produce income within the last twelve months.

(c) Zero coupon security.

(d) Coupon represents a yield to maturity.

(e) Principal amount of security is adjusted for inflation.

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(f) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received[1]
FICC	1.250%	12/31/2019	01/02/2020	$ 2,931	U.S. Treasury Inflation Protected Securities 0.125% due 04/15/2020	$ (2,991)	$ 2,931	$ 2,931
Total Repurchase Agreements						**$ (2,991)**	**$ 2,931**	**$ 2,931**

REVERSE REPURCHASE AGREEMENTS:

Counterparty	Borrowing Rate[2]	Settlement Date	Maturity Date	Amount Borrowed[2]	Payable for Reverse Repurchase Agreements
BOM	1.870%	11/12/2019	02/10/2020	$ (41,212)	$ (41,321)
	1.910	11/21/2019	02/21/2020	(1,953)	(1,957)
BSN	1.790	11/01/2019	01/10/2020	(18,750)	(18,808)
	1.790	11/04/2019	01/13/2020	(64,908)	(65,098)
	1.950	11/13/2019	01/13/2020	(29,826)	(29,907)
DEU	1.920	12/04/2019	01/16/2020	(27,876)	(27,919)

Counterparty	Borrowing Rate(2)	Settlement Date	Maturity Date	Amount Borrowed(2)	Payable for Reverse Repurchase Agreements
GRE	1.890%	11/20/2019	02/07/2020	$ (7,577)	$ (7,595)
	2.040	11/22/2019	02/21/2020	(37,920)	(38,008)
Total Reverse Repurchase Agreements					**$ (230,613)**

SHORT SALES:

Description	Coupon	Maturity Date	Principal Amount	Proceeds	Payable for Short Sales
U.S. Government Agencies (15.5)%					
Ginnie Mae, TBA	4.000%	01/01/2050	$ 1,700	$ (1,764)	$ (1,760)
Uniform Mortgage-Backed Security, TBA	4.000	01/01/2050	127,165	(132,040)	(132,242)
Uniform Mortgage-Backed Security, TBA	4.000	02/01/2050	133,270	(138,380)	(138,649)
Uniform Mortgage-Backed Security, TBA	6.000	01/01/2050	1,500	(1,651)	(1,654)
Total Short Sales (15.5)%				**$ (273,835)**	**$ (274,305)**

BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of December 31, 2019:

Counterparty	Repurchase Agreement Proceeds to be Received(1)	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure(3)
Global/Master Repurchase Agreement						
BOM	$ 0	$ (43,278)	$ 0	$ (43,278)	$ 43,235	$ (43)
BSN	0	(113,813)	0	(113,813)	114,815	1,002
DEU	0	(27,919)	0	(27,919)	28,037	118
FICC	2,931	0	0	2,931	(2,991)	(60)
GRE	0	(45,603)	0	(45,603)	45,692	89
Total Borrowings and Other Financing Transactions	**$ 2,931**	**$ (230,613)**	**$ 0**			

CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS

Remaining Contractual Maturity of the Agreements

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
Reverse Repurchase Agreements					
U.S. Government Agencies	$ 0	$ (29,907)	$ 0	$ 0	$ (29,907)
U.S. Treasury Obligations	0	(111,825)	(88,881)	0	(200,706)
Total Borrowings	**$ 0**	**$ (141,732)**	**$ (88,881)**	**$ 0**	**$ (230,613)**
Payable for reverse repurchase agreements					**$ (230,613)**

(g) Securities with an aggregate market value of $233,037 have been pledged as collateral under the terms of the above master agreements as of December 31, 2019.

(1) Includes accrued interest.

(2) The average amount of borrowings outstanding during the period ended December 31, 2019 was $(283,034) at a weighted average interest rate of 2.400%. Average borrowings may include reverse repurchase agreements and sale-buyback transactions, if held during the period.

(3) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

(h) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED

PURCHASED OPTIONS:

OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

Description	Strike Price	Expiration Date	# of Contracts	Notional Amount	Cost	Market Value
Put - CBOT U.S. Treasury 2-Year Note March 2020 Futures	$ 104.875	02/21/2020	77	$ 154	$ 1	$ 0
Put - CBOT U.S. Treasury 2-Year Note March 2020 Futures	105.125	02/21/2020	782	1,564	7	1
Put - CBOT U.S. Treasury 5-Year Note March 2020 Futures	110.000	02/21/2020	744	744	6	1
Put - CBOT U.S. Treasury 5-Year Note March 2020 Futures	110.750	02/21/2020	747	747	6	1
Put - CBOT U.S. Treasury 5-Year Note March 2020 Futures	111.000	02/21/2020	1,266	1,266	11	1
Call - CBOT U.S. Treasury 10-Year Note March 2020 Futures	144.500	02/21/2020	416	416	4	1
Call - CBOT U.S. Treasury 10-Year Note March 2020 Futures	145.000	02/21/2020	398	398	3	0
Call - CBOT U.S. Treasury 10-Year Note March 2020 Futures	147.000	02/21/2020	106	106	1	0
Total Purchased Options					**$ 39**	**$ 5**

FUTURES CONTRACTS:

LONG FUTURES CONTRACTS

Description	Expiration Month	# of Contracts	Notional Amount	Unrealized Appreciation/ (Depreciation)	Variation Margin Asset	Variation Margin Liability
Call Options Strike @ EUR 140.000 on Euro-Schatz Bond March 2020 Futures(1)	02/2020	74	$ 0	$ 0	$ 0	$ 0
Euro-BTP Italy Government Bond March Futures	03/2020	1,702	226,063	(663)	0	(248)
Euro-Bund 10-Year Bond March Futures	03/2020	710	135,779	(2,147)	0	(892)
Put Options Strike @ EUR 101.000 on Euro-Schatz Bond March 2020 Futures(1)	02/2020	137	2	0	0	0
Put Options Strike @ EUR 157.000 on Euro-Schatz Bond March 2020 Futures(1)	02/2020	94	1	0	0	0
U.S. Treasury 2-Year Note March Futures	03/2020	3,750	808,125	(402)	176	0
U.S. Treasury 5-Year Note March Futures	03/2020	2,535	300,675	(1,201)	0	(59)
				$ (4,413)	$ 176	$ (1,199)

SHORT FUTURES CONTRACTS

Description	Expiration Month	# of Contracts	Notional Amount	Unrealized Appreciation/ (Depreciation)	Variation Margin Asset	Variation Margin Liability
3-Month Euribor December Futures	12/2020	223	$ (62,763)	$ 174	$ 3	$ 0
3-Month Euribor September Futures	09/2020	192	(54,044)	151	3	0
Euro-Bobl March Futures	03/2020	87	(13,041)	37	35	0
Euro-OAT France Government 10-Year Bond March Futures	03/2020	351	(64,085)	844	413	0
U.S. Treasury 10-Year Note March Futures	03/2020	993	(127,523)	1,102	108	0
United Kingdom Long Gilt March Futures	03/2020	237	(41,244)	334	399	(179)
				$ 2,642	$ 961	$ (179)
Total Futures Contracts				**$ (1,771)**	**$ 1,137**	**$ (1,378)**

SWAP AGREEMENTS:

CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION(2)

Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at December 31, 2019(3)	Notional Amount(4)	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value(5)	Variation Margin Asset	Variation Margin Liability
General Electric Co.	1.000%	Quarterly	12/20/2020	0.347%	$ 2,000	$ (59)	$ 72	$ 13	$ 0	$ 0

INTEREST RATE SWAPS

Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date		Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value	Variation Margin Asset	Variation Margin Liability
Receive(6)	6-Month GBP-LIBOR	0.750%	Semi-Annual	03/18/2030	GBP	21,700	$ 226	$ 535	$ 761	$ 168	$ 0
Pay	6-Month JPY-LIBOR	0.100	Semi-Annual	03/20/2024	JPY	10,270,000	321	73	394	24	0
Receive	6-Month JPY-LIBOR	0.300	Semi-Annual	03/18/2026		7,240,000	(87)	(1,051)	(1,138)	0	(25)
Pay	6-Month JPY-LIBOR	0.380	Semi-Annual	06/18/2028		1,640,000	201	177	378	13	0
Receive	6-Month JPY-LIBOR	0.750	Semi-Annual	03/20/2038		3,120,000	69	(2,429)	(2,360)	0	(39)
Receive	6-Month JPY-LIBOR	1.000	Semi-Annual	03/21/2048		340,000	(11)	(490)	(501)	0	(4)
Pay	28-Day MXN-TIIE	8.700	Lunar	11/02/2020	MXN	244,900	(14)	191	177	1	0

Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value	Variation Margin Asset	Variation Margin Liability
Pay	28-Day MXN-TIIE	8.735%	Lunar	11/06/2020	MXN 222,200	$ 0	$ 173	$ 173	$ 0	$ 0
Pay	28-Day MXN-TIIE	8.748	Lunar	11/06/2020	988,300	0	775	775	1	0
Receive	28-Day MXN-TIIE	8.720	Lunar	11/13/2020	432,700	49	(387)	(338)	0	(1)
Receive	28-Day MXN-TIIE	8.683	Lunar	11/27/2020	453,700	0	(357)	(357)	0	(1)
Receive	28-Day MXN-TIIE	8.855	Lunar	12/03/2020	524,200	0	(483)	(483)	0	(1)
						$ 754	$ (3,273)	$ (2,519)	$ 207	$ (71)
Total Swap Agreements						**$ 695**	**$ (3,201)**	**$ (2,506)**	**$ 207**	**$ (71)**

FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of December 31, 2019:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Market Value	Variation Margin Asset			Market Value	Variation Margin Liability		
	Purchased Options	Futures	Swap Agreements	Total	Written Options	Futures	Swap Agreements	Total
Total Exchange-Traded or Centrally Cleared	**$ 5**	**$ 1,137**	**$ 207**	**$ 1,349**	**$ 0**	**$ (1,378)**	**$ (71)**	**$ (1,449)**

(i) Securities with an aggregate market value of $3,429 and cash of $9,347 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of December 31, 2019. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

(1) Future styled option.

(2) If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

(3) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(4) The maximum potential amount the Portfolio could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

(5) The prices and resulting values for credit default swap agreements serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the underlying referenced instrument's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(6) This instrument has a forward starting effective date. See Note 2, Securities Transactions and Investment Income, in the Notes to Financial Statements for further information.

(j) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER

FORWARD FOREIGN CURRENCY CONTRACTS:

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation) Asset	Unrealized Appreciation/ (Depreciation) Liability
BOA	01/2020	AUD 16,196	$ 10,997	$ 0	$ (371)
	02/2020	EUR 84,942	94,170	0	(1,358)
	03/2020	$ 5,133	CNH 36,373	83	0
BPS	01/2020	10,421	MXN 198,072	26	0
	02/2020	EUR 1,513	$ 1,683	0	(18)
	03/2020	THB 10,231	339	0	(3)
	04/2020	BRL 85,700	20,807	0	(414)
	04/2020	MXN 198,072	10,285	0	(22)
BRC	02/2020	$ 1,310	GBP 995	10	0
BSH	01/2020	BRL 133,500	$ 33,147	9	(49)
	01/2020	$ 32,128	BRL 133,500	1,059	0
	07/2020	BRL 136,300	$ 32,527	0	(1,076)
CBK	01/2020	152,100	37,032	0	(778)
	01/2020	MXN 83,233	4,315	0	(83)
	01/2020	TRY 679	116	3	0
	01/2020	$ 37,735	BRL 152,100	75	0
	03/2020	2,755	CNH 19,551	49	0
	04/2020	BRL 43,000	$ 10,434	0	(214)

Counterparty	Settlement Month	Currency to be Delivered		Currency to be Received		Unrealized Appreciation/ (Depreciation) Asset	Unrealized Appreciation/ (Depreciation) Liability
DUB	03/2020	CNH	268,934	$	37,329	$ 0	$ (1,239)
GLM	03/2020	$	124	MYR	520	3	0
HUS	01/2020		18,757	GBP	14,530	493	0
	02/2020		2,102	EUR	1,888	21	0
	02/2020		61,415	JPY	6,647,800	0	(105)
	03/2020	CNH	129,381	$	17,937	0	(617)
	04/2020	$	10,180	MXN	200,334	246	0
JPM	01/2020	BRL	119,800	$	29,722	0	(59)
	01/2020	$	31,468	BRL	119,800	0	(1,687)
MYI	01/2020	BRL	67,300	$	17,662	932	0
	01/2020	$	16,697	BRL	67,300	33	0
SOG	02/2020	GBP	54,130	$	69,764	0	(2,022)
TOR	01/2020	MXN	159,118		8,175	0	(218)
UAG	01/2020		25,021		1,295	0	(25)
	02/2020	$	1,206	EUR	1,082	11	0
Total Forward Foreign Currency Contracts						**$ 3,053**	**$ (10,358)**

FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of December 31, 2019:

	Financial Derivative Assets				Financial Derivative Liabilities						
Counterparty	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter	Net Market Value of OTC Derivatives	Collateral Pledged/ (Received)	Net Exposure[(1)]
BOA	$ 83	$ 0	$ 0	$ 83	$ (1,729)	$ 0	$ 0	$ (1,729)	$ (1,646)	$ 1,373	$ (273)
BPS	26	0	0	26	(457)	0	0	(457)	(431)	444	13
BRC	10	0	0	10	0	0	0	0	10	0	10
BSH	1,068	0	0	1,068	(1,125)	0	0	(1,125)	(57)	(260)	(317)
CBK	127	0	0	127	(1,075)	0	0	(1,075)	(948)	1,063	115
DUB	0	0	0	0	(1,239)	0	0	(1,239)	(1,239)	728	(511)
GLM	3	0	0	3	0	0	0	0	3	0	3
HUS	760	0	0	760	(722)	0	0	(722)	38	230	268
JPM	0	0	0	0	(1,746)	0	0	(1,746)	(1,746)	1,702	(44)
MYI	965	0	0	965	0	0	0	0	965	(1,150)	(185)
SOG	0	0	0	0	(2,022)	0	0	(2,022)	(2,022)	1,255	(767)
TOR	0	0	0	0	(218)	0	0	(218)	(218)	0	(218)
UAG	11	0	0	11	(25)	0	0	(25)	(14)	0	(14)
Total Over the Counter	**$ 3,053**	**$ 0**	**$ 0**	**$ 3,053**	**$ (10,358)**	**$ 0**	**$ 0**	**$ (10,358)**			

(k) Securities with an aggregate market value of $7,215 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of December 31, 2019.

(1) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Portfolio's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Portfolio.

Fair Values of Financial Derivative Instruments on the Statement of Assets and Liabilities as of December 31, 2019:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Financial Derivative Instruments - Assets						
Exchange-traded or centrally cleared						
Purchased Options	$ 0	$ 0	$ 0	$ 0	$ 5	$ 5
Futures	0	0	0	0	1,137	1,137
Swap Agreements	0	0	0	0	207	207
	$ 0	$ 0	$ 0	$ 0	$ 1,349	$ 1,349
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 3,053	$ 0	$ 3,053
	$ 0	$ 0	$ 0	$ 3,053	$ 1,349	$ 4,402
Financial Derivative Instruments - Liabilities						
Exchange-traded or centrally cleared						
Futures	$ 0	$ 0	$ 0	$ 0	$ 1,378	$ 1,378
Swap Agreements	0	0	0	0	71	71
	$ 0	$ 0	$ 0	$ 0	$ 1,449	$ 1,449
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 10,358	$ 0	$ 10,358
	$ 0	$ 0	$ 0	$ 10,358	$ 1,449	$ 11,807

The effect of Financial Derivative Instruments on the Statement of Operations for the period ended December 31, 2019:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Net Realized Gain (Loss) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Purchased Options	$ 0	$ 0	$ 0	$ 0	$ (207)	$ (207)
Written Options	0	0	0	0	169	169
Futures	0	0	0	0	(5,714)	(5,714)
Swap Agreements	0	52	0	0	(9,797)	(9,745)
	$ 0	$ 52	$ 0	$ 0	$ (15,549)	$ (15,497)
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 2,997	$ 0	$ 2,997
Purchased Options	0	0	0	0	(4)	(4)
Written Options	0	43	0	1,829	0	1,872
	$ 0	$ 43	$ 0	$ 4,826	$ (4)	$ 4,865
	$ 0	$ 95	$ 0	$ 4,826	$ (15,553)	$ (10,632)
Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Purchased Options	$ 0	$ 0	$ 0	$ 0	$ (15)	$ (15)
Futures	0	0	0	0	5,178	5,178
Swap Agreements	0	57	0	0	1,185	1,242
	$ 0	$ 57	$ 0	$ 0	$ 6,348	$ 6,405
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ (9,520)	$ 0	$ (9,520)
Purchased Options	0	0	0	0	2	2
Written Options	0	30	0	0	0	30
	$ 0	$ 30	$ 0	$ (9,520)	$ 2	$ (9,488)
	$ 0	$ 87	$ 0	$ (9,520)	$ 6,350	$ (3,083)

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2019 in valuing the Portfolio's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2019
Investments in Securities, at Value				
Loan Participations and Assignments	$ 0	$ 0	$ 11,998	$ 11,998
Corporate Bonds & Notes				
Banking & Finance	0	358,753	0	358,753
Industrials	0	194,604	0	194,604
Utilities	0	20,051	0	20,051
U.S. Government Agencies	0	655,635	0	655,635
U.S. Treasury Obligations	0	310,093	0	310,093
Non-Agency Mortgage-Backed Securities	0	80,337	0	80,337
Asset-Backed Securities	0	153,234	0	153,234
Sovereign Issues	0	132,425	0	132,425
Short-Term Instruments				
Certificates of Deposit	0	21,026	0	21,026
Repurchase Agreements	0	2,931	0	2,931
Argentina Treasury Bills	0	9	0	9
Mexico Treasury Bills	0	3,661	0	3,661
	$ 0	$ 1,932,759	$ 11,998	$ 1,944,757
Investments in Affiliates, at Value				
Short-Term Instruments				
Central Funds Used for Cash Management Purposes	$ 235,453	$ 0	$ 0	$ 235,453
Total Investments	$ 235,453	$ 1,932,759	$ 11,998	$ 2,180,210

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2019
Short Sales, at Value - Liabilities				
U.S. Government Agencies	$ 0	$ (274,305)	$ 0	$ (274,305)
Financial Derivative Instruments - Assets				
Exchange-traded or centrally cleared	1,137	212	0	1,349
Over the counter	0	3,053	0	3,053
	$ 1,137	$ 3,265	$ 0	$ 4,402
Financial Derivative Instruments - Liabilities				
Exchange-traded or centrally cleared	(1,378)	(71)	0	(1,449)
Over the counter	0	(10,358)	0	(10,358)
	$ (1,378)	$ (10,429)	$ 0	$ (11,807)
Total Financial Derivative Instruments	$ (241)	$ (7,164)	$ 0	$ (7,405)
Totals	$ 235,212	$ 1,651,290	$ 11,998	$ 1,898,500

There were no significant transfers into or out of Level 3 during the period ended December 31, 2019.

1. ORGANIZATION

PIMCO Variable Insurance Trust (the "Trust") is a Delaware statutory trust established under a trust instrument dated October 3, 1997. The Trust is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust is designed to be used as an investment vehicle by separate accounts of insurance companies that fund variable annuity contracts and variable life insurance policies and by qualified pension and retirement plans. Information presented in these financial statements pertains to the Institutional Class, Administrative Class and Advisor Class shares of the PIMCO Low Duration Portfolio (the "Portfolio") offered by the Trust. Pacific Investment Management Company LLC ("PIMCO") serves as the investment adviser (the "Adviser") for the Portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Portfolio in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Portfolio is treated as an investment company under the reporting requirements of U.S. GAAP. The functional and reporting currency for the Portfolio is the U.S. dollar. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

(a) Securities Transactions and Investment Income Securities transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled beyond a standard settlement period for the security after the trade date. Realized gains (losses) from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Portfolio is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis from settlement date, with the exception of securities with a forward starting effective date, where interest income is recorded on the accrual basis from effective date. For convertible securities, premiums attributable to the conversion feature are not amortized. Estimated tax liabilities on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized appreciation (depreciation) on investments on the Statement of Operations, as appropriate. Tax liabilities realized as a result of such security sales are reflected as a component of net realized gain (loss) on investments on the Statement of Operations. Paydown gains (losses) on mortgage-related and other asset-backed securities, if any, are recorded as components of interest income on the Statement of Operations. Income or short-term capital gain distributions received from registered investment companies, if any, are recorded as dividend income. Long-term capital gain distributions received from registered investment companies, if any, are recorded as realized gains.

Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is probable.

(b) Foreign Currency Translation The market values of foreign securities, currency holdings and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the current exchange rates each business day. Purchases and sales of securities and income and expense items denominated in foreign currencies, if any, are translated into U.S. dollars at the exchange rate in effect on the transaction date. The Portfolio does not separately report the effects of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized gain (loss) and net change in unrealized appreciation (depreciation) from investments on the Statement of Operations. The Portfolio may invest in foreign currency-denominated securities and may engage in foreign currency transactions either on a spot (cash) basis at the rate prevailing in the currency exchange market at the time or through a forward foreign currency contract. Realized foreign exchange gains (losses) arising from sales of spot foreign currencies, currency gains (losses) realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid are included in net realized gain (loss) on foreign currency transactions on the Statement of Operations. Net unrealized foreign exchange gains (losses) arising from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period are included in net change in unrealized appreciation (depreciation) on foreign currency assets and liabilities on the Statement of Operations.

(c) Multi-Class Operations Each class offered by the Trust has equal rights as to assets and voting privileges (except that shareholders of a class have exclusive voting rights regarding any matter relating solely to that class of shares). Income and non-class specific expenses are allocated daily to each class on the basis of the relative net assets. Realized and unrealized capital gains (losses) are allocated daily based on the relative net assets of each class of the Portfolio. Class specific expenses, where applicable, currently include supervisory and administrative and distribution and servicing fees. Under certain circumstances, the per share net asset value ("NAV") of a class of the Portfolio's shares may be different from the per share NAV of another class of shares as a result of the different daily expense accruals applicable to each class of shares.

(d) Distributions to Shareholders Distributions from net investment income, if any, are declared daily and distributed to shareholders monthly. In addition, the Portfolio distributes any net capital gains it earns from the sale of portfolio securities to shareholders no less frequently than annually.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP. Differences between tax regulations and U.S. GAAP may cause timing differences between income and capital gain recognition. Further, the character of investment income and capital gains may be different for certain transactions under the two methods of accounting. As a result, income distributions and capital gain distributions declared during a fiscal period may differ significantly from the net investment income (loss) and realized gains (losses) reported on the Portfolio's annual financial statements presented under U.S. GAAP.

If the Portfolio estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income in accordance with its policies and accounting practices, the Portfolio will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. For these purposes, the Portfolio estimates the source or sources from which a distribution is paid, to the close of the period as of which it is paid, in reference to its internal accounting records and related accounting practices. If, based on such accounting records and practices, it is estimated that a particular distribution does not include capital gains or paid-in surplus or other capital sources, a Section 19 Notice generally would not be issued. It is important to note that differences exist between the Portfolio's daily internal accounting records and practices, the Portfolio's financial statements presented in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. For instance, the Portfolio's internal accounting records and practices may take into account, among other factors, tax-related characteristics of certain sources of distributions that differ from treatment under U.S. GAAP. Examples of such differences may include, among others, the treatment of paydowns on mortgage-backed securities purchased at a discount and periodic payments under interest rate swap contracts. Accordingly, among other consequences, it is possible that the Portfolio may not issue a Section 19 Notice in situations where the Portfolio's financial statements prepared later and in accordance with U.S. GAAP and/or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Final determination of a distribution's tax character will be provided to shareholders when such information is available.

Distributions classified as a tax basis return of capital at the Portfolio's fiscal year end, if any, are reflected on the Statements of Changes in Net Assets and have been recorded to paid in capital on the Statement of Assets and Liabilities. In addition, other amounts have been reclassified between distributable earnings (accumulated loss) and paid in capital on the Statement of Assets and Liabilities to more appropriately conform U.S. GAAP to tax characterizations of distributions.

(e) New Accounting Pronouncements In August 2018, the Financial Accounting Standards Board issued an Accounting Standards Update ("ASU"), ASU 2018-13, which modifies certain disclosure requirements for fair value measurements in Accounting Standards Codification 820. The ASU is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. At this time, management has elected to early adopt the ASU and the changes are incorporated in the financial statements.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

(a) Investment Valuation Policies The price of the Portfolio's shares is based on the Portfolio's NAV. The NAV of the Portfolio, or each of its share classes, as applicable, is determined by dividing the total value of portfolio investments and other assets, less any liabilities attributable to the Portfolio or class, by the total number of shares outstanding of the Portfolio or class.

On each day that the New York Stock Exchange ("NYSE") is open, Portfolio shares are ordinarily valued as of the close of regular trading (normally 4:00 p.m., Eastern time) ("NYSE Close"). Information that becomes known to the Portfolio or its agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. The Portfolio reserves the right to change the time as of which its NAV is calculated if the Portfolio closes earlier, or as permitted by the U.S. Securities and Exchange Commission ("SEC").

For purposes of calculating a NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Portfolio's approved pricing services, quotation reporting systems and other third-party sources (together, "Pricing Services"). The Portfolio will normally use pricing data for domestic equity securities received shortly after the NYSE Close and does not normally take into account trading, clearances or settlements that take place after the NYSE Close. If market value pricing is used, a foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by the Adviser to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services. The Portfolio's investments in open-end management investment companies, other than exchange-traded funds ("ETFs"), are valued at the NAVs of such investments. Open-end management investment companies may include affiliated funds.

If a foreign (non-U.S.) equity security's value has materially changed after the close of the security's primary exchange or principal market but before the NYSE Close, the security may be valued at fair value based on procedures established and approved by the Board of Trustees of the Trust (the "Board"). Foreign (non-U.S.) equity securities that do not trade when the NYSE is open are also valued at fair value. With respect to foreign (non-U.S.) equity securities, the Portfolio may determine the fair value of investments based on information provided by Pricing Services and other third-party vendors, which may recommend fair value or adjustments with reference to other securities, indices or assets. In considering whether fair valuation is required and in determining fair values, the Portfolio may, among other things, consider significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and before the NYSE Close. The Portfolio may utilize modeling tools provided by third-party vendors to determine fair values of foreign (non-U.S.) securities. For these purposes, any movement in the applicable reference index or instrument ("zero trigger") between the earlier close of the applicable foreign market and the NYSE Close may be deemed to be a significant event, prompting the application of the pricing model (effectively resulting in daily fair valuations). Foreign exchanges may permit trading in foreign (non-U.S.) equity securities on days when the Trust is not open for business, which may result in the Portfolio's portfolio investments being affected when shareholders are unable to buy or sell shares.

Senior secured floating rate loans for which an active secondary market exists to a reliable degree are valued at the mean of the last available bid/ask prices in the market for such loans, as provided by a Pricing Service. Senior secured floating rate loans for which an active secondary market does not exist to a reliable degree are valued at fair value, which is intended to approximate market value. In valuing a senior secured floating rate loan at fair value, the factors considered may include, but are not limited to, the following: (a) the creditworthiness of the borrower and any intermediate participants, (b) the terms of the loan, (c) recent prices in the market for similar loans, if any, and (d) recent prices in the market for instruments of similar quality, rate, period until next interest rate reset and maturity.

Investments valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from Pricing Services. As a result, the value of such investments and, in turn, the NAV of the Portfolio's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of investments traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the Trust is not open for business. As a result, to the extent that the Portfolio holds foreign (non-U.S.) investments, the value of those investments may change at times when shareholders are unable to buy or sell shares and the value of such investments will be reflected in the Portfolio's next calculated NAV.

Investments for which market quotes or market based valuations are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction. The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated to the Adviser the responsibility for applying the fair valuation methods. In the event that market quotes or market based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Board. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, indicative market quotations ("Broker Quotes"), Pricing Services' prices), including where events occur after the close of the relevant market, but prior to the NYSE Close, that materially affect the values of the Portfolio's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated, to the Adviser, the responsibility for monitoring significant events that may materially affect the values of the Portfolio's securities or assets and for determining whether the value of the applicable securities or assets should be reevaluated in light of such significant events.

When the Portfolio uses fair valuation to determine the value of a portfolio security or other asset for purposes of calculating its NAV, such investments will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board or persons acting at their direction believe reflects fair value. Fair valuation may require subjective determinations about the value of a security. While the Trust's policy is intended to result in a calculation of the Portfolio's NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the Portfolio could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Portfolio may differ from the value that would be realized if the securities were sold. The Portfolio's use of fair valuation may also help to deter "stale price arbitrage" as discussed under the "Frequent or Excessive Purchases, Exchanges and Redemptions" section in the Portfolio's prospectus.

(b) Fair Value Hierarchy U.S. GAAP describes fair value as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

- Level 1 — Quoted prices in active markets or exchanges for identical assets and liabilities.
- Level 2 — Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.
- Level 3 — Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

In accordance with the requirements of U.S. GAAP, the amounts of transfers into and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments for the Portfolio.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers into and out of the Level 3 category during the period. The end of period value is used for the transfers between Levels of the Portfolio's assets and liabilities. Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Schedule of Investments for the Portfolio.

(c) Valuation Techniques and the Fair Value Hierarchy
Level 1 and Level 2 trading assets and trading liabilities, at fair value The valuation methods (or "techniques") and significant inputs used in determining the fair values of portfolio securities or other assets and liabilities categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The Pricing Services' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Fixed income securities purchased on a delayed-delivery basis or as a repurchase commitment in a sale-buyback transaction are marked to market daily until settlement at the forward settlement date and are categorized as Level 2 of the fair value hierarchy.

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Common stocks, ETFs, exchange-traded notes and financial derivative instruments, such as futures contracts, rights and warrants, or options on futures that are traded on a national securities exchange, are stated at the last reported sale or settlement price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy.

Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the NYSE Close. These securities are valued using Pricing Services that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are also categorized as Level 2 of the fair value hierarchy.

Investments in registered open-end investment companies (other than ETFs) will be valued based upon the NAVs of such investments and are categorized as Level 1 of the fair value hierarchy. Investments in unregistered open-end investment companies will be calculated based upon the NAVs of such investments and are considered Level 1 provided that the NAVs are observable, calculated daily and are the value at which both purchases and sales will be conducted.

Equity exchange-traded options and over the counter financial derivative instruments, such as forward foreign currency contracts and options contracts derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued on the basis of quotes obtained from a quotation reporting system, established market makers or Pricing Services (normally determined as of the NYSE Close). Depending on the product and the terms of the transaction, financial derivative instruments can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as quoted prices, issuer details, indices, bid/ask spreads, interest rates, implied volatilities, yield curves, dividends and exchange rates. Financial derivative instruments that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Centrally cleared swaps and over the counter swaps derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. They are valued using a broker-dealer bid quotation or on market-based prices provided by Pricing Services (normally determined as of the NYSE Close). Centrally cleared swaps and over the counter swaps can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models may use inputs that are observed from actively quoted markets such as the overnight index swap rate, London Interbank Offered Rate forward rate, interest rates, yield curves and credit spreads. These securities are categorized as Level 2 of the fair value hierarchy.

Level 3 trading assets and trading liabilities, at fair value When a fair valuation method is applied by the Adviser that uses significant unobservable inputs, investments will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost, so long as the amortized cost value of such short-term debt instruments is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. These securities are categorized as Level 2 or Level 3 of the fair value hierarchy depending on the source of the base price.

4. SECURITIES AND OTHER INVESTMENTS

(a) Investments in Affiliates

The Portfolio may invest in the PIMCO Short Asset Portfolio and the PIMCO Short-Term Floating NAV Portfolio III ("Central Funds") to the extent permitted by the Act and rules thereunder. The Central Funds are registered investment companies created for use solely by the series of the Trust and other series of registered investment companies advised by the Adviser, in connection with their cash management activities. The main investments of the Central Funds are money market and short maturity fixed income instruments. The Central Funds may incur expenses related to their investment activities, but do not pay

Investment Advisory Fees or Supervisory and Administrative Fees to the Adviser. The Central Funds are considered to be affiliated with the Portfolio. A complete schedule of portfolio holdings for each affiliate fund is filed with the SEC for the first and third quarters of each fiscal year on Form N-PORT and is available at the SEC's website at www.sec.gov. A copy of each affiliate fund's shareholder report is also available at the SEC's website at www.sec.gov, on the Funds' website at www.pimco.com, or upon request, as applicable. The tables below show the Portfolio's transactions in and earnings from investments in the affiliated Funds for the period ended December 31, 2019 (amounts in thousands†):

Investment in PIMCO Short Asset Portfolio

Market Value 12/31/2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Market Value 12/31/2019	Dividend Income(1)	Realized Net Capital Gain Distributions(1)
$ 205,767	$ 6,039	$ 0	$ 0	$ 708	$ 212,514	$ 6,038	$ 0

Investment in PIMCO Short-Term Floating NAV Portfolio III

Market Value 12/31/2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Market Value 12/31/2019	Dividend Income(1)	Realized Net Capital Gain Distributions(1)
$ 64,236	$ 582,468	$ (623,800)	$ 46	$ (11)	$ 22,939	$ 869	$ 0

† A zero balance may reflect actual amounts rounding to less than one thousand.

(1) The tax characterization of distributions is determined in accordance with Federal income tax regulations and may contain a return of capital. The actual tax characterization of distributions received is determined at the end of the fiscal year of the affiliated fund. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

(b) Investments in Securities

The Portfolio may utilize the investments and strategies described below to the extent permitted by the Portfolio's investment policies.

Bank Obligations in which the Portfolio may invest include certificates of deposit, bankers' acceptances, and fixed time deposits. Certificates of deposit are negotiable certificates issued against Portfolio deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning, in effect, that the bank unconditionally agrees to pay the face value of the instrument on maturity. Fixed time deposits are bank obligations payable at a stated maturity date and bearing interest at a fixed rate. Fixed time deposits may be withdrawn on demand by the investor, but may be subject to early withdrawal penalties which vary depending upon market conditions and the remaining maturity of the obligation.

Inflation-Indexed Bonds are fixed income securities whose principal value is periodically adjusted by the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value which is adjusted for inflation. Any increase or decrease in the principal amount of an inflation-indexed bond will be included as interest income on the Statement of Operations, even though investors do not receive their principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury Inflation-Protected Securities. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

Loans and Other Indebtedness, Loan Participations and Assignments are direct debt instruments which are interests in amounts owed to lenders or lending syndicates by corporate, governmental, or other borrowers. The Portfolio's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties or investments in or originations of loans by the Portfolio. A loan is often administered by a bank or other financial institution (the "agent") that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. The Portfolio may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. When the Portfolio purchases assignments from agents it acquires direct rights against the borrowers of the loans. These loans may include participations in bridge loans, which are loans taken out by borrowers for a short period (typically less than one year) pending arrangement of more permanent financing through, for example, the issuance of bonds, frequently high yield bonds issued for the purpose of acquisitions.

The types of loans and related investments in which the Portfolio may invest include, among others, senior loans, subordinated loans (including second lien loans, B-Notes and mezzanine loans), whole loans, commercial real estate and other commercial loans and structured loans. The Portfolio may originate loans or acquire direct interests in loans through primary loan distributions and/or in private transactions. In the case of subordinated loans, there may be significant indebtedness ranking ahead of the borrower's obligation to the holder of such a loan, including in the event of the borrower's insolvency. Mezzanine loans are typically secured by a pledge of an equity interest in the mortgage borrower that owns the real estate rather than an interest in a mortgage.

Investments in loans may include unfunded loan commitments, which are contractual obligations for funding. Unfunded loan commitments may include revolving credit facilities, which may obligate the Portfolio to supply additional cash to the borrower on demand. Unfunded loan commitments represent a future obligation in full, even though a percentage of the committed amount may not be utilized by the borrower. When investing in a loan participation, the Portfolio has the right to receive payments of principal, interest and any fees to which it is entitled only from the agent selling the loan agreement and only upon receipt of payments by the agent from the borrower. The Portfolio may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan. In certain circumstances, the Portfolio may receive a penalty fee upon the prepayment of a loan by a borrower. Fees earned or paid are recorded as a component of interest income or interest expense, respectively, on the Statement of Operations. Unfunded loan commitments are reflected as a liability on the Statement of Assets and Liabilities.

Mortgage-Related and Other Asset-Backed Securities directly or indirectly represent a participation in, or are secured by and payable from, loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. These securities provide a monthly payment which consists of both interest and principal. Interest may be determined by fixed or adjustable rates. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may have the effect of shortening or extending the effective duration of the security relative to what was anticipated at the time of purchase. The timely payment of principal and interest of certain mortgage-related securities is guaranteed with the full faith and credit of the U.S. Government. Pools created and guaranteed by non-governmental issuers, including government-sponsored corporations, may be supported by various forms of insurance or guarantees, but there can be no assurance that private insurers or guarantors can meet their obligations under the insurance policies or guarantee arrangements. Many of the risks of investing in mortgage-related securities secured by commercial mortgage loans reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make lease payments, and the ability of a property to attract and retain tenants. These securities may be less liquid and may exhibit greater price volatility than other types of mortgage-related or other asset-backed securities. Other asset-backed securities are created from many types of assets, including, but not limited to, auto loans, accounts receivable, such as credit card receivables and hospital account receivables, home equity loans, student loans, boat loans, mobile home loans, recreational vehicle loans, manufactured housing loans, aircraft leases, computer leases and syndicated bank loans.

Collateralized Debt Obligations ("CDOs") include Collateralized Bond Obligations ("CBOs"), Collateralized Loan Obligations ("CLOs") and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust which is backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. The risks of an investment in a CDO depend largely on the type of the collateral securities and the class of the CDO in which the Portfolio invests. In addition to the normal risks associated with fixed income securities discussed elsewhere in this report and the Portfolio's prospectus and statement of additional information (e.g., prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured financing changes based on multiples of changes in interest rates or inversely to changes in interest rates)), CBOs, CLOs and other CDOs carry additional risks including, but not limited to, (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments, (ii) the quality of the collateral may decline in value or default, (iii) the risk that the Portfolio may invest in CBOs, CLOs, or other CDOs that are subordinate to other classes, and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Collateralized Mortgage Obligations ("CMOs") are debt obligations of a legal entity that are collateralized by whole mortgage loans or private mortgage bonds and divided into classes. CMOs are structured into multiple classes, often referred to as "tranches", with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including prepayments. CMOs may be less liquid and may exhibit greater price volatility than other types of mortgage-related or asset-backed securities.

Stripped Mortgage-Backed Securities ("SMBS") are derivative multi-class mortgage securities. SMBS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. An SMBS will have one class that will receive all of the interest (the interest-only or "IO" class), while the other class will receive the entire principal (the principal-only or "PO" class). Payments received for IOs are included in interest income on the Statement of Operations. Because no principal will be received at the maturity of an IO, adjustments are made to the cost of the security on a monthly basis until maturity. These adjustments are included in interest income on the Statement of Operations. Payments received for POs are treated as reductions to the cost and par value of the securities.

Securities Issued by U.S. Government Agencies or Government-Sponsored Enterprises are obligations of and, in certain cases, guaranteed by, the U.S. Government, its agencies or instrumentalities. Some U.S. Government securities, such as Treasury bills, notes and bonds, and securities guaranteed by the Government National Mortgage Association, are supported by the full faith and credit of the U.S. Government; others, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Department of the Treasury (the "U.S. Treasury"); and others, such as those of the Federal National Mortgage Association ("FNMA" or "Fannie Mae"), are supported by the discretionary authority of the U.S. Government to purchase the agency's obligations. U.S. Government securities may include zero coupon securities which do not distribute interest on a current basis and tend to be subject to a greater risk than interest-paying securities of similar maturities.

Government-related guarantors (i.e., not backed by the full faith and credit of the U.S. Government) include FNMA and the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"). FNMA is a government-sponsored corporation. FNMA purchases conventional (i.e., not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicers which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA, but are not backed by the full faith and credit of the U.S. Government. FHLMC issues Participation Certificates ("PCs"), which are pass-through securities, each representing an undivided interest in a pool of residential mortgages. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the U.S. Government.

In June 2019, under the Single Security Initiative, FNMA and FHLMC started issuing Uniform Mortgage-Backed Securities in place of their current offerings of TBA-eligible securities. The Single Security Initiative seeks to support the overall liquidity of the TBA market and aligns the characteristics of FNMA and FHLMC certificates. The effects that the Single Security Initiative may have on the market for TBA and other mortgage-backed securities are uncertain.

Roll-timing strategies can be used where the Portfolio seeks to extend the expiration or maturity of a position, such as a TBA security on an underlying asset, by closing out the position before expiration and opening a new position with respect to substantially the same underlying asset with a later expiration date. TBA securities purchased or sold are reflected on the Statement of Assets and Liabilities as an asset or liability, respectively.

5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

The Portfolio may enter into the borrowings and other financing transactions described below to the extent permitted by the Portfolio's investment policies.

The following disclosures contain information on the Portfolio's ability to lend or borrow cash or securities to the extent permitted under the Act, which may be viewed as borrowing or financing transactions by the Portfolio. The location of these instruments in the Portfolio's financial statements is described below.

(a) Repurchase Agreements Under the terms of a typical repurchase agreement, the Portfolio purchases an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Portfolio to resell, the obligation at an agreed-upon price and time. In an open maturity repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Portfolio or counterparty at any time. The underlying securities for all repurchase agreements are held by the Portfolio's custodian or designated subcustodians under tri-party repurchase agreements and in certain instances will remain in custody with the counterparty. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Repurchase agreements, if any, including accrued interest, are included on the Statement of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Statement of Operations. In periods of increased demand for collateral, the Portfolio may pay a fee for the receipt of collateral, which may result in interest expense to the Portfolio.

(b) Reverse Repurchase Agreements In a reverse repurchase agreement, the Portfolio delivers a security in exchange for cash to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed upon price and date. In an open maturity reverse repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Portfolio or counterparty at any time. The Portfolio is entitled to receive principal and interest payments, if any, made on the security delivered to the counterparty during the term of the agreement. Cash received in exchange for securities delivered plus accrued interest payments to be made by the

Portfolio to counterparties are reflected as a liability on the Statement of Assets and Liabilities. Interest payments made by the Portfolio to counterparties are recorded as a component of interest expense on the Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under reverse repurchase agreements.

(c) Sale-Buybacks A sale-buyback financing transaction consists of a sale of a security by the Portfolio to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-upon price and date. The Portfolio is not entitled to receive principal and interest payments, if any, made on the security sold to the counterparty during the term of the agreement. The agreed-upon proceeds for securities to be repurchased by the Portfolio are reflected as a liability on the Statement of Assets and Liabilities. The Portfolio will recognize net income represented by the price differential between the price received for the transferred security and the agreed-upon repurchase price. This is commonly referred to as the 'price drop'. A price drop consists of (i) the foregone interest and inflationary income adjustments, if any, the Portfolio would have otherwise received had the security not been sold and (ii) the negotiated financing terms between the Portfolio and counterparty. Foregone interest and inflationary income adjustments, if any, are recorded as components of interest income on the Statement of Operations. Interest payments based upon negotiated financing terms made by the Portfolio to counterparties are recorded as a component of interest expense on the Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under sale-buyback transactions.

(d) Short Sales Short sales are transactions in which the Portfolio sells a security that it may not own. The Portfolio may make short sales of securities to (i) offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Portfolio, (iii) for investment return, (iv) as part of a risk arbitrage strategy, and (v) as part of its overall portfolio management strategies involving the use of derivative instruments. When the Portfolio engages in a short sale, it may borrow the security sold short and deliver it to the counterparty. The Portfolio will ordinarily have to pay a fee or premium to borrow a security and be obligated to repay the lender of the security any dividend or interest that accrues on the security during the period of the loan. Securities sold in short sale transactions and the dividend or interest payable on such securities, if any, are reflected as payable for short sales on the Statement of Assets and Liabilities. Short sales expose the Portfolio to the risk that it will be required to cover its short position at a time when the security or other asset has appreciated in value, thus resulting in losses to the Portfolio. A short sale is "against the box" if the Portfolio holds in its portfolio or has the right to acquire the security sold short, or securities identical to the security sold short, at no additional cost. The Portfolio will be subject to additional risks to the extent that it engages in short sales that are not "against the box." The Portfolio's loss on a short sale could theoretically be unlimited in cases where the Portfolio is unable, for whatever reason, to close out its short position.

(e) Interfund Lending In accordance with an exemptive order (the "Order") from the SEC, each Portfolio of the Trust may participate in a joint lending and borrowing facility for temporary purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by each Portfolio's investment policies and restrictions. Each Portfolio is currently permitted to borrow under the Interfund Lending Program. A lending portfolio may lend in aggregate up to 15% of its current net assets at the time of the loan, but may not lend more than 5% of its net assets to any one borrowing portfolio through the Interfund Lending Program. A borrowing portfolio may not borrow through the Interfund Lending Program or from any other source if its total outstanding borrowings immediately after the borrowing would be more than 33 1/3% of its total assets (or any lower threshold provided for by the portfolio's investment restrictions). If a borrowing portfolio's total outstanding borrowings exceed 10% of its total assets, each of its outstanding interfund loans will be subject to collateralization of at least 102% of the outstanding principal value of the loan. All interfund loans are for temporary or emergency purposes and the interfund loan rate to be charged will be the average of the highest current overnight repurchase agreement rate available to a lending portfolio and the bank loan rate, as calculated according to a formula established by the Board. During the period ended December 31, 2019, the Portfolio did not participate in the Interfund Lending Program.

6. FINANCIAL DERIVATIVE INSTRUMENTS

The Portfolio may enter into the financial derivative instruments described below to the extent permitted by the Portfolio's investment policies.

The following disclosures contain information on how and why the Portfolio uses financial derivative instruments, and how financial derivative instruments affect the Portfolio's financial position, results of operations and cash flows. The location and fair value amounts of these instruments on the Statement of Assets and Liabilities and the net realized gain (loss) and net change in unrealized appreciation (depreciation) on the Statement of Operations, each categorized by type of financial derivative contract and related risk exposure, are included in a table in the Notes to Schedule of Investments. The financial derivative instruments outstanding as of period end and the amounts of net realized gain (loss) and net change in unrealized appreciation (depreciation) on financial derivative instruments during the period, as disclosed in the Notes to Schedule of Investments, serve as indicators of the volume of financial derivative activity for the Portfolio.

(a) Forward Foreign Currency Contracts may be engaged, in connection with settling planned purchases or sales of securities, to hedge the currency exposure associated with some or all of the Portfolio's securities or as part of an investment strategy. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked to market daily, and the change in value is recorded by the Portfolio as an unrealized gain (loss). Realized gains (losses) are equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed and are recorded upon delivery or receipt of the currency. These contracts may involve market risk in excess of the unrealized gain (loss) reflected on the Statement of Assets and Liabilities. In addition, the Portfolio could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably to the U.S. dollar. To mitigate such risk, cash or securities may be exchanged as collateral pursuant to the terms of the underlying contracts.

(b) Futures Contracts are agreements to buy or sell a security or other asset for a set price on a future date and are traded on an exchange. The Portfolio may use futures contracts to manage its exposure to the securities markets or to movements in interest rates and currency values. The primary risks associated with the use of futures contracts are the imperfect correlation between the change in market value of the securities held by the Portfolio and the prices of futures contracts and the possibility of an illiquid market. Futures contracts are valued based upon their quoted daily settlement prices. Upon entering into a futures contract, the Portfolio is required to deposit with its futures broker an amount of cash, U.S. Government and Agency Obligations, or select sovereign debt, in accordance with the initial margin requirements of the broker or exchange. Futures contracts are marked to market daily and based on such movements in the price of the contracts, an appropriate payable or receivable for the change in value may be posted or collected by the Portfolio ("Futures Variation Margin"). Futures Variation Margins, if any, are disclosed within centrally cleared financial derivative instruments on the Statement of Assets and Liabilities. Gains (losses) are recognized but not considered realized until the contracts expire or close. Futures contracts involve, to varying degrees, risk of loss in excess of the Futures Variation Margin included within exchange traded or centrally cleared financial derivative instruments on the Statement of Assets and Liabilities.

(c) Options Contracts may be written or purchased to enhance returns or to hedge an existing position or future investment. The Portfolio may write call and put options on securities and financial derivative instruments it owns or in which it may invest. Writing put options tends to increase the Portfolio's exposure to the underlying instrument. Writing call options tends to decrease the Portfolio's exposure to the underlying instrument. When the Portfolio writes a call or put, an amount equal to the premium received is recorded and subsequently marked to market to reflect the current value of the option written. These amounts are included on the Statement of Assets and Liabilities. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying futures, swap, security or currency transaction to determine the realized gain (loss). Certain options may be written with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The Portfolio as a writer of an option has no control over whether the underlying instrument may be sold ("call") or purchased ("put") and as a result bears the market risk of an unfavorable change in the price of the instrument underlying the written option. There is the risk the Portfolio may not be able to enter into a closing transaction because of an illiquid market.

Purchasing call options tends to increase the Portfolio's exposure to the underlying instrument. Purchasing put options tends to decrease the Portfolio's exposure to the underlying instrument. The Portfolio pays a premium which is included as an asset on the Statement of Assets and Liabilities and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. Certain options may be purchased with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain (loss) when the underlying transaction is executed.

Credit Default Swaptions may be written or purchased to hedge exposure to the credit risk of an investment without making a commitment to the underlying instrument. A credit default swaption is an option to sell or buy credit protection on a specific reference by entering into a pre-defined swap agreement by some specified date in the future.

Foreign Currency Options may be written or purchased to be used as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies.

Options on Exchange-Traded Futures Contracts ("Futures Option") may be written or purchased to hedge an existing position or future investment, for speculative purposes or to manage exposure to market movements. A Futures Option is an option contract in which the underlying instrument is a single futures contract.

Options on Securities may be written or purchased to enhance returns or to hedge an existing position or future investment. An option on a security uses a specified security as the underlying instrument for the option contract.

(d) Swap Agreements are bilaterally negotiated agreements between the Portfolio and a counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. Swap agreements may be privately negotiated in the over the counter market ("OTC swaps") or may be cleared through a third party, known as a central counterparty or derivatives clearing organization ("Centrally Cleared Swaps"). The Portfolio may enter into asset, credit default, cross-currency, interest rate, total return, variance and other forms of swap agreements to manage its exposure to credit, currency, interest rate, commodity, equity and inflation risk. In connection with these agreements, securities or cash may be identified as collateral or margin in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default or bankruptcy/insolvency.

Centrally Cleared Swaps are marked to market daily based upon valuations as determined from the underlying contract or in accordance with the requirements of the central counterparty or derivatives clearing organization. Changes in market value, if any, are reflected as a component of net change in unrealized appreciation (depreciation) on the Statement of Operations. Daily changes in valuation of centrally cleared swaps ("Swap Variation Margin"), if any, are disclosed within centrally cleared financial derivative instruments on the Statement of Assets and Liabilities. Centrally Cleared and OTC swap payments received or paid at the beginning of the measurement period are included on the Statement of Assets and Liabilities and represent premiums paid or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). Upfront premiums received (paid) are initially recorded as liabilities (assets) and subsequently marked to market to reflect the current value of the swap. These upfront premiums are recorded as realized gain (loss) on the Statement of Operations upon termination or maturity of the swap. A liquidation payment received or made at the termination of the swap is recorded as realized gain (loss) on the Statement of Operations. Net periodic payments received or paid by the Portfolio are included as part of realized gain (loss) on the Statement of Operations.

For purposes of applying certain of the Portfolio's investment policies and restrictions, swap agreements, like other derivative instruments, may be valued by the Portfolio at market value, notional value or full exposure value. In the case of a credit default swap, in applying certain of the Portfolio's investment policies and restrictions, the Portfolio will value the credit default swap at its notional value or its full exposure value (i.e., the sum of the notional amount for the contract plus the market value), but may value the credit default swap at market value for purposes of applying certain of the Portfolio's other investment policies and restrictions. For example, the Portfolio may value credit default swaps at full exposure value for purposes of the Portfolio's credit quality guidelines (if any) because such value in general better reflects the Portfolio's actual economic exposure during the term of the credit default swap agreement. As a result, the Portfolio may, at times, have notional exposure to an asset class (before netting) that is greater or lesser than the stated limit or restriction noted in the Portfolio's prospectus. In this context, both the notional amount and the market value may be positive or negative depending on whether the Portfolio is selling or buying protection through the credit default swap. The manner in which certain securities or other instruments are valued by the Portfolio for purposes of applying investment policies and restrictions may differ from the manner in which those investments are valued by other types of investors.

Entering into swap agreements involves, to varying degrees, elements of interest, credit, market and documentation risk in excess of the amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of contractual terms in the agreements and that there may be unfavorable changes in interest rates or the values of the asset upon which the swap is based.

The Portfolio's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that amount is positive. The risk may be mitigated by having a master netting arrangement between the Portfolio and the counterparty and by the posting of collateral to the Portfolio to cover the Portfolio's exposure to the counterparty.

To the extent the Portfolio has a policy to limit the net amount owed to or to be received from a single counterparty under existing swap agreements, such limitation only applies to counterparties to OTC swaps and does not apply to centrally cleared swaps where the counterparty is a central counterparty or derivatives clearing organization.

Credit Default Swap Agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues are entered into to provide a measure of protection against defaults of the issuers (i.e., to reduce risk where the Portfolio owns or has exposure to the referenced obligation) or to take an active long or short position with respect to the likelihood of a particular issuer's default. Credit default swap agreements involve one party making a stream of payments (referred to as the buyer of protection) to another party (the seller of protection) in exchange for the right to receive a specified return in the event that the referenced entity, obligation or index, as specified in the swap agreement, undergoes a certain credit event. As a seller of protection on credit default swap agreements, the Portfolio will generally receive from the buyer of protection a fixed rate of income throughout the term of the swap provided that there is no credit event. As the seller, the Portfolio would effectively add leverage to its portfolio because, in addition to its total net assets, the Portfolio would be subject to investment exposure on the notional amount of the swap.

If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. If the Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. Recovery values are estimated by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified valuation method, are used to calculate the settlement value. The ability to deliver other obligations may result in a cheapest-to-deliver option (the buyer of protection's right to choose the deliverable obligation with the lowest value following a credit event).

Credit default swap agreements on credit indices involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising the credit index. A credit index is a basket of credit instruments or exposures designed to be representative of some part of the credit market as a whole. These indices are made up of reference credits that are judged by a poll of dealers to be the most liquid entities in the credit default swap market based on the sector of the index. Components of the indices may include, but are not limited to, investment grade securities, high yield securities, asset-backed securities, emerging markets, and/or various credit ratings within each sector. Credit indices are traded using credit default swaps with standardized terms including a fixed spread and standard maturity dates. An index credit default swap references all the names in the index, and if there is a default, the credit event is settled based on that name's weight in the index. The composition of the indices changes periodically, usually every six months, and for most indices, each name has an equal weight in the index. The Portfolio may use credit default swaps on credit indices to hedge a portfolio of credit default swaps or bonds, which is less expensive than it would be to buy many credit default swaps to achieve a similar effect. Credit default swaps on indices are instruments for protecting investors owning bonds against default, and traders use them to speculate on changes in credit quality.

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues as of period end, if any, are disclosed in the Notes to Schedule of Investments. They serve as an indicator of the current status of payment/performance risk and represent the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values serve as the indicator of the current status of the payment/performance risk. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

The maximum potential amount of future payments (undiscounted) that the Portfolio as a seller of protection could be required to make under a credit default swap agreement equals the notional amount of the agreement. Notional amounts of each individual credit default swap agreement outstanding as of period end for which the Portfolio is the seller of protection are disclosed in the Notes to Schedule of Investments. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Portfolio for the same referenced entity or entities.

Interest Rate Swap Agreements may be entered into to help hedge against interest rate risk exposure and to maintain the Portfolio's ability to generate income at prevailing market rates. The value of the fixed rate bonds that the Portfolio holds may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, the Portfolio may enter into interest rate swap agreements. Interest rate swap agreements involve the exchange by the Portfolio with another party for their respective commitment to pay or receive interest on the notional amount of principal. Certain forms of interest rate swap agreements may include: (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap", (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor", (iii) interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels, (iv) callable interest rate swaps, under which the buyer pays an upfront fee in consideration for the right to early terminate the swap transaction in whole, at zero cost and at a predetermined date and time prior to the maturity date, (v) spreadlocks, which allow the interest rate swap users to lock in the forward differential (or spread) between the interest rate swap rate and a specified benchmark, or (vi) basis swaps, under which two parties can exchange variable interest rates based on different segments of money markets.

7. PRINCIPAL RISKS

The principal risks of investing in the Portfolio, which could adversely affect its net asset value, yield and total return, are listed below. Please see "Description of Principal Risks" in the Portfolio's prospectus for a more detailed description of the risks of investing in the Portfolio.

Interest Rate Risk is the risk that fixed income securities will decline in value because of an increase in interest rates; a portfolio with a longer average portfolio duration will be more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration.

Call Risk is the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (*e.g.,* declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Portfolio has invested in, the Portfolio may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

Credit Risk is the risk that the Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to meet its financial obligations.

High Yield Risk is the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity.

Market Risk is the risk that the value of securities owned by the Portfolio may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

Issuer Risk is the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Liquidity Risk is the risk that a particular investment may be difficult to purchase or sell and that the Portfolio may be unable to sell illiquid investments at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.

Derivatives Risk is the risk of investing in derivative instruments (such as futures, swaps and structured securities), including leverage, liquidity, interest rate, market, credit and management risks, mispricing or valuation complexity. Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Portfolio could lose more than the initial amount invested. The Portfolio's use of derivatives may result in losses to the Portfolio, a reduction in the Portfolio's returns and/or increased volatility. Over-the-counter ("OTC") derivatives are also subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally-cleared derivative transactions might not be available for OTC derivatives. For derivatives traded on an exchange or through a central counterparty, credit risk resides with the Portfolio's clearing broker, or the clearinghouse itself, rather than with a counterparty in an OTC derivative transaction. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact the Portfolio's ability to invest in derivatives, limit the Portfolio's ability to employ certain strategies that use derivatives and/or adversely affect the value of derivatives and the Portfolio's performance.

Equity Risk is the risk that the value of equity securities, such as common stocks and preferred securities, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

Mortgage-Related and Other Asset-Backed Securities Risk is the risk of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk and credit risk.

Foreign (Non-U.S.) Investment Risk is the risk that investing in foreign (non-U.S.) securities may result in the Portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.

Emerging Markets Risk is the risk of investing in emerging market securities, primarily increased foreign (non-U.S.) investment risk.

Sovereign Debt Risk is the risk that investments in fixed income instruments issued by sovereign entities may decline in value as a result of default or other adverse credit event resulting from an issuer's inability or unwillingness to make principal or interest payments in a timely fashion.

Currency Risk is the risk that foreign (non-U.S.) currencies will change in value relative to the U.S. dollar and affect the Portfolio's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies.

Leveraging Risk is the risk that certain transactions of the Portfolio, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Portfolio to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.

Management Risk is the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to PIMCO and the individual portfolio managers in connection with managing the Portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved.

Short Exposure Risk is the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale will not fulfill its contractual obligations, causing a loss to the Portfolio.

8. MASTER NETTING ARRANGEMENTS

The Portfolio may be subject to various netting arrangements ("Master Agreements") with select counterparties. Master Agreements govern the terms of certain transactions, and are intended to reduce the counterparty risk associated with relevant transactions by specifying credit protection mechanisms and providing standardization that is intended to improve legal certainty. Each type of Master Agreement governs certain types of transactions. Different types of transactions may be traded out of different legal entities or affiliates of a particular organization, resulting in the need for multiple agreements with a single counterparty. As the Master Agreements are specific to unique operations of different asset types, they allow the Portfolio to close out and net its total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single Master Agreement with a counterparty. For financial reporting purposes the Statement of Assets and Liabilities generally presents derivative assets and liabilities on a gross basis, which reflects the full risks and exposures prior to netting.

Master Agreements can also help limit counterparty risk by specifying collateral posting arrangements at pre-arranged exposure levels. Under most Master Agreements, collateral is routinely transferred if the total net exposure to certain transactions (net of existing collateral already in place) governed under the relevant Master Agreement with a counterparty in a given account exceeds a specified threshold, which typically ranges from zero to $250,000 depending on the counterparty and the type of Master Agreement. United States Treasury Bills and U.S. dollar cash are generally the preferred forms of collateral, although other securities may be used depending on the terms outlined in the applicable Master Agreement. Securities and cash pledged as collateral are reflected as assets on the Statement of Assets and Liabilities as either a component of Investments at value (securities) or Deposits with counterparty. Cash collateral received is not typically held in a segregated account and as such is reflected as a liability on the Statement of Assets and Liabilities as Deposits from counterparty. The market value of any securities received as collateral is not reflected as a component of NAV. The Portfolio's overall exposure to counterparty risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

Master Repurchase Agreements and Global Master Repurchase Agreements (individually and collectively "Master Repo Agreements") govern repurchase, reverse repurchase, and certain sale-buyback transactions between the Portfolio and select counterparties. Master Repo Agreements maintain provisions for, among other things, initiation, income payments, events of default, and maintenance of collateral. The market value of transactions under the Master Repo Agreement, collateral pledged or received, and the net exposure by counterparty as of period end are disclosed in the Notes to Schedule of Investments.

Master Securities Forward Transaction Agreements ("Master Forward Agreements") govern certain forward settling transactions, such as TBA securities, delayed-delivery or certain sale-buyback transactions by and between the Portfolio and select counterparties. The Master Forward Agreements maintain provisions for, among other things, transaction initiation and confirmation, payment and transfer, events of default, termination, and maintenance of collateral. The market value of forward settling transactions, collateral pledged or received, and the net exposure by counterparty as of period end is disclosed in the Notes to Schedule of Investments.

Customer Account Agreements and related addenda govern cleared derivatives transactions such as futures, options on futures, and cleared OTC derivatives. Such transactions require posting of initial margin as determined by each relevant clearing agency which is segregated in an account at a futures commission merchant ("FCM") registered with the Commodity Futures Trading Commission. In the United States, counterparty risk may be reduced as creditors of an FCM cannot have a claim to Portfolio assets in the segregated account. Portability of exposure reduces risk to the Portfolio. Variation margin, or changes in market value, are generally exchanged daily, but may not be netted between futures and cleared OTC derivatives unless the parties have agreed to a separate arrangement in respect of portfolio margining. The market value or accumulated unrealized appreciation (depreciation), initial margin posted, and any unsettled variation margin as of period end are disclosed in the Notes to Schedule of Investments.

Prime Broker Arrangements may be entered into to facilitate execution and/or clearing of listed equity option transactions or short sales of equity securities between the Portfolio and selected counterparties. The arrangements provide guidelines surrounding the rights, obligations, and other events, including, but not limited to, margin, execution, and settlement. These agreements maintain provisions for, among other things, payments, maintenance of collateral, events of default, and termination. Margin and other assets delivered as collateral are typically in the possession of the prime broker and would offset any obligations due to the prime broker. The market values of listed options and securities sold short and related collateral are disclosed in the Notes to Schedule of Investments.

International Swaps and Derivatives Association, Inc. Master Agreements and Credit Support Annexes ("ISDA Master Agreements") govern bilateral OTC derivative transactions entered into by the Portfolio with select counterparties. ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral posting and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to terminate early could be material to the financial statements. In limited circumstances, the ISDA Master Agreement may contain additional provisions that add counterparty protection beyond coverage of existing daily exposure if the counterparty has a decline in credit quality below a predefined level. These amounts, if any, may be segregated with a third-party custodian. The market value of OTC financial derivative instruments, collateral received or pledged, and net exposure by counterparty as of period end are disclosed in the Notes to Schedule of Investments.

9. FEES AND EXPENSES

(a) Investment Advisory Fee PIMCO is a majority-owned subsidiary of Allianz Asset Management of America L.P. ("Allianz Asset Management") and serves as the Adviser to the Trust, pursuant to an investment advisory contract. The Adviser receives a monthly fee from the Portfolio at an annual rate based on average daily net assets (the "Investment Advisory Fee"). The Investment Advisory Fee for all classes is charged at an annual rate as noted in the table in note (b) below.

(b) Supervisory and Administrative Fee PIMCO serves as administrator (the "Administrator") and provides supervisory and administrative services to the Trust for which it receives a monthly supervisory and administrative fee based on each share class's average daily net assets (the "Supervisory and Administrative Fee"). As the Administrator, PIMCO bears the costs of various third-party services, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs.

The Investment Advisory Fee and Supervisory and Administrative Fees for all classes, as applicable, are charged at the annual rate as noted in the following table (calculated as a percentage of the Portfolio's average daily net assets attributable to each class):

Investment Advisory Fee	Supervisory and Administrative Fee		
All Classes	Institutional Class	Administrative Class	Advisor Class
0.25%	0.25%	0.25%	0.25%

(c) Distribution and Servicing Fees PIMCO Investments LLC, a wholly-owned subsidiary of PIMCO, serves as the distributor ("Distributor") of the Trust's shares.

The Trust has adopted an Administrative Services Plan with respect to the Administrative Class shares of the Portfolio pursuant to Rule 12b-1 under the Act (the "Administrative Plan"). Under the terms of the Administrative Plan, the Trust is permitted to compensate the Distributor, out of the Administrative Class assets of the Portfolio, in an amount up to 0.15% on an annual basis of the average daily net assets of that class, for providing or procuring through financial intermediaries administrative, recordkeeping and investor services for Administrative Class shareholders of the Portfolio.

The Trust has adopted a separate Distribution and Servicing Plan for the Advisor Class shares of the Portfolio (the "Distribution and Servicing Plan"). The Distribution and Servicing Plan has been adopted pursuant to Rule 12b-1 under the Act. The Distribution and Servicing Plan permits the Portfolio to compensate the Distributor for providing or procuring through financial intermediaries, distribution, administrative, recordkeeping, shareholder and/or related services with respect to Advisor Class shares. The Distribution and Servicing Plan permits the Portfolio to make total payments at an annual rate of up to 0.25% of its average daily net assets attributable to its Advisor Class shares.

	Distribution Fee	Servicing Fee
Administrative Class	—	0.15%
Advisor Class	0.25%	—

(d) Portfolio Expenses PIMCO provides or procures supervisory and administrative services for shareholders and also bears the costs of various third-party services required by the Portfolio, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Trust is responsible for the following expenses: (i) taxes and governmental fees; (ii) brokerage fees and commissions and other portfolio transaction expenses; (iii) the costs of borrowing money, including interest expense; (iv) fees and expenses of the Trustees who are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit, except for PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio; (v) extraordinary expense, including costs of litigation and indemnification expenses; (vi) organizational expenses; and (vii) any expenses allocated or allocable to a specific class of shares, which include service fees payable with respect to the Administrative Class Shares, and may include certain other expenses as permitted by the Trust's Multi-Class Plan adopted pursuant to Rule 18f-3 under the Act and subject to review and approval by the Trustees. The ratio of expenses to average net assets per share class, as disclosed on the Financial Highlights, may differ from the annual portfolio operating expenses per share class.

The Trust pays no compensation directly to any Trustee or any other officer who is affiliated with the Administrator, all of whom receive remuneration for their services to the Trust from the Administrator or its affiliates.

(e) Expense Limitation Pursuant to the Expense Limitation Agreement, PIMCO has agreed to waive a portion of the Portfolio's Supervisory and Administrative Fee, or reimburse the Portfolio, to the extent that the Portfolio's organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata share of Trustee Fees exceed 0.0049%, the "Expense Limit" (calculated as a percentage of the Portfolio's average daily net assets attributable to each class). The Expense Limitation Agreement will automatically renew for one-year terms unless PIMCO provides written notice to the Trust at least 30 days prior to the end of the then current term.

In any month in which the investment advisory contract or supervision and administration agreement is in effect, PIMCO is entitled to reimbursement by the Portfolio of any portion of the supervisory and administrative fee waived or reimbursed as set forth above (the "Reimbursement Amount") during the previous thirty-six months from the time of the waiver, provided that such amount paid to PIMCO will not: i) together with any organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata Trustee fees, exceed, for such month, the Expense Limit (or the amount of the expense limit in place at the time the amount being recouped was originally waived if lower than the Expense Limit); ii) exceed the total Reimbursement Amount; or iii) include any amounts previously reimbursed to PIMCO. At December 31, 2019, there were no recoverable amounts.

10. RELATED PARTY TRANSACTIONS

The Adviser, Administrator, and Distributor are related parties. Fees paid to these parties are disclosed in Note 9, Fees and Expenses, and the accrued related party fee amounts are disclosed on the Statement of Assets and Liabilities.

The Portfolio is permitted to purchase or sell securities from or to certain related affiliated portfolios under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Portfolio from or to another fund or portfolio that are, or could be, considered an affiliate, or an affiliate of an affiliate, by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 under the Act. Further, as defined under the procedures, each transaction is effected at the current market price. Purchases and sales of securities pursuant to Rule 17a-7 under the Act for the period ended December 31, 2019, were as follows (amounts in thousands†):

Purchase	Sales
$ 13,281	$ 54,656

† A zero balance may reflect actual amounts rounding to less than one thousand.

11. GUARANTEES AND INDEMNIFICATIONS

Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust (including the Trust's investment manager) is indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Portfolio. Additionally, in the normal course of business, the Portfolio enters into contracts that contain a variety of indemnification clauses. The Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolio that have not yet occurred. However, the Portfolio has not had prior claims or losses pursuant to these contracts.

12. PURCHASES AND SALES OF SECURITIES

The length of time the Portfolio has held a particular security is not generally a consideration in investment decisions. A change in the securities held by the Portfolio is known as "portfolio turnover." The Portfolio may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover may involve correspondingly greater transaction costs, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities, which are borne by the Portfolio. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are generally taxed at ordinary income tax rates when distributed to shareholders). The transaction costs associated with portfolio turnover may adversely affect the Portfolio's performance. The portfolio turnover rates are reported in the Financial Highlights.

Purchases and sales of securities (excluding short-term investments) for the period ended December 31, 2019, were as follows (amounts in thousands†):

U.S. Government/Agency		All Other	
Purchases	Sales	Purchases	Sales
$ 5,875,053	$ 5,888,864	$ 247,701	$ 446,924

† A zero balance may reflect actual amounts rounding to less than one thousand.

13. SHARES OF BENEFICIAL INTEREST

The Trust may issue an unlimited number of shares of beneficial interest with a $0.001 par value. Changes in shares of beneficial interest were as follows (shares and amounts in thousands†):

	Year Ended 12/31/2019		Year Ended 12/31/2018	
	Shares	Amount	Shares	Amount
Receipts for shares sold				
Institutional Class	968	$ 9,836	704	$ 7,161
Administrative Class	17,957	182,695	21,599	218,880
Advisor Class	9,893	100,593	12,624	128,015
Issued as reinvestment of distributions				
Institutional Class	29	293	27	269
Administrative Class	2,856	29,078	2,322	23,503
Advisor Class	1,976	20,125	1,364	13,801
Cost of shares redeemed				
Institutional Class	(724)	(7,349)	(1,379)	(13,956)
Administrative Class	(40,939)	(415,268)	(29,282)	(296,700)
Advisor Class	(13,061)	(132,691)	(13,197)	(133,730)
Net increase (decrease) resulting from Portfolio share transactions	(21,045)	$ (212,688)	(5,218)	$ (52,757)

† A zero balance may reflect actual amounts rounding to less than one thousand.

As of December 31, 2019, two shareholders each owned 10% or more of the Portfolio's total outstanding shares comprising 43% of the Portfolio.

14. REGULATORY AND LITIGATION MATTERS

The Portfolio is not named as a defendant in any material litigation or arbitration proceedings and is not aware of any material litigation or claim pending or threatened against it.

The foregoing speaks only as of the date of this report.

15. FEDERAL INCOME TAX MATTERS

The Portfolio intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the "Code") and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

The Portfolio may be subject to local withholding taxes, including those imposed on realized capital gains. Any applicable foreign capital gains tax is accrued daily based upon net unrealized gains, and may be payable following the sale of any applicable investments.

In accordance with U.S. GAAP, the Adviser has reviewed the Portfolio's tax positions for all open tax years. As of December 31, 2019, the Portfolio has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

The Portfolio files U.S. federal, state, and local tax returns as required. The Portfolio's tax returns are subject to examination by relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Shares of the Portfolio currently are sold to segregated asset accounts ("Separate Accounts") of insurance companies that fund variable annuity contracts and variable life insurance policies ("Variable Contracts"). Please refer to the prospectus for the Separate Account and Variable Contract for information regarding Federal income tax treatment of distributions to the Separate Account.

As of December 31, 2019, the components of distributable taxable earnings are as follows (amounts in thousands[†]):

	Undistributed Ordinary Income[(1)]	Undistributed Long-Term Capital Gains	Net Tax Basis Unrealized Appreciation/ (Depreciation)[(2)]	Other Book-to-Tax Accounting Differences[(3)]	Accumulated Capital Losses[(4)]	Qualified Late-Year Loss Deferral - Capital[(5)]	Qualified Late-Year Loss Deferral - Ordinary[(6)]
PIMCO Low Duration Portfolio	$ 0	$ 0	$ 13,065	$ 0	$ (53,838)	$ 0	$ 0

† A zero balance may reflect actual amounts rounding to less than one thousand.

(1) Includes undistributed short-term capital gains, if any.

(2) Adjusted for open wash sale loss deferrals and the accelerated recognition of unrealized gain or loss on certain futures, options and forward contracts for federal income tax, purposes. Also adjusted for differences between book and tax realized and unrealized gain (loss) on swap contracts, straddle loss deferrals, and Lehman securities.

(3) Represents differences in income tax regulations and financial accounting principles generally accepted in the United States of America.

(4) Capital losses available to offset future net capital gains expire in varying amounts as shown below.

(5) Capital losses realized during the period November 1, 2019 through December 31, 2019 which the Portfolio elected to defer to the following taxable year pursuant to income tax regulations.

(6) Specified losses realized during the period November 1, 2019 through December 31, 2019 which the Portfolio elected to defer to the following taxable year pursuant to income tax regulations.

Under the Regulated Investment Company Modernization Act of 2010, a portfolio is permitted to carry forward any new capital losses for an unlimited period. Additionally, such capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term under previous law.

As of December 31, 2019, the Portfolio had the following post-effective capital losses with no expiration (amounts in thousands[†]):

	Short-Term	Long-Term
PIMCO Low Duration Portfolio	$ 25,839	$ 27,999

† A zero balance may reflect actual amounts rounding to less than one thousand.

As of December 31, 2019, the aggregate cost and the net unrealized appreciation/(depreciation) of investments for federal income tax purposes are as follows (amounts in thousands†):

	Federal Tax Cost	Unrealized Appreciation	Unrealized (Depreciation)	Net Unrealized Appreciation/ (Depreciation)[7]
PIMCO Low Duration Portfolio	$ 1,881,259	$ 38,892	$ (25,824)	$ 13,068

† A zero balance may reflect actual amounts rounding to less than one thousand.
(7) Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) on investments are attributable to open wash sale loss deferrals, unrealized gain or loss on certain futures, options and forward contracts, realized and unrealized gain (loss) swap contracts, straddle loss deferrals, and Lehman securities.

For the fiscal year ended December 31, 2019 and December 31, 2018, respectively, the Portfolio made the following tax basis distributions (amounts in thousands†):

	December 31, 2019			December 31, 2018		
	Ordinary Income Distributions[8]	Long-Term Capital Gain Distributions	Return of Capital[9]	Ordinary Income Distributions[8]	Long-Term Capital Gain Distributions	Return of Capital[9]
PIMCO Low Duration Portfolio	$ 39,180	$ 0	$ 10,316	$ 37,573	$ 0	$ 0

† A zero balance may reflect actual amounts rounding to less than one thousand.
(8) Includes short-term capital gains distributed, if any.
(9) A portion of the distributions made represents a tax return of capital. Return of capital distributions have been reclassified from undistributed net investment income to paid-in capital to more appropriately conform financial accounting to tax accounting.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of PIMCO Variable Insurance Trust and Shareholders of PIMCO Low Duration Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of PIMCO Low Duration Portfolio (one of the portfolios constituting PIMCO Variable Insurance Trust, hereafter referred to as the "Portfolio") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on the Portfolio's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Kansas City, Missouri

February 20, 2020

We have served as the auditor of one or more investment companies in PIMCO Variable Insurance Trust since 1998.

Glossary: (abbreviations that may be used in the preceding statements)

(Unaudited)

Counterparty Abbreviations:

BOA	Bank of America N.A.	**CBK**	Citibank N.A.	**HUS**	HSBC Bank USA N.A.
BOM	Bank of Montreal	**DEU**	Deutsche Bank Securities, Inc.	**JPM**	JP Morgan Chase Bank N.A.
BPS	BNP Paribas S.A.	**DUB**	Deutsche Bank AG	**MYI**	Morgan Stanley & Co. International PLC
BRC	Barclays Bank PLC	**FICC**	Fixed Income Clearing Corporation	**SOG**	Societe Generale Paris
BSH	Banco Santander S.A. - New York Branch	**GLM**	Goldman Sachs Bank USA	**TOR**	The Toronto-Dominion Bank
BSN	The Bank of Nova Scotia - Toronto	**GRE**	NatWest Markets Securities Inc.	**UAG**	UBS AG Stamford

Currency Abbreviations:

ARS	Argentine Peso	**EUR**	Euro	**MYR**	Malaysian Ringgit
AUD	Australian Dollar	**GBP**	British Pound	**THB**	Thai Baht
BRL	Brazilian Real	**JPY**	Japanese Yen	**TRY**	Turkish New Lira
CNH	Chinese Renminbi (Offshore)	**MXN**	Mexican Peso	**USD (or $)**	United States Dollar

Exchange Abbreviations:

CBOT	Chicago Board of Trade	**OTC**	Over the Counter

Index/Spread Abbreviations:

BADLARPP	Argentina Badlar Floating Rate Notes	**BP0003M**	3 Month GBP-LIBOR	**LIBOR03M**	3 Month USD-LIBOR
BBSW3M	3 Month Bank Bill Swap Rate	**EUR003M**	3 Month EUR Swap Rate	**US0003M**	3 Month USD Swap Rate

Other Abbreviations:

ALT	Alternate Loan Trust	**EURIBOR**	Euro Interbank Offered Rate	**OAT**	Obligations Assimilables du Trésor
BBSW	Bank Bill Swap Reference Rate	**LIBOR**	London Interbank Offered Rate	**TBA**	To-Be-Announced
BTP	Buoni del Tesoro Poliennali	**Lunar**	Monthly payment based on 28-day periods. One year consists of 13 periods.	**TIIE**	Tasa de Interés Interbancaria de Equilibrio "Equilibrium Interbank Interest Rate"
CLO	Collateralized Loan Obligation				

Federal Income Tax Information

As required by the Internal Revenue Code (the "Code") and Treasury Regulations, if applicable, shareholders must be notified regarding the status of qualified dividend income and the dividend received deduction.

Dividend Received Deduction. Corporate shareholders are generally entitled to take the dividend received deduction on the portion of a Portfolio's dividend distribution that qualifies under tax law. The percentage of the following Portfolio's fiscal 2019 ordinary income dividend that qualifies for the corporate dividend received deduction is set forth in the table below.

Qualified Dividend Income. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), the percentage of ordinary dividends paid during the calendar year designated as "qualified dividend income", as defined in the Act, subject to reduced tax rates in 2019 is set forth for the Fund in the table below.

Qualified Interest Income and Qualified Short-Term Capital Gain (for non-U.S. resident shareholders only). Under the American Jobs Creation Act of 2004, the amounts of ordinary dividends paid during the fiscal year ended December 31, 2019 considered to be derived from "qualified interest income," as defined in Section 871(k)(1)(E) of the Code, and therefore designated as interest-related dividends, as defined in Section 871(k)(1)(C) of the Code are set forth in the table below. Further, the amounts of ordinary dividends paid during the fiscal year ended December 31, 2019 considered to be derived from "qualified short-term capital gain," as defined in Section 871(k)(2)(D) of the Code, and therefore designated as qualified short-term gain dividends, as defined by Section 871(k)(2)(C) of the Code are also set forth in the table below.

	Dividend Received Deduction %	Qualified Dividend Income %	Qualified Interest Income (000s†)	Qualified Short-Term Capital Gain (000s†)
PIMCO Low Duration Portfolio	0.00%	0.00%	$ 33,366	$ 0

† A zero balance may reflect actual amounts rounding to less than one thousand.

Shareholders are advised to consult their own tax advisor with respect to the tax consequences of their investment in the Trust. In January 2020, you will be advised on IRS Form 1099-DIV as to the federal tax status of the dividends and distributions received by you in calendar year 2019.

Management of the Trust

The charts below identify the Trustees and executive officers of the Trust. Unless otherwise indicated, the address of all persons below is 650 Newport Center Drive, Newport Beach, CA 92660.

The Portfolio's Statement of Additional Information includes more information about the Trustees and Officers. To request a free copy, call PIMCO at (888) 87-PIMCO or visit the Portfolio's website at www.pimco.com/pvit.

Name, Year of Birth and Position Held with Trust*	Term of Office and Length of Time Served†	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Public Company and Investment Company Directorships Held by Trustee During the Past 5 Years
Interested Trustees[1]				
Peter G. Strelow (1970) *Chairman of the Board and Trustee*	05/2017 to present Chairman of the Board - 02/2019 to present	Managing Director and Co-Chief Operating Officer, PIMCO. President of the Trust, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Chief Administrative Officer, PIMCO.	149	Chairman and Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT.
Brent R. Harris (1959) *Trustee*	08/1997 to present	Managing Director, PIMCO. Senior Vice President of the Trust, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, member of Executive Committee, PIMCO.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT; Director, StocksPLUS® Management, Inc; and member of Board of Governors, Investment Company Institute. Formerly, Chairman, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT.
Independent Trustees				
George E. Borst (1948) *Trustee*	04/2015 to present	Executive Advisor, McKinsey & Company (since 10/14); Formerly, Executive Advisor, Toyota Financial Services (10/13-12/14); and CEO, Toyota Financial Services (1/01-9/13).	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, MarineMax Inc.
Jennifer Holden Dunbar (1963) *Trustee*	04/2015 to present	Managing Director, Dunbar Partners, LLC (business consulting and investments). Formerly, Partner, Leonard Green & Partners, L.P.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, PS Business Parks; Director, Big 5 Sporting Goods Corporation.
Kym M. Hubbard (1957) *Trustee*	02/2017 to present	Formerly, Global Head of Investments, Chief Investment Officer and Treasurer, Ernst & Young.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, State Auto Financial Corporation.
Gary F. Kennedy (1955) *Trustee*	04/2015 to present	Formerly, Senior Vice President, General Counsel and Chief Compliance Officer, American Airlines and AMR Corporation (now American Airlines Group) (1/03-1/14).	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Peter B. McCarthy (1950) *Trustee*	04/2015 to present	Formerly, Assistant Secretary and Chief Financial Officer, United States Department of Treasury; Deputy Managing Director, Institute of International Finance.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Ronald C. Parker (1951) *Lead Independent Trustee*	07/2009 to present Lead Independent Trustee - 02/2017 to present	Director of Roseburg Forest Products Company. Formerly, Chairman of the Board, The Ford Family Foundation; and President, Chief Executive Officer, Hampton Affiliates (forestry products).	149	Lead Independent Trustee, PIMCO Funds and PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.

* Unless otherwise noted, the information for the individuals listed is as of December 31, 2019.

[1] Mr. Harris and Mr. Strelow are "interested persons" of the Trust (as that term is defined in the 1940 Act) because of their affiliations with PIMCO.

† Trustees serve until their successors are duly elected and qualified.

Executive Officers

Name, Year of Birth and Position Held with Trust*	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years†
Eric D. Johnson (1970) *President*	06/2019 to present	Executive Vice President, PIMCO. President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
David C. Flattum (1964) *Chief Legal Officer*	05/2019 to present	Managing Director and General Counsel, PIMCO. Chief Legal Officer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Managing Director, Chief Operating Officer and General Counsel, Allianz Asset Management of America L.P.
Keisha Audain-Pressley (1975)** *Chief Compliance Officer*	01/2020 to present	Executive Vice President and Deputy Chief Compliance Officer, PIMCO. Chief Compliance Officer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brent R. Harris (1959) *Senior Vice President*	03/2010 to present	Managing Director, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, member of Executive Committee, PIMCO.
Joshua D. Ratner (1976)** *Senior Vice President*	05/2019 to present	Executive Vice President and Head of U.S. Operations, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Peter G. Strelow (1970) *Senior Vice President*	06/2019 to present	Managing Director and Co-Chief Operating Officer, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Chief Administrative Officer, PIMCO.
Ryan G. Leshaw (1980) *Vice President, Senior Counsel and Secretary*	11/2018 to present	Senior Vice President and Senior Counsel, PIMCO. Vice President, Senior Counsel and Secretary, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Chief Legal Officer, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Associate, Willkie Farr & Gallagher LLP.
Wu-Kwan Kit (1981) *Assistant Secretary*	08/2017 to present	Senior Vice President and Senior Counsel, PIMCO. Assistant Secretary, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Vice President, Senior Counsel and Secretary, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Assistant General Counsel, VanEck Associates Corp.
Stacie D. Anctil (1969) *Vice President*	05/2015 to present	Executive Vice President, PIMCO. Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brian J. Pittluck (1977) *Vice President*	01/2020 to present	Senior Vice President, PIMCO. Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Bradley A. Todd (1960) *Treasurer*	06/2019 to present	Senior Vice President, PIMCO. Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Consultant, EY.
Bijal Y. Parikh (1978) *Deputy Treasurer*	01/2020 to present	Senior Vice President, PIMCO. Deputy Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Assistant Treasurer, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Erik C. Brown (1967)** *Assistant Treasurer*	02/2001 to present	Executive Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brandon T. Evans (1982) *Assistant Treasurer*	05/2019 to present	Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Colleen D. Miller (1980)** *Assistant Treasurer*	02/2017 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Christopher M. Morin (1980) *Assistant Treasurer*	08/2016 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Jason J. Nagler (1982)** *Assistant Treasurer*	05/2015 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
H. Jessica Zhang (1973)** *Assistant Treasurer*	01/2020 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.

* Unless otherwise noted, the information for the individuals listed is as of January 1, 2020.

† The term "PIMCO-Sponsored Closed-End Funds" as used herein includes: PIMCO California Municipal Income Fund, PIMCO California Municipal Income Fund II, PIMCO California Municipal Income Fund III, PIMCO Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO New York Municipal Income Fund, PIMCO New York Municipal Income Fund II, PIMCO New York Municipal Income Fund III, PCM Fund Inc., PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO Dynamic Credit and Mortgage Income Fund, PIMCO Dynamic Income Fund, PIMCO Energy and Tactical Credit Opportunities Fund, PIMCO Global StocksPLUS® & Income Fund, PIMCO High Income Fund, PIMCO Income Opportunity Fund, PIMCO Income Strategy Fund, PIMCO Income Strategy Fund II and PIMCO Strategic Income Fund, Inc.; the term "PIMCO-Sponsored Interval Funds" as used herein includes: PIMCO Flexible Credit Income Fund and PIMCO Flexible Municipal Income Fund.

** The address of these officers is Pacific Investment Management Company LLC, 1633 Broadway, New York, New York 10019.

Privacy Policy[1]

The Trust[2,3] considers customer privacy to be a fundamental aspect of its relationships with shareholders and is committed to maintaining the confidentiality, integrity and security of its current, prospective and former shareholders' non-public personal information. The Trust has developed policies that are designed to protect this confidentiality, while allowing shareholder needs to be served.

OBTAINING PERSONAL INFORMATION

In the course of providing shareholders with products and services, the Trust and certain service providers to the Trust, such as the Trust's investment advisers or sub-advisers ("Advisers"), may obtain non-public personal information about shareholders, which may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from shareholder transactions, from a shareholder's brokerage or financial advisory firm, financial advisor or consultant, and/or from information captured on applicable websites.

RESPECTING YOUR PRIVACY

As a matter of policy, the Trust does not disclose any non-public personal information provided by shareholders or gathered by the Trust to non-affiliated third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the Trust. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on shareholder satisfaction and gathering shareholder proxies. The Trust or its affiliates may also retain non-affiliated companies to market the Trust's shares or products which use the Trust's shares and enter into joint marketing arrangements with them and other companies. These companies may have access to a shareholder's personal and account information, but are permitted to use this information solely to provide the specific service or as otherwise permitted by law. In most cases, the shareholders will be clients of a third party, but the Trust may also provide a shareholder's personal and account information to the shareholder's respective brokerage or financial advisory firm and/or financial advisor or consultant.

SHARING INFORMATION WITH THIRD PARTIES

The Trust reserves the right to disclose or report personal or account information to non-affiliated third parties in limited circumstances where the Trust believes in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect its rights or property, or upon reasonable request by any fund advised by PIMCO in which a shareholder has invested. In addition, the Trust may disclose information about a shareholder or a shareholder's accounts to a non-affiliated third party at the shareholder's request or with the consent of the shareholder.

SHARING INFORMATION WITH AFFILIATES

The Trust may share shareholder information with its affiliates in connection with servicing shareholders' accounts, and subject to applicable law may provide shareholders with information about products and services that the Trust or its Advisers, distributors or their affiliates ("Service Affiliates") believe may be of interest to such shareholders. The information that the Trust may share may include, for example, a shareholder's participation in the Trust or in other investment programs sponsored by a Service Affiliate, a shareholder's ownership of certain types of accounts (such as IRAs), information about the Trust's experiences or transactions with a shareholder, information captured on applicable websites, or other data about a shareholder's accounts, subject to applicable law. The Trust's Service Affiliates, in turn, are not permitted to share shareholder information with non-affiliated entities, except as required or permitted by law.

PROCEDURES TO SAFEGUARD PRIVATE INFORMATION

The Trust takes seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Trust has implemented procedures that are designed to restrict access to a shareholder's non-public personal information to internal personnel who need to know that information to perform their jobs, such as servicing shareholder accounts or notifying shareholders of new products or services. Physical, electronic and procedural safeguards are in place to guard a shareholder's non-public personal information.

INFORMATION COLLECTED FROM WEBSITES

Websites maintained by the Trust or its service providers may use a variety of technologies to collect information that help the Trust and its service providers understand how the website is used. Information collected from your web browser (including small files stored on your device that are commonly referred to as "cookies") allow the websites to recognize your web browser and help to personalize and improve your user experience and enhance navigation of the website. In addition, the Trust or its Service Affiliates may use third parties to place advertisements for the Trust on other websites, including banner advertisements. Such third parties may collect anonymous information through the use of cookies or action tags (such as web beacons). The information these third parties collect is generally limited to technical and web navigation information, such as your IP address, web pages visited and browser type, and does not include personally identifiable information such as name, address, phone number or email address. If you are a registered user of the Trust's website, the Trust or their service providers or third party firms engaged by the Trust or their service providers may collect or share information submitted by you, which may include personally identifiable information. This information can be useful to the Trust when assessing and offering services and website features. You can change your cookie preferences by changing the setting on your web browser to delete or reject cookies. If you delete or reject cookies, some website pages may not function properly. The Trust does not look for web browser "do not track" requests.

CHANGES TO THE PRIVACY POLICY

From time to time, the Trust may update or revise this privacy policy. If there are changes to the terms of this privacy policy, documents containing the revised policy on the relevant website will be updated.

[1] Amended as of February 15, 2017.

[2] PIMCO Investments LLC ("PI") serves as the Trust's distributor. This Privacy Policy applies to the activities of PI to the extent that PI regularly effects or engages in transactions with or for a Trust shareholder who is the record owner of such shares. For purposes of this Privacy Policy, references to "the Trust" shall include PI when acting in this capacity.

[3] When distributing this Policy, the Trust may combine the distribution with any similar distribution of its investment adviser's privacy policy. The distributed, combined policy may be written in the first person (i.e., by using "we" instead of "the Trust").

Approval of Renewal of the Amended and Restated Investment Advisory Contract, Supervision and Administration Agreement and Amended and Restated Asset Allocation Sub-Advisory Agreement

At a meeting held on August 20-21, 2019, the Board of Trustees (the "Board") of PIMCO Variable Insurance Trust (the "Trust"), including the Trustees who are not "interested persons" of the Trust under the Investment Company Act of 1940, as amended (the "Independent Trustees"), considered and unanimously approved the renewal of the Amended and Restated Investment Advisory Contract (the "Investment Advisory Contract") between the Trust, on behalf of each of the Trust's series (each, a "Portfolio," and collectively, the "Portfolios"), and Pacific Investment Management Company LLC ("PIMCO") for an additional one-year term through August 31, 2020. The Board also considered and unanimously approved the renewal of the Supervision and Administration Agreement (together with the Investment Advisory Contract, the "Agreements") between the Trust, on behalf of the Portfolios, and PIMCO for an additional one-year term through August 31, 2020. In addition, the Board considered and unanimously approved the renewal of the Amended and Restated Asset Allocation Sub-Advisory Agreement (the "Asset Allocation Agreement") between PIMCO, on behalf of PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio, each a series of the Trust, and Research Affiliates, LLC ("Research Affiliates") for an additional one-year term through August 31, 2020.

The information, material factors and conclusions that formed the basis for the Board's approvals are summarized below.

1. INFORMATION RECEIVED

(a) Materials Reviewed: During the course of the past year, the Trustees received a wide variety of materials relating to the services provided by PIMCO and Research Affiliates to the Trust. At each of its quarterly meetings, the Board reviewed the Portfolios' investment performance and a significant amount of information relating to Portfolio operations, including shareholder services, valuation and custody, the Portfolios' compliance program and other information relating to the nature, extent and quality of services provided by PIMCO and Research Affiliates to the Trust and each of the Portfolios, as applicable. In considering whether to approve the renewal of the Agreements and the Asset Allocation Agreement, the Board reviewed additional information, including, but not limited to, comparative industry data with regard to investment performance, advisory and supervisory and administrative fees and expenses, financial information for PIMCO and, where relevant, Research Affiliates, information regarding the profitability to PIMCO of its relationship with the Portfolios, information about the personnel providing investment management services, other advisory services and supervisory and administrative services to the Portfolios, and information about the fees charged and services provided to other clients with similar investment mandates as the Portfolios, where applicable. In addition, the Board reviewed materials provided by counsel to the Trust and the Independent Trustees, which included, among other things, a memorandum outlining legal duties of the Board in considering the renewal of the Agreements and the Asset Allocation Agreement.

(b) Review Process: In connection with considering the renewal of the Agreements and the Asset Allocation Agreement, the Board reviewed written materials prepared by PIMCO and, where applicable, Research Affiliates in response to requests from counsel to the Trust and the Independent Trustees encompassing a wide variety of topics. The Board requested and received assistance and advice regarding, among other things, applicable legal standards from counsel to the Trust and the Independent Trustees, and reviewed comparative fee and performance data prepared at the Board's request by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company performance information and fee and expense data. The Board received presentations from PIMCO and, where applicable, Research Affiliates, on matters related to the Agreements and the Asset Allocation Agreement and met both as a full Board and in a separate session of the Independent Trustees, without management present, at the August 20-21, 2019 meeting. The Independent Trustees also met in-person and telephonically with counsel to the Trust and the Independent Trustees, including an in-person meeting on July 17, 2019, and conducted a telephonic meeting with management and counsel to the Trust and Independent Trustees, to discuss the materials presented and other matters deemed relevant to their consideration of the renewal of the Agreements and the Asset Allocation Agreement. In connection with its review of the Agreements and the Asset Allocation Agreement, the Board received comparative information on the performance, the risk-adjusted performance and the fees and expenses of other peer group funds and share classes. The Independent Trustees also requested and received supplemental information, including information regarding Portfolio performance and profitability.

The approval determinations were made on the basis of each Trustee's business judgment after consideration and evaluation of all the information presented. Individual Trustees may have given different weight to certain factors and assigned various degrees of materiality to information received in connection with the approval process. In deciding to approve the renewal of the Agreements and the Asset Allocation Agreement, the Board did not identify any single factor or particular information that, in isolation, was controlling. The discussion below is intended to summarize the broad factors and information that figured prominently in the Board's consideration of the renewal of the Agreements and the Asset Allocation Agreement, but is not intended to summarize all of the factors considered by the Board.

2. NATURE, EXTENT AND QUALITY OF SERVICES

(a) PIMCO, Research Affiliates, their Personnel, and Resources: The Board considered the depth and quality of PIMCO's investment management process, including, but not limited to: the experience, capability and integrity of its senior management and other personnel; the overall financial strength and stability of its organization; and the ability of its organizational structure to address changes in the Portfolios' asset levels. The Board also considered the various services in addition to portfolio management that PIMCO provides under the Investment Advisory Contract. The Board noted that PIMCO makes available to its investment professionals a variety of resources and systems relating to investment management, compliance, trading, performance and portfolio accounting. The Board also noted PIMCO's commitment to enhancing and investing in its global infrastructure, technology capabilities, risk management processes and the specialized talent needed to provide the array of services required of a mutual fund sponsor, to stay at the forefront of the competitive investment management industry and to strengthen its ability to deliver services under the Agreements. The Board considered PIMCO's policies, procedures and systems reasonably designed to assure compliance with applicable laws and regulations and its commitment to further developing and strengthening these programs, its oversight of matters that may involve conflicts of interest between the Portfolios' investments and those of other accounts managed by PIMCO, and its efforts to keep the Trustees informed about matters relevant to the Portfolios and their shareholders. The Board also considered PIMCO's continuous investment in new disciplines and talented personnel, which has enhanced PIMCO's services to the Portfolios and has allowed PIMCO to introduce innovative new portfolios over time. In addition, the Board considered the nature, extent and quality of services provided by PIMCO to the wholly-owned subsidiaries of certain applicable Portfolios.

In addition, the Trustees considered new services and service enhancements that PIMCO has implemented, including, but not limited to: upgrading the global network and infrastructure to support trading and risk management systems; enhancing and continuing to expand capabilities within the pre-trade compliance platform; enhancing flexible client reporting capabilities to support increased differentiation within local markets; developing new application and database frameworks to support new trading strategies; making portfolio data, performance and portfolio analysis available on the cloud to improve system performance for internal users and develop a new self-service client portal; enhancing the enterprise risk management function, including PIMCO's Global Risk Committee, cybersecurity program and global business continuity functions; continuing oversight by the Americas Fund Oversight Committee, which provides senior-level oversight and supervision focused on new and ongoing fund-related business opportunities; expanding engagement with a third party service provider to provide certain additional fund administration services subject to PIMCO's oversight; expanding the Fund Treasurer's Office; enhancing a proprietary application to provide portfolio managers with more timely and high quality income reporting; developing a global tax management application that will enable investment professionals to access foreign market and security tax information on a real-time basis; upgrading a proprietary application to allow shareholder subscription and redemption data to pass to portfolio managers more quickly and efficiently; completing work on structured data filings for Form N-PORT and Form N-CEN to ensure operational readiness and successfully meet applicable filing dates; implementing a contingent NAV process; continuing to advocate in the public policy arena; and continuing to expand the pricing portal and the proprietary performance reconciliation tool. Similarly, the Board considered the asset allocation services provided by Research Affiliates to the PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio. The Board further considered PIMCO's oversight of Research Affiliates in connection with Research Affiliates providing asset allocation services to the All Asset Portfolio and All Asset All Authority Portfolio. The Board also considered the depth and quality of Research Affiliates' investment management and research capabilities, the experience and capabilities of its portfolio management personnel and the overall financial strength of the organization.

Ultimately, the Board concluded that the nature, extent and quality of services provided or procured by PIMCO under the Agreements and provided by Research Affiliates under the Asset Allocation Agreement are likely to continue to benefit the Portfolios and their respective shareholders, as applicable.

(b) Other Services: The Board also considered the nature, extent and quality of supervisory and administrative services provided by PIMCO to the Portfolios under the Supervision and Administration Agreement.

The Board considered the terms of the Supervision and Administration Agreement, under which the Trust pays for the supervisory and administrative services provided pursuant to that agreement under what is essentially an all-in fee structure (the "unified fee"). In return, PIMCO provides or procures certain supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including, but not limited to, audit, custodial, portfolio accounting, ordinary legal, transfer agency, sub-accounting and printing costs. The Board noted that the scope and complexity, as well as the costs, of the supervisory and administrative services provided by PIMCO under the Supervision and Administration Agreement continue to increase. The Board considered PIMCO's provision of supervisory and administrative services and its supervision of the Trust's third party service providers to assure that these service providers continue to provide a high level of service relative to alternatives available in the market.

Ultimately, the Board concluded that the nature, extent and quality of the services provided by PIMCO has benefited, and will likely continue to benefit, the Portfolios and their shareholders.

3. INVESTMENT PERFORMANCE

The Board reviewed information from PIMCO concerning the Portfolios' performance, as available, over short- and long-term periods ended March 31, 2019 and other performance data, as available, over short- and long-term periods ended June 30, 2019 (the "PIMCO Report") and from Broadridge concerning the Portfolios' performance, as available, over short- and long-term periods ended March 31, 2019 (the "Lipper Report").

The Board considered information regarding both the short- and long-term investment performance of each Portfolio relative to its peer group and relevant benchmark index as provided to the Board in advance of each of its quarterly meetings throughout the year, including the PIMCO Report and Lipper Report, which were provided in advance of the August 20-21, 2019 meeting. The Trustees reviewed information indicating that classes of each Portfolio would have substantially similar performance to that of the Administrative Class of the relevant Portfolio on a relative basis because all of the classes are invested in the same portfolio of investments and that differences in performance among classes could principally be attributed to differences in the supervisory and administrative fees and distribution and servicing expenses of each class. The Board noted that, due to differences (such as specific investment strategies or fee structures) between certain of the Portfolios and their so-called peers in the Lipper categories, performance comparisons may not be particularly relevant to the consideration of Portfolio performance but found the comparative information supported its overall evaluation.

The Board noted that performance for a majority of the Portfolios has been mixed compared to their respective benchmark indexes over the five-year period ended March 31, 2019. The Board noted that, as of March 31, 2019, 91%, 25% and 91% of the Trust's assets (based on Administrative Class performance) outperformed their respective benchmarks on a net-of-fees basis over the three-, five- and ten-year periods, respectively. The Board also discussed actions that have been taken by PIMCO to attempt to improve performance and took note of PIMCO's plans to monitor performance going forward.

The Board ultimately concluded, within the context of all of its considerations in connection with the Agreements, that PIMCO's performance record and process in managing the Portfolios indicates that its continued management is likely to benefit the Portfolios and their shareholders, and merits the approval of the renewal of the Agreements.

4. ADVISORY FEES, SUPERVISORY AND ADMINISTRATIVE FEES AND TOTAL EXPENSES

The Board considered that PIMCO seeks to price new funds and classes to scale at the outset with reference to the total expense ratios of the respective Lipper median, if available, while providing a premium for innovative investment offerings. PIMCO reported to the Board that, in proposing fees for any Portfolio or class of shares, it considers a number of factors, including, but not limited to, the type and complexity of the services provided, the cost of providing services, the risk assumed by PIMCO in the development of products and the provision of services and the competitive marketplace for financial products.

In addition, PIMCO reported to the Board that it periodically reviews the fees charged to the Portfolios and that PIMCO may propose advisory fee or supervisory and administrative fee changes where (i) a Portfolio's long-term performance warrants additional consideration; (ii) there is a notable aid to market position; (iii) a Portfolio's fee does not reflect the current level of supervision or administrative fees provided to the Portfolio; or (iv) PIMCO would like to change a Portfolio's overall strategic positioning.

The Board reviewed the advisory fees, supervisory and administrative fees and total expenses of the Portfolios (each as a percentage of average net assets) and compared such amounts with the average and median fee and expense levels of other similar funds. The Board also reviewed information relating to the sub-advisory fees paid to Research Affiliates with respect to applicable Portfolios, taking into account that PIMCO compensates Research Affiliates from the advisory fees paid by such Portfolios to PIMCO. With respect to advisory fees, the Board reviewed data from the Lipper Report that compared the average and median advisory fees of other funds in a "Peer Group" of comparable funds, as well as the universe of other similar funds. The Board reviewed materials indicating that a number of Portfolios have total expense ratios that fall below the average and median expense ratios in their Peer Group and Lipper universe. In addition, the Board considered fee waivers in place for certain of the Portfolios and also noted the fee waivers in place with respect to the advisory fee and supervisory and administrative fee that might result from investments by applicable Portfolios in their respective wholly-owned subsidiaries. The Board also considered that PIMCO reviews the Portfolios' fee levels and carefully considers changes where appropriate.

The Board also reviewed data comparing the Portfolios' advisory fees to the fee rates PIMCO charges to separate accounts, private funds, collective investment trusts and sub-advised clients with similar investment strategies. In cases where the fees for other clients were lower than those charged to the Portfolios, the Trustees noted that the differences in fees were attributable to various factors, including, but not limited to, differences in the advisory and other services provided by PIMCO to the Portfolios, differences in the number or extent of the services provided by PIMCO to the Portfolios, the manner in which similar portfolios may be managed, different requirements with respect to liquidity management and the implementation of other regulatory requirements, and the fact that separate accounts may have other contractual arrangements or arrangements across PIMCO strategies that justify different levels of fees. The Board considered that, with respect to collective investment trusts, PIMCO performs fewer or less extensive services because collective investment trusts are generally exempt from SEC regulation; investors in a collective investment trust may receive shareholder services from a trustee bank, rather than PIMCO; collective investment trusts have less regulatory disclosure; and the management structure of collective investment trusts differs from that of funds. The Trustees also considered that PIMCO faces increased entrepreneurial, legal and regulatory risk in sponsoring and managing mutual funds and ETFs as compared to separate accounts, external sub-advised funds or other investment products.

Regarding advisory fees charged by PIMCO in its capacity as sub-adviser to third party/unaffiliated funds, the Trustees took into account that such fees may be lower than the fees charged by PIMCO to serve as adviser to the Portfolios. The Trustees also took into account that there are various reasons for any such differences in fees, including, but not limited to, the fact that PIMCO may be subject to varying levels of entrepreneurial risk and regulatory requirements, differing legal liabilities on a contract-by-contract basis and different servicing requirements when PIMCO does not serve as the sponsor of a fund and is not principally responsible for all aspects of a fund’s investment program and operations as compared to when PIMCO serves as investment adviser and sponsor.

The Board considered the Portfolios’ supervisory and administrative fees, comparing them to similar funds managed by other investment advisers in the Lipper Report. The Board also considered that as the Portfolios’ business has become increasingly complex and the number of Portfolios has grown over time, PIMCO has provided an increasingly broad array of fund supervisory and administrative functions. In addition, the Board considered the Trust’s unified fee structure, under which the Trust pays for the supervisory and administrative services it requires for one set fee. In return for this unified fee, PIMCO provides or procures supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including audit, custodial, portfolio accounting, ordinary legal, transfer agency, sub-accounting and printing costs. The Board further considered that many other funds pay for comparable services separately, and thus it is difficult to directly compare the Trust’s unified supervisory and administrative fees with the fees paid by other funds for administrative services alone. The Board also considered that the unified supervisory and administrative fee leads to Portfolio fees that are fixed over the contract period, rather than variable. The Board noted that, although the unified fee structure does not have breakpoints, it implicitly reflects economies of scale by fixing the absolute level of Portfolio fees at competitive levels over the contract period even if the Portfolios’ operating costs rise when assets remain flat or decrease. Other factors the Board considered in assessing the unified fee include PIMCO’s approach of pricing Portfolios to scale at inception and reinvesting in other important areas of the business that support the Portfolios. The Board considered that the Portfolios’ unified fee structure meant that fees were not impacted by recent outflows in certain Portfolios, unlike funds without a unified fee structure, which may see increased expense ratios when fixed costs, such as service provider costs, are passed through to a smaller asset base. The Board considered historical advisory and supervisory and administrative fee reductions implemented for different Portfolios and classes, noting that the unified fee can be increased or decreased in subsequent contractual periods and is subject to the periodic reviews discussed above. The Board noted that, with few exceptions, PIMCO has generally maintained Portfolio fees at the same level as implemented when the unified fee was adopted, and has reduced fees for a number of Portfolios in prior years. The Board concluded that the Portfolios’ supervisory and administrative fees were reasonable in relation to the value of the services provided, including the services provided to different classes of shareholders, and that the expenses assumed contractually by PIMCO under the Supervision and Administration Agreement represent, in effect, a cap on overall Portfolio fees during the contractual period, which is beneficial to the Portfolios and their shareholders.

The Board considered the Portfolios’ total expenses and discussed with PIMCO those Portfolios and/or classes of Portfolios that had above median total expenses. Upon comparing the Portfolios’ total expenses to other funds in the “Peer Groups” provided by the Lipper Report, the Board found total expenses of each Portfolio to be reasonable.

The Trustees also considered the advisory fees charged to the Portfolios that operate as funds of funds (the “Funds of Funds”) and the advisory services provided in exchange for such fees. The Trustees determined that such services were in addition to the advisory services provided to the underlying funds in which the Funds of Funds may invest and, therefore, such services were not duplicative of the advisory services provided to the underlying funds. The Board also considered the various fee waiver agreements in place for the Funds of Funds. The Board noted that PIMCO is continuing waivers for these Funds of Funds, as well as for certain other Portfolios of the Trust.

Based on the information presented by PIMCO and Research Affiliates, members of the Board determined, in the exercise of their business judgment, that the level of the advisory fees and supervisory and administrative fees charged by PIMCO under the Agreements, that the fees charged by to PIMCO Research Affiliates under the Asset Allocation Agreement, and that the total expenses of each Portfolio, are reasonable.

5. ADVISER COSTS, LEVEL OF PROFITS AND ECONOMIES OF SCALE

The Board reviewed information regarding PIMCO's costs of providing services to, as well as the resulting level of profits attributable to the Portfolios. To the extent applicable, the Board also reviewed information regarding the portion of a Portfolio's advisory fee retained by PIMCO, following the payment of sub-advisory fees to Research Affiliates, with respect to the Portfolio. Additionally, the Board discussed PIMCO's pre-distribution profit margin ranges with respect to the Portfolios, as compared to the prior year. The Board further noted PIMCO's engagement of a third party to review and to make recommendations regarding PIMCO's processes supporting its profitability estimation materials. The Board also noted that it had received information regarding the structure and manner in which PIMCO's investment professionals were compensated, and PIMCO's view of the relationship of such compensation to the attraction and retention of quality personnel. The Board considered PIMCO's investment in global infrastructure, technology capabilities, risk management processes and qualified personnel to reinforce and offer new services and to accommodate changing regulatory requirements.

With respect to potential economies of scale, the Board noted that PIMCO shares the benefits of economies of scale with the Portfolios and their shareholders in a number of ways, including investing in portfolio and trade operations management, firm technology, middle and back office support, legal and compliance, and fund administration logistics, senior management supervision, governance and oversight of those services, and through fee reductions or waivers, the pricing of Portfolios to scale from inception, and the enhancement of services provided to the Portfolios in return for fees paid. The Board reviewed the history of the Portfolios' fee structure. The Board considered that the Portfolios' unified fee rates had been set competitively and/or priced to scale from inception, had been held steady during the contractual period at that scaled competitive rate for most Portfolios as assets grew, or as assets declined in the case of some Portfolios, and continued to be competitive compared with peers. The Board also considered that the unified fee is a transparent means of informing a Portfolio's shareholders of the fees associated with the Portfolio, and that the Portfolio bears certain expenses that are not covered by the advisory fee or the unified fee. The Board further considered the challenges that arise when managing large funds, which can result in certain "diseconomies" of scale and noted that PIMCO has continued to reinvest in many areas of the business to support the Portfolios.

The Trustees considered that the unified fee has provided inherent economies of scale because a Portfolio maintains competitive fixed fees over the annual contract period even if the particular Portfolio's assets decline and/or operating costs rise. The Trustees further considered that, in contrast, breakpoints may be a proxy for charging higher fees on lower asset levels and that when a fund's assets decline, breakpoints may reverse, which causes expense ratios to increase. The Trustees also considered that, unlike the Portfolios' unified fee structure, funds with "pass through" administrative fee structures may experience increased expense ratios when fixed dollar fees are charged against declining fund assets. The Trustees also considered that the unified fee protects shareholders from a rise in operating costs that may result from, among other things, PIMCO's investments in various business enhancements and infrastructure, including those referenced above. The Trustees noted that PIMCO's investments in these areas are extensive.

The Board concluded that the Portfolios' cost structures were reasonable and that PIMCO is appropriately sharing economies of scale, if any, through the Portfolios' unified fee structure, generally pricing Portfolios to scale at inception and reinvesting in its business to provide enhanced and expanded services to the Portfolios and their shareholders.

6. ANCILLARY BENEFITS

The Board considered other benefits realized by PIMCO and its affiliates as a result of PIMCO's relationship with the Trust. Such benefits may include possible ancillary benefits to PIMCO's institutional investment management business due to the reputation and market penetration of the Trust or third party service providers' relationship-level fee concessions, which decrease fees paid by PIMCO. The Board also considered that affiliates of PIMCO provide distribution and/or shareholder services to the Portfolios and their shareholders, for which they may be compensated through distribution and servicing fees paid pursuant to the Portfolios' Rule 12b-1 plans or otherwise. The Board reviewed PIMCO's soft dollar policies and procedures, noting that while PIMCO has the authority to receive the benefit of research provided by broker-dealers executing portfolio transactions on behalf of the Portfolios, it has adopted a policy not to enter into contractual soft dollar arrangements.

7. CONCLUSIONS

Based on their review, including their comprehensive consideration and evaluation of each of the broad factors and information summarized above, the Independent Trustees and the Board as a whole concluded that the nature, extent and quality of the services rendered to the Portfolios by PIMCO and Research Affiliates supported the renewal of the Agreements and the Asset Allocation Agreement. The Independent

Trustees and the Board as a whole concluded that the Agreements and the Asset Allocation Agreement continued to be fair and reasonable to the Portfolios and their shareholders, that the Portfolios' shareholders received reasonable value in return for the fees paid to PIMCO by the Portfolios under the Agreements and the fees paid to Research Affiliates by PIMCO under the Asset Allocation Agreement, and that the renewal of the Agreements and the Asset Allocation Agreement was in the best interests of the Portfolios and their shareholders.

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This report is submitted for the general information of the shareholders of the Portfolio listed on the Report cover.

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